

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH ARTICLE 126 OF THE COMPANIES (JERSEY) LAW 1991. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying documents (including the Forms of Proxy), at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

However, these documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in certain jurisdictions other than the United Kingdom and Jersey may be restricted by law. Accordingly, this document may not be distributed or published in 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 invitation or offer to sell or exchange, or the solicitation of an invitation or offer to buy or exchange, any security or to become a member of New Invinity. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.**

INVINITY ENERGY SYSTEMS PLC

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 with registered number 92432)

Recommended proposals for:

(i) the introduction of a new England and Wales incorporated and United Kingdom tax resident parent company by means of a scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991; and

(ii) the New Invinity Reduction of Capital;

and

Notices of Jersey Court Meeting and Scheme General Meeting

Shareholders should read the whole of this document.

Your attention is drawn to the letter from the Chairman of Invinity in Part I of this document, which contains the unanimous recommendation of your Board that you vote in favour of the Scheme at both the Jersey Court Meeting and the Scheme General Meeting and in favour of the other Proposals at the Scheme General Meeting. An explanation of the Scheme is set out in Part II of this document.

Notices of the Jersey Court Meeting and the Scheme General Meeting, each of which will be held on 11 December 2024, are set out in Parts VII and VIII respectively of this document. The Jersey Court Meeting will start at 3.00 p.m. and the Scheme General Meeting at 3.15 p.m. (or as soon thereafter as the Jersey Court Meeting concludes or adjourns).

The action to be taken in respect of the Meetings is set out in the paragraph headed "Action to be taken" in Part I of this document. Shareholders will find enclosed with this document a BLUE Form of Proxy for use in connection with the Jersey Court Meeting and a WHITE Form of Proxy for use in connection with the Scheme General Meeting.

Whether or not you intend to attend the Meetings in person, please complete and sign each of the enclosed BLUE Form of Proxy and WHITE Form of Proxy in accordance with the instructions printed on them and return them to the Registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to be received at least 48 hours before the time appointed for the relevant Meeting. If the BLUE Form of Proxy for the Jersey Court Meeting is not returned by the above time, it may be handed to the Chairman of the Jersey Court Meeting before the start of that Meeting. However, in the case of the Scheme General Meeting, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a BLUE Form of Proxy or a WHITE Form of Proxy will not prevent you from attending and voting in person at the Jersey Court Meeting, the Scheme General Meeting or any adjournment thereof if you so wish and are so entitled to attend.

The Directors and the Company accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules and AQSE Rules. To the best of the knowledge and belief of the Directors and the Company (who have 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. The names and functions of the Directors, as well as details of the Company's registered office, appear in paragraph 4 of Part V of this document.

The Ordinary Shares are admitted to trading on AIM and the APEX segment of the AQSE Growth Market of AQSE. Conditional upon the Scheme becoming effective, application will be made to the London Stock Exchange and AQSE for the New Invinity Shares to be admitted to trading. Conditional upon the Scheme becoming effective, it is expected that dealings in Invinity Shares will continue until the close of business on 8 January 2025 and Admission will become effective and dealings in the New Invinity Shares will commence on AIM and on the AQSE Growth Market at 8:00 a.m. on 9 January 2025.

AIM and the AQSE Growth Market are 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 and AQSE Growth Market securities are not admitted to the Official List of the Financial Conduct Authority (the "FCA") and to trading on the Main Market for listed securities of the London Stock Exchange plc (the "LSE"). 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 and AQSE have not themselves examined or approved the contents of this document. Prospective investors should read this document in its entirety.

In accordance with section 85 and section 86 of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, AQSE or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM or AQSE Rules.

These Proposals involve an exchange of securities that the Company believes qualify for an exemption from registration under Section 3(a)(9) of the US Securities Act. Section 3(a)(9) exempts exchanges of securities by the issuer where no commission or other remuneration is paid for the solicitation of such exchanges. While the Company believes these Proposals meet the requirements for the Section 3(a)(9) exemption, an opinion of US legal counsel has not been sought on this matter, and if it is determined by a regulatory authority or a court that this offering does not qualify for the exemption, these Proposals may be subject to potential penalties, including the possibility of rescission rights being granted to investors who participated in the exchange.

There are risks related to the reliance on this exemption, including:

- (a) uncertainty in qualification: There is no guarantee that the Company will continue to meet all of the requirements of Section 3(a)(9). Any failure to comply could result in enforcement action, fines, or the requirement to register the securities;
- (b) potential challenges by regulators: Even though the Company intends to rely on the Section 3(a)(9) exemption, the SEC or other regulatory bodies may review the transaction and may determine that the exemption does not apply. If such a determination is made, the Company could face legal and financial consequences;
- (c) limited availability of recourse: Investors may have limited recourse if it is later determined that the exchange does not comply with the terms of the Section 3(a)(9) exemption. In such a case, participants in the exchange may not have the benefit of federal securities law protections that would otherwise apply in a registered offering; and
- (d) resale restrictions: Securities received in an exchange under Section 3(a)(9) may be subject to restrictions on resale, depending on the investor's status and holding period, which may limit the liquidity of these securities in the market.

Exchange of shares subject to exemption under Section 3(a)(9) of the US Securities Act, or to be otherwise modified for a Uniform Limited Offering Exemption ("ULOE"). The Company intends to rely on Section 18(b)(4)(C) of the US Securities Act to preempt state securities law requirements for the exchange of shares under Section 3(a)(9) of the US Securities Act. Section 18(b)(4)(C) provides that securities offered in certain private placements, such as those exempt under Rule 506 of Regulation D, are classified as "covered securities," and therefore exempt from state registration and qualification requirements. While the Company believes that the shares issued in this exchange under Section 3(a)(9) should qualify as "covered securities" based on federal law preemption, reliance on this exemption involves certain risks, such as:

- (a) uncertainty of state law preemption: Although Section 18(b)(4)(C) preempts state registration requirements for certain "covered securities," there is no express guidance that confirms state preemption applies to shares exchanged under Section 3(a)(9). If it is determined that the Company's reliance on this provision was incorrect, the Company could be subject to state securities laws, including the need to register or qualify the exchange in multiple states. This could lead to delays, increased costs, or potential legal liabilities;
- (b) potential regulatory challenges: There is a risk that state regulators may challenge the application of the Section 18(b)(4)(C) preemption to this exchange. If regulators in certain states determine that the shares exchanged under Section 3(a)(9) do not qualify for federal preemption, they may require the Company to comply with state registration requirements or offer rescission rights to investors, potentially impacting the success of the share exchange;

(c) increased costs and delays: In the event that the Company is required to comply with state securities laws due to the invalidation of federal preemption, the Company may face additional costs related to state filings, registration fees, legal expenses, and delays in completing the exchange. This could adversely affect the timing and financial outcome of the Scheme and the Meetings;

(d) enforcement risks: State regulators retain the authority to enforce anti-fraud and other investor protection laws, even if the securities are otherwise exempt from registration under Section 18(b)(4)(C). If any aspect of the exchange is deemed fraudulent or otherwise in violation of state laws, the Company could face enforcement actions, including fines, penalties, or other remedial measures; and

(e) limited investor protections: By relying on Section 18(b)(4)(C), investors may not receive the same level of protections provided under state securities laws, which could reduce their ability to seek recourse or legal remedies if issues arise with the exchange of shares.

Neither the SEC nor any US State securities commission has reviewed or approved this document or the Scheme or the New Invinity Shares. Any representation to the contrary is a criminal offence in the United States.

The availability of the Scheme to Scheme Shareholders who are not resident or ordinarily resident in Jersey or the United Kingdom and the release, publication or distribution of this document in or into certain jurisdictions other than Jersey or the United Kingdom may be restricted by law and therefore any persons into whose possession this document comes should inform themselves of, and observe, such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws and regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Scheme disclaim any responsibility or liability for the violation of such restrictions by any person. Scheme Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website www.invinity.com.

Canaccord, which is authorised and regulated in the UK by the FCA, is acting exclusively for Invinity and New Invinity and no one else in connection with the Proposals and will not be responsible to anyone other than Invinity and New Invinity for providing the protections afforded to its clients, for the contents of this document or for providing any advice in relation to this document and the Proposals. Canaccord's responsibilities as Invinity and New Invinity's nominated adviser are owed solely to the London Stock Exchange.

VSA Capital Limited, which, in the United Kingdom, is authorised and regulated by the FCA, is acting exclusively for Invinity and New Invinity and no one else in connection with the Proposals and will not be responsible to anyone other than Invinity and New Invinity for providing the protections afforded to its clients, for the contents of this document or for providing any advice in relation to this document and the Proposals. VSA Capital Limited's responsibilities as Invinity and New Invinity's AQSE Corporate Adviser, Financial Adviser and Joint Broker are owed to the Company and to AQSE.

Apart from the responsibilities and liabilities, if any, which may be imposed on Canaccord Genuity Limited and/or VSA Capital Limited by the FSMA or the regulatory regime established thereunder, the AIM Rules and the AQSE Rules, Canaccord Genuity Limited and VSA Capital Limited do not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Proposals. Canaccord Genuity Limited and VSA Capital Limited accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement. However, nothing in this document shall be effective to limit or exclude liability for fraud or which cannot otherwise, by law or regulation, be so limited or excluded.

Invinity and/or New Invinity may include forward-looking statements in oral or written public statements issued by or on behalf of Invinity and/or New Invinity. These forward-looking statements may include, among other things, plans, objectives, projections and anticipated future economic performance based on assumptions that are subject to risks and uncertainties. As such, actual results or outcomes may differ materially from those discussed in the forward-looking statements. Important factors which may cause actual results to differ include but are not limited to: loss of key customers, changes in purchasing behaviour, compliance costs or litigation, natural disasters or acts of terrorism, failures or interruption in availability of key systems or the Invinity Group's critical IT infrastructure, Invinity's and/or New Invinity's exposure to changes in the values of other major currencies other than the UK pound sterling (because a substantial portion of their revenues are derived and costs incurred outside of the United Kingdom) and the overall level of economic activity in Invinity's and/or New Invinity's major markets (which varies depending on, among other things, regional, national and international political and economic conditions and government regulations). In light of these and other uncertainties, the forward-looking statements included in this document should not be regarded as a representation by Invinity or New Invinity that Invinity's or New Invinity's plans and objectives will be achieved.

Neither Invinity nor New Invinity undertake any obligation to update the forward-looking statements to reflect actual results, or any change in events, conditions or assumptions or other factors, unless required to do so by the AIM Rules, the AQSE Rules or the Disclosure and Transparency Rules.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| <i>Event</i> | <i>Time and/or date (2024-2025)</i> |
|---|---|
| Posting of this Document and Forms of Proxy | 22 November |
| Latest time for lodging BLUE Forms of Proxy for the Jersey Court Meeting | 3.00 p.m. on 9 December ¹ |
| Latest time for lodging WHITE Forms of Proxy for the Scheme General Meeting | 3.15 p.m. on 9 December |
| Voting Record Time | 6.00 p.m. on 9 December ² |
| Jersey Court Meeting | 3.00 p.m. on 11 December |
| Scheme General Meeting | 3.15 p.m. on 11 December ³ |

The following dates are subject to change and are indicative only

| | |
|---|-------------------------|
| Jersey Court Hearing to sanction the Scheme and the Scheme Reduction of Capital | 10.00 a.m. on 8 January |
| Last day of dealings in, and for registration of transfers in CREST of, Invinity Shares | 8 January ⁴ |

| | |
|--|---|
| Scheme Record Time | 6.00 p.m. on 8 January |
| Effective Date of the Scheme | 9 January |
| Cancellation of listing of Invinity Shares, New Invinity Shares admitted to AIM and AQSE Growth Market, crediting of New Invinity Shares in uncertificated form to CREST accounts and dealings in New Invinity Shares commence on AIM and AQSE Growth Market | 8.00 a.m. on 9 January |
| English Court hearing to confirm the New Invinity Reduction of Capital | 14 January |
| New Invinity Reduction of Capital becomes effective | 15 January |
| Despatch of New Invinity share certificates for New Invinity Shares in certificated form | Within 14 days of the Effective Date |
| The date by which the Scheme must become unconditional and effective, failing which it will lapse | 28 February |

Notes:

¹ BLUE Forms of Proxy for the Jersey Court Meeting not returned by this time may be handed to the Chairman of Invinity at the Jersey Court Meeting.

² If either the Jersey Court Meeting or the Scheme General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 6.00 p.m. on the date two days before the date set for the adjourned meeting.

³ To commence at 3.15 p.m. or, if later, immediately after the conclusion or adjournment of the Jersey Court Meeting.

⁴ This date is indicative only and will depend, among other things, on the date upon which the Jersey Court sanctions the Scheme.

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SUMMARY

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document tells you about:

- (a) the proposals for a reorganisation of the Invinity Group which will result in a new England and Wales incorporated, United Kingdom tax resident company (“**New Invinity**”) becoming the holding company of the Invinity Group (the “**Scheme**”);
- (b) the proposals for New Invinity to reduce the nominal value of its ordinary shares to create distributable reserves to support the payment of future dividends (the “**New Invinity Reduction of Capital**”); and
- (c) the rights under the Invinity Employee Share Plan.

Here is what you need to do now:

- **Review this summary** and the remainder of this document.
- **Read the Chairman’s letter** in Part I of this document. This explains what is happening and why your Board recommends that you should vote in favour of the Proposals.
- If you have any further queries, please call our **Shareholder Helpline**, the number of which is below.

Invinity Shareholders should read the whole of this document and not just rely on this summary. This summary should not be regarded as a substitute for reading the whole document.

SHAREHOLDER HELPLINE TELEPHONE NUMBER:

0370 707 4040

(+44 (0)370 707 4040 if you are calling from outside the UK)

Any London business day, 8.30 a.m. to 5.30 p.m. (UK time)

Calls cost up to 10 pence (including VAT) per minute from a standard BT landline.

Charges from mobiles and other operators may vary.

Note: For legal reasons, this helpline will only be able to provide practical information and will not provide advice on the merits of any of the Proposals or Admission or give any financial, legal or taxation advice. For financial, legal or taxation advice, you will need to consult an independent financial or legal adviser.

To help you understand what is involved in the Scheme and the other matters referred to below, Invinity has prepared this summary. **You should read the whole of this document and not rely solely on the summary set out below.**

1. Why is Invinity proposing the Scheme?

New Invinity has been incorporated in England and Wales and is UK tax resident. The Scheme will establish New Invinity as the parent company of the Group.

As noted in the Circular 2024, the Board’s intention is to re-domicile the Company from Jersey to the UK following the successful completion of the Subscription, Placing and Open Offer in May 2024. The Company’s current status as a non-English company means it incurs duplicated costs in Jersey in order to comply with local corporate requirements. Accordingly, it is expected that this move will reduce the Company’s overall costs, will

simplify the Group's corporate structure, and will facilitate more focused management of the businesses based in the UK and North America.

Accordingly, the Invinity Directors are recommending moving the headquarters of the Group to the UK to be effected by the implementation of the Scheme.

2. Why is Invinity implementing the introduction of the new parent company by way of a scheme of arrangement?

The Scheme is a formal procedure under Article 125 of the Companies (Jersey) Law 1991 which is commonly used to carry out corporate reorganisations. The Scheme requires the approval of Invinity Shareholders and the Jersey Court. If the relevant approvals are obtained, all Invinity Shareholders will be bound by the Scheme regardless of whether or how they voted.

3. What is the New Invinity Reduction of Capital and why is it proposed?

The purpose of the New Invinity Reduction of Capital is to create distributable reserves in the accounts of New Invinity, giving the Company the flexibility to pay dividends in the future. However, please note that whilst the New Invinity Reduction of Capital is intended to create a distributable reserve, the Company does not plan on making dividend payments in the foreseeable future, and there can be no assurance as to the level of future dividends (if any).

It is anticipated that the nominal value of a New Invinity Share prior to the New Invinity Reduction of Capital will be £0.14. Pursuant to the New Invinity Reduction of Capital, such nominal value will be reduced from £0.14 to £0.01. It is intended that this will create a distributable reserve of approximately £4.41 million, which will be available to New Invinity to be applied towards any lawful purpose including distribution of dividends as appropriate.

As the Invinity Shareholders will become New Invinity Shareholders following the Scheme becoming effective, the New Invinity Reduction of Capital will require the confirmatory approval of the Invinity Shareholders. The New Invinity Reduction of Capital will also require confirmation by the English Court.

The New Invinity Reduction of Capital is not expected to have any impact on the market value of the New Invinity Shares.

4. What effect will the Scheme have on the Invinity Employee Share Plan?

Invinity has granted various types of share options to its employees all which are granted under the terms of the Invinity Employee Share Plan. Under the Invinity Employee Share Plan, Invinity has granted: (i) tax advantaged CSOP Options to eligible UK staff; (ii) tax advantaged incentive stock options to eligible US staff; and (iii) non-tax advantaged share options to UK and Canadian staff.

It is Invinity's intention that the rights under the Invinity Employee Share Plan will not vest or be exercised early as a result of the Scheme. It is also Invinity's intention that such rights will continue on the same basis other than that participants will ultimately receive New Invinity Shares rather than Ordinary Shares if their awards vest or options are exercised. Invinity will write to participants in the Invinity Employee Share Plan in due course to explain the effect on their awards in more detail. The effect is currently unclear pending the outcome of an HMRC clearance process regarding how the Scheme will impact the options granted under the terms of the Invinity Employee Share Plan. The effect of the possible outcomes of the clearance application on the Invinity Employee Share Plan is summarised in paragraph 2(c) of Part I of this document.

5. Why am I being sent this document?

The Scheme requires Invinity Shareholders to vote on certain matters at both the Jersey Court Meeting and the Scheme General Meeting. The other Proposals require Invinity Shareholders to vote on certain matters at the Scheme General Meeting. This document contains information to assist you in your voting decision in relation to all of the Proposals.

6. Why are there two meetings and do I need to attend?

There are two Invinity Shareholder meetings, being the Jersey Court Meeting and the subsequent Scheme General

Meeting, which are being called for different purposes and which will be held on the same day.

The sole purpose of the Jersey Court Meeting is to seek the approval of Invinity Shareholders to the Scheme itself.

The subsequent Scheme General Meeting, which will be held immediately after the Jersey Court Meeting, is being called to enable Invinity Shareholders to approve elements of the Scheme and various matters in connection with the Scheme and the New Invinity Reduction of Capital, each as described in Part I of this document.

The Jersey Court Meeting and the Scheme General Meeting will be held on 11 December 2024.

If you hold Ordinary Shares, you are entitled and encouraged to attend the Meetings. If you do not attend, you are still entitled to vote at the Meetings by appointing a proxy – see question 7 below.

7. Do I need to vote?

It is important that as many Invinity Shareholders as possible cast their votes (whether in person or by proxy). This applies to both the Jersey Court Meeting and the Scheme General Meeting. **In particular, it is important that a considerable number of votes are cast (whether in person or by proxy) at the Jersey Court Meeting so as to demonstrate to the Jersey Court that there is a fair representation of Invinity Shareholder opinion.**

The resolutions at both the Jersey Court Meeting and the Scheme General meeting will be decided by way of a poll. On a poll, each Invinity Shareholder present in person or by proxy will have one vote for each Invinity Share held.

If you do not wish, or are unable, to attend the Jersey Court Meeting and/or the Scheme General Meeting you may appoint someone (known as a “proxy”) to act on your behalf and vote at the Jersey Court Meeting and/or the Scheme General Meeting. You may appoint your proxy by completing the BLUE Form of Proxy and the WHITE Form of Proxy and returning them in accordance with the instructions set out in paragraph 9 of Part I of this document and on the relevant Form of Proxy.

You are therefore strongly encouraged to complete, sign and return your BLUE Form of Proxy and WHITE Form of Proxy as soon as possible. You have been sent a BLUE Form of Proxy for the Jersey Court Meeting and a WHITE Form of Proxy for the Scheme General Meeting.

If you hold Ordinary Shares in uncertificated form you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual ensuring that it is received by the Registrars (under CREST Participant ID 3RA28) by no later than 48 hours before the time appointed for the relevant Meeting.

Should you later change your mind and decide to attend the Meetings in person, returning the Forms of Proxy will not preclude you from doing so.

8. What will I end up with after the Scheme comes into effect?

When the Scheme becomes effective, you will receive one New Invinity Share in place of each Ordinary Share held at the Scheme Record Time (which is expected to be 6.00 p.m. on 8 January 2025). The register of members of New Invinity will be updated to reflect your shareholding on the Scheme becoming effective. If you hold your Ordinary Shares in a CREST account, the New Invinity Shares will be credited to your CREST account and if you hold your Ordinary Shares in certificated form, share certificates will be sent to you in due course.

9. Do I have to pay anything under the Scheme?

No. All New Invinity Shares arising as a result of the Scheme are being issued to Invinity Shareholders in return for their existing Ordinary Shares. No additional payment is required.

10. What do I do with my old share certificates?

When the Scheme becomes effective, your holding of Ordinary Shares will be replaced by an equivalent holding of New Invinity Shares. **Thus, all your certificates for Ordinary Shares held in certificated form will cease to be valid. Upon receipt of your share certificates for New Invinity Shares, your share certificates for Ordinary Shares should be destroyed.**

11. When will I receive share certificates for my New Invinity Shares?

It is currently proposed that share certificates for New Invinity Shares held in certificated form will be despatched to you within 14 days of the Effective Date. If you hold your Ordinary Shares in a CREST account, the New Invinity Shares will be credited to your account on Admission which is expected to be 9 January 2025.

12. Will I have to pay any tax as a result of the Scheme?

There should generally be no tax liabilities for UK-resident Invinity Shareholders arising from the Scheme.

Details of the UK and Jersey tax treatment of Invinity Shareholders arising under the Scheme are set out in paragraphs 12 to 13 (inclusive) of Part V of this document.

If you are in any doubt about your tax position, you should consult a professional adviser.

13. What if I hold my Invinity Shares in an ISA?

If you hold your Invinity Shares in an ISA, you should be able to hold your replacement New Invinity Shares in the ISA, depending on the ISA terms and conditions. If you require further details, you should contact your ISA manager.

If you do not currently hold Invinity Shares in an ISA, the New Invinity Shares should qualify for inclusion in a stocks and shares ISA, should you subsequently wish to hold your New Invinity Shares in an ISA.

14. Do I need to take further action?

It is important that you vote at the Jersey Court Meeting and the Scheme General Meeting. You are strongly encouraged to complete, sign and return your Forms of Proxy as soon as possible. See question 7 above and the instructions set out in paragraph 9 of Part I of this document and on the relevant Form of Proxy.

15. What if I still have questions?

If you have read this document and still have questions, please call the Shareholder Helpline on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside of the United Kingdom, further details of which are included at the beginning of this summary.

Note: For legal reasons this helpline will only be able to provide practical information and will not provide advice on the merits of any of the Proposals or Admission or give any financial, legal or taxation advice. For financial, legal or taxation advice, you will need to consult an independent financial or legal adviser.

PART I

LETTER FROM THE CHAIRMAN

INVINITY ENERGY SYSTEMS PLC

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 with registered number 92432)

Directors:

Neil O'Brien (*Non-executive Chairman*)
Jonathan Marren (*Chief Executive Officer*)
Matthew Harper (*Chief Commercial Officer*)
Rajat Kohli (*Senior Independent non-executive Director*)
Michael Farrow (*Non-executive Director*)
Kristina Peterson (*Non-executive Director*)

Registered Office:

3rd Floor
IFC5
Castle Street
St Helier
Jersey
JE2 3BY

22 November 2024

Dear Shareholder

1. Introduction

Invinity (the current parent company of the Invinity Group) today announced details of proposals to change the Invinity Group's corporate structure by putting in place a new parent company incorporated in England and Wales with its tax residence in the UK (the "**Redomiciliation**").

New Invinity was incorporated under the Companies Act on 12 August 2024 as a private company limited by shares. It is expected that it will be re-registered as a public company limited by shares with the name Invinity Energy Systems plc prior to the Jersey Court Meeting. If the Scheme becomes effective, New Invinity will become the parent company of the Invinity Group. It is expected that shortly after the Scheme becomes effective the existing parent company, Invinity Energy Systems plc, will change its status to a private company and be renamed Invinity Energy Systems (Jersey) Ltd.

The Scheme will be subject to various conditions as described in paragraph 4 of Part II of this document.

The purpose of this letter is to explain why the Invinity Board considers the Scheme to be on fair and reasonable terms and all of the Proposals to be in the best interests of Invinity and its Shareholders, and hence why the Invinity Board is encouraging Shareholders to vote in favour of the Proposals (in relation to which, please see paragraphs 5 and 9 of this letter).

