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16 October 2024

Gelion plc

("Gelion" or the "Company" or the "Group")

Energy Storage Integration Solutions Business Launch with £1m commercial order

Gelion (AIM: GELN), the Anglo-Australian battery innovator, announces the launch of its Energy Storage Integration Solutions business, with the award of its first commercial order, expanding Gelion's charter to become an end-to-end battery technology innovator and energy storage company.

Highlights

- Secured its first commercial order to supply battery energy storage systems (BESS) to Group Energy Pty Ltd (part of the larger Borg Group), with ~£1m revenue and modest margins expected to be recognised in the current financial year (H1 calendar year 2025).
- Potential for expansion across further Borg Group sites in the future.
- Leverages Gelion's in-house expertise in Battery Management systems (BMS) and BESS integration, which are critical elements to bring battery technology to commerciality.
- Establishment of route to market for Gelion's next-generation battery technologies.

Borg Group ~£1.0m order

Gelion's commercial order worth ~£1.0m was placed for two high-performance 1 MW/ 2 MWh lithium-ion (high-performance and readily available third-party cells) containerised BESS to be delivered to Australian company, Group Energy, part of the larger Borg Group ("Borg").

Borg intends to use the BESS to help achieve its sustainability goals, participate in the Australian frequency response market, and conduct energy arbitrage and peak shaving.

Gelion's proprietary battery monitoring software will capture key BESS data to understand critical performance and operational parameters in real-time enabling proactive maintenance and maximisation of the BESS cycle life for Borg.

Next-Generation Technologies Route to Market

To support the transition to renewables, Gelion has established its Integration Solutions business which will utilise and develop its existing capabilities (that support its own battery chemistry developments) and commence the commercial supply of BESS to its customers.

The Integration Solutions business leverages the extensive knowledge, capability and experience of Gelion's Engineering and Operations team which has a proven track record of delivering over c.300 MWh successful BESS projects.

Gelion will initially focus on the Australian market, providing BESS with storage capacity between 100 kWh and 10 MWh. Targeted applications include:

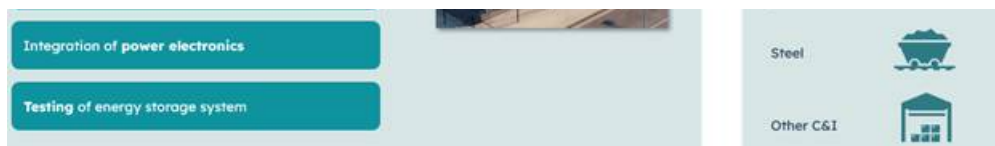
- **Commercial & Industrial** - On-site battery systems to optimise energy costs, provide grid stability services and protection against grid power outages.
- **Stand-Alone Power Systems** - Off-grid solar PV and BESS for remote locations, providing reliable power to sectors including telecommunications, agriculture, mining, and defence.
- **Reserve Power** - Back-up power solution for essential services including the telco market.

Gelion's vision is to expand its integration capabilities, strengthen customer relationships, and progressively introduce its proprietary battery technologies as they reach commercialisation. This approach enables the Company to deeply embed itself as a trusted supplier, gaining valuable insights into customer needs and requirements. By customising its own products to meet these specific demands, Gelion aims to strengthen customer relationships and position itself as a preferred partner. This strategy is expected to accelerate market entry when its proprietary products are ready, while generating revenue and margins that will help offset development costs, further driving innovation and growth.

Integration Solutions business established

Gelion will initially integrate high-performance third-party cells into the BESS, monitored by its proprietary cloud-based battery monitoring software.





Industry analysts Wood Mackenzie forecast the global energy storage market to grow by more than 600%^[1] to 2033, with Australia ranking as the fourth largest market. Australia's beneficial climate and vast footprint has enabled renewable energy deployments to surge. The recently announced Australian government funding and competitive wholesale and frequency markets further underpin the energy storage growth estimate.