2. Reasons for the Proposals

(a) *Background to and reasons for the Scheme*

In the Circular published on 3 May 2024, the Board stated its intention is to re-domicile the Company from Jersey to the UK following the successful completion of the Subscription, Placing and Open Offer in May 2024. The Company's current status as a non-English company means that it currently incurs duplicated costs in Jersey in order to comply with local corporate requirements. Accordingly, it is expected that this move will reduce the Company's overall costs, will simplify the Group's corporate structure, and will facilitate more focused management of the businesses based in the UK and North America. Furthermore, certain investors in the UK have a mandate to invest only in UK registered companies and are therefore restricted in their ability to invest in Invinity.

The Board anticipates that there would be no material change in the Group's reported tax rate, or taxation paid, as a result of the change in domicile from Jersey to the UK. Accordingly, the Invinity Directors are recommending moving the headquarters of the Group to the UK, to be effected by the implementation of the Scheme.

Accordingly, the Board, after detailed consideration, believes the proposed new corporate structure is the most appropriate structure for the Invinity Group and will best support its long-term strategy and growth.

The Directors unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Jersey Court Meeting and the special resolutions to be put to shareholders at the Scheme General Meeting. Further details about the Meetings are set out in paragraph 3 below.

(b) ***Creation of distributable reserves***

The purpose of the New Invinity Reduction of Capital is to create distributable reserves in the accounts of New Invinity, giving the Company the flexibility to pay dividends in the future. However, please note that whilst the New Invinity Reduction of Capital is intended to create a distributable reserve, the Company does not plan on making dividend payments in the foreseeable future, and there can be no assurance as to the level of future dividends (if any).

The New Invinity Reduction of Capital is not expected to have any impact on the market value of the New Invinity Shares.

Following the Scheme becoming effective, it is proposed that the share capital of New Invinity will be reduced to create distributable reserves in New Invinity. Such reduction of capital will require the confirmatory approval of the Invinity Shareholders. The New Invinity Reduction of Capital will also require confirmation by the English Court and registration of the order by the Registrar of Companies.

It is anticipated that the nominal value of a New Invinity Share immediately prior to the New Invinity Reduction of Capital will be £0.14 (the “**Anticipated Nominal Value**”). Pursuant to the New Invinity Reduction of Capital, such nominal value will be reduced to £0.01, so as to create a distributable reserve of approximately £4.41 million which will be available to New Invinity to be applied towards any lawful purpose including distribution of dividends as appropriate. The New Invinity Reduction of Capital is not expected to have any impact on the market value of the New Invinity Shares nor is it expected to have any impact on the Group’s current approach to dividends.

In order to obtain the confirmation of the English Court to the New Invinity Reduction of Capital, New Invinity will need to satisfy the English Courts that its creditors will not be prejudiced. New Invinity will put into place appropriate arrangements (if required) to satisfy the English Court’s requirements in this respect.

The New Invinity Shares will be allotted at a price per share equal to the actual closing price of Ordinary Shares on the last day of dealings in Ordinary Shares (currently expected to be 8 January 2025). Under the Companies Act, shares may not be allotted at a discount to their nominal value. Pending the Scheme becoming effective, the Directors will keep the Anticipated Nominal Value under review in light of the market value of the Ordinary Shares. In the unlikely event that the Directors consider that the closing price of the Ordinary Shares on the last day of dealings will be, or is likely to be, less than the Anticipated Nominal Value, then the Anticipated Nominal Value will be adjusted to ensure that it is not greater than the closing price of the Ordinary Shares at that time. This will ensure that the New Invinity Shares are not allotted at a discount to their nominal value pursuant to the Scheme. As the amount of the distributable reserves to be created by the New Invinity Reduction of Capital is determined by the difference between the aggregate nominal value of the New Invinity Shares prior to the New Invinity Reduction of Capital and the aggregate nominal value of the New Invinity Shares following the New Invinity Reduction of Capital, if the Anticipated Nominal Value is reduced, the amount of distributable reserves which would be created by the New Invinity Reduction of Capital would be reduced accordingly.

In the event that it is necessary to adjust the Anticipated Nominal Value in this way, the New Invinity Shareholders would pass a resolution authorising the directors of New Invinity to adjust the nominal value of the New Invinity Shares. An announcement of the change to the nominal value of the New Invinity Shares would also be made.

In the event that it is necessary to adjust the Anticipated Nominal Value on or prior to the date on which

the Jersey Court is asked to sanction the Scheme, the New Invinity Shareholders would pass a resolution authorising the directors of New Invinity to adjust the nominal value of the New Invinity Shares accordingly and an announcement of the change to the nominal value of the New Invinity Shares would be made.

(c) ***The Invinity Employee Share Plan***

Invinity has granted the following types of share options to its employees under the terms of the Invinity Employee Share Plan: (i) tax advantaged CSOP Options to eligible UK staff (“**UK CSOP Options**”); (ii) tax advantaged incentive stock option to eligible US staff (“**ISOs**”); and (iii) non-tax advantaged share options to UK staff (“**UK Non-Tax Advantaged Options**”) and to Canadian staff (“**Canadian Options**”). Invinity previously granted Enterprise Management Incentives (“**EMI**”) options to eligible UK staff but to date, all of these EMI options have been exercised or have lapsed in accordance with their terms.

It is Invinity’s intention that rights under the Invinity Employee Share Plan will not vest or be exercised early as a result of the Scheme. It is also Invinity’s intention that such rights will continue on the same basis other than that participants will ultimately receive New Invinity Shares rather than Invinity Shares if their awards vest or options are exercised. Invinity will write to participants in the Invinity Employee Share Plan in due course to explain the effect on their awards in more detail. For the reasons summarised below, the effect of the Scheme on the Invinity Employee Share Plan is currently unclear and subject to the outcome of a non-statutory clearance application that has been submitted to HMRC.

UK CSOP Options

The Invinity Employee Share Plan includes specific provisions intended to ensure that the UK CSOP Options retain beneficial tax treatment in the UK in the event that certain types of reorganisations take place. Provisions in the legislation applying to the UK CSOP Options (reflected in the rules of the Invinity Employee Share Plan) provide for replacement options to be granted to existing option holders following a takeover of the “scheme company” (i.e. Invinity) in a manner which “rolls over” the beneficial tax status of the original UK CSOP Options into new options over shares in New Invinity. However, the application of the UK CSOP legislation to the Scheme is unclear and, as the contractual terms of the UK CSOP Options mirror the CSOP legislation, the contractual effect of the Scheme on the UK CSOP Options is also unclear. The Company has sought HMRC clearance to clarify the interpretation of the relevant provisions in the context of the Scheme.

If HMRC clearance is obtained, the intended treatment set out above will apply, such that the UK CSOP Options will continue on the same basis other than that participants will ultimately receive New Invinity Shares rather than Invinity Shares if their awards vest or options are exercised.

If HMRC clearance is not obtained, Invinity will nevertheless proceed with the Scheme. Each holder of UK CSOP Options will be offered the opportunity in effect to receive a non-tax advantaged option over shares in New Invinity and will lose any tax advantages accrued on their UK CSOP Options since the date of grant. Holders of the UK CSOP Options who do not wish to exchange their options such that they will receive shares in Invinity upon the exercise of their options will be affected by the proposed amendment to the Articles, which is summarised in more detail at paragraph 7 of Part I.

UK Non-Tax Advantaged Options

If HMRC clearance is obtained in relation to the UK CSOP Options, all UK Non-Tax Advantaged Options will be treated as automatically exchanged, which will have the effect that the rights of the UK Non-Tax Advantaged Options will continue on the same basis other than that participants will ultimately receive New Invinity Shares rather than Invinity Shares if their awards vest or options are exercised.

If HMRC clearance is not obtained, Invinity will offer the opportunity to holders of UK Non-Tax Advantaged Options to exchange their UK Non-Tax Advantaged Options for a non-tax advantaged option over shares in New Invinity. Holders of UK Non-Tax Advantages Options who do not wish to exchange their options such that they will receive shares in Invinity upon the exercise of their options will be affected

by the proposed amendment to the Articles, which is summarised in more detail at paragraph 7 of Part I.

Non-UK Staff Options

The alternatives available in respect of options or awards held by participants in the Invinity Employee Share Plan outside of the UK (including the ISOs and the Canadian Options) may differ from the position summarised above in order to take account of local securities, exchange control, regulatory or tax laws. In particular, the summary above refers to options or awards being exchanged for equivalent options or awards over New Invinity Shares. However, in order to achieve the same effect as an exchange of options or awards, the Invinity Board, the New Invinity Board, the Remuneration Committee or the New Invinity remuneration committee may, instead, assume and amend the Invinity Employee Share Plan, and amend the terms of options or awards under those plans so that they ultimately deliver New Invinity Shares.

3. Description of the Scheme and the Meetings

(a) *The Scheme*

The introduction of New Invinity as the new parent company of the Invinity Group will be carried out by way of the Scheme.

Under the Scheme:

- all Invinity Shares will be cancelled;
- Invinity will issue Invinity New Ordinary Shares to New Invinity so that New Invinity will own the entire issued share capital of Invinity; and
- Invinity Shareholders at the Scheme Record Time will receive one New Invinity Share for each Invinity Share cancelled under the Scheme. Certificates for Invinity Shares held in certificated form will cease to be valid. (Upon receipt of share certificates for their New Invinity Shares, Shareholders should destroy all existing certificates for their Invinity Shares.)

(b) *Meetings*

Jersey Court Meeting

The Scheme requires the approval of Invinity Shareholders at the Jersey Court Meeting.

The Jersey Court Meeting has been convened with the permission of the Court for 3.00 p.m. on 11 December 2024 for Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the Jersey Court Meeting, voting will be by way of a poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time.

The approval required at the Jersey Court Meeting is a majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person or by proxy, representing not less than 75 per cent. of the voting rights of the Scheme Shares voted by such Scheme Shareholders.

You will find the Notice of the Jersey Court Meeting in Part VII (Notice of Jersey Court Meeting) of this document.

Scheme General Meeting

Invinity Shareholders will also be asked to approve resolutions covering various matters in connection with the Scheme at the Scheme General Meeting and the Scheme will also be conditional upon the passing of certain resolutions (as set out in the Notice of the Scheme General Meeting).

If the Scheme is approved by the requisite majority at the Jersey Court Meeting, and approval is also

obtained at the Scheme General Meeting, an application will be made to the Jersey Court to sanction the Scheme at the Jersey Court Hearing. Invinity Shareholders will have the right to attend the Jersey Court Hearing and to appear in person or be represented by counsel to support or oppose the sanction of the Scheme.

The Scheme General Meeting has been convened for 3.15 p.m. on 11 December 2024, or as soon after that time as the Jersey Court Meeting has concluded or been adjourned, for Scheme Shareholders (as defined in the Scheme of Arrangement) to consider and, if thought fit, pass the resolutions. Notice of the Scheme General Meeting is set out in Part VIII of this Document respectively.

It is important that, for the Jersey Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair representation of opinion of the Scheme Shareholders. You are therefore strongly advised to sign and return your Forms of Proxy or to appoint a proxy through CREST for both the Jersey Court Meeting and the Scheme General Meeting as soon as possible. Doing so will not prevent you from attending, voting and speaking at the Meetings or any adjournment thereof, if you so wish and are so entitled.

(c) ***Entitlement to vote at the Meetings***

Each Scheme Shareholder who is entered in the Company's register of members at the Voting Record Time will be entitled to attend and vote on all resolutions to be put to the Jersey Court Meeting and the Scheme General Meeting. If either Meeting is adjourned, only those Scheme Shareholders on the register of members at 6.00 p.m. on the day which is two days before the adjourned Meeting (excluding any non-working days) will be entitled to attend and vote.

Each eligible Scheme Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of them.

A proxy need not be a shareholder of the Company but must attend the Meetings.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies using CREST shall not prevent a Scheme Shareholder from attending and voting in person at either Meeting or any adjournment thereof if such shareholder wishes and is entitled to do so.

Scheme Shareholders are strongly encouraged to appoint the Chair of the Jersey Court Meeting as their proxy rather than any other named person. This will ensure that your vote will be counted if you (or any other proxy you might otherwise appoint) are not able to attend the Jersey Court Meeting.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please contact the Shareholders' Helpline.

Further information on the actions to be taken is set out in paragraph 9 of this Part I (Letter from the Chair of Invinity) of this document.

(d) ***Sanction Hearing***

Under the Companies Law, the Scheme requires the sanction of the Court. The Sanction Hearing is currently expected to be held at 10.00 a.m. on 8 January 2025, subject to the prior satisfaction or waiver of the other Conditions set out in Part 2 (Conditions to the Implementation of the Scheme) of this document.

Scheme Shareholders are entitled to attend and be heard at the Scheme Sanction Hearing to support or oppose the sanction of the Scheme, should they wish to do so, in person or be represented by Jersey counsel.

Following sanction of the Scheme by the Court, the Scheme will become effective upon a copy of the Court Order being delivered to the Jersey Registrar of Companies. This is presently expected to occur on

9 January 2025, subject to satisfaction (or, where applicable, waiver) of the Conditions.

The Company will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming effective.

Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Jersey Court Meeting or in favour of, or against, or abstained from voting on the special resolutions at the Scheme General Meeting.

(e) ***Effective Date of new parent company structure***

It is expected that the Scheme will become effective on 9 January 2025.

4. Listing

Application will be made to the London Stock Exchange and AQSE for the New Invinity Shares to be admitted to trading. It is expected that the Admission will become effective and that dealings in the New Invinity Shares will commence on AIM and on the AQSE Growth Market at 8.00 a.m. on 9 January 2025. The listing of Invinity Shares is also expected to be cancelled on that date.

5. New Invinity Board and Invinity Directors' interests

Neil O'Brien, Jonathan Marren, Matthew Harper, Rajat Kohli, Michael Farrow and Kristina Peterson will be appointed directors of New Invinity prior to the Scheme becoming effective. Conditional upon the Scheme becoming effective, service agreements of the Executive Directors and letters of appointments of each of the Non-executive Directors will be novated to New Invinity in order to reflect the structure of the New Invinity Group.

Details of the existing service agreements and the terms of the Non-executive Directors' letters of appointment are set out in paragraph 8 of Part V of this document. The interests of the Invinity Directors in the existing share capital of Invinity as at 21 November 2024 (being the latest practicable date prior to the publication of this document) and in New Invinity immediately after the Scheme becomes effective are set out in paragraph 5 of Part V of this document.

Save as described above, the effect of the Scheme on the interests of Invinity Directors does not differ from its effect on the same interests of Scheme Shareholders.

As announced by the Company on 6 September 2024, following the appointment of Jonathan Marren, previously Chief Financial Officer and Chief Development Officer, as Chief Executive Officer, the Company is currently undertaking a search for a new Chief Financial Officer, and an appointment is expected to be announced shortly.

6. Shareholder safeguards

Similar shareholder safeguards will apply to New Invinity as those that currently apply to Invinity. As New Invinity is UK-incorporated, the City Code will continue to apply to it. New Invinity will also be required to comply with the AIM Rules and the AQSE Rules. New Invinity will be required to adhere with the QCA Code and relevant institutional shareholder guidelines to the same extent that Invinity currently complies with the QCA Code and those institutional shareholder guidelines. As a UK-incorporated company, it will be subject to English law. English law contains certain statutory safeguards (e.g. pre-emption rights and the requirement to disclose to the market interests of 3% or more in shares) that are not contained in Jersey law and as such these safeguards had been enshrined in the Articles. It will not be necessary to enshrine these matters in the New Invinity Articles.

7. Amendments to the Articles and New Invinity Articles

In order to facilitate the Scheme, an amendment is proposed to the Articles. This amendment is set out in full in the notice of the Scheme General Meeting in Part VIII of this document.

This amendment is intended to ensure that: (i) any Invinity Shares that are issued to any person other than New

Invinity (or its nominee(s)) before the Scheme Record Time (but after the Scheme General Meeting) are allotted subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and (ii) any Invinity Shares that are allotted after the Scheme Record Time will be immediately transferred to New Invinity in exchange for the issue or transfer to the relevant allottees of one New Invinity Share for each Invinity Share transferred. These changes are necessary because, in some cases, Invinity Shares may need to be allotted before the Scheme Record Time (for example, because of the exercise of rights granted by Invinity under the Invinity Employee Share Plan) but the timing of their allotment could mean that they are not classified as Scheme Shares and are therefore outside the scope of the Scheme. In addition, Invinity Shares may be issued (again, for example, under the Invinity Employee Share Plan) after the Scheme Record Time, which would also put them outside the scope of the Scheme.

A summary of the New Invinity Articles is set out in paragraph 9 of Part V of this document.

8. Dividends

Similarly, subject only to the New Invinity Reduction of Capital, the Scheme itself will not affect the declaration of future dividends (if any). Instead, as New Invinity is incorporated and tax resident in England, the payment of future dividends by New Invinity will be simplified. In particular, such dividends will be sourced from a UK company for tax and other purposes.

Please note that the Company does not plan on making dividend payments in the foreseeable future, and there can be no assurance as to the level of any future dividends.

9. Action to be taken

On 11 December 2024, the Jersey Court Meeting will be held to seek approval for the Scheme and the Scheme General Meeting will be held to seek approval for the Proposals. The notice of the Jersey Court Meeting is set out in Part VII of this document. The notice of the Scheme General Meeting is set out in Part VIII of this document.

In order that the Jersey Court can be satisfied that the votes cast fairly represent the views of Invinity Shareholders, it is important that as many votes as possible are cast at the Jersey Court Meeting. Invinity Shareholders are therefore encouraged to attend the Jersey Court Meeting in person or by proxy.

Whether or not you propose to attend the meetings, you are requested to complete, sign and return the enclosed BLUE Form of Proxy for use at the Jersey Court Meeting and WHITE Form of Proxy for use at the Scheme General Meeting to the Registrars. The Forms of Proxy should be sent to the Registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY. If you hold Invinity Shares in uncertificated form you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual ensuring that it is received by the Registrars by no later than 48 hours before the time appointed for the relevant meeting.

10. Overseas Invinity Shareholders

If you are a citizen or resident or national of a jurisdiction outside the United Kingdom, your attention is drawn to paragraph 10 of Part II of this document.

11. Relationship Agreement

Conditional on the Scheme becoming effective, New Invinity will enter into an amended and restated relationship agreement with the National Wealth Fund Limited (“NWF”), previously called UK Infrastructure Bank Limited, on materially the same terms as the existing relationship agreement, a summary of which is at paragraph 14.4 of Part V of this document.

12. Recommendation

The Directors consider the Scheme to be fair and reasonable.

In addition, the Directors believe all of the Proposals to be in the best interests of Invinity Shareholders as a whole, and, accordingly, unanimously recommend that Invinity Shareholders vote in favour of the Scheme at the Jersey Court Meeting and in favour of all of the Proposals at the Scheme General Meeting, as they intend to do in respect of their own holdings.

The Directors urge you to complete, sign and return the enclosed Forms of Proxy as soon as possible and, in any event, by no later than 3.00 p.m. on 9 December (in respect of the BLUE Form of Proxy for use at the Jersey Court Meeting) and 3.15 p.m. on 9 December (in respect of the WHITE Form of Proxy for use at the Scheme General Meeting).

Yours sincerely

Neil O'Brien
Non-executive Chairman

PART II

EXPLANATORY STATEMENT

(in compliance with Article 126 of the Companies (Jersey) Law 1991)

22 November 2024

Recommended Scheme Proposals

1. Introduction

Invinity (the current parent company of the Invinity Group) today announced details of proposals to change the Invinity Group's corporate structure by putting in place a new UK parent company for the Invinity Group incorporated in England and Wales with its tax residence in the UK.

New Invinity was incorporated under the Companies Act on 12 August 2024 as a private company limited by shares with the name Invinity Energy Systems Limited and is expected to be re-registered as a public company limited by shares with the name Invinity Energy Systems plc prior to the Jersey Court Meeting. The introduction of New Invinity as the new parent company of the Invinity Group is to be effected by way of a scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991. The Scheme is subject to various conditions. If these conditions are satisfied and the Scheme is approved and implemented, New Invinity will own the entire issued share capital of Invinity.

This explanatory statement only relates to the Scheme and not the other Proposals. Please see the letter from the Chairman of Invinity in Part I of this document, in relation to certain of the other Proposals, and the Risk Factors in Part IV of this document.

Your attention is drawn to the letter from the Chairman of Invinity in Part I of this document, which forms part of this explanatory statement. That letter contains, amongst other things, the unanimous recommendation by the Invinity Board to Invinity Shareholders to vote in favour of the resolutions to approve and implement the Scheme to be proposed at the Jersey Court Meeting and the Scheme General Meeting.

This explanatory statement is to explain the terms of the Scheme and to provide Shareholders with other relevant information. The Scheme is set out in full in Part III of this document. The notice of the Jersey Court Meeting, at which approval for the Scheme will be sought, and the notice of the Scheme General Meeting, at which the resolutions relating to the Scheme will be proposed, are set out in Parts VII and VIII of this document respectively.

2. Background to and reasons for the Scheme

The background to and reasons for the Scheme and the New Invinity Reduction of Capital are described in Part I of this document.

3. Summary of the Scheme

Under the Scheme, all the Scheme Shares will be cancelled on the Effective Date by way of a reduction of capital. In consideration of the cancellation, Scheme Shareholders will receive in respect of any Scheme Shares held as at the Scheme Record Time:

for each Invinity Share cancelled: one New Invinity Share

Following the cancellation of the Scheme Shares, the share capital of Invinity will be increased to its former amount by the creation of the Invinity New Ordinary Shares and the credit arising in the books of Invinity as a result of the Scheme Reduction of Capital will be applied in paying up in full, at par, the Invinity New Ordinary Shares. The Invinity New Ordinary Shares will be issued to New Invinity which will, as a result, become the new parent company of Invinity and the Invinity Group.

4. Conditions to implementation of the Scheme

The implementation of the Scheme is conditional on the following having occurred:

- (a) the Scheme being approved by a majority in number, representing three-fourths in voting rights, of the holders of Invinity Shares present and voting, either in person or by proxy, at the Jersey Court Meeting, (in other words, 75 per cent. of the shares actually voted at the Jersey Court Meeting, either in person or by proxy);
- (b) resolutions 1 and 2 (as set out in the Notice of Scheme General Meeting in Part VIII of this document) to approve the matters in connection with the Scheme having been duly passed at the Scheme General Meeting by a majority of not less than two thirds of the votes cast;
- (c) the Scheme having been sanctioned (with or without modification) and the Scheme Reduction of Capital having been confirmed by the Jersey Court at the Jersey Court Hearing;
- (d) the Jersey Court Order having been delivered to the Jersey Registrar of Companies and registered by him; and
- (e) permission having been granted by the London Stock Exchange and AQSE to admit the New Invinity Shares to trading on AIM and the APEX segment of the AQSE Growth Market of AQSE.

The Invinity Directors will not take the necessary steps to implement the Scheme unless the above conditions have been satisfied or waived and, at the relevant time, they consider that it continues to be in Invinity's and Invinity Shareholders' best interests that the Scheme should be implemented.

The Jersey Court Hearing to sanction the Scheme is expected to be held on 8 January 2025. Invinity Shareholders have the right to attend the Jersey Court Hearing in person or by counsel to support or oppose the sanction of the Scheme. The Jersey Court Hearing will be held at The Royal Court, Royal Square, Hill Street, St Helier, Jersey JE2 4WA at 10.00 a.m. on 8 January 2025.

The Scheme contains a provision for Invinity and New Invinity jointly to consent, on behalf of all persons concerned, to any modification of or addition to, the Scheme, or to any condition that the Jersey Court may think fit to approve or impose. The Jersey Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Invinity Shareholders, unless Invinity Shareholders were informed of any such modification, addition or condition. It will be a matter for the Jersey Court to decide, in its discretion, whether or not the consent of Invinity Shareholders should be sought at a further meeting. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Invinity Directors, is of such a nature or importance as to require the consent of the Invinity Shareholders at a further meeting, the Invinity Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

If the Scheme is sanctioned at the Jersey Court Hearing and the other conditions to the Scheme have been satisfied, the Scheme is expected to become effective, and dealings in New Invinity Shares are expected to commence, at 8.00 a.m. on 9 January 2025. If the Scheme has not become effective by 28 February 2025 (or such later date as Invinity and New Invinity may agree and the Jersey Court may allow), it will lapse, in which event there will not be a new parent company of Invinity, Invinity Shareholders will remain shareholders of Invinity, and the existing Ordinary Shares will continue to be admitted to trading on AIM and the APEX segment of the AQSE Growth Market of AQSE.

5. Effects of the Scheme

Under the Scheme, Scheme Shareholders will have their Ordinary Shares replaced by the same number of New Invinity Shares, which will be denominated in sterling. Scheme Shareholders' proportionate entitlement to participate in Invinity's capital and income will not be affected by reason of the implementation of the Scheme or the New Invinity Reduction of Capital. Scheme Shareholders will not receive any amount in cash pursuant to the terms of the Scheme (other than in the circumstances referred to in Clause 3(b) of Part III of this document).

Immediately following the Scheme becoming effective, the holders of any New Invinity Shares in issue prior to the Scheme becoming effective will gift such shares to a nominee of New Invinity, following which such shares will be cancelled. This is to ensure that the number of New Invinity Shares in issue following the Scheme is exactly the same as the number of Invinity Shares in issue immediately prior to the Scheme becoming effective.

Immediately following the Scheme becoming effective, New Invinity will own no assets other than:

- (a) the Invinity New Ordinary Shares; and
- (b) nominal cash balances.

Invinity will make announcements to Invinity Shareholders from time to time in relation to the progress of the Scheme, including upon the Scheme becoming effective.

6. Listing, dealings, share certificates and settlement

Application will be made to the London Stock Exchange and AQSE for the admission of the New Invinity Shares to be admitted to trading on AIM and on the AQSE Growth Market. The last day of dealings in the Ordinary Shares is expected to be 8 January 2025. The last time for registration of transfers of Scheme Shares is expected to be 6.00 p.m. on 8 January 2025. It is expected that Admission will become effective and that dealings in New Invinity Shares will commence at 8.00 a.m. on 9 January 2025, being the Effective Date. The listing of the Ordinary Shares will be cancelled on that date.

These dates may be deferred if it is necessary to adjourn either or both of the Jersey Court Meeting and the Scheme General Meeting or if there is any delay in obtaining the Jersey Court's sanction of the Scheme. In the event of a delay, the application for the Ordinary Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme becomes effective.

With effect from (and including) the Effective Date, all share certificates representing the Scheme Shares will cease to be valid and binding in respect of such holdings and should be destroyed.

All documents, certificates or other communications sent by, to, from or on behalf of Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and may be sent by post.

Application will be made for the New Invinity Shares to be admitted to CREST for settlement and transfer purposes. Euroclear requires Invinity to confirm to it that certain conditions imposed by the CREST Regulations are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied in respect of the New Invinity Shares on admission of the New Invinity Shares to trading on AIM and on the AQSE Growth Market. As soon as practicable after satisfaction of the conditions, Invinity will confirm this to Euroclear.

Subject to the satisfaction of the conditions referred to in paragraph 4 of this Part II, to which the Scheme is subject, the New Invinity Shares to which Scheme Shareholders are entitled under the Scheme (as the case may be) will:

- (a) to the extent the entitlement arises as a result of a holding of Ordinary Shares in certificated form at the Scheme Record Time, be delivered in certificated form in the name of the relevant Scheme Shareholder with the relevant share certificate expected to be despatched by post, at the relevant Scheme Shareholder's risk, as soon as practicable but in any event within 14 days of the Effective Date; and
- (b) to the extent the entitlement arises as a result of a holding of Ordinary Shares in uncertificated form at the Scheme Record Time, be credited to the appropriate CREST accounts (under the same participant and account ID that applied to the Ordinary Shares), with corresponding entitlements to New Invinity Shares with effect from 9 January 2025 (being the Effective Date).

Notwithstanding anything above or any other provision of this document or any other document relating to the New Invinity Shares, Invinity and New Invinity reserve the right to deliver any New Invinity Shares applied for through CREST in certificated form. In normal circumstances, this right is only likely to be exercised in the event

of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Registrars in connection with CREST. This right may also be exercised if the correct details in respect of *bona fide* market claims (such as the CREST member account ID and CREST participation ID details) are not provided as requested on any application form relating to the New Invinity Shares.

Invinity Shareholders who are CREST-sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document.

7. Invinity Directors' and other interests

Neil O'Brien, Jonathan Marren, Matthew Harper, Rajat Kohli, Michael Farrow and Kristina Peterson will be appointed directors of New Invinity prior to the Scheme becoming effective. Conditional on the Scheme becoming effective, the service agreements of each of the Executive Directors and letters of appointments of each of the Non-executive Directors will be novated to New Invinity in order to reflect the structure of the New Invinity Group. Details of the Executive Directors' service agreements and the terms of the Non-executive Directors' letters of appointment are set out in paragraph 8 of Part V of this document. The interests of the Directors in the existing share capital of Invinity as at 19 November 2024 (being the latest practicable date prior to the publication of this document) and in New Invinity immediately after the Scheme becomes effective are set out in paragraph 5 of Part V of this document.

Any rights held by the Invinity Directors under the Invinity Employee Share Plan will, where permitted under the rules of the relevant Invinity Employee Share Plan, be preserved so that New Invinity Shares will ultimately be delivered in satisfaction of any of those rights under their terms, in the manner described in Part V of this document. The effect of the Scheme on the interests of Directors is set out in paragraph 5 of Part V of this document. Save as described above, the effect of the Scheme on the interests of Directors does not differ from its effect on the same interests of Scheme Shareholders.

8. Delisting of Invinity Shares

The London Stock Exchange and AQSE will be requested respectively to cancel trading in Invinity Shares on AIM and the AQSE segment of the AQSE Growth Market of AQSE with effect from the close of business on the business day immediately prior to the Effective Date and to delist the Invinity Shares from AIM and AQSE with effect from 8.00 a.m. on the Effective Date. The last day of dealings in Invinity Shares on AIM and AQSE is expected to be 8 January 2025 (being the business day immediately prior to the Effective Date) and no transfers of Invinity Shares will be registered after 6.00 p.m. on that date. On the Effective Date, share certificates in respect of the Scheme Shares in certificated form will cease to be valid and should be destroyed.

9. Taxation

It is intended that the Scheme should be generally neutral in tax terms for UK Invinity Shareholders. Invinity Shareholders are referred to the tax sections at paragraphs 12 – 13 of Part V of this document for further information about the taxation consequences of the Scheme and in relation to the UK, and Jersey taxation consequences of holding and disposing of New Invinity Shares.

10. Overseas Shareholders

General

The implications of the Scheme for, and the distribution of this document to, Overseas Persons may be affected by the laws of the relevant jurisdictions. Such Overseas Persons should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Scheme and the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

If, in respect of any Overseas Person, New Invinity is advised that the allotment and issue of New Invinity Shares

would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require New Invinity to obtain any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Invinity, it would be unable to comply or which it regards as unduly onerous, the Scheme provides that New Invinity may determine either: (i) that such Shareholder's entitlement to New Invinity Shares pursuant to the Scheme will be issued to such Shareholder and then sold on his behalf as soon as reasonably practical at the best price which can be reasonably obtained at the time of sale, with the net proceeds of sale being remitted to such Shareholder; or (ii) that the Shareholder's entitlement to New Invinity Shares shall be issued to a nominee for such Shareholder appointed by New Invinity and then sold, with the net proceeds being remitted to the Shareholder concerned. Any remittance of the net proceeds of sale referred to in this paragraph shall be at the risk of the relevant Shareholder.

Overseas Persons should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OR AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Exchange of shares subject to exemption under Section 3(a)(9) of the US Securities Act

These Proposals involve an exchange of securities that the Company believes qualify for an exemption from registration under Section 3(a)(9) of the US Securities Act. Section 3(a)(9) exempts exchanges of securities by the issuer where no commission or other remuneration is paid for the solicitation of such exchanges. While the Company believes these Proposals meet the requirements for the Section 3(a)(9) exemption, an opinion of US legal counsel has not been sought on this matter, and if it is determined by a regulatory authority or a court that this offering does not qualify for the exemption, these Proposals may be subject to potential penalties, including the possibility of rescission rights being granted to investors who participated in the exchange.

There are risks related to the reliance on this exemption, including:

- (a) uncertainty in qualification: There is no guarantee that the Company will continue to meet all of the requirements of Section 3(a)(9). Any failure to comply could result in enforcement action, fines, or the requirement to register the securities;
- (b) potential challenges by regulators: Even though the Company intends to rely on the Section 3(a)(9) exemption, the SEC or other regulatory bodies may review the transaction and may determine that the exemption does not apply. If such a determination is made, the Company could face legal and financial consequences;
- (c) limited availability of recourse: Investors may have limited recourse if it is later determined that the exchange does not comply with the terms of the Section 3(a)(9) exemption. In such a case, participants in the exchange may not have the benefit of federal securities law protections that would otherwise apply in a registered offering; and
- (d) resale restrictions: Securities received in an exchange under Section 3(a)(9) may be subject to restrictions on resale, depending on the investor's status and holding period, which may limit the liquidity of these securities in the market.

Exchange of shares subject to exemption under Section 3(a)(9) of the US Securities Act, or to be otherwise modified for a Uniform Limited Offering Exemption ("ULOE")

The Company intends to rely on Section 18(b)(4)(C) of the US Securities Act to preempt state securities law requirements for the exchange of shares under Section 3(a)(9) of the US Securities Act. Section 18(b)(4)(C) provides that securities offered in certain private placements, such as those exempt under Rule 506 of Regulation D, are classified as "covered securities," and therefore exempt from state registration and qualification requirements. While the Company believes that the shares issued in this exchange under Section

3(a)(9) should qualify as “covered securities” based on federal law preemption, reliance on this exemption involves certain risks, such as:

- (a) uncertainty of state law preemption: Although Section 18(b)(4)(C) preempts state registration requirements for certain “covered securities” there is no express guidance that confirms state preemption applies to shares exchanged under Section 3(a)(9). If it is determined that the Company’s reliance on this provision was incorrect, the Company could be subject to state securities laws, including the need to register or qualify the exchange in multiple states. This could lead to delays, increased costs, or potential legal liabilities;
- (b) potential regulatory challenges: There is a risk that state regulators may challenge the application of the Section 18(b)(4)(C) preemption to this exchange. If regulators in certain states determine that the shares exchanged under Section 3(a)(9) do not qualify for federal preemption, they may require the Company to comply with state registration requirements or offer rescission rights to investors, potentially impacting the success of the share exchange;
- (c) increased costs and delays: In the event that the Company is required to comply with state securities laws due to the invalidation of federal preemption, the Company may face additional costs related to state filings, registration fees, legal expenses, and delays in completing the exchange. This could adversely affect the timing and financial outcome of the Scheme and the Meetings;
- (d) enforcement risks: State regulators retain the authority to enforce anti-fraud and other investor protection laws, even if the securities are otherwise exempt from registration under Section 18(b)(4)(C). If any aspect of the exchange is deemed fraudulent or otherwise in violation of state laws, the Company could face enforcement actions, including fines, penalties, or other remedial measures; and
- (e) limited investor protections: By relying on Section 18(b)(4)(C), investors may not receive the same level of protections provided under state securities laws, which could reduce their ability to seek recourse or legal remedies if issues arise with the exchange of shares.

Neither the SEC nor any US State securities commission has reviewed or approved this document or the Scheme or the New Invinity Shares. Any representation to the contrary is a criminal offence in the United States.

11. The Meetings

Before the Jersey Court’s approval can be sought to sanction the Scheme, the Scheme will require approval by Invinity Shareholders at the Jersey Court Meeting and the passing of special resolutions by Invinity Shareholders at the Scheme General Meeting.

Notices of the Jersey Court Meeting and the Scheme General Meeting are set out in Parts VII and VIII of this document respectively. All Invinity Shareholders whose names appear on the register of members of Invinity at 6.00 p.m. on 9 December 2024 or, if either the Scheme General Meeting or the Jersey Court Meeting is adjourned, on the register of members at 6.00 p.m. on the date two days before the date set for the adjourned Meeting, shall be entitled to attend and vote at the relevant Meeting in respect of the number of Invinity Shares registered in their name at the relevant time as further described below.

The Jersey Court Meeting

The Jersey Court Meeting, which has been convened for 3.00 p.m. on 11 December 2024, pursuant to an order of the Jersey Court at which Meeting, or at any adjournment thereof, Invinity Shareholders will consider and, if thought fit, approve the Scheme.

At the Jersey Court Meeting, voting will be by way of poll and each Invinity Shareholder present in person or by proxy will be entitled to one vote for each Invinity Share held. The approval required at the Jersey Court Meeting is a majority in number of the Invinity Shareholders present and voting, either in person or by proxy, representing three-fourths or more in voting rights of all Invinity Shares held by such Invinity Shareholders.

It is important that, for the Jersey Court Meeting in particular, as many votes as possible are cast so that the Jersey Court may be satisfied that there is a fair and reasonable representation of the opinion of Invinity Shareholders.

If the Scheme is approved and becomes effective, it will be binding on all Invinity Shareholders irrespective of whether they attended the Jersey Court Meeting or the way they voted.

The Scheme General Meeting

The Scheme General Meeting has been convened for 3.15 p.m. on 11 December 2024 (or as soon thereafter as the Jersey Court Meeting has been concluded or adjourned), to consider and, if thought fit, pass certain resolutions in connection with the implementation of the Scheme. Resolutions 1 to 3 set out in the notice of the Scheme General Meeting, will be proposed as special resolutions (which require votes in favour representing at least two-thirds of the votes cast by Invinity Shareholders) to approve the following matters:

- (a) the Scheme; the cancellation of the Scheme Shares; the creation of the Invinity New Ordinary Shares; the allotment of the Invinity New Ordinary Shares; and amendments to Invinity's Articles to deal with, *inter alia*, transitional matters arising from the Scheme;
- (b) conditional on the Scheme becoming effective, the New Invinity Reduction of Capital; and
- (c) authority for the directors of New Invinity to convene a general meeting of New Invinity, other than an annual general meeting, on not less than 14 clear days' notice.

This explanatory statement relates only to the Scheme. Please see the letter from the Chairman of the Company in Part I of this document in respect of the New Invinity Reduction of Capital, together with the respective resolutions in Part VIII of this document.

12. Application to AIM and AQSE

Pursuant to Rule 2 of the AIM Rules, New Invinity must provide the London Stock Exchange with certain prescribed information at least 20 clear business days prior to the expected date of Admission (being 9 January 2025 in this instance). Accordingly, an announcement will be released in relation to Admission by way of a Regulatory Information Service in satisfaction of Rule 2 and Schedule One of the AIM Rules (the "**Schedule One Announcement**").

VSA Capital will also submit to AQSE no later than ten business days before the expected date of Admission an application announcement in accordance with the AQSE Rules (the "**Application Announcement**"). The application announcement (and any subsequent revision) will be published on the AQSE website and announced at 7.00 a.m. the next business day following its submission to the AQSE.

13. Action to be taken

BLUE Forms of Proxy for the Jersey Court Meeting and WHITE Forms of Proxy for the Scheme General Meeting should be returned to the Registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to be received at least 48 hours before the time appointed for the relevant Meeting. If a BLUE Form of Proxy for use at the Jersey Court Meeting is not returned by the above time, it may be handed to the Chairman of the Jersey Court Meeting or the Registrars at the Jersey Court Meeting. However, in the case of the Scheme General Meeting, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy will not prevent an Invinity Shareholder from attending and voting in person at either the Jersey Court Meeting or the Scheme General Meeting, or at any adjournment thereof, if such Invinity Shareholder so wishes and is so entitled.

14. Further Information

The terms of the Scheme are set out in full in Part III of this document. Your attention is also drawn to the further information contained in this document and, in particular, the Risk Factors set out in Part IV and the Additional Information set out in Part V of this document.

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PART III

THE SCHEME OF ARRANGEMENT

No. 293 of 2024

IN THE ROYAL COURT OF JERSEY IN THE MATTER OF INVINITY ENERGY SYSTEMS
PLC

and

IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991 SCHEME OF ARRANGEMENT

(under Article 125 of the Companies (Jersey) Law 1991) between

INVINITY ENERGY SYSTEMS PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“**business day**” means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in the City of London and in Jersey for the transaction of normal banking business;

“**certificated**” or “**in certificated form**” means in relation to a share or other security, a share or other security which is not in uncertificated form;

“**Clause**” means a clause of this Scheme;

“**CREST**” means the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & International Limited in accordance with the CREST Regulations;

“**CREST Regulations**” means (as applicable) the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended, or the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended;

“**Effective Date**” means the date on which this Scheme becomes effective in accordance with Clause 7 of this Scheme, expected to be 9 January 2025;

“**holder**” means a registered holder, including any person entitled by transmission;

“**Invinity**” or the “**Company**” means Invinity Energy Systems plc, a public limited company incorporated in Jersey with registered number 92432;

“**Invinity Shareholders**” means holders of Invinity Shares from time to time;

“**Invinity Shares**” or “**Ordinary Shares**” means ordinary shares of €0.01 each in the capital of Invinity;

“**Invinity New Ordinary Shares**” means ordinary shares of €0.01 in the capital of Invinity created

following the cancellation of the Scheme Shares;

“**Jersey Court**” means the Royal Court of Jersey;

“**Jersey Court Hearing**” means the hearing by the Jersey Court of the Company’s Representation to sanction the Scheme under Article 125 of the Companies (Jersey) Law 1991 and to confirm the reduction of share capital of Invinity pursuant to the Scheme under Article 61 of the Companies (Jersey) Law 1991;

“**Jersey Court Meeting**” means the meeting of the Invinity Shareholders convened by order of the Jersey Court pursuant to Article 125 of the Companies (Jersey) Law 1991 to be held at Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD at 3.00 p.m. on 11 December 2024 to consider and, if thought fit, approve the Scheme, including any adjournment thereof;

“**Jersey Court Order**” means the Act of Court sanctioning the Scheme under Article 125 of the Companies (Jersey) Law 1991 and confirming the Scheme Reduction of Capital under Article 61 of the Companies (Jersey) Law 1991, together with the approved minute attached thereto;

“**Jersey Registrar of Companies**” means the Registrar of Companies in Jersey;

“**member**” means a member of Invinity, on the register of members at any relevant date;

“**New Invinity**” means Invinity Energy Systems Limited, a private company limited by shares and incorporated in England and Wales under the Companies Act 2006 with registered number 15892542, which is expected to be re-registered as a public company limited by shares with the name ‘Invinity Energy Systems plc’ prior to the Jersey Court Meeting;

“**New Invinity Shares**” means ordinary shares of £0.14 (or such other nominal value as New Invinity shall resolve on or prior to the date on which the Jersey Court is asked to sanction the Scheme) each in the capital of New Invinity;

“**£**”, “**pence**” or “**sterling**” means the lawful currency of the United Kingdom;

“**New Invinity Redeemable Shares**” means redeemable deferred shares of £1.00 each in the capital of New Invinity;

“**New Invinity Subscriber Shares**” means 2 ordinary shares of £1.00 each in the capital of New Invinity issued on incorporation of New Invinity;

“**Scheme**” or “**Scheme of Arrangement**” means this scheme of arrangement proposed to be made under Article 125 of the Companies (Jersey) Law 1991 between Invinity and the holders of the Scheme Shares with or subject to any modification, addition or condition approved or imposed by the Jersey Court and agreed to by Invinity and New Invinity;

“**Scheme General Meeting**” means the general meeting of Invinity Shareholders to be held at Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD at 3.15 p.m. on 11 December 2024 (or as soon thereafter as the Jersey Court Meeting shall have been concluded or adjourned) and any adjournment thereof;

“**Scheme Record Time**” means 6.00 p.m. on the business day immediately preceding the Effective Date;

“**Scheme Reduction of Capital**” means the reduction of capital referred to in Clause 1(a) of this Scheme;

“**Scheme Shareholder**” means a holder of Scheme Shares as appearing in the register of members of Invinity;

“Scheme Shares” means:

- (i) all the Ordinary Shares in issue at the date of this Scheme;
- (ii) all (if any) additional Ordinary Shares issued after the date of this document and before the Voting Record Time; and
- (iii) all (if any) further Ordinary Shares which may be in issue at or after the Voting Record Time and immediately before the confirmation by the Jersey Court of the Scheme Reduction of Capital in respect of which the original or any subsequent holders shall be bound by the Scheme or in respect of which the original or any subsequent holders shall have agreed in writing to be so bound;

“uncertificated” or **“in uncertificated form”** means in relation to a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and

“Voting Record Time” means 6.00 p.m. on 9 December 2024 or, if the Jersey Court Meeting or the Scheme General Meeting is adjourned, 6.00 p.m. on the day which is two days before the date appointed for any adjourned Jersey Court Meeting or Scheme General Meeting.

- (B) The authorised share capital of Invinity at the date of this Scheme is €500,000,000, comprising:
 - (i) 1,000,000,000 Ordinary Shares, of €0.01 par value each, of which, as at 19 November 2024, 440,557,550 Ordinary Shares had been issued and were credited as fully paid and the remainder were unissued; and
 - (ii) 1,000,000,000 Deferred A Shares of €0.49 par value each, of which, as at 19 November 2024, none are in issue.
- (C) New Invinity was incorporated in England and Wales on 12 August 2024, with registered number 15892542.
- (D) The issued share capital of New Invinity at the date of this Scheme is £2.00, comprising the New Invinity Subscriber Shares.
- (E) Prior to the Jersey Court Meeting, board and shareholder resolutions will be passed such that the issued share capital of New Invinity at the time of the Jersey Court Meeting will be £50,000.14 divided into one New Invinity Share of £0.14 and 50,000 New Invinity Redeemable Shares.
- (E) The initial shareholders of New Invinity shall pass a special resolution prior to the Jersey Court Meeting to (subject to, amongst other things, the Scheme becoming effective) reduce the share capital of New Invinity by reducing the nominal value of each New Invinity Share from £0.14 (or such other nominal value as New Invinity shall resolve on or prior to the date on which the Jersey Court is asked to sanction the Scheme) to £0.01 shortly following the Scheme becoming effective. The New Invinity Shares to be issued pursuant to the Scheme will be issued subject to this resolution.
- (F) New Invinity has agreed to appear by Counsel at the Jersey Court Hearing, to consent to the Scheme and to undertake to be bound thereby and execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.
- (G) Following the Scheme becoming effective, it is intended that Invinity shall change its status to a private company and change its name to Invinity Energy Systems (Jersey) Ltd.

THE SCHEME

1. Cancellation of Scheme Shares

- (a) The issued share capital of Invinity shall be reduced by cancelling and extinguishing the Scheme Shares.
- (b) Forthwith and contingent upon the reduction of capital referred to in Clause 1(a) taking effect:
 - (i) the authorised share capital of Invinity shall be increased to its former amount by the creation of such number of Invinity New Ordinary Shares as shall be equal to the aggregate number of Scheme Shares cancelled pursuant to Clause 1(a); and
 - (ii) Invinity shall apply the credit arising in its books of account as a result of such reduction of capital in paying up, in full at par, the Invinity New Ordinary Shares created pursuant to Clause 1(b)(i) and shall allot and issue the same, credited as fully paid up, to New Invinity and/or its nominee or nominees.

2. Consideration for the cancellation of the Scheme Shares

In consideration of the cancellation of the Scheme Shares and the issue of the Invinity New Ordinary Shares to New Invinity and/or its nominee or nominees pursuant to Clause 1, New Invinity shall (subject to the provisions of Clauses 3, 4 and 5), allot and issue credited as fully paid New Invinity Shares to the Scheme Shareholders on the basis of one New Invinity Share for each Scheme Share held at the Scheme Record Time.

3. Allotment and issue of New Invinity Shares

- (a) The New Invinity Shares to be issued pursuant to Clause 2 shall rank in full for all dividends or distributions made, paid or declared after the Effective Date on the ordinary share capital of New Invinity.
- (b) The provisions of Clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who is a citizen, resident or national of any jurisdiction outside the United Kingdom or Jersey, New Invinity is advised that the allotment and issue of New Invinity Shares pursuant to Clause 2 would infringe the laws of any jurisdiction outside the United Kingdom or Jersey or would require New Invinity to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Invinity, it would be unable to comply or which it regards as unduly onerous, then New Invinity may in its sole discretion either:
 - (i) determine that such New Invinity Shares shall be sold, in which event the New Invinity Shares shall be issued to such Scheme Shareholder and New Invinity shall appoint a person to act pursuant to this Clause 3(b)(i) and such person shall be authorised on behalf of such Scheme Shareholder to procure that any shares in respect of which New Invinity has made such a determination shall, as soon as practicable following the Scheme Record Time, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) shall be paid to such Scheme Shareholder by sending a cheque to such Scheme Shareholder in accordance with the provisions of Clause 4. To give effect to any such sale, the person so appointed shall be authorised on behalf of such Scheme Shareholder to execute and deliver a form of transfer and to give such instructions and do all such things which he may consider necessary or expedient in connection with such sale. In the absence of fraud, none of Invinity, New Invinity or the person so appointed shall have any liability for any loss or damage arising as result of the timing or terms of any such sale; or
 - (ii) determine that no such New Invinity Shares shall be allotted and issued to such Scheme Shareholder under Clause 2 but instead such shares shall be allotted and issued to a nominee appointed by New Invinity as trustee for such Scheme Shareholder, on terms that they shall, as

soon as practicable following the Scheme Record Time, be sold on behalf of such Scheme Shareholder at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) shall be paid to such Scheme Shareholder by sending a cheque to such Scheme Shareholder in accordance with the provisions of Clause 4. In the absence of fraud, none of Invinity, New Invinity or any broker or agent of either of them shall have any liability for any loss arising as a result of the timing or terms of any such sale.

4. Certificates and payments

- (a) On the Effective Date, New Invinity shall allot and issue all New Invinity Shares which it is required to allot and issue to give effect to this Scheme pursuant to Clause 2.
- (b) As soon as reasonably practicable after the Effective Date, and not later than 14 days after the Effective Date, New Invinity shall send by post to the allottees of the New Invinity Shares certificates in respect of such shares save that, where Scheme Shares are held in uncertificated form, New Invinity will procure that Euroclear UK & International Limited is instructed to cancel the entitlement to Scheme Shares of each of the Scheme Shareholders concerned and to credit to the appropriate stock accounts in CREST of each such Scheme Shareholder the due entitlement to New Invinity Shares.
- (c) Not later than 14 days following the sale of any relevant New Invinity Shares pursuant to Clause 3(b), New Invinity shall procure that such person appointed to act under Clause 3(b)(i) or the nominee referred to in Clause 3(b)(ii) shall account for the cash payable by despatching to the persons respectively entitled thereto cheques by post.
- (d) All certificates required to be sent by New Invinity pursuant to Clause 4(b) and all cheques required to be sent pursuant to Clause 4(c) shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Invinity at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Invinity before the Scheme Record Time. All documents, certificates or other communications sent by, to, from or on behalf of Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and may be sent by post.
- (e) If the New Invinity Shares are consolidated or subdivided before the despatch of any certificates or the giving of any instructions in accordance with this Clause 4, the certificates or instructions shall relate to such New Invinity Shares as so consolidated or subdivided (as the case may be).
- (f) None of Invinity, New Invinity or such person appointed to act under Clause 3(b)(i) or any nominee referred to in Clause 3(b)(ii) or any agent of any of them shall be responsible for any loss or delay in transmission of certificates or cheques sent in accordance with this Clause 4.
- (g) All cheques shall be made payable to the Scheme Shareholder or, in the case of joint holders to all such Scheme Shareholders, in respect of the Scheme Shares concerned in sterling drawn on a UK clearing bank and the encashment of any such cheque shall be a complete discharge to New Invinity for the monies represented thereby.
- (h) This Clause 4 shall be subject to any prohibition or condition imposed by law.

5. Certificates representing Scheme Shares

With effect from and including the Effective Date, all certificates representing holdings of Scheme Shares shall cease to be valid in respect of such holdings. The Shareholders in respect of such shares shall be bound to destroy such certificates and, at the request of Invinity, to confirm to Invinity that such certificates have been destroyed.

6. Mandated payments and other instructions

Each mandate in force at the Scheme Record Time relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications from Invinity shall, unless and until varied or revoked, be deemed as from the Effective Date to be a valid and effective mandate or instruction to New Invinity in relation to the corresponding New Invinity Shares to be allotted and issued pursuant to this Scheme.

7. Effective Date

- (a) This Scheme shall become effective as soon as the Jersey Court Order sanctioning the Scheme under Article 125 of the Companies (Jersey) Law 1991 shall have been duly delivered to the Jersey Registrar of Companies and registered by him.
- (b) Unless this Scheme shall have become effective on or before 28 February 2025 or such later date, if any, as Invinity and New Invinity may agree and the Jersey Court may allow, it shall lapse.

8. Modification

Invinity and New Invinity may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Jersey Court may think fit to approve or impose.

9. Costs

Invinity is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

10. Governing law

The Scheme is governed by Jersey law and is subject to the jurisdiction of the courts of Jersey.

Dated: 22 November 2024

PART IV

RISK FACTORS

The following factors do not purport to be a complete list or explanation of all the risk factors involved in holding shares in the Company, or if the Scheme becomes effective, New Invinity. In particular, the Company or (assuming the Scheme becomes effective) New Invinity's performance may be affected by changes in the market and or economic conditions and in legal, regulatory and tax requirements.

If any of the risks identified in this Part IV materialise, the business, financial condition, results or future operations of the Company or (assuming the Scheme becomes effective) New Invinity could be materially and adversely affected. In such circumstances, the trading price of the Invinity Shares or the New Invinity Shares (as the case may be) could decline and Shareholders could lose part or all of their investment in the Invinity Shares or the New Invinity Shares. In addition, the risks referred to in this Part IV are not the only risks to which the Company or New Invinity may be subject. The Company or New Invinity may be unaware of certain risks or believe certain risks to be immaterial which later prove to be material.

Paragraphs 1 to 3 below (inclusive) relate to "General Risks", "Risks relating to the Invinity Shares and (if the Scheme becomes effective) New Invinity Shares" and "Risks relating to the Group's business". Paragraph 4 below relates to risks with respect to the "Proposals". In paragraphs 1 to 3 below, references to the "Company" means the Company or, if the Scheme becomes effective, New Invinity, as the context requires.

1. General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Company is suitable for them in light of their personal circumstances and the financial resources available to them.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects.

2. Risks relating to the Invinity Shares and (if the Scheme becomes effective) New Invinity Shares

2.1 *Pre-emption rights may not be available to Overseas Persons*

In the case of certain increases in the Company's issued share capital, holders of Ordinary Shares have the benefit of pre-emption rights to subscribe for such shares, unless Ordinary Shareholders waive such rights by a resolution passed at a shareholders' meeting, or in certain other circumstances. United States and other overseas holders of shares are very likely to be excluded from exercising any such pre-emption rights they may have, unless a registration statement under the US Securities Act is effective with respect to those rights, or an exemption from the registration requirements under the US Securities Act is available. The Company is unlikely to file any such registration statement, and the Company cannot assure prospective investors that any exemption from those registration requirements would be available to enable United States or other overseas shareholders to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption.

2.2 *Access to further capital*

Without prejudice to any working capital statement to be given by the Directors in relation to New Invinity and

Admission, the Company may require additional funds to respond to enable future acquisitions, expansion activity and/or business development, and/or respond to business challenges, enhance existing products and services or further develop its sales and marketing channels and capabilities. Accordingly, Invinity may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

2.3 Dilution

If available, any future financings to provide required capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

2.4 Shareholders may be exposed to fluctuations in currency exchange rates

The Ordinary Shares are priced in pounds sterling and will be quoted and traded in pounds sterling. Accordingly, Shareholders resident in non-UK jurisdictions are subject to risks arising from adverse movements in the value of their local currencies against pounds sterling, which may reduce the value of the Ordinary Shares.

2.5 The Company's securities are traded on AIM and AQSE rather than the Official List

The Invinity Shares are, and the New Invinity Shares will be, traded on AIM and AQSE rather than the Official List of the Financial Conduct Authority. An investment in shares traded on AIM and AQSE may carry a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Group's sector and other events and factors outside of the Group's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. Prospective investors should be aware that the value of the Ordinary Shares may be volatile and could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity. Admission to AIM and AQSE should not be taken as implying that there will be a liquid market for the Ordinary Shares.

2.6 The Company's share price fluctuates

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares (or securities similar to them). Such risks depend on the market's perception of the likelihood of success of the Fundraising, and/or may occur in response to various facts and events, including any variations in the Group's operating results, business developments of the Group and/or its competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares and investors may, therefore, not recover their original investment.

Any sale of Ordinary Shares could have an adverse effect on the market price of the Ordinary Shares. Furthermore, it is possible that the Company may decide to offer additional shares in the future. An additional offering could also have an adverse effect on the market price of the Ordinary Shares.

2.7 The Company does not plan on making dividend payments in the foreseeable future

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and will depend on, among other things, the Company's results of operations and financial condition, its future business prospects, any applicable legal or contractual restrictions and availability of profits. At present, there is no intention to pay a dividend.

2.8 The Company is not profitable

The Company is not currently profitable and there is no guarantee that it will be profitable in the future. Any future profitability is subject to the Company's ability to convert its pipeline of potential sales to contracts and perform those contracts profitably as well as by factors outside of the Directors' control, including taxation, economic climate and third parties.

3. Risks relating to the Group's business

3.1 Key personnel

The Company's business, development and prospects are dependent on a small number of key management personnel. The loss of the service of one or more of such key management personnel may have an adverse effect on the Company. The Directors believe that the operational experience and technical know-how of the Company's key management personnel are important to the Company's future development. The loss of the services of any key management personnel, for any reason, or failure to attract and retain necessary additional personnel, could adversely impact on the business, development, financial condition, results of operations and prospects of the Company. The Directors believe the Company operates a progressive and competitive remuneration policy which plays an important part in retaining and attracting key management personnel.

3.2 US tax inversion risk

Following the merger with Avalon Battery Corporation, as Avalon is US-based there is a risk that the Company may be deemed to be onshore for US tax purposes. However, the Company has taken advice and believes that this should not be the case under current US legislation. There is a risk that the US government could introduce retrospective legislation to change the rules, in which case the Company might be deemed to be a US tax resident, with the consequence being that the Company would be subject to US federal taxation on its worldwide operations.

3.3 Transfer pricing

The Company trades between Canada and the US, which includes the importation of materials from Canada to sell into the US, and between the UK and Ireland. There is a risk around the transfer pricing arrangements which could be challenged by the relevant tax authorities. The relevant transfer pricing regimes are kept under close internal review and the Company takes active steps to ensure compliance.

3.4 Tariffs

Current US rules require tariffs to be paid on imports from China. The Company imports certain goods from China to Canada which, once assembled into stacks and electrolyte is added, are labelled as "made in Canada". The Company has taken professional advice on these arrangements and believes it complies with the relevant US requirements. However, changes to political leadership in the US, UK and parts of Europe during 2024 has led to a level of uncertainty around future tariff structures and therefore there is a risk that the Company will need to adapt its strategy in line with changing import/export rules across its core markets.

3.5 VFB market may not mature in the way the Directors expect

The market for vanadium flow batteries (“VFBs”) is developing. The Directors expect the market to mature to a stage where the capabilities of VFBs are fully understood. The Company’s technology is already deployed across a number of pilot projects across the world, but to meet growth projections VFBs need to become widely accepted and utilised for grid-scale energy storage applications. There is a risk that the market may not mature in this way, or at the pace expected. The Company also faces competition in certain market segments from other battery technologies including lithium-ion which has been widely deployed at low-cost to date.

3.6 Government energy market policy may change

The energy markets in many countries rely, to a large degree, on national and international regulatory policy. The European Union (“EU”), the UK and the USA have, in recent years, adopted policies and mechanisms actively supporting renewable energy. It is possible that this approach could be modified or changed, especially in light of recent changes in government in the USA, the UK and certain EU countries, relating to renewable energy directly or to energy policy more generally. Government funding, including grants, is required for projects in the Company’s pipeline and projects utilising Invinity’s technology have already been awarded funding by the U.S Department of Energy and the UK Department of Energy Security and Net Zero. If, as a result of changes in Government policy, such funding is reduced or withdrawn, the Company’s business and growth plans could be adversely affected.

3.7 R&D spend may affect profitability

The Company will need to reduce the costs of its products, and as such R&D spend to effect this reduction will continue. Product costs must be reduced to a point where the deployment of VFBs provides the desired returns for their purchasers. Until the Company is able to achieve these cost reductions, and even afterwards, R&D spend may adversely affect profitability.

3.8 Failure to achieve projected revenues and potential impact on the viability of the business

If the Company fails to achieve the anticipated level of sales in its pipeline, the Company will have to consider alternative financing methods and sources. Should the market not develop as expected by the Directors, the Company may have to cease trading. The Directors closely monitor sales and projections on a month-by-month basis and will adjust the Company’s costs and infrastructure to react to the market.

3.9 Vanadium price volatility

A key component of VFBs is the vanadium feedstock used as electrolyte in the battery, which currently constitutes approximately 19 per cent. of the Company’s VS3 unit price. There is a general assumption that VFB projects are viable for investors when the vanadium price is below \$12/lb. In November 2018 the price of vanadium reached \$28/lb, but the Directors believe that this was a one-off spike due to a monopolistic supply and sudden enforcement of Chinese building regulations (as vanadium is used to strengthen steel). As at the date of this document the price of Vanadium Pentoxide (V₂O₅) is around \$5/lb, which is in below the historic average price. There is a risk that the price of vanadium could make the vanadium in the Company’s products financially unviable for purchase, which the Directors are striving to mitigate by developing relationships with vanadium suppliers. The Company’s customers are also able to lease the vanadium, which further mitigates the impact of any vanadium price increases.

3.10 Reliance on suppliers

The manufacturing of the Company’s product is dependent on a number of key suppliers. This reliance may not diminish as there are very few suppliers of the materials required. The Company has, however, developed multiple relationships in the industry which mean that alternative suppliers can be used at relatively short notice for most specialised components.

3.11 Additional managerial and operational resources

As the Company continues to grow and expand with customer demand, there may be a need to deploy additional skills and resources to meet the needs of the Company beyond those included in current cost projections. The Company’s management, though, has the relevant experience to know when these resources should be obtained and deployed on an as-needed basis.

3.12 *Reliance on manufacturing partners*

The manufacture of the Company's product is also dependent upon manufacturing partners, most notably Baojia New Energy which operates a factory in Suzhou, China. However, if issues of this kind arise, addressing them could require additional capital and introduce delays to the Company's plans to enable customer deliveries to occur within six months of closing a new contract, potentially leading to an interval of a year or even longer.

3.13 *Counterparty Risk*

There is a possibility that the contracting party for one or more projects considered closed may not fulfil their part of the deal and may default on contractual obligations. While this risk is mitigated in part by the Company's practice of requiring deposits upon contract signing, by progress payments required as fulfilment of the contract progresses, and by the financial strength of the counterparties, some exposure remains.

3.14 *Currency fluctuations*

Currency fluctuations may affect the costs that the Company incurs in its operations. A proportion of the Company's revenues and capital and operating expenditure is incurred in currencies other than the pounds sterling, principally US Dollars and Canadian Dollars. The Company currently hedges its foreign exchange risk on anticipated materials purchases though, in future, the opportunities to hedge any foreign exchange exposure in these currencies may be limited. The Company will seek to mitigate transaction risk by maintaining controlled amounts of cash in the required currencies. Currency fluctuations may also result in unrealised foreign exchange gains or losses that materially adversely affect the financial results of the Company reported in pounds sterling.

3.15 *Warranties and liquidated damages*

Certain of the Company's contracts include warranties and/or liquidated damages clauses. Historically these are provided for on the balance sheet. There is a risk that these provisions will not be adequate.

3.16 *General Economic Climate*

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

3.17 *Tax*

The Company has operations in Canada, the US and the UK. The Company manages all of its tax affairs in these jurisdictions carefully and takes appropriate advice from appropriately qualified tax agents in each jurisdiction. However, the Company is exposed to the Government taxation policies in each of the countries over which they have no direct control.

3.18 *Intellectual property and know-how*

The Company has sought to protect its proprietary software, know-how and other intellectual property by the filing of patent applications, entering into non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of its business, implementing and maintaining internal and external controls and processes restricting access to the software's underlying source code and using the laws of copyright, trade secret and confidentiality.

Any intellectual property, whether or not registered owned and/or used by the Company in the course of its business or in respect of which the Company believes it has rights, may be prejudiced and/or open to challenge by third parties (including where such third parties have or claim to have pre-existing rights in such intellectual property). In any such case, the Company may be prevented from using such intellectual property or may become involved in litigation to protect its intellectual property rights, each of which may have a material adverse effect on the operating results, business, financial condition and prospects of the Company. Although it has taken precautions, the Company cannot guarantee that any action or inaction by the Group will not inadvertently infringe the intellectual property rights of others. Any infringement by the Company of the intellectual property

rights of others could have a material adverse effect on the operating results, business, financial condition and prospects of the Company. Despite precautions which may be taken by the Company to protect its software, unauthorised parties may attempt to copy, or obtain and use, its software and the technology incorporated in them. This could cause the Company to incur significant unbudgeted costs in defending its software and technology.

3.19 *Product liability or other claims*

Whilst the Company has instituted measures to manufacture its products in accordance with appropriate quality-control standards, there can be no assurance that each of the Company's products are free from defects or that they will not be involved in a product recall or product liability or other claims relating to product quality. Product liability or other claims in relation to the Company's products and services could result in reduced sales, recalls, injury or consequential damages to customers or third parties, or harm to the Company's reputation. Actual or perceived quality defects could adversely affect sales and require recalls. Further, express or implied warranties and strict product liability laws in certain jurisdictions could lead to significant damage claims which the Company may be forced to settle, regardless of fault. Such events could materially adversely affect the Company's business, results of operations or financial condition. The Company maintains appropriate insurance to mitigate against these risks where possible.

3.20 *Health and safety risks*

The Company is subject to various statutory compliance and litigation risks under health, safety and employment laws. There can be no guarantee that there will be no accidents or incidents suffered by the Company's employees, its contractors or other third parties at the Company's facilities. If any of these incidents occur, the Company could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed and cause damage to the Company's reputation. Such events could have a material adverse effect on the Company's business operations, prospects, financial condition and operational results.

3.21 *Transport and logistics risks*

The Company's global footprint includes manufacturing facilities and suppliers in the UK, Europe, China, Canada and USA, with major customers in those locations. As a result, Invinity has a globally distributed supply chain, which can be affected from time to time by macro events, specifically those which affect the cost and duration of transport and logistics for the Company's products and key components, which are beyond its control.

3.22 *Gamesa Electric JDCA*

The Company continues to make significant progress in the development of Mistral, its next generation product, under the auspices of the joint development and commercialisation agreement ("JDCA") with Gamesa announced 11 May 2021. On 26 February 2024, the Company completed initial performance testing of the first operating Mistral prototype and announced the sale of a 1.2MWh Mistral pilot project to Gamesa on 27 September 2024. Commercial launch of Mistral is expected to occur before the end of 2024. The JDCA with Gamesa may not progress in the way envisaged by the Directors. In particular the Company may not reach the expected joint commercial release under the agreement, including for reasons outside of its control. Accordingly the Company may not achieve the rates of growth which the Directors expect to follow from commercialisation.

3.23 *LODES Competition*

The Company has been awarded £11m of funding from the UK Government's Department for Energy Security and Net Zero ("DESNZ") under Phase 2 of the Longer Duration Energy Storage Demonstration ("LODES") Competition. This funding has been provided on a matched basis which it is anticipated will be provided by a development partner. Whilst Invinity is engaged with a number of suitable partners, a binding contract to provide the matched funding has not yet been executed and therefore the project may be unable to proceed to the build and commissioning stage. In order to mitigate this risk to the greatest possible extent, the Company is actively progressing negotiations with various partners and has certain contingencies in place should negotiations be unsuccessful for any reason.

4. Proposals

Assuming that the Scheme becomes effective, Scheme Shareholders will receive one New Invinity Share in place of each Ordinary Share held at the Scheme Record Time. In addition to the risks referred to above, the Company has identified certain additional risks with respect to the Proposals, which are described below. Accordingly, Scheme Shareholders should consider carefully the specific risk factors set out below in addition to the other information contained in this Circular.

4.1 Changes to the Tax Law in the UK

The Scheme will establish New Invinity as the parent company of the Invinity Group. The rates of taxation in the UK may change, which could adversely affect the financial prospects of the Company and/or the returns available to Shareholders. The tax rates in the UK and in Jersey referred to in this Circular are those prevailing as at the date of this Circular. Any change in these rates or in UK tax legislation could impose a new tax liability or increase an existing tax liability. A comparison of the differences in the treatment of a holding company under English and Jersey tax law is set out at paragraph 11.3 of Part V of this document.

4.2 Rights of Scheme Shareholders and duties owed by the Board will be governed by UK Law

Following the Scheme becoming effective, the rights of Scheme Shareholders and the fiduciary duties that the New Invinity Board owes to New Invinity and New Invinity Shareholders will be governed by UK law. As a result, the rights of Scheme Shareholders and the fiduciary duties owed to them and New Invinity may differ from those under Jersey law and may differ in material respects from the rights and duties that would be applicable if the Company were organised under the laws of a different jurisdiction or if New Invinity was not permitted to vary such rights and duties in the UK. A summary of the principal differences between the New Invinity Articles and the Invinity Articles and a summary of significant differences between English and Jersey company law are set out in paragraphs 10 and 11 respectively of Part V of this document.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names are set out in paragraph 4 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. Information on Invinity

Invinity is a public limited company incorporated in, and operating under the legislation of, Jersey, and domiciled in Jersey. Invinity's registered office is 3rd Floor, IFC5, Castle Street, St Helier, Jersey JE2 3BY.

Invinity's auditors are BDO LLP, who audited the Company's accounts for the financial year ended 31 December 2023. For the financial year ended 31 December 2022, its auditors were PriceWaterhouseCoopers LLP.

2.1 Share capital

- (a) Invinity has 440,557,550 Ordinary Shares of €0.01 in issue, all of which are fully paid or credited as fully paid.
- (b) There are no Deferred A Shares of €0.49 in issue.
- (c) The proposed issued and fully paid share capital of Invinity immediately prior to the Jersey Court Meeting, assuming no other Invinity Shares are issued after 19 November 2024 (being the latest practicable date prior to the publication of this document), will be:

| <i>Issued Share Capital</i> | <i>Number</i> |
|-------------------------------|---------------|
| Invinity Shares of €0.01 each | 440,557,550 |

- (d) The proposed, issued and fully paid share capital of Invinity that is expected immediately following the Scheme becoming effective, assuming no other Invinity Shares are issued after 19 November 2024 (being the latest practicable date prior to the publication of this document), is as follows:

| <i>Issued Share Capital</i> | <i>Number</i> |
|-------------------------------|---------------|
| Invinity Shares of €0.01 each | 440,557,550 |

3. Information on New Invinity

3.1 Incorporation and registered office

New Invinity was incorporated under the name Invinity Energy Group Services Limited on 12 August 2024 under the Companies Act as a private company limited by shares with registered number 15892542. On 16 September 2024, New Invinity changed its name to Invinity Energy Systems Limited. It is expected that New Invinity will be re-registered as a public company limited by shares prior to the Jersey Court Meeting.

Following the Scheme becoming effective, New Invinity will become the parent company of the Invinity Group.

The principal legislation under which New Invinity operates and the New Invinity Shares were created is the Companies Act.

As New Invinity is UK-incorporated, the City Code will continue to apply to it.

The registered office of New Invinity is at The Scalpel, 18th Floor, 52 Lime Street, London, United Kingdom, EC3M 7AF. On or shortly after Admission, the Company intends to change the registered office of New Invinity to New Broad Street House, 35 New Broad Street, London EC2M 1NH, and will notify New Invinity Shareholders when this has occurred.

New Invinity's LEI is: 213800XX6UAMF51CYM12.

Invinity's and New Invinity's website is www.invinity.com and their contact telephone number is +44(0)204 526 5789.

3.2 *Share capital*

New Invinity was incorporated with an issued share capital of £2.00, comprising of two New Invinity Subscriber Shares of £1.00 each. The New Invinity Subscriber Shares were issued fully paid up to each of Ralph Anderson and Joseph Worthington, being employees of Invinity.

It is expected that prior to the Jersey Court Meeting, New Invinity will:

- (a) issue one New Invinity Share of £0.14;
- (b) reduce the capital of New Invinity by cancelling the two issued New Invinity Subscriber Shares; and
- (c) issue 25,000 New Invinity Redeemable Shares to each of the holders of the New Invinity Subscriber Shares. The New Invinity Redeemable Shares are to be issued with a nominal value of £1.00 each and will be fully paid up.

It is intended that the New Invinity Redeemable Shares will be issued for the purpose of satisfying the Companies Act minimum share capital requirements for public companies. They will carry no right to receive notice of or to attend, speak or vote at any general meeting of the Company or (subject to the Companies Act) at any meeting of the holders of any class of shares in the capital of the Company or for the purposes of a written resolution of the Company. They will not entitle their holders to receive any dividend or distribution and they will only carry the right to receive, after all share capital (including premium) on the ordinary shares in issue has been repaid, £1 for every £100,000,000,000 of capital returned to the ordinary shareholders. Subject to the Companies Act, the New Invinity Redeemable Shares will be redeemable at their nominal value at the option of the Company or the holder. The New Invinity Directors have informed the Invinity Directors that they intend that following the Scheme and the New Invinity Reduction of Capital becoming effective, any New Invinity Redeemable Shares on issue will be redeemed by New Invinity at their nominal value and automatically cancelled.

The proposed issued and fully paid share capital of New Invinity immediately prior to the Jersey Court Meeting will be:

| <i>Issued Share Capital</i> | <i>Number</i> |
|-----------------------------------|---------------|
| New Invinity Shares of £0.14 each | 1 |

| | |
|---|--------|
| New Invinity Redeemable Shares of £1 each | 50,000 |
|---|--------|

The proposed, issued and fully paid share capital of New Invinity as it is expected to be immediately following the New Invinity Reduction of Capital becoming effective, assuming no other Invinity Shares are issued after 19 November 2024 (being the latest practicable date prior to the publication of this document), is as follows:

| <i>Issued Share Capital</i> | <i>Number</i> |
|---|---------------|
| New Invinity Shares of £0.01 each | 440,557,550 |
| New Invinity Redeemable Shares of £1 each | 50,000 |

3.3 **Authorities**

The New Invinity Shareholders and/or directors of New Invinity are expected to pass prior to the Jersey Court Meeting, certain resolutions in order to, among other matters, authorise New Invinity to carry out the actions required of it in relation to the Proposals, including:

- (a) the authority for the directors of New Invinity to allot New Invinity Shares pursuant to the Scheme;
- (b) the approval of the New Invinity Reduction of Capital;
- (c) the authority for the directors of New Invinity to allot New Invinity Shares generally;
- (d) the authority to make allotments otherwise than in accordance with pre-emption rights;
- (e) the authority for the directors of New Invinity to adjust the nominal value of the New Invinity Shares to be issued under the Scheme;
- (f) the approval of the appointment of the auditors of New Invinity;
- (g) the authority for the directors of New Invinity to determine the auditors' remuneration; and
- (h) the authority for the directors of New Invinity to convene a general meeting on 14 clear days' notice.

The authorities to be granted in relation to allotment of shares referred above are equivalent to corresponding authorities that were granted to the Directors at the Invinity annual general meeting held on 29 July 2024.

It is expected that the directors of New Invinity will only be authorised to implement the New Invinity Reduction of Capital if the Invinity Shareholders pass special resolution 2 which will be proposed at the Scheme General Meeting (details of which are set out in the Notice of Scheme General Meeting). Accordingly, Invinity Shareholders will not be required separately to approve the New Invinity Reduction of Capital once they have become shareholders in New Invinity pursuant to the Scheme.

4. **Invinity Directors and New Invinity Directors**

4.1 The Directors and their functions are as follows:

| | |
|-----------------|--|
| Neil O'Brien | <i>Non-executive Chairman</i> |
| Jonathan Marren | <i>Chief Executive Officer</i> |
| Matthew Harper | <i>Chief Commercial Officer</i> |
| Rajat Kohli | <i>Senior Independent non-executive Director</i> |

Michael Farrow
Kristina Peterson

Non-executive Director
Non-executive Director

- 4.2 The business address of each of the Directors is 3rd Floor, IFC5, Castle Street, St Helier, Jersey JE2 3BY.
- 4.3 Neil O'Brien, Jonathan Marren, Matthew Harper, Rajat Kohli, Michael Farrow and Kristina Peterson will be appointed as New Invinity Directors prior to the Scheme becoming effective. The business address of each of the New Invinity Directors is The Scalpel, 18th Floor, 52 Lime Street, London, United Kingdom, EC3M 7AF. On or as soon as practicable after Admission, the business address of each of the New Invinity Directors will be New Broad Street House, 35 New Broad Street, London EC2M 1NH.
- 4.4 Under the NWF Relationship Agreement, further details of which are given at paragraph 14.4 of this Part V, NWF is entitled to nominate one director for appointment to the Invinity Board. This right has not yet been exercised by NWF.
- 4.5 The directorships and partnerships of the Directors, excluding New Invinity, the Company and its subsidiaries, held at present and within the five years preceding the date of this document are provided below:
- 1) **Neil Christopher O'Brien** (aged 61) has held the following directorships and/or partnerships in the past five years.

Current Directorships/Partnerships

South Gables Limited
Staffordshire Community Energy Limited
UK Hire Group Limited

Past Directorships/Partnerships (last five years)

Mercia Power Limited
FRP Mercia Holdco 2 Limited
FRP Mercia Holdco Limited
Mercia Power Response Limited
Mercia Power Response (Mansfield Road) Limited
Mercia Power Response (Albion Close) Limited
Mercia Power Response (Hallam Way) Limited
Mercia Power Response (Cuckoo Road) Limited
Mercia Power Response (Bradberry Balk Lane) Limited
Mercia Power Response (Chesterfield Road) Limited
Mercia Power Response (Common Side Lane) Limited
Mercia Power Response (Common Lane) Limited
Mercia Power Response (Manners Avenue 2) Limited
Mercia Power Response (Fordbridge Lane) Limited
Mercia Power Response (Riby Street) Limited
Mercia Power Response (High View Road) Limited
Mercia Power Response (Sandy Lane) Limited
Mercia Power Response (Pontefract Road) Limited
Mercia Power Response (Sookholme Road) Limited
Mercia Power Response (Graphite Way) Limited
Mercia Power Response (Whittington Road) Limited
Mercia Power Response (The Wood Yard) Limited
Mercia Power Response (Private Road N.5) Limited
Mercia Power Response (Nottingham Road)

Limited
 Mercia Power Response (Carlisle Road) Limited
 Mercia Power Response (Asher Lane 2) Limited
 Mercia Power Response (Outgang Lane) Limited
 Amalgamated Smart Metering Limited
 Durham LP Limited
 Exeter RP Limited
 Ilkeston Power Limited
 Westfield SM Limited
 Reserve Power Trading Limited

- 2) **Jonathan Anthony Frank Marren** (aged 49) has held the following directorships and/or partnerships in the past five years.

Current Directorships/Partnerships

West Hill Park School Limited
 West Hill School Trust Limited
 Vanadium Electrolyte Rental Limited

Past Directorships/Partnerships (last five years)

Ryde School Construction Limited

- 3) **Matthew Albert MacLennan Harper** (aged 47) has held the following directorships and/or partnerships in the past five years.

Current Directorships/Partnerships

Vanadium Electrolyte Rental Limited

Past Directorships/Partnerships (last five years)

None

- 4) **Rajat Kohli** (aged 61) has held the following directorships and/or partnerships in the past five years.

Current Directorships/Partnerships

Oval Advisory Limited
 Talbot Group Investments Pty
 Talbot Group Management Pty
 Jockeys Financial Ltd
 Midrev Mining Mauritius Limited
 NS Resources Mining Mauritius Limited
 Minas de Revuboe Ltda
 Ptolemy Resource Capital Ltd
 Hotham Hall Management Ltd

Past Directorships/Partnerships (last five years)

None

- 5) **Michael James Wills Farrow** (aged 70) has held the following directorships and/or partnerships in the past five years.

Current Directorships/Partnerships

3 Merchant Square Limited
 Elboi International Limited
 ELG Holdings (Jersey) Limited
 MacDonald Hotels Limited

 MCNT Limited (Formerly known as CPL Services Ltd)
 Merchant Square Holdings Limited
 Melville Douglas Balanced Fund Limited
 MD Global Growth Fund Limited
 MD Income Fund Limited
 MD Select Fund Limited
 RB Oil Limited

Past Directorships/Partnerships (last five years)

Circle Property plc
 Maiden Bay Limited
 RDI REIT plc
 Urban Infrastructure Real Estate (General Partner) Ltd
 Urban Infrastructure Venture Capital (Jersey) Private Ltd
 Urban Infrastructure Real Estate (Jersey) Ltd

Reuben Brothers Limited
Santa Juana Limited
STANLIB Funds Limited
STANLIB Multi Manager Funds Limited

Michael Farrow was a director of Freedom Interactive Limited and 0800freedom.com plc when both companies were placed into administration on 13 October 2000.

6) **Kristina Ann Peterson** (aged 61) has held the following directorships and/or partnerships in the past five years.

Current Directorships/Partnerships

Mayflower Partners LLC
Blink Charging, Inc.
Madison Energy Infrastructure, Inc.
Bulldog Topco LP
Augment Ventures Fund III, LP

Past Directorships/Partnerships (last five years)

Electriq Power Holdings, Inc.
Coalition for Green Capital
Iteros, Inc.

Kristina Peterson was an independent director of Electriq Power Holdings, Inc. ("EPHI") when EPHI declared Chapter 7 bankruptcy on 3 May 2024. Those liquidation proceedings are currently ongoing.

4.6 At the date of this document and for the last five years none of the Directors named in this Document:

- (i) has any unspent convictions in relation to indictable offences; or
- (ii) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to the assets of such director; or
- (iii) save as disclosed in paragraph 4.5 above, has been a director of any company which, while they were a director or within 12 months after they ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (iv) has been a partner of any partnership which, while they were a partner or within 12 months after they ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

5. Invinity Directors' interests in Invinity and New Invinity and Directors' Options

5.1 Assuming no further Invinity Shares have been purchased or issued after 19 November 2024 (being the latest practicable date prior to the publication of this document), the Directors and their immediate families have the following interests in the share capital of Invinity (all of which are beneficial unless otherwise stated) and, in the event that the Scheme becomes effective, the Directors and their immediate families will have the following interests in New Invinity by virtue of the effect of the Scheme on their

existing holdings in Invinity Shares:

| <i>Name</i> | <i>Number of Invinity Shares before the Scheme becomes effective</i> | <i>Percentage of Invinity Shares before the Scheme becomes effective</i> | <i>Number of New Invinity Shares after the Scheme becomes effective</i> | <i>Percentage of New Invinity Shares after the Scheme becomes effective</i> |
|-------------------|--|--|---|---|
| Neil O'Brien | 165,625 | 0.04% | 165,625 | 0.04% |
| Jonathan Marren | 280,000 | 0.06% | 280,000 | 0.06% |
| Matthew Harper | 1,613,470 | 0.37% | 1,613,470 | 0.37% |
| Rajat Kohli | 0 | 0.00% | 0 | 0.00% |
| Michael Farrow | 9,224 | 0.002% | 9,224 | 0.002% |
| Kristina Peterson | 0 | 0.00% | 0 | 0.00% |

5.2 The interests of the Directors together represent approximately 0.47 per cent of the issued share capital of Invinity and are expected to represent approximately 0.47 per cent of the issued share capital of New Invinity upon the Scheme becoming effective.

5.3 On 19 November 2024, being the last practicable date prior to the publication of this Document, the Directors and (so far as is known to the Directors, having made appropriate enquiries) their family (within the meaning of the AIM and AQSE Rules) have the following options over Ordinary Shares:

| <i>Name</i> | <i>Number of Option Shares</i> | <i>Percentage of diluted issued Share capital (after taking account of the outstanding Options)</i> | <i>Percentage of Share Capital (following Admission)</i> |
|-----------------|--|---|--|
| Matthew Harper | 1,886,099 | 0.41% | 0.41% |
| Jonathan Marren | 1,750,000 | 0.38% | 0.38% |

5.4 The interests disclosed in this paragraph 5 are based upon the interests of the Directors in Ordinary Shares which: (i) have been notified by each Director to Invinity pursuant to Chapter 3 of the Disclosure and Transparency Rules before 19 November 2024 (being the latest practicable date prior to the publication of this document); or (ii) are interests of a connected person (within the meaning of the Disclosure and Transparency Rules) of a Director which have been notified to Invinity by each connected person pursuant to Chapter 3 of the Disclosure and Transparency Rules.

5.5 Save as set out in this paragraph 5, none of the Directors or any connected person has any interest, whether beneficial or non-beneficial, in the share capital of any member of the Invinity Group.

5.6 None of the Directors has any potential conflicts of interest between their duties to Invinity and their private interests and/or their duties to third parties.

5.7 There are no outstanding loans or guarantees granted or provided by Invinity to any of its subsidiaries for the benefit of any of the Directors.

6. Options and Warrants

6.1 As at 19 November 2024, being the last practicable date prior to the publication of this Circular, the Company has granted options over 22,628,581 Ordinary Shares, including those mentioned in paragraph

5 above. The options are the subject of certain vesting criteria.

6.2 The following employee options conferring a right to acquire Ordinary Shares are presently in place:

| Type of option | No. of options outstanding |
|-----------------------------------|-----------------------------------|
| CSOP (UK employees) | 1,694,471 |
| Option (Canadian employees) | 6,710,220 |
| ISO (US employees) | 2,292,600 |
| Non-Tax Advantaged (UK employees) | 2,881,017 |
| Consultant | 378,000 |
| TOTAL | 13,956,308 |

6.3 1.7m of the above options have an exercise price of 7p, 4.2m of the above options have an exercise price of between 38p and 45.5p, 4.2m of the above options have an exercise price of 51.2p, 1.2m of the above options have an exercise price of between 64.5p and 93.5p, 1.8m of the above options have an exercise price of between 111.5p and 113.0p and 0.9m of the above options have an exercise price of between 134.5p and 352.5p.

6.4 Gamesa Electric S.A.U has an option to subscribe for 8,672,273 Ordinary Shares with an exercise price of £1.75 per share exercisable until 10 May 2026.

6.5 Save as disclosed in this document there are no subscriptions, allotments or options to be given, or already existing, in respect of any other securities of the Company.

6.6 The following warrants, entitling the holders to subscribe for Ordinary Shares are presently outstanding:

- (a) 14,463,665 warrants held by placees pursuant to a placing undertaken by the Company in December 2021, with an exercise price of £1.00 per share exercisable until 16 December 2024;
- (b) 340,000 warrants held by VSA Capital with an exercise price of £0.50 per share exercisable until 2 April 2025; and
- (c) 1,800,000 warrants held by RiverFort Global Opportunities PCC Limited and YA II PN with an exercise price of £0.32 per share exercisable until 14 December 2026.

6.7 The warrants referenced in paragraph 6.4 and paragraphs 6.6(b) and (c) above are being novated to New Invinity, conditional upon the consent of the warrant holders and conditional on and with effect from the Scheme becoming effective.

7. Principal shareholders

7.1 Insofar as is known to Invinity, as at 19 November 2024 (being the latest practicable date prior to the publication of this document) the following persons were interested, directly or indirectly, in 3 per cent or more of Invinity's voting share capital (on the basis of their disclosed existing holdings of Invinity Shares as at 19 November 2024) and the amount of such person's holding of the total voting rights in respect of the New Invinity Shares following the Scheme becoming effective is expected to be as follows:

| <i>Name</i> | <i>Number of Ordinary Shares as at 19 November 2024</i> | <i>Percentage of issued Ordinary Shares as at 19 November 2024</i> | <i>Number of New Invinity Shares on the Effective Date</i> | <i>Percentage of issued New Invinity Shares on the Effective Date</i> |
|------------------------------|---|--|--|---|
| National Wealth Fund Limited | 108,695,652 | 24.67% | 108,695,652 | 24.67% |

| | | | | |
|------------------------------|------------|--------|------------|--------|
| Schroders plc | 80,807,993 | 18.34% | 80,807,993 | 18.34% |
| Premier Miton | 18,938,893 | 4.30% | 18,938,893 | 4.30% |
| Herald Investment Management | 16,446,850 | 3.73% | 16,446,850 | 3.73% |

The disclosed interests above refer to the respective combined holdings of those entities and to interests associated with them.

- 7.2 Save as disclosed in paragraph 7.1 above, the Directors are not aware of any holdings of voting rights (within the meaning of Chapter 5 of the Disclosure and Transparency Rules) which represent 3 per cent or more of the total voting rights in respect of the issued ordinary share capital of New Invinity once the Scheme becomes effective.
- 7.3 So far as Invinity is aware, immediately following implementation of the Scheme, no person or persons, directly or indirectly, jointly or severally, will exercise or could exercise control over New Invinity.
- 7.4 Except in respect of the Scheme, neither Invinity nor the Directors are aware of any arrangements, the operation of which may at a subsequent date result in a change of control of Invinity.
- 7.5 There are no differences between the voting rights enjoyed by the principal Invinity Shareholders described in paragraph 7.1 above and those enjoyed by any other Invinity Shareholder and expected to be enjoyed by New Invinity Shareholders.

8. Director Service Contracts

- 8.1 Neil O'Brien became a Director on 9 September 2016. He was appointed Non-executive Chairman on 2 April 2020, pursuant to an appointment letter dated 14 March 2019, as amended on 13 March 2020. Under Neil's revised appointment letter, the Company shall pay him an annual fee of £72,000. Neil served as Executive Chairman from 14 March 2019 to 2 April 2020.
- 8.2 Jonathan Marren was appointed as a Non-executive Director on 1 March 2016. He was appointed Chief Executive Officer of the Company on 6 September 2024. Under Jonathan's service agreement, the Company shall pay him an annual salary of £260,000. The agreement may be terminated by six months written notice given by either party.
- Jonathan was Chief Development Officer from 11 July 2022 and took on the role of Chief Financial Officer on 25 September 2023.
- 8.3 Matthew Harper became a Director on 1 April 2020. He was appointed Chief Commercial Officer of the Company on 2 April 2020 pursuant to an employment agreement with Invinity Energy Systems (Canada) Corporation, a wholly-owned subsidiary of the Company, under which he receives an annual salary of £220,000. The agreement terminates, inter alia, if Matthew is removed from office by shareholders or is not re-elected.
- 8.4 Rajat Kohli was originally appointed Non-executive Director of the Company on 22 June 2020. Pursuant to a letter of appointment dated 20 June 2020 Rajat receives an annual fee of £40,000. Originally appointed as board representative for Bushveld Vametco Limited, Rajat has continued as an independent Non-executive Director of the Company. The appointment terminates, inter alia, if Rajat is removed from office under the Company's articles of association. The appointment may also be terminated by the Company without notice in certain circumstances including incapacity for three months in any 12-month period and serious or repeated breach of obligations in connection with the appointment as determined by the Board. Rajat was appointed as Senior Independent Director on 11 July 2022 and receives an additional £5,000 per annum for acting in this capacity. He also receives an additional fee of £5,000 per annum for acting as chairman of the ESG Committee, £2,500 per annum for membership of the Remuneration Committee, and £2,500 per annum for membership of the Audit and Risk Committee.
- 8.5 Michael Farrow became a Director on 16 March 2006, and was appointed as Non-executive Director

pursuant to a letter of appointment with the Company dated 16 March 2006. The letter of appointment provides for an annual fee of £40,000 and termination on three months' written notice by either party. The appointment may also be terminated by the Company without notice in certain circumstances including incapacity for three months in any 12-month period, serious or repeated breach of obligations in connection with the appointment or unsatisfactory performance as determined by the Board. He also receives an additional fee of £5,000 per annum for acting as chairman of the Audit and Risk Committee, £2,500 per annum for membership of the Remuneration Committee and £2,500 for membership of the ESG committee.

- 8.6 Kristina Peterson was appointed as a Non-executive Director on 2 November 2021 pursuant to a letter of appointment with the Company dated on 30 October 2021. The letter of appointment provides for an annual fee of \$50,000 and termination on three months' written notice by either party. The appointment may also be terminated by the Company without notice in certain circumstances, including incapacity for three months in any 12-month period, serious or repeated breach of obligations in connection with the appointment or unsatisfactory performance as determined by the Board. Kristina receives an additional \$10,000 per year for acting as chair of the Remuneration Committee and \$7,500 for membership of the Audit and Risk Committee.

9. New Inevity Articles

Copies of the Articles and the New Inevity Articles are available for inspection as described in paragraph 16 of this Part V. The New Inevity Articles include provisions to the following effect:

9.1 Rights attaching to New Inevity Shares

- (a) Voting rights of New Inevity Shareholders - subject to forfeiture in the event of: (A) non-payment of any call or other sum due and payable in respect of any New Inevity Share; or (B) any non-compliance with any notice under the New Inevity Articles requiring disclosure of the beneficial ownership of any New Inevity Shares and subject to any special rights or restrictions as to voting for the time being attached to any New Inevity Shares, on a show of hands every qualifying person (i.e. New Inevity Shareholder, authorised corporate representative or proxy) present has one vote. On a poll, every qualifying person present and entitled to vote on the resolution has one vote for every New Inevity Share held by the relevant New Inevity Shareholder. In the case of joint holders, only the vote of the person whose name stands first in the register of New Inevity Shareholders and who tenders a vote is accepted by New Inevity.
- (b) Return of capital - on a winding up of New Inevity the liquidator may, with the sanction of a special resolution of New Inevity and any other sanction required by law, (A) divide among the New Inevity Shareholders in kind the whole or any part of the assets of New Inevity; and (B) vest the whole or any part of the assets in trustees on such trusts for the benefit of New Inevity Shareholders as the liquidator shall think fit. No member shall be compelled to accept any assets upon which there is a liability.

9.2 Capitalisation of profits

The New Inevity Board may, with the authority of an ordinary resolution of New Inevity: (A) resolve to capitalise all or any part of any undivided profits of New Inevity not required for paying any preferential dividend (whether or not they are available for distribution) or all or any part of any sum standing to the credit of any reserve or fund (whether or not available for distribution); and (B) appropriate any sum which they decide to capitalise to the New Inevity Shareholders in the same proportions as if it had been distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any New Inevity Shares held by them respectively, or in paying up in full shares of any class or debentures of New Inevity of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct.

9.3 Transfer of Shares

- (a) New Inevity Shares are free from any restriction on transfer. Certificated shares may be

transferred by means of an instrument of transfer in writing in any usual form or other form approved by the New Invinity Board. The instrument of transfer shall be signed by or on behalf of the transferor and, except in the case of a fully paid share, by or on behalf of the transferee.

- (b) Subject to the Relevant Laws (having the meaning given in the New Invinity Articles), the New Invinity Board may, in its absolute discretion, refuse to register any transfer of any certificated New Invinity Share which is not fully paid up or on which New Invinity has a lien provided that, where any such shares are admitted to the Official List of the FCA or to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The New Invinity Board may also refuse to register any instrument of transfer of a certificated New Invinity Share unless it is in respect of only one class of share, is in favour of a single transferee or not more than four joint transferees, is stamped (if required) and is delivered for registration at the registered office, or such other place as the New Invinity Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the New Invinity Board may reasonably require to prove title of the intending transferor of his right to transfer the Shares and due execution of the transfer.
- (c) If the New Invinity Board refuses to register a transfer of a certificated New Invinity Share it shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged, return to the transferee the instrument of transfer with a notice of refusal containing reasons for the refusal.

9.4 Alteration of Capital

Subject to the provisions of the Relevant Laws, New Invinity may by special resolution:

- (a) increase its share capital;
- (b) consolidate and divide all or any of its share capital into New Invinity Shares of a larger amount;
- (c) sub-divide all or part of its share capital into New Invinity Shares of a smaller amount;
- (d) purchase New Invinity Shares, including any redeemable shares;
- (e) reduce its share capital and any capital redemption reserve or share premium account; and
- (f) alter its share capital in any other manner permitted by the Companies Act.

9.5 Variation of rights

New Invinity may by special resolution redesignate any shares, subject, where required, to due compliance with the provisions of the Relevant Laws as to variation of class rights.

9.6 Disclosure of interests in New Invinity Shares

- (a) New Invinity may give a disclosure notice to any person whom it knows or has reasonable cause to believe is interested in shares held by that member, under section 793 of the Companies Act.
- (b) Failure to provide the information required within 14 days from the date of service of the notice means that the holder shall not be entitled in respect of the default shares to be present or to vote (either personally, by proxy or by corporate representative) at a general or separate meeting or on a poll, and if those shares represent at least 0.25 per cent of the issued shares of the class, a dividend or other amount payable in respect of the default shares shall be withheld by New Invinity and no transfer of any certificated default shares shall be registered unless the transfer is exempt. These sanctions will cease to apply seven days after the earlier of receipt by New Invinity of notice of an excepted transfer (having the meaning given in article 10.6.1 of the New Invinity Articles), but only in relation to the shares thereby transferred; and receipt by New Invinity, in a form satisfactory to the directors, of all the Information required by the disclosure notice.
- (c) Notwithstanding anything to the contrary in the New Invinity Articles, no restriction shall apply

to the extent that applying the restriction would contravene the Uncertificated Securities Regulations 2001, but, subject to the system's rules, the New Invinity Board may require the Operator of a relevant system (as defined in the New Invinity Articles) to convert any share held in uncertificated form into certificated form in order to enable New Invinity to impose restrictions in relation to the share in accordance with the New Invinity Articles.

9.7 Uncertificated New Invinity Shares - general powers

- (a) Conversion of securities in certificated form into uncertificated form, and vice versa, may be made in such manner as the New Invinity Board may, in its absolute discretion, think fit (subject always to the Relevant Laws and the facilities and requirements of the relevant system).
- (b) The New Invinity Board may determine that holdings of the same New Invinity Shareholder in uncertificated form and in certificated form shall be treated as separate holdings but shares of a class held by a person in uncertificated form shall not be treated as a separate class from shares of that class held by that person in certificated form.
- (c) Any provision in the New Invinity Articles in relation to uncertificated New Invinity Shares have effect subject to the applicable statutory provisions.

9.8 Directors

- (a) Unless otherwise determined by an ordinary resolution of New Invinity, the number of New Invinity Directors shall not be less than two but shall not be subject to any maximum number.
- (b) A New Invinity Director need not be a New Invinity Shareholder.
- (c) At each annual general meeting every New Invinity Director shall retire from office who is required to do so in accordance with any corporate governance policy adopted from time to time by the Board.
- (d) Each of the New Invinity Directors (but not including, unless the New Invinity Board determines otherwise, any New Invinity Director who for the time being holds an executive office or employment with New Invinity or a subsidiary of New Invinity) shall be paid a fee for the New Invinity Director's services at such rate as may from time to time be determined by the New Invinity Board or by a committee authorised by the New Invinity Board. Such fee shall be deemed to accrue from day to day. Any New Invinity Director who is appointed to any executive office may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) in such manner as the New Invinity Board or any committee authorised by the New Invinity Board may decide.
- (e) Any New Invinity Director who serves on any committee or who devotes special attention to the business of New Invinity or goes or resides abroad for any purposes of New Invinity shall receive such remuneration by way of salary, commission, participation in profits or otherwise as the New Invinity Board or any committee authorised by the New Invinity Board may determine in addition to or in lieu of any remuneration paid to, or provided for, such New Invinity Director by or pursuant to any other provision of these Articles.
- (f) The New Invinity Directors may be paid all travelling, hotel and other expenses properly incurred by them in the conduct of New Invinity's business performing their duties as New Invinity Directors. The New Invinity Board may decide whether to provide benefits, whether by the payment of gratuities, pensions, annuities, allowances, bonuses or by insurance or otherwise to any person who is or has been a Director of New Invinity, any subsidiary undertaking of New Invinity, any predecessor in business of New Invinity or of any such subsidiary undertaking, any company which is or was allied to or associated with new Invinity or any of its subsidiary undertakings, or the family or dependents of any such person. For that purpose, the New Invinity Board may establish and maintain, subscribe and contribute to any scheme trust or fund and pay premiums.
- (g) A New Invinity Director who is in any way, whether directly or indirectly, interested in a

transaction or arrangement or a proposed transaction or arrangement with New Invinity must declare to the New Invinity Board the nature and extent of the interest or situation in accordance with the New Invinity Articles before New Invinity enters into the transaction or arrangement or, if it has already done so, as soon as reasonably practicable.

- (h) Subject to the Relevant Laws and provided he has declared to the New Invinity Board the nature and extent of any direct or indirect interest of his in accordance with the New Invinity Articles, a New Invinity Director may be a party to, or otherwise be interested in, any transaction or arrangement with New Invinity or in which New Invinity is interested, may act by himself or through his firm in a professional capacity for New Invinity (otherwise than as auditor), or may be a Director or other officer of, or employed by, a party to any transaction or arrangement with, or otherwise interested in, any company in which New Invinity is interested.
- (i) If any situation exists in which a New Invinity Director has or can have a direct or indirect interest which conflicts with or may conflict with the interests of New Invinity (other than in relation to transactions or arrangements with New Invinity), the New Invinity Board may authorise the New Invinity Director's conflicted interest so that the New Invinity Director is not in breach of the statutory duty owed to New Invinity under section 175 of the Companies Act. Any authorisation may be granted upon such terms and conditions as the New Invinity Board think fit, and may be terminated at any time. Any authorisation must be granted without the New Invinity Director in question (or any other New Invinity Director interested in the matter) counting in the quorum of the meeting or voting on the authorisation.
- (j) Where the New Invinity Board gives authority in relation to such a conflict:
 - (i) the New Invinity Board may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the New Invinity Director concerned as it may determine, including the exclusion of that New Invinity Director from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the New Invinity Board or otherwise) related to the conflict;
 - (ii) the authority may provide that, where the New Invinity Director concerned (otherwise than by virtue of the New Invinity Director's position as a director of New Invinity) obtains information that is confidential to a third party, the New Invinity Director will not be obliged to disclose that information to New Invinity, or to use the information in relation to New Invinity's affairs, where to do so would amount to a breach of that confidence;
 - (iii) the authority may also provide that the New Invinity Director concerned shall not be accountable to New Invinity for any benefit that the New Invinity Director receives as a result of the conflict; and
 - (iv) the receipt by the New Invinity Director concerned of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under CA 2006 not to accept benefits from third parties;
- (k) A New Invinity Director shall not vote or be counted in the quorum at a meeting in respect of any resolution concerning his own appointment (including fixing and varying its terms, or its termination), as the holder of any office or place of profit with New Invinity or any other company in which New Invinity is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms, or its termination), of two or more New Invinity Directors to offices or places of profit with New Invinity or any company in which New Invinity is interested, those proposals may be divided and considered in relation to each New Invinity director separately, and in such case each of the New Invinity Board concerned (if not otherwise debarred from voting under the New Invinity Articles) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment or the termination of his own appointment.
- (l) A New Invinity Director shall not vote (or be counted in the quorum at a meeting) in relation to a resolution concerning a matter in which he has an interest which is, to his knowledge, a material interest (other than by virtue of his interest in shares or debentures or other securities of New

Invinity). Notwithstanding the above, a New Invinity Director shall be entitled to vote (and be counted in the quorum) on:

- (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, New Invinity or any of its subsidiaries; or a debt or obligation of New Invinity or any of its subsidiaries for which he has assumed responsibility (in whole or in part and either alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (ii) the provision of funds to meet any expenditure incurred by him in (i) defending any criminal or civil proceedings, (ii) in connection with an application for relief from a liability in respect of an acquisition of shares by an innocent nominee or in connection with an application for relief from liability for negligence, default, breach of duty or breach of trust, (iii) in defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority; or to enable him to avoid any such expenditure, subject to the terms of any such arrangement not conferring a benefit upon him not generally available to any other New Invinity Director;
- (iii) any issue or offer of New Invinity Shares, debentures or other securities of New Invinity or any of its subsidiaries for subscription or purchase in respect of which he is or may be entitled to participate in his capacity as holder of any such securities or as an underwriter or sub-underwriter;
- (iv) any contract concerning any company (not being a company in which the New Invinity Director owns one per cent. or more (as defined in this Article)) in which the New Invinity Director is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise;
- (v) any arrangement for the benefit of employees of New Invinity or any of its subsidiaries which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (vi) the purchase or maintenance of insurance for the benefit of the New Invinity Board or for the benefit of persons including New Invinity Board.

9.9 General meetings

- (a) The New Invinity Board may convene a general meeting whenever it thinks fit and shall do so on requisition in accordance with the Relevant Laws (having the meaning given in the New Invinity Articles).
- (b) An annual general meeting shall be called by not less than 21 clear days' notice and any other general meeting shall be called by not less than 14 clear days' written notice.
- (c) The requisite quorum for general meetings of New Invinity shall be two qualifying persons present in person or by proxy at the meeting and entitled to vote on the business to be transacted.

9.10 Dividends

- (a) Declaration of dividends - subject to the Relevant Laws, New Invinity may, by ordinary resolution, declare a dividend to be paid to the New Invinity Shareholders according to their respective rights. No dividend shall exceed the amount recommended by the New Invinity Board.
- (b) Fixed and interim dividends - subject to the the Relevant Laws, the New Invinity Board may pay such interim dividends as appear to the New Invinity Board to be justified by the profits of New Invinity and may also pay any dividend payable at a fixed date whenever, in the opinion of the New Invinity Board, the profits available justify its payment. If the New Invinity Board acts in good faith, none of the New Invinity Board shall incur any liability to holders of New Invinity Shares conferring preferred rights for any they may suffer in consequence of the lawful payment of an interim dividend on any New Invinity Shares having non-preferred or deferred rights.

- (c) Calculation and currency of dividends - except insofar as the New Invinity Articles and the rights attaching to, or the terms of issue of, any New Invinity Share otherwise provide: (A) all dividends shall be declared and paid according to the amounts paid up on the New Invinity Shares in respect of which the dividend is paid, and (B) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the New Invinity Shares during any portion or portions of the period in respect of which the dividend is paid, save that no amount paid up on a New Invinity Share in advance of the due date for payment of that amount shall be treated as paid up on the New Invinity Share. Dividends may be declared or paid in any currency or currencies, and paid in the same currency or currencies or in any other currency or currencies, and subject to such charges to cover the costs of conversion, as the New Invinity Board may determine, using where required such basis of conversion (including the rate and timing of conversion) as the New Invinity Board decides.
- (d) Dividends not to bear interest - no dividend or other monies payable by New Invinity on or in respect of any New Invinity Share shall bear interest as against New Invinity unless otherwise provided by the rights attached to the New Invinity Share.
- (e) Right to deduct amounts due on shares from dividends – the New Invinity Board may deduct from any dividend or other monies payable in respect of a New Invinity Share to a New Invinity Shareholder all sums of money (if any) presently payable by the member to New Invinity on account of calls or otherwise in respect of New Invinity Shares. Dividends in specie - with the authority of an ordinary resolution of New Invinity and on the recommendation of the New Invinity Board, payment of any dividend may be satisfied wholly or in part by the distribution of assets (including shares or other securities of any other company).
- (f) Unclaimed dividends - All dividends, interest or other sums payable unclaimed for one year after having become due for payment may be invested or otherwise made use of by the New Invinity Board for the benefit of New Invinity until claimed. The retention by New Invinity of, or payment into a separate account of, any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute New Invinity a trustee in respect of it. Any dividend, interest or other sum unclaimed after a period of 12 years from the date when it became due for payment shall be forfeited and shall revert to New Invinity.

9.11 Forfeiture of New Invinity Shares

- (a) New Invinity shall have a first and paramount lien on every New Invinity Share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share. New Invinity's lien on a share shall extend to any amount payable in respect of it.
- (b) For any share over which New Invinity has a lien, the New Invinity Board may serve a lien enforcement notice on the New Invinity Shareholder requiring him to pay the sum due. If the person upon whom the notice is served fails to comply with the notice within 14 clear days, New Invinity may sell the share as the New Invinity Board decides. The written notice must require the sum to be paid within 14 days of the notice, and must state New Invinity's intention to sell the share if the notice is not complied with.
- (c) The New Invinity Board may send a call notice to a New Invinity Shareholder requiring him to pay a sum due to New Invinity in respect of the shares held by him. If a New Invinity Shareholder fails to pay a call by the due date for payment, the New Invinity Board may issue a notice of intended forfeiture to that person. If the notice of intended forfeiture is not complied with before the date by which payment of the call is required, any New Invinity Share in respect of which the notice was given may be forfeited by a resolution of the New Invinity Board. The forfeiture shall include all dividends declared and other monies payable in respect of the forfeited New Invinity Share and not actually paid before the forfeiture.
- (d) Every New Invinity Share which is forfeited shall become the property of New Invinity and may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the New Invinity Board shall decide. A person whose shares have been forfeited ceases to be a member in respect of those shares, remains liable for all sums payable by that person at the date of forfeiture,

and must surrender the certificate (if any) for the shares to New Invinity for cancellation.

9.12 Communications with New Invinity Shareholders

- (a) In accordance with the Relevant Laws, and save as where required otherwise by the New Invinity Articles, New Invinity may use electronic forms of communication and its website as means of sending or supplying documents or Information to New Invinity Shareholders. A member whose registered address is not within the United Kingdom is not entitled to receive a notice, document or Information from New Invinity unless they have provided a United Kingdom postal address or New Invinity is able to send the notice, document or Information by electronic means.
- (b) If New Invinity is unable effectively to call a general meeting by notices sent by post, then subject to the Companies Act, the New Invinity Board may decide that the only members to whom notice of the meeting must be sent are those to whom notice to convene the meeting can validly be sent by electronic means and those to whom notification as to the availability of the notice of meeting on a website can validly be sent by electronic means. In any such case New Invinity shall also advertise the meeting in at least two national daily newspapers published in the United Kingdom. If at least six clear days prior to the meeting the giving of notices by post to addresses throughout the United Kingdom has, in the Board's opinion, become practicable, New Invinity shall send confirmatory copies of the notice by post or such other manner as is permitted under these Articles to the persons entitled to receive them when postal services are running normally.
- (c) Any notice, document or other information:
 - (i) sent by post or other delivery service shall be deemed to have been received on the day (whether or not it is a working day) following the day (whether or not it was a working day) on which it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the notice, document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;
 - (ii) if sent by New Invinity by electronic means in accordance with the Relevant Laws shall be deemed to have been received on the same day that it was sent, and proof that it was sent in accordance with guidance issued by the Chartered Governance Institute shall be conclusive evidence that it was sent; and
 - (iii) if made available on a website in accordance with the Relevant Laws shall be deemed to have been received when notification of its availability on the website is deemed to have been received or, if later, when it is first made available on the website.

9.13 Directors' indemnities, insurance and defence expenditure

As far as the Relevant Laws allows:

- (a) any person who is or was at any time a director, secretary or other officer (unless the office is or was as auditor) of New Invinity or of any of its present or former subsidiary undertakings may be indemnified out of the assets of New Invinity to whatever extent the New Invinity Board may determine against any liability sustained or incurred by the person in the actual or purported execution of duties or in the exercise or purported exercise of powers or otherwise in connection with the person's office, whether or not sustained or incurred in connection with any negligence, default, breach of duty or breach of trust by the person in relation to New Invinity or the relevant undertaking; and
- (b) the New Invinity Board shall have power to provide funds to meet any expenditure incurred or to be incurred by any such person in mounting a defence in any criminal or civil proceeding in connection with any alleged negligence, default, breach of duty or breach of trust by the person in relation to New Invinity or any such undertaking, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of any application under Companies Act 2006, or in order to enable the person to avoid incurring any such expenditure.

10. Summary of the principal differences between the New Invinity Articles and the Invinity Articles

- 10.1 In all material respects, the New Invinity Articles are the same as the Invinity Articles, however there are some differences that arise by reason of New Invinity being a company incorporated in England and not in Jersey. Certain provisions were incorporated into the Invinity Articles to enshrine rights that were not covered by the Companies Law but which shareholders in a company with ordinary shares admitted to trading on AIM and the APEX segment of the AQSE Growth Market of AQSE would normally expect. Given the New Invinity Shareholders will have the benefit of protection on these matters under the Companies Act and under the FCA's Disclosure Guidance and Transparency Rules, these provisions have not been included in the New Invinity Articles.
- 10.2 The principal differences between the Invinity Articles and the New Invinity Articles are:
- (a) *Pre-emption rights* - under the Invinity Articles members generally have pre-emption rights on any issue of new securities for cash on a pro rata basis. These pre-emption rights are not reproduced in the New Invinity Articles as the New Invinity Shareholders have equivalent statutory pre-emption rights under the Companies Act.
 - (b) *Disclosure of shareholdings* - the Invinity Articles require members to notify Invinity if the voting rights attached to shares held by them (subject to some exceptions) reach, exceed or fall below 3% and each 1% threshold thereafter up to 100%. These disclosure obligations are not reproduced in the New Invinity Articles as the shareholders have equivalent statutory disclosure obligations pursuant to Rule 5 of the FCA's Disclosure Guidance and Transparency Rules.
 - (c) *Compulsory transfers of shares* - the Invinity Articles contain compulsory transfer provisions which the Invinity Directors may implement in the event that shares are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or jurisdiction or by virtue of which such Person (having the meaning given to it in the Invinity Articles) is not qualified to own those shares and would in the reasonable opinion of the Invinity Directors, cause a pecuniary or tax disadvantage to the Company or any other holder of shares or other securities of the Company which it or they might not otherwise have suffered or incurred. Equivalent provision is not included in the New Invinity Articles, nor does the Companies Act contain statutory restrictions on the transfer of shares and so the New Invinity Shares are freely transferable (notwithstanding other provisions of the New Invinity Articles).
- 10.3 The provisions of the New Invinity Articles are further described in paragraph 9 of this Part V. Copies of the New Invinity Articles and the Invinity Articles are also available for inspection as described in paragraph 16 of this Part V.
- 11. Summary of significant difference between English and Jersey company law and summary of the significant difference in treatment of a holding company under English and Jersey tax law**
- 11.1 There are a number of differences between the Companies Law (applicable to companies incorporated in Jersey) and the Companies Act (applicable to companies incorporated in England and Wales). Certain of these are currently reflected in the Invinity Articles, which contain provisions to enshrine certain rights that are not conferred by the Companies Law but which shareholders in a company with ordinary shares admitted to trading on AIM and the APEX segment of the AQSE Growth Market of AQSE would normally expect. As noted at paragraph 10.1 above, these provisions are not replicated in the New Invinity Articles, as New Invinity Shareholders will have the benefit of protection on these matters under the Companies Act and under the FCA's Disclosure Guidance and Transparency Rules.
- 11.2 The differences between the Companies Law and the Companies Act include (without limitation) the following:
- (a) the Companies Act confers statutory pre-emption rights on shareholders relating to new share issues for cash, whereas under the Companies Law no such rights exist;
 - (b) under English law the directors of a company require the sanction of the shareholders by ordinary resolution to issue and allot shares, whereas no such restriction is imposed by the Companies Law;
 - (c) English law does not allow for partly paid shares to be allotted by a public company unless

they are paid up to at least one quarter of their nominal value and the whole of any premium is paid up;

- (d) under English law a special resolution requires a three-fourths majority, whereas under Jersey law the threshold can be set (in the company's articles) at any threshold so long as it is at least a two-thirds majority (the Invinity Articles are silent on a threshold and accordingly the two-thirds majority under the Companies Law applies);
- (e) the concept of authorised share capital no longer exists under English law, whereas any increase in the authorised share capital of a company requires a special resolution (two-thirds majority) under Jersey law. The current Memorandum of Association of Invinity notes the Invinity share capital is €500,000,000 divided into (i) 1,000,000,000 Ordinary Shares and (ii) 1,000,000,000 Deferred A Shares;
- (f) the circumstances in which the Companies Act permits an English company to indemnify its directors in respect of liabilities incurred by the directors in carrying out their duties are limited, albeit in a slightly different manner to Jersey companies. There is also a general prohibition on the granting of loans by a company to its directors or their connected persons without shareholder approval (subject to limited exceptions), which does not apply under Jersey law;
- (g) under English law, a payment by a company for loss of office to a director (or a person connected with a director) of a company or its holding company must be approved by a resolution of shareholders, whereas Jersey law does not require that shareholders approve compensation payments made to directors for loss of office;
- (h) proxies are entitled to speak and vote on a show of hands under English law, whereas this is not permitted under Jersey law unless the articles of association of a public company provide otherwise (as is the case in respect of the Invinity Articles). English law also allows the appointment of more than one corporate representative by a member in respect of the same shareholding, which Jersey law does not permit;
- (i) the Companies Act requires the directors of an English company to disclose to the company their beneficial ownership of any shares in the company, which is not required under Jersey law;
- (j) the Companies Act grants the directors of an English company a statutory power to request information concerning the beneficial ownership of shares, which Jersey law does not;
- (k) under the Companies Act, shareholders representing at least 5 per cent of the paid-up voting capital of a company may requisition a meeting of shareholders, whereas under the Companies Law this right may be exercised by shareholders holding not less than one-tenth of the total voting rights of the shareholders of the company;
- (l) the Companies Act confers on members the right to an independent scrutiny of a poll taken, or to be taken, at a general meeting. It also confers rights on members to require a company to circulate resolutions proposed to be moved by members at the next annual general meeting, or to circulate explanatory statements relating to any matter regarding a proposed resolution at a general meeting, and rights for a nominee holder of shares to have information rights granted to the underlying beneficial owner of the share;
- (m) there are restrictions on donations by a company to political organisations under English law, whereas there are no such restrictions under Jersey law;
- (n) under the Companies Law, at a meeting of shareholders, a poll may be demanded in respect of any question by:
 - (i) no fewer than five shareholders having the right to vote on the question; or
 - (ii) a shareholder or shareholders representing not less than one-tenth of the total voting

rights of all shareholders having the right to vote on the question whereas, in addition, under the Companies Act, a shareholder or shareholders representing 10 per cent of the total sum paid up on all shares giving the right to vote may also demand a poll;

- (o) under the Companies Act, it is easier for shareholders to bring a derivative claim against a company than is the case under Jersey law. However, Jersey law includes a provision relating to protection of shareholders against unfair prejudice that is equivalent to the Companies Act provision and Jersey has (subject to certain exceptions) a broadly similar position under customary law to the common law position under English law;
- (p) there are a number of statutory mechanisms that may affect English companies in insolvency or financial difficulties. The key mechanisms are administration, administrative receivership, company voluntary arrangements and scheme of arrangement, which are summarised as follows:
 - (i) administration i.e. a procedure under the Insolvency Act 1986 where a company may be rescued or reorganised or its assets realised under the protection of a statutory moratorium. The company is put into administration and an administrator is appointed either by a court or pursuant to an alternative out-of-court route into administration for the company, its directors or holders of qualifying floating charges;
 - (ii) administrative receivership is not an insolvency proceeding in the strict sense but rather a remedy for a secured creditor to allow for the realisation of company as subject to security;
 - (iii) a company voluntary arrangement involves the company and its creditors coming to some sort of agreement, which is implemented and supervised by an insolvency practitioner. It is used to avoid or to supplement other types of insolvency procedures. It may be used in conjunction with administration where a moratorium gives the company breathing space to agree to any proposals with creditors; and
 - (iv) a scheme of arrangement involves a compromise or other arrangement with creditors (or any class of creditors) or members (or any class of members) being made under Part 26 of the Companies Act, which is binding if the appropriate majorities of each class of creditors/members agree. Unlike a company voluntary arrangement, a scheme of arrangement must be sanctioned by the court. When sanctioned by the relevant majority of creditors/members and the court, the scheme will bind all members and creditors concerned regardless of whether they had notice. In respect of Jersey companies, the Companies Law provides for schemes of arrangement and the process is equivalent to the process under Part 26 of the Companies Act described above. There are no Jersey statutory procedures applicable directly to a Jersey company of the nature described in sub-paragraphs (i) to (iii) above. The primary procedures for addressing insolvency of a Jersey company are winding up and *désastre*, described in paragraph (q) below;
- (q) the general procedure for the dissolution and winding up of an English company is known as liquidation. Liquidation is the procedure under which the assets of the company are realised and distributed to creditors in the order provided for in the Insolvency Act 1986. There are two modes of winding up: compulsory liquidation following a court order and voluntary liquidation following a resolution of shareholders. At the end of the liquidation the company will be dissolved. There is no freeze on the enforcement of security but there is a stay on the commencement or continuation of proceedings against the company without the leave of the court. Under Jersey law, the two principal procedures for dissolving a Jersey company are winding up and *désastre*. The concept of a winding up is broadly similar to that under English law, except that under Jersey law, a winding up may not be commenced by a creditor of a Jersey company. If the company is solvent the winding up will generally be a summary winding up. In certain circumstances, a winding up may also be commenced on 'just and equitable' grounds whether the company is solvent or insolvent. If the company is insolvent, the winding up will be a creditor winding up. A creditor wishing to dissolve a Jersey company would need to seek to have the company's property declared *en désastre* by a Jersey court. If the company's property is declared *en désastre*, all of the powers and property of the company

(whether present or future and whether situated in Jersey or elsewhere) are vested in the Viscount (an officer of the court). The role of the Viscount is similar to that of a liquidator. The Viscount's principal duty is to act for the benefit of the company's creditors. He is not under an obligation to call any creditors' meetings, although he may do so;

- (r) under the Companies Law, a Jersey company may make a distribution from any source (other than its nominal capital account and capital redemption reserve). Accordingly, a distribution can be made from a share premium account and/or from a profit and loss account, even where a company has accumulated losses. A Jersey company is therefore permitted to make distributions to shareholders without reference to distributable reserves. Instead, pursuant to the Companies Law the directors approving the distribution must give the appropriate solvency statement. Under the Companies Act, before a company can lawfully make a distribution, it must ensure that it has sufficient distributable reserves (accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made). In addition, a public company can only make a distribution:
- (i) if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of asset over liabilities) is not less than the total of its called up share capital and undistributable reserves.
 - (ii) Further, an English limited company may purchase its own shares only pursuant to the applicable statutory procedures under the Companies Act. The procedures that apply will depend on whether the company is a public company, whether its shares are traded on certain markets, whether the purchase is occurring on or off market and whether the purchase is to be funded out of distributable reserves or out of capital. In all cases, the purchase by a company of its own shares requires the consent of its shareholders (by ordinary resolution in the case of on market purchases and by special resolution in all other cases). In respect of Jersey companies, the position is broadly equivalent, but a Jersey company has greater flexibility in certain circumstances (for example it may make on-market purchases funded from its capital accounts whereas a UK company cannot); and
 - (iii) subject to some exceptions, an English public company may not give financial assistance for the purpose of the acquisition of its shares or those of a parent company, and an English private company is prohibited from giving financial assistance for the purpose of the acquisition of shares of a public parent company. The prohibition is extended to cover any financial assistance given to reduce or discharge any liability incurred by the company or any third party for the purpose of the acquisition. In respect of Jersey companies, there are no restrictions on the giving of financial assistance.

11.3 There are a number of differences in the treatment of a holding company under English and Jersey tax law. Certain differences include (without limitation) those summarised in high-level terms in the table below. The statements do not constitute legal or tax advice and are intended as a general guide only. Invinity Shareholders should consult their professional advisers on the implications of the Scheme under the laws of the jurisdiction(s) in which they may be liable to taxation. Invinity Shareholders should also be aware that tax laws, rules and practice and their interpretation may change.

Your attention is also drawn to the statement at paragraph 2(a) of Part I of this document on the anticipated impact of the change in domicile from Jersey to the UK, that the Board anticipates that there would be no material change in the Group's reported tax rate, or taxation paid, as a result of the change in domicile from Jersey to the UK.

| | UK Position | Jersey Position |
|---------------------------------|--|---|
| Taxation of income/gains | Taxed at rates of up to 25%. Gains realised by UK companies on the disposal of a "substantial shareholding" | In Jersey, the standard rate of corporate tax is 0%. There are exceptions to this (for |

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| | (broadly, a holding of more than 10% for a continuous 12 month period commencing no more than six years prior to the disposal) in a trading company or holding company of a trading group are exempt from UK corporation tax. | example, certain financial service companies will be taxed at 10%, utility companies will be taxed at 20%, and a sliding scale of 0 and 20% applies for retail companies). |
| Taxation of dividends | Broadly, dividends received by UK companies from UK and non-UK companies are exempt from corporation tax (subject to some exceptions). | Dividends received by Jersey companies from UK and non-UK companies are exempt from corporation tax. |
| Withholding tax (WHT) on interest | 20%, subject to exceptions in domestic law and the application of double tax treaties. | There is no WHT on dividends, interest, or royalties paid by Jersey companies to non-Jersey residents. |
| WHT on dividends | There is no WHT on dividends paid by UK companies. | There is no WHT on dividends paid by Jersey companies. |
| Transfer pricing | Transactions/arrangements between connected persons are required to be on an arm's length basis, although an exemption from transfer pricing may be available in certain circumstances. | There are no specific rules in relation to transfer pricing in Jersey. There is, however, a general anti-avoidance provision in Jersey tax law. It may be applied by the Comptroller of Revenue if a transaction or a combination or series of transactions is entered into for the avoidance or reduction of Jersey income tax. In addition, interest relief may be restricted where the interest incurred exceeds the amount that could reasonably be expected to be charged on a commercial basis. |
| Controlled Foreign Company (CFC) rules | CFC rules can impute profits of certain foreign companies (e.g. profits arising from UK activities and not otherwise subject to UK tax) controlled by UK companies to (broadly) its 25% owners. | Jersey has no CFC legislation. |
| Inheritance tax | Subject to certain specific reliefs and exemptions, shares in a UK company are in principle subject to inheritance tax irrespective of the tax residence or domicile status (as a matter of English law) of the shareholder. Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications of the holding or disposing of the Scheme Shares or the New Invinity Shares. | There is no inheritance tax in Jersey. Scheme Shareholders should consult their own professional advisers in relation to any potential Jersey tax implications of the holding or disposing of the Scheme Shares or the New Invinity Shares. |
| Transfer tax | Please refer to paragraphs 12.1(e) and 12.4 of Part V for additional information relating to Stamp duty and Stamp Duty Reserve Tax. | There is no transfer tax in Jersey, save for shares in companies that own real estate in Jersey. Probate stamp duty is charged on a deceased person's moveable estate, |

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| | | which would include any shares held in a Jersey company. Probate stamp duty is at an approximate level of 0.5%, with a cap at £100,000. |
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12. UK taxation

The statements below summarise the UK tax treatment for New Invinity Shareholders of holding or disposing of New Invinity Shares. They are based on current UK legislation and an understanding of current HMRC published practice as at the date of this document. The statements are intended as a general guide and, except where express reference is made to the position of non-UK-residents, apply only to New Invinity Shareholders who are resident and, if individuals domiciled in the UK for tax purposes. They relate only to such New Invinity Shareholders who hold their New Invinity Shares directly as an investment (other than under an Individual Savings Account) and who are absolute beneficial owners thereof. The tax position of certain categories of Scheme Shareholders who are subject to special rules is not considered by this summary and it should be noted that those Scheme Shareholders may incur liabilities to UK tax on a different basis to that described below. The categories of Scheme Shareholders that are not considered includes but is not limited to persons who are: (i) brokers, dealers, intermediaries, insurance companies, collective investment schemes, trustees of certain trusts and persons connected with clearance services or depositary receipt systems; (ii) subject to specific tax regimes or benefit from specific reliefs or exemptions (including pension schemes); (iii) are treated as holding their Scheme Shares as carried interest; (iv) Scheme Shareholders who hold Scheme Shares as part of hedging or commercial transactions; (v) Scheme Shareholders who hold Scheme Shares in connection with a trade, profession or vocation carried out in the UK (whether through a branch or agency or otherwise); (vi) Scheme Shareholders who are connected with the Group or who have acquired their Scheme Shares other than for bona fide commercial reasons; and (vii) Invinity Shareholders who acquire or acquired their Invinity Shares through the Invinity Employee Share Plan, under other share incentive arrangements or by (or deemed to be by) virtue of an office or employment. Nothing in these paragraphs should be taken as providing personal tax advice.

In particular, the following paragraphs do not generally refer to UK inheritance tax considerations. Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications of the holding or disposing of the Scheme Shares or the New Invinity Shares.

Any person who is in any doubt as to their taxation position or who is subject to taxation in any jurisdiction other than the UK should consult an appropriate professional adviser immediately.

12.1 Acquisition of Shares in New Invinity

(a) *Taxation of income*

The Scheme should not be treated as involving a distribution subject to UK tax as income.

(b) *UK tax on chargeable gains*

- (i) For the purposes of UK taxation of chargeable gains, the transfer of the Scheme Shares to New Invinity and the issuance of the New Invinity Shares to Scheme Shareholders pursuant to the Scheme should be treated as a reorganisation. A Scheme Shareholder who does not hold (either alone or together with a connected person(s)) more than 5% of, or of any class of, the shares in or debentures of Invinity should not be treated as having made a disposal of such Scheme Shareholder's Scheme Shares. Instead, the New Invinity Shares issued to the Scheme Shareholder pursuant to the Scheme should be treated as the same asset as, and as having been acquired at the same time and for the same consideration as, their old Scheme Shares. Each Scheme Shareholder will receive one New Invinity Share for every one Scheme Share held at the Scheme Record Time and the total New Invinity Shares (taken together in

aggregate) that a Scheme Shareholder holds immediately after completion of the Scheme should have the same base cost in aggregate as the total Scheme Shares (taken together in aggregate) that were held by such Scheme Shareholder immediately prior to the completion of the Scheme.

- (ii) A Scheme Shareholder who holds (either alone or together with connected person(s)) more than 5% of, or of any class of, the shares in or debentures of Invinity should be eligible for the tax treatment described above in the preceding paragraph only if the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of a liability to capital gains tax or corporation tax. If these conditions are not met then such a Scheme Shareholder would be treated as having disposed of their Scheme Shares, which may, depending on individual circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains. An application for advance clearance was made to HMRC pursuant to section 138 of the TCGA 1992 to request confirmation that HMRC are satisfied that the relevant conditions will be met. Clearance has now been obtained from HMRC under section 138 of the TCGA 1992 stating that HMRC is satisfied that the Scheme will be effected for bona fide commercial reasons and will not form part of such a scheme or arrangement.

(c) ***New Invinity Reduction of Capital***

The New Invinity Reduction of Capital should not have any UK tax consequences for New Invinity Shareholders. It should be treated as a reorganisation of the share capital of New Invinity and, accordingly, will not result in a disposal by any New Invinity Shareholders of any of their New Invinity Shares.

(d) ***Anti-avoidance: Transactions in securities***

The attention of Scheme Shareholders (whether corporate or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”. These provisions apply only in certain circumstances and, in particular, do not apply where it can be shown that the transaction in question was entered into for genuine commercial reasons and did not involve as one of its main objects the obtaining of an income tax or corporation tax advantage. An application for advance clearance was made to HMRC pursuant to section 701 of the Income Tax Act 2007 and section 748 of Corporation Tax Act 2010 to request confirmation that HMRC are satisfied that these transactions in securities provisions should not apply in respect of the Scheme. Clearances have been given under section 748 of the Corporation Tax Act 2010 and section 701 of the Income Tax Act 2007 that HMRC will not issue a counteraction notice under the transactions in securities rules in sections 731 et seq. of the Corporation Tax Act 2010 and sections 682 et seq. of the Income Tax Act 2007 in respect of the Scheme.

(e) ***Stamp Duty and Stamp Duty Reserve Tax***

No stamp duty or SDRT will be payable by Invinity Shareholders as a result of the cancellation of Invinity Shares and the issue of New Invinity Shares under the Scheme.

12.2 **Income from New Invinity Share**

(a) ***UK taxation of dividends***

Under UK tax legislation, New Invinity is not required to withhold tax at source from any dividend payments it makes to holders of New Invinity Shares.

(b) ***Individual Scheme Shareholders***

- (i) For individual holders of New Invinity Shares who are resident in the UK, for the 2024/25 tax year, the first £500 of dividend distributions (taking into account dividends received from New Invinity and any other dividend income received by the holder) received in each tax year are free of income tax (the “**annual dividend allowance**”).
- (ii) Where an individual’s dividend income from all sources exceeds the annual dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the holder’s highest rate of tax. The dividend tax rates for the 2024/25 tax year are 8.75 per cent. for basic rate taxpayers, 33.75% per cent. for higher rate taxpayers and 39.35 per cent. for additional rate taxpayers.
- (iii) Dividends received within a holder’s dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it. For these purposes “dividend income” includes without limitation UK and non-UK source dividends and certain other distributions in respect of shares.

(c) **Corporate Scheme Shareholders**

UK resident holders of New Invinity Shares within the charge to corporation tax will be subject to UK corporation tax (main rate of 25 per cent. from 1 April 2024 onwards, as discussed above in paragraph 12.1(b)(i) on receipt of dividends unless such dividends can be treated as an exempt distribution. This is dependent upon the satisfaction of certain conditions set out in Part 9A of the Corporation Tax Act 2009. Whilst it is expected that dividends paid by the New Invinity should generally satisfy such conditions, the exemptions in Part 9A of the Corporation Tax Act 2009 are not comprehensive and are subject to anti-avoidance rules meaning that there is no guarantee that this will always be the case, and it will be necessary for holders of New Invinity Shares to consider the application of such conditions in respect of every dividend received and in the context of their own circumstances.

12.3 Disposals of New Invinity Shares

(a) **Individual Scheme Shareholders**

- (i) Individual holders of New Invinity Shares who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal of the New Invinity Shares (subject to any available exemption or relief).
- (ii) Individuals generally compute their gains by deducting from the sale proceeds the base cost in respect of their New Invinity Shares (which is discussed further in paragraph 12.1(b)(i) above) together with any other allowable expenditure. The resulting gains will be taxable at the capital gains tax rate applicable to the individual (currently 18 per cent. for basic rate taxpayers and 24 per cent. for those whose total income and chargeable gains are above the higher rate threshold), and may be reduced by capital losses brought forward from previous tax years or losses generated in the tax year of disposal, and by annual exemptions. The annual exemption from capital gains tax for UK resident individuals is £3,000 for the 2024/25 tax year onwards.
- (iii) New Invinity Shareholders who are not resident for tax purposes in the UK will not be liable for CGT on a subsequent disposal of their New Invinity Shares. Such New Invinity Shareholders may be subject to foreign taxation on any gain under local law.

(b) **Corporate Scheme Shareholders**

- (i) UK resident holders of New Invinity Shares within the charge to corporation tax are taxed on the chargeable gains made, generally computed by deducting from the sales proceeds the chargeable gains base cost in respect of their New Invinity Shares (which is discussed further in paragraph 12.1(b)(i) above) together with any other allowable expenditure.
- (ii) The main rate of UK corporation tax is 25 per cent. for the 2024/25 tax year. A small profits for some companies with profits of £50,000 or less of 19 per cent. is also available.

Companies with profits between £50,000 and £250,000 will pay corporation tax at the main rate of 25 per cent. reduced by a marginal relief. The £50,000 and £250,000 limits will be shared between associated companies.

- (iii) A non-UK resident corporate New Invinity Shareholder will not be subject to UK corporation tax on chargeable gains on a subsequent disposal of their New Invinity Shares.

12.4 Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Neither UK stamp duty nor SDRT should arise on the issue of New Invinity Shares pursuant to the Scheme.

Any future conveyance or transfer on sale of New Invinity Shares effected by an instrument of transfer should not give rise to any liability to UK stamp duty or SDRT, based on the following assumptions:

- (a) the Scheme Shares are admitted to trading on AIM at the Transfer Time, and are not listed on any other market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear (in the case of uncertificated Scheme Shares) or on the relevant stock transfer form (in the case of certificated Scheme Shares); and
- (b) AIM continues to be accepted as a “recognised growth market” (as construed in accordance with section 99A of the Finance Act 1986) at the Transfer Time.

13. Jersey taxation

Based on Jersey taxation law as it is understood to apply at the date of this document to holders of Invinity Shares (other than holders of Invinity Shares who are residents of Jersey, if any), no taxation or stamp duty will be payable in Jersey by holders of Invinity Shares as a result of the cancellation of the Scheme Shares or the implementation of the Scheme.

This summary does not constitute legal or tax advice. Invinity Shareholders should consult their professional advisers on the implications of the Scheme under the laws of the jurisdiction(s) in which they may be liable to taxation. Invinity Shareholders should also be aware that tax laws, rules and practice and their interpretation may change.

14. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Invinity Group within the period of two years preceding the date of this document which are or may be material:

14.1 Introduction Agreement

New Invinity and Canaccord will enter into an introduction agreement pursuant to which, subject to certain conditions, Canaccord will agree to assist New Invinity in connection with its application for Admission (the “**Introduction Agreement**”). The Introduction Agreement contains customary indemnities and warranties from New Invinity in favour of Canaccord together with provisions which enable Canaccord to terminate the Introduction Agreement in certain circumstances, including circumstances where any of the warranties are found to be untrue or inaccurate in any material respect. New Invinity has agreed to pay to Canaccord a corporate finance fee in connection with its services under the Introduction Agreement relating to Admission.

14.2 Subscription Agreement

National Wealth Fund Limited (“**NWF**”) subscribed for 108,695,652 NWF Subscription Shares at the Issue Price (as defined in the Circular 2024) pursuant to the NWF Subscription Agreement. The NWF Subscription Shares ranked pari passu with the Ordinary Shares in all respects. The NWF Subscription Shares were to represent approximately 24.67 per cent. of the current issued share capital of the Company.

Under the NWF Subscription Agreement, the proceeds of the NWF Subscription can only be applied in a certain specified manner, being: (a) £18.0m to make equity investments in energy storage projects in the UK which incorporate the Company's vanadium flow batteries (the "Projects") or to fund the purchase of vanadium electrolyte to be leased by the Company for use in the Projects and subject to a rental agreement with the owner(s) of the Projects; (b) £4.6m to support working capital costs incurred in the UK; (c) up to £2.0m to invest in UK plant and equipment at the Company's manufacturing sites; and (d) up to £0.4m for fees incurred in connection with the Fundraising.

Pursuant to the NWF Subscription Agreement, the Company established an investment committee as a committee of the Board, whose role is to consider and recommend (where appropriate) proposed investments to be made by the Company in accordance with any reasonable standards mutually agreed between the Company and NWF. The committee comprises a nominee director of NWF, the chairman of the Board and one executive director.

14.3 **KIP Subscription Agreement**

KIP Investment Entity subscribed for 13,043,478 Ordinary Shares at the Issue Price (as defined in the Circular 2024) pursuant to the KIP Subscription Agreement. The KIP Subscription Shares ranked *pari passu* with the Ordinary Shares in all respects. The KIP Subscription Shares were to represent approximately 2.96 per cent. of the current issued share capital of the Company.

14.4 **Relationship Agreement - Invinity**

NWF holds approximately 25 per cent. of the Ordinary Shares of the Company pursuant to the Placing. Pursuant to the NWF Relationship Agreement, for so long as: (a) the Ordinary Shares are admitted to trading on AIM; (b) NWF (either alone or together with any member of its group) is interested in the voting rights (attached to the Ordinary Shares) representing 10 per cent. or more of the rights to vote at a general meeting of the Company; and (c) NWF has not given notice to terminate the NWF Relationship Agreement as a result of a material breach by the Company, NWF has agreed (amongst other things) that: (i) the Group will be managed independently of NWF and any member of NWF's group; (ii) all transactions and relationships between any member of the Group and NWF will be on an arm's length basis; and (iii) the remuneration committee, nomination committee, audit and risk committee and any other corporate governance Board committee established by the Board from time to time shall be comprised of at least a majority of independent directors (including the director nominated in accordance with the NWF Relationship Agreement).

In addition, for so long as NWF (individually or together with any member of its group) is interested in voting rights representing 10 per cent. or more of the rights to vote at a general meeting of the Company, NWF will be entitled to nominate one director for appointment to the Board and may require such nominated director's removal from the Board by giving notice in writing (in which case, NWF will also be entitled to appoint a replacement nominated director). Further, for so long as NWF (individually or together with any member of its group) is interested in voting rights representing 5 per cent. or more of the rights to vote at a general meeting of the Company, it shall have the right to appoint (and to remove and replace) a representative to attend any meeting of the Board or Board committee (including the investment committee established pursuant to the NWF Subscription Agreement and/or the NWF Relationship Agreement) as an observer, and this right to appoint a Board observer will survive termination of the NWF Relationship Agreement.

The NWF Relationship Agreement also acknowledges that NWF may seek to exit its investment under the NWF Subscription Agreement, which may be by way of a bilateral or brokered sale of some or all of its Ordinary Shares to third parties or by way of a sale made in connection with an issue of Ordinary Shares by the Company. Should NWF make any reasonable request for support and assistance in connection with its exit at any time after the third anniversary of the NWF Relationship Agreement, the Company agrees to consider any such reasonable request and provide such support and assistance (including to any prospective purchaser(s) of Ordinary Shares from NWF).

The parties have agreed to novate and restate the NWF Relationship Agreement, conditional on and with

effect from Admission.

14.5 May 2024, Placing Agreement

On 1 May 2024, the Company entered into a placing agreement with Canaccord and VSA Capital, pursuant to which Canaccord and VSA Capital, as agents for the Company, conditionally agreed to use their respective reasonable endeavours to procure subscribers for placing shares comprising 121,739,130 Ordinary Shares at a price of 23 pence per share. The placing agreement contained customary warranties from the Company in favour of Canaccord and VSA Capital in relation to, inter alia, the accuracy of the information contained in the RNS announcements issued by the Company and other matters relating to the Group and its business. In addition, the Company agreed to indemnify Canaccord and VSA Capital in relation to certain defined liabilities they may incur in respect of the placing.

15. Consent and estimated expenses

- 15.1 Canaccord has given and has not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.
- 15.2 VSA Capital has given and has not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.
- 15.3 The total costs payable by Invinity in connection with the Proposals and Admission are estimated to amount to approximately £481,000 (exclusive of any value added tax).

16. Documents available for inspection

Copies of the following documents are available for inspection at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD and at the registered office of Invinity, during normal business hours on any business day from the date of this document until close of business on the day of the Meetings:

- (a) the Invinity Articles and memorandum of association and the Amended Invinity Articles;
- (b) the New Invinity Articles;
- (c) the consolidated audited accounts of the Invinity Group for the three financial years ended 31 December 2021, 2022 and 2023;
- (d) the consent letters referred to in paragraph 15 of this Part V of the document;
- (e) (when published) the Schedule One Announcement and the Application Announcement; and
- (f) this document.

PART VI

DEFINITIONS

The following definitions apply throughout this document (except in those parts of this document containing the Scheme, the notice of the Jersey Court Meeting and notice of the Scheme General Meeting, which contain separate definitions) unless the context requires otherwise.

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| “Admission” | means admission of the New Invinity Shares to trading on AIM and AQSE in accordance with Rule 6 of the AIM Rules and in accordance with the AQSE Rules; |
| “AIM” | the AIM Market operated by the London Stock Exchange; |
| “AIM Rules” | the AIM Rules for Companies published by the London Stock Exchange from time to time; |
| “Amended Invinity Articles” | means the Articles, as they are proposed to be amended at the Scheme General Meeting; |
| “Application Announcement” | has the meaning given in paragraph 12 of Part II of this document; |
| “Articles” | means the articles of association of Invinity; |
| “associated undertaking” | has the meaning given in the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008; |
| “AQSE” | Aquis Stock Exchange Limited, a company incorporated in England and Wales with registered company number 04309969 and a recognised investment exchange under section 290 of FSMA; |
| “AQSE Growth Market” | the multilateral trading facility operated by AQSE; |
| “AQSE Rules” | the rules contained in the AQSE Growth Market Apex Rulebook for issuers in effect from time to time, which set out the admission requirements and continuing obligations of companies seeking admission to and whose securities are admitted to trading on the Apex segment of the AQSE Growth Market issued by AQSE; |
| “Audit Committee” | means the audit committee established by the Board; |
| “BLUE Form of Proxy” | means the BLUE form of proxy to be used in connection with the Jersey Court Meeting; |
| “business day” | means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in the City of London or Jersey for the transaction of normal banking business; |
| “Canaccord” | means Canaccord Genuity Limited, the Company’s nominated advisor and joint broker; |
| “certificated” or “in certificated form” | means in relation to a share or other security, a share or other security which is held in certificated form (namely, not in CREST); |
| “City Code” | means the City Code on Takeovers and Mergers; |
| “Circular 2024” | means the circular of the Company dated 3 May 2024 in connection with the Subscription, Placing and Open Offer (each as defined in such Circular); |
| “Companies Act” | means the Companies Act 2006 of England and Wales; |

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| “Companies Law” | the Companies (Jersey) Law 1991; |
| “Company” or “Invinity” | means Invinity Energy Systems plc, a public limited company incorporated and registered in Jersey with registered number 92432; |
| “Conditions” | means the conditions to the Scheme which are set out in paragraph 4 of Part II of this document; |
| “CREST” | means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations); |
| “CREST Regulations” | means the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755); |
| “CSOP” | means the Company Share Option Plan; |
| “Deferred A Shares” | means non-voting deferred A Shares of €0.49 each of Invinity; |
| “Effective Date” | means the date on which the Scheme becomes effective in accordance with Clause 7 of the Scheme, expected to be 9 January 2025; |
| “English Court” | means the High Court of Justice in England and Wales; |
| “Euroclear” | means Euroclear UK & International Limited, the operator of CREST; |
| “Executive Directors” | means the executive Invinity Directors; |
| “FCA” | means the Financial Conduct Authority; |
| “Forms of Proxy” | means, as the context may require, either or both of (a) the BLUE Form of Proxy and (b) the WHITE Form of Proxy, which accompany this document; |
| “FSMA” | means the Financial Services and Markets Act 2000, as amended; |
| “HMRC” | means HM Revenue & Customs; |
| “holder” | means a registered holder, including any person entitled by transmission; |
| “Invinity Board” or “Board” | means the board of directors of Invinity, or any duly authorised committee thereof; |
| “Invinity Directors” or “Directors” | means the directors of Invinity, whose names are set out in paragraph 5 of Part I of this document; |
| “Invinity Employee Share Plan” | means the Invinity Energy Systems 2018 Employee Share Option Plan; |
| “Invinity Group” or “Group” | means, before the Effective Date, Invinity and its subsidiaries and subsidiary undertakings and, where the context requires, its associated undertakings and, after the Effective Date, New Invinity and its subsidiaries and subsidiary undertakings and, where the context requires, its associated undertakings; |
| “Invinity New Ordinary Shares” | means ordinary shares of £0.01 each in the capital of Invinity created following the cancellation of the Scheme Shares, which shall be of an aggregate nominal amount equal to the aggregate nominal amount of the cancelled Scheme Shares and which shall be issued credited as fully paid to New Invinity pursuant to the Scheme; |
| “Invinity Shareholders” or “Shareholders” | means holders of Ordinary Shares, from time to time; |
| “ISA” | means an individual savings account; |

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| “Jersey Court” | means The Royal Court of Jersey; |
| “Jersey Court Hearing” | means the hearing by the Jersey Court of the claim form to sanction the Scheme and to confirm the reduction of share capital of Invinity pursuant to the Scheme under the Companies (Jersey) Law 1991; |
| “Jersey Court Meeting” | means the meeting of the Invinity Shareholders convened by order of the Jersey Court pursuant to Article 125 of the Companies (Jersey) Law 1991 to be held at Charles Russell Speechlys LLP London, 5 Fleet Place, EC4M 7RD at 3.00 p.m. on 11 December 2024 to consider and, if thought fit, approve the Scheme, notice of which is set out in Part VII of this document, and any adjournment thereof; |
| “Jersey Court Order” | means the order of the Act of Court sanctioning the Scheme under Article 125 of the Companies (Jersey) Law 1991 and confirming the Scheme Reduction of Capital under Article 61 of the Companies (Jersey) Law 1991, together with the approved minute attached thereto; |
| “Jersey Income Tax Law” | means the Income Tax (Jersey) Law 1961, as amended; |
| “KIP” | Korea Investment Partners Co., Ltd., a company incorporated and registered in the Republic of Korea; |
| “KIP Investment Entity” | KIP RE-UP II Fund, a fund incorporated and registered in the Republic of Korea with registration number 121-80-21925, of which KIP is general partner; |
| “KIP Subscription” | the subscription by KIP Investment Entity at the Issue Price (as defined in the 2024 Circular) in accordance with the KIP Subscription Agreement to raise £3 million before expenses; |
| “KIP Subscription Agreement” | the subscription agreement dated 1 May 2024 between the Company and KIP Investment Entity relating to the KIP Subscription; |
| “KIP Subscription Shares” | 13,043,478 Ordinary Shares issued by the Company pursuant to the KIP Subscription; |
| “London Stock Exchange” | means London Stock Exchange plc; |
| “Meetings” | means the Jersey Court Meeting and the Scheme General Meeting and “Meeting” means either of them; |
| “member” | means a member of Invinity, on the register of members at any relevant date; |
| “NWF” | National Wealth Fund Limited (previously called UK Infrastructure Bank Limited), a private limited company registered in England and Wales, registration number 06816271, that is wholly owned by HM Treasury; |
| “NWF Relationship Agreement” | means the relationship agreement dated 1 May 2024 between the Company and NWF; |
| “NWF Subscription” | the conditional subscription by NWF at an issue price of 23 pence per new Ordinary Share in accordance with the NWF Subscription Agreement to raise £25 million before expenses; |
| “NWF Subscription Agreement” | the agreement dated 1 May 2024 between the Company and NWF relating to the NWF Subscription; |
| “NWF Subscription Shares” | 108,695,652 new Ordinary Shares issued by the Company pursuant to the NWF Subscription; |
| “New Invinity” | means Invinity Energy Systems Limited, a private company |

limited by shares and incorporated in England and Wales under the Companies Act with registered number 15892542, which is expected to be re-registered as a public company limited by shares with the name ‘Invinity Energy Systems plc’ prior to the Jersey Court Meeting;

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| “ New Invinity Articles ” | means the articles of association of New Invinity, as they are proposed to be adopted prior to New Invinity re-registering as a public company limited by shares; |
| “ New Invinity Board ” | means the board of directors of New Invinity; |
| “ New Invinity Directors ” | means the directors of New Invinity; |
| “ New Invinity Group ” | means before the Effective Date, New Invinity and, after the Effective Date, New Invinity and its subsidiaries and subsidiary undertakings (including Invinity) and where the context requires, its associated undertakings; |
| “ New Invinity Redeemable Shares ” | means redeemable deferred shares of £1.00 each in the capital of New Invinity; |
| “ New Invinity Reduction of Capital ” | means the proposed reduction of capital of New Invinity under the Companies Act, as described in paragraph 2(b) of Part I of this document; |
| “ New Invinity Shareholder ” | means a holder of New Invinity Shares from time to time; |
| “ New Invinity Shares ” | means ordinary shares of £0.01 each in the capital of New Invinity; |
| “ New Invinity Subscriber Shares ” | means 2 ordinary shares of £1.00 each in the capital of New Invinity issued on incorporation of New Invinity; |
| “ Nomination Committee ” | means the nomination committee established by the Board; |
| “ Non-executive Directors ” | means the non-executive Invinity Directors; |
| “ Open Offer ” | has the meaning given in the Circular 2024; |
| “ Ordinary Shares ” or “ Invinity Shares ” | means ordinary shares of €0.01 each in the capital of the Company; |
| “ Overseas Persons ” | means Invinity Shareholders with a registered address outside the United Kingdom or Jersey; |
| “ Placing ” | has the meaning given in the Circular 2024; |
| “ Proposals ” | means collectively the Scheme and the New Invinity Reduction of Capital; |
| “ Prospectus Rules ” | means the rules and regulations made by the FCA in its capacity as the UK Listing Authority under Part VI of FSMA and contained in the UK Listing Authority’s publication of the same name; |
| “ QCA Code ” | means the Quoted Companies Alliance Corporate Governance Code (2023) |
| “ Registrar of Companies ” | means the Registrar of Companies in England and Wales; |
| “ Registrars ” | means Computershare Investor Services (Jersey) Limited, 13 Castle Street, St Helier, Jersey JE1 1ES; |
| “ Regulatory Information Service ” | means a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA website; |
| “ Remuneration Committee ” | means the remuneration committee established by the Board; |

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| “Schedule One Announcement” | has the meaning given in paragraph 12 of Part II of this document; |
| “Scheme” or “Scheme of Arrangement” | means the scheme of arrangement proposed to be made under Article 125 of the Companies (Jersey) Law 1991 between Invinity and the holders of Scheme Shares as set out in Part III of this document, with or subject to any modification, addition or condition approved or imposed by the Jersey Court and agreed to by Invinity and New Invinity; |
| “Scheme General Meeting” | means the general meeting of Invinity Shareholders to be held at Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD at 3.15 p.m. on 11 December 2024 (or as soon thereafter as the Jersey Court Meeting shall have been concluded or adjourned), notice of which is set out in Part VII of this document, and any adjournment thereof; |
| “Scheme Record Time” | means 6.00 p.m. on the business day immediately preceding the Effective Date; |
| “Scheme Reduction of Capital” | means the reduction of capital referred to in Clause 1(a) of Part III of this document; |
| “Scheme Shareholder” | means a holder of Scheme Shares as appearing in the register of members of Invinity; |
| “Scheme Shares” | means: <ul style="list-style-type: none"> (a) all the Ordinary Shares in issue at the date of this document; (b) all (if any) additional Ordinary Shares issued after the date of this document and before the Voting Record Time; and (c) all (if any) further Ordinary Shares which may be in issue at or after the Voting Record Time and immediately before the confirmation by the Jersey Court of the Scheme Reduction of Capital in respect of which the original or any subsequent holders shall be bound by the Scheme or in respect of which the original or any subsequent holders shall have agreed in writing to be so bound; |
| “SDRT” | means stamp duty reserve tax; |
| “SEC” | means the US Securities and Exchange Commission; |
| “Subscription” | has the meaning given in the Circular 2024; |
| “subsidiary” | has the meaning given in section 1159 of the Companies Act; |
| “subsidiary undertaking” | has the meaning given in section 1162 of the Companies Act; |
| “uncertificated” or “in uncertificated form” | means, in relation to a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; |
| “United Kingdom” or “UK” | means the United Kingdom of Great Britain and Northern Ireland; |
| “United States” or “US” | means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; |
| “US Securities Act” | means US Securities Act of 1933, as amended; |
| “Voting Record Time” | means the time fixed by the Jersey Court and the Company for determining the entitlement to vote, respectively, at the Jersey |

Court Meeting and the Scheme General Meeting, as set out in the notices thereof;

“VSA Capital”

means VSA Capital Limited, the Company’s AQSE Corporate Advisor, Financial Adviser and Joint Broker;

“WHITE Form of Proxy”

means the WHITE form of proxy to be used in connection with the Scheme General Meeting;

“£”, “pounds sterling”, “pence” or “p”

are references to the lawful currency of the United Kingdom; and

“€” or “Euros”

are references to the lawful currency of the European Union.

PART VII

NOTICE OF JERSEY COURT MEETING

IN THE ROYAL COURT OF JERSEY

No. 2024/293

IN THE MATTER OF INVINITY ENERGY SYSTEMS PLC

and

IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991

NOTICE IS HEREBY GIVEN that by an Order dated 20 November 2024 made in the above matters the Court has directed a meeting to be convened of the holders of the ordinary shares of €0.01 each in the capital of Invinity Energy Systems plc (the “**Company**”) (the “**Invinity Shares**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between the Company and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) and that such meeting will be held at Charles Russell Speechlys LLP, 5 Fleet Place London, EC4M 7RD, at 3.00 p.m. on 11 December 2024, at which place and time all holders of the said shares are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to Article 125 of the Companies (Jersey) Law are incorporated in the document of which this notice forms part.

Voting on the resolution to support or oppose the Scheme of Arrangement will be by way of a poll, which shall be conducted as the Chair of the Jersey Court Meeting may determine. It is important that, for the Jersey Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Scheme Shareholders are strongly urged to submit proxy appointments and instructions for the Jersey Court Meeting as soon as possible, using any of the methods (by post, online, electronically through CREST or via email to the Company’s Registrar) set out below. Doing so will not prevent you from attending, speaking and voting in person at the Jersey Court Meeting if you wish and are entitled to do so.

1. Right to appoint a proxy: procedure for appointment

Shareholders may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A BLUE Form of Proxy for use at the said meeting is enclosed with this notice. Completion of the BLUE Form of Proxy will not prevent a holder of Invinity Shares from attending and voting at the said meeting.

It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority under which it is signed, or a notorially certified copy of such power or authority) be lodged with the Registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time appointed for the said meeting but if forms are not so lodged they may be handed to the Chairman of the Jersey Court Meeting before the start of the Jersey Court Meeting.

Proxy forms may also be scanned and submitted via email to #UKCSBRS.ExternalProxyQueries@computershare.co.uk. The deadline for submission of proxy votes is not less than 48 hours before the time appointed for the meeting or, as the case may be, the adjourned meeting.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Jersey Court Meeting and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting

service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the Information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the agent of Company's registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 3.00 p.m. on 9 December 2024 (or 48 hours preceding the date and time for any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities)(Jersey) Order 1999.

2. Voting Record Time

The Company, pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 9 December 2024 or, in the event that the Jersey Court Meeting is adjourned, 6.00 p.m. on the day two days prior to the day fixed for the adjourned meeting, shall be entitled to attend or vote in respect of the number of shares registered in their name at the relevant time. Changes to entries in the relevant register of members after 6.00 p.m. on 9 December 2024 or, in the event that the Jersey Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date appointed for any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Jersey Court Meeting.

3. Joint Holders

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

4. Corporate Representatives

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its power as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

5. General

The statement of rights of Scheme Shareholders (as defined in the Scheme of Arrangement referred to above) in

relation to the appointment of proxies described in this Notice of Jersey Court Meeting does not apply to nominated persons. Such rights can only be exercised by Scheme Shareholders.

Any person to whom this notice is sent who is a person with information rights (a “**nominated person**”) may, under an agreement between them and the member by whom they were nominated have a right to be appointed (or to have someone else appointed) as a proxy for the Jersey Court Meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

This communication has also been sent to certain beneficial owners of shares who have been nominated by their registered holders of shares to receive information. Such persons are advised that, in order to vote at the forthcoming Jersey Court Meeting, they must issue an instruction to the registered holder of their shares. The Company can only accept instructions from registered holders of its shares and it would therefore be unable to act upon any instructions received from nominated persons

By the said Order, the Court has appointed Neil O’Brien or, failing him, any other director of the Company to act as Chairman of the said meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated: 22 November 2024

Pinel Advocates

*Channel House
Green Street
St Helier
Jersey
JE2 4UH*

Solicitors and Advocates for the Company in relation to Jersey law

PART VIII

NOTICE OF GENERAL MEETING INVINITY ENERGY SYSTEMS PLC

(Registered in Jersey under registered no. 102786)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING (the “**Scheme General Meeting**”) of Invinity Energy Systems plc (the “**Company**”) will be held at Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD on 11 December 2024 at 3.15 p.m. (or as soon thereafter as the Jersey Court Meeting (as defined in the document of which this notice forms part) shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing the following resolutions, all of which will be proposed as Special Resolutions:

SPECIAL RESOLUTIONS

1. THAT:

subject to and conditional upon the passing of Special Resolution 2 set out in this notice of Scheme General Meeting (“**Notice**”), for the purpose of giving effect to the scheme of arrangement between the Company and the holders of the Scheme Shares (as such term is defined in the said scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman, in its original form or subject to any modification, addition or condition approved or imposed by the Jersey Court (the “**Scheme**”):

- (a) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (b) in connection with the Scheme:
 - (i) the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares; and
 - (ii) forthwith and contingently upon such reduction of capital taking effect:
 - (A) the authorised share capital of the Company be increased to its former amount by the creation of such number of ordinary shares of €0.01 each in the capital of the Company (“**Invinity New Ordinary Shares**”) as is equal to the aggregate number of Scheme Shares cancelled pursuant to paragraph 1(b)(i) of this resolution;
 - (B) the Company shall apply the credit arising in its books of account on such reduction of capital in paying up, in full at par, the Invinity New Ordinary Shares, which shall be allotted and issued, credited as fully paid, to Invinity Energy Group Services Limited, a private company limited by shares incorporated in England and Wales with registered number 15892542, which is expected to be re-registered as a public company limited by shares with the name ‘Invinity Energy Systems plc’ prior to such allotment and issue (“**New Invinity**”) and/or its nominee or nominees; and
 - (C) the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of Article 2.6 of the Company’s articles of association, to allot the Invinity New Ordinary Shares provided that:
 - I. the maximum nominal amount of share capital which may be allotted hereunder shall be €4,500,000;
 - II. this authority shall expire on the first anniversary of this resolution; and

III. this authority shall be in addition to any subsisting authority conferred on the directors of the Company pursuant to Article 2.6 of the Company's articles of association;

(c) with effect from the passing of this resolution, the Company's Articles be amended as follows:

(i) the adoption and inclusion of the following new Article 48:

“48. Scheme of Arrangement

- (1) For the purpose of this Article 48, references to the Scheme are to the scheme of arrangement between the Company and the holders of the Scheme Shares dated 22 November 2024 under Article 125 of the Companies (Jersey) Law 1991 in its original form or with or subject to any modification, addition or condition approved or imposed by the Royal Court of Jersey and (save as defined in this Article) expressions defined in the Scheme shall have the same meaning in this Article.
- (2) Notwithstanding any other provisions of these Articles, if any ordinary shares in the capital of the Company are allotted and issued to any person (a “**New Member**”) other than New Invinity and/or its nominee or nominees after the time at which this Article becomes effective and before 6.00 p.m. on the business day before the Effective Date (as defined in the Scheme), such ordinary shares in the share capital of the Company shall be allotted and issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the New Member, and any subsequent holder other than New Invinity and/or its nominee or nominees, shall be bound by the terms of the Scheme.
- (3) Subject to the Scheme becoming effective, if any ordinary shares in the share capital of the Company are allotted and issued to a New Member at or after 6.00 p.m. on the business day before the Effective Date (the “**Post-Scheme Shares**”), they will, on receipt by the Company of an election in writing from New Invinity, be immediately transferred to New Invinity and/or its nominee or nominees in consideration of and conditional upon the issue or transfer to the New Member of one New Invinity Share for each Post-Scheme Share, so transferred. Any New Invinity Shares issued pursuant to this Article 48 to the New Member will be credited as fully paid and will rank equally in all respects with all New Invinity Shares in issue at the time (other than as regards any dividend or other distribution payable, or return of capital made, by reference to a record time preceding the date of exchange) and will be subject to the Memorandum and Articles of Association of New Invinity.
- (4) The number of New Invinity Shares to be issued or transferred to the New Member under this Article 48 may be adjusted by the directors of the Company in such manner as the Company's auditors may determine on any reorganisation or material alteration of the share capital of either the Company or of New Invinity or any other return of value to holders of New Invinity Shares, provided always that any fractions of New Invinity Shares shall be disregarded and shall be aggregated and sold for the benefit of New Invinity.
- (5) In order to give effect to any such transfer required by this Article 48, the Company may appoint any person to execute and deliver a form of transfer on behalf of the New Member in favour of New Invinity and/or its nominee or nominees and to agree for and on behalf of the New Member to become a member of New Invinity. Pending the registration of New Invinity as a holder of any Post-Scheme Shares to be transferred pursuant to this Article 48, New Invinity shall be empowered to appoint a person nominated by the directors of the Company to act as attorney on behalf of the holder of the Post-Scheme Shares in accordance with such directions as New Invinity may give in relation to any dealings with or disposal of the Post-Scheme Shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of Post-Scheme Shares shall exercise all rights attached thereto in accordance with the directions of New Invinity but not otherwise. The Company shall not

be obliged to issue a certificate to the New Member for the Post-Scheme Shares.

- (6) If the Scheme shall not have become effective by the applicable date referred to in Clause 7(b) of the Scheme, this Article 48 shall cease to be of any effect.”

2. THAT, subject to and conditional upon: (i) the passing of Special Resolution 1 set out in this Notice; (ii) the ordinary shares of £0.14 each (or such other nominal value as New Invinity shall resolve) in the capital of New Invinity (“**New Invinity Shares**”) required to be allotted and issued by New Invinity pursuant to the Scheme having been allotted and issued and registered in the names of the persons entitled to such New Invinity Shares in New Invinity’s register of members; and (iii) the Scheme becoming effective:

the share capital of New Invinity be reduced by reducing the nominal value of such New Invinity Shares to 1 pence.

3. THAT, subject to and conditional upon the passing of Special Resolutions 1 and 2 set out in this Notice, a general meeting of New Invinity, other than an annual general meeting, may be called on not less than 14 clear days’ notice.

By order of the Board

Oak Secretaries (Jersey) Limited

Registered Office

3rd Floor
IFC5
Castle Street
St Helier
Jersey JE2 3BY

22 November 2024

Notes:

Attending the Scheme General Meeting

1. Shareholders wishing to attend and vote at this Scheme General Meeting are asked to register their attendance by emailing ir@invinity.com before 6.00 p.m. on 9 December 2024 indicating their intention to attend this meeting. Rules around capacity at the venue and changes in health and safety requirements may mean shareholders cannot ultimately attend the meeting.
2. We recommend that all shareholders appoint the Chairman of the meeting as proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you appoint are unable to attend in person. Proxy arrangements and instructions on how to appoint a proxy can be found in the section below entitled ‘Proxy appointment’.
3. A WHITE Form of Proxy is enclosed with this document. To be valid, the WHITE Form of Proxy (together with any power of attorney or authority under which it is signed, or a notially certified copy of such power or authority) must be received by the Registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time appointed for the meeting or, as the case may be, the adjourned meeting. Completion and return of the WHITE Form of Proxy will not prevent you from attending and voting at the meeting instead of the proxy should you so wish.
4. Proxy forms may be scanned and submitted via email to #UKCSBRS.ExternalProxyQueries@computershare.co.uk. The deadline for submission of proxy votes is not less than 48 hours before the time appointed for the meeting or, as the case may be, the adjourned meeting.
5. Shareholders with questions pertaining to the Scheme General Meeting or requiring assistance in submitting their proxy are requested to contact Joe Worthington via ir@invinity.com.

Right to attend and vote at the Scheme General Meeting

6. Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days business before the meeting or, if the meeting is adjourned, shareholders entered on the Company’s register of members not later than 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the Scheme General Meeting in respect of the number of shares registered in their name at that time. In each case, changes to entries on the Register of Members after such time shall be disregarded in determining the rights of any person to attend or vote at the Scheme General Meeting.

7. A form of ID and the Shareholder Reference Number will be required if shareholders intend to vote at the Scheme General Meeting.
8. If your shares are held within a nominee and you wish to attend and vote at the Scheme General Meeting, you will need to contact your nominee as soon as possible. Your nominee will need to provide a corporate letter of representation.

Proxy appointment

9. Any shareholder of the Company entitled to attend and vote at the Scheme General Meeting may appoint one or more proxies to attend, speak and vote instead of him or her provided that each proxy is appointed to attend, speak and vote in respect of a different share or shares. A proxy need not be a member of the Company. Appointing a proxy will not prevent a shareholder from attending in person and voting at the Scheme General Meeting. If a share is held by joint shareholders and more than one of the joint shareholders votes (including by way of proxy), the only vote that will count is the vote of the person whose name is listed before the other voter(s) on the Register of Members.
10. To be effective, the enclosed proxy form must be posted/mailed to Computershare at the addresses set out in the proxy form below to be received not later than 3.15 p.m. on 9 December 2024, being two business days before the time appointed for holding the Scheme General Meeting. Completion of the proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes. In the case of a corporation, this form of proxy must be executed under its common seal or under the hand of a duly authorised officer, attorney or other representative. In the case of joint holders, this form of proxy must be signed by that one of the joint holders whose name stands first in the register of members in respect of the joint holding.
11. The Chairman shall act as a proxy unless another proxy is desired, in which case, insert full name of your proxy in the space provided. A proxy will act in their discretion in relation to any business, other than the resolutions set out in the proxy form, at the meeting (including any resolution to amend a resolution or to adjourn the meeting). If two or more valid but differing proxy appointments are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share. An “abstain” vote is not a vote in law and will not be counted in the proportion of votes for or against any resolution.

Total voting rights

12. The total voting rights in the Company as at 19 November 2024 (being the latest practicable date prior to the publication of this notice) were 440,557,550. To be passed, ordinary resolutions require a majority in favour of the votes cast. To be passed, special resolutions require at least two-thirds of votes cast to be in favour. In accordance with Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has fixed the close of business on 15 November 2024 as the record date for determining the uncertificated members entitled to receive this Notice (and the accompanying proxy form), so that such persons entered on the Company’s register of members at that time are the persons so entitled.

CREST

13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
14. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company’s agent, Computershare Investor Services PLC (CREST Participant ID: 3RA50) no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
15. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
16. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.

General

17. Under Jersey law a special resolution requires a two thirds rather than three quarters majority of those voting at this meeting in person or by proxy to vote in favour of the resolution.
18. This communication has also been sent to certain beneficial owners of shares who have been nominated by their registered holders of shares to receive information. Such persons are advised that, in order to vote at the forthcoming Scheme General Meeting, they must issue an instruction to the registered holder of their shares. The Company can only accept instructions from registered holders of its shares and it would therefore be unable to act upon any instructions received from nominated persons.

19. Under the Companies (Jersey) Law 1991, a body corporate may only appoint one corporate representative. A share owner which is a body corporate that wishes to allocate its votes to more than one person should use the proxy arrangements.
20. Copies of the Company's existing Articles and the Company's Articles as proposed to be amended by Special Resolution 1 (set out in this Notice of Scheme General Meeting) are available for inspection at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD and the Company's registered office at 3rd Floor, IFC5, Castle Street, St Helier, Jersey JE2 3BY, during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this notice until the close of business on the date of the Scheme General Meeting and will also be available for inspection at the place of the meeting for at least 15 minutes prior to, and during, the Scheme General Meeting.
21. A copy of this notice and other required information can be found at www.invinity.com/investors