Gelion CEO John Wood said: *"Our team at Gelion has end to end experience in energy storage, from advanced cell chemistry, through product and application integration to cloud-based monitoring. We are structuring to build commercial success while also sustaining and developing the customer facing expertise that will help us introduce our own leading technologies. We value the opportunity to provide this solution to Borg Group, an Australian company deeply committed*

to sustainable practice and look forward to growing the Integration business in conjunction with the development of our Li-S and Zinc based battery technologies."

Borg Group Managing Director, John Borg said: *"We are excited to partner with Gelion, an Australian energy storage innovator, to support our net-zero goals and enhance our sustainable business practices across the Borg Group. We are confident in the success of this project and look forward to expanding these integrated solutions across additional Borg locations in the future."*

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About Gelion

Gelion ("gel: ion") is a global energy storage innovator, supporting the transition to a more sustainable economy by commercialising two globally important next generation technologies: Lithium-Sulfur (LiS) and Zinc-based (Zn) hybrid cells to electrify mobile and stationary applications. Gelion plc (the Group) is listed on the London Stock Exchange's Alternative Investment Market and wholly owns Australia based Gelion Technologies Pty Ltd and UK based OXLiD Ltd. Gelion is designing and delivering innovative battery technologies and integrated systems solutions to enable that transition and return value for its customers and investors.

Lithium Sulfur

Gelion's effort is directed at the potential for the Li-S chemistry to deliver double the gravimetric energy density of standard Lithium-ion chemistries whilst concurrently reducing cost and increasing safety, targeting the EV and e-aviation market, helping to make global transport, energy consumption and storage more sustainable.

Gelion is developing a GEN 3 Lithium Sulfur cell product for its high energy density sulfur cathode at its expanded R&D facilities in Australia and UK, enabling it to integrate with a variety of anodes ranging from graphite to silicon to lithium metal, depending on the targeted application.

Gelion's GEN 3 cell is unlocking the potential of sulfur batteries for a wide range of global mobile applications including electrical vertical-take-off-and-landing (eVTOL), drone markets, electric vehicles (EVs) and stationary energy storage (ESS).

Advantages of Gelion's GEN 3 Lithium Sulfur

- **High energy density** - Energy density > 400 Wh/kg, when using a 10+ Ah pouch cell.
- **Semi-solid-state as a route to increased longevity/cycle life:** GEN 3 employs a semi-solid-state mechanism, maintaining the sulfur-based cathode materials in the cathode, preventing their diffusion into the electrolyte and diminishing associated battery degradation caused by reactive polysulfides. This approach mitigates the major degradation factor associated with conventional Li-S technology.
- **Increased sulfur utilisation:** GEN 3 demonstrates the full theoretical capacity of sulfur, i.e. a much higher sulfur utilisation than found in conventional Li-S approaches.
- **Simplified supply chain:** The innovative cathode is produced by mixing commercially available materials with

abundant sulfur using a low-energy, room-temperature process, with potential to eliminate the need for pre-fabrication of the sulfur composite (sulfur composite is related to cathode active material in conventional lithium-ion batteries), streamlining the associated supply chain and production process and enabling localised manufacturing.

- **Environmental and economic benefits:** The water-based, standard-atmosphere cathode production process eliminates the need for toxic solvents, leading to significant cost savings and enhanced manufacturability.

Zinc

Gelion is adapting its zinc technology to comprise an alternate cathode technology, a zinc hybrid cell to develop complementary next-generation batteries for the lead-acid eco-system. Early testing indicates that this solution has the potential to maintain good energy density levels with enhanced cost and safety aspects. Once fully developed, Gelion intends for our zinc technology to provide a durable and sustainable market extension within the ecosystem that supports lead-acid batteries.

Recycling

Gelion is pioneering an innovative battery recycling technology designed to enhance and supplement current recycling methods. Our technology aims to significantly reduce the initial costs of recycling plants, minimize waste, and lower carbon emissions, while improving the purity of metal products and enabling efficient lithium extraction. This advancement will allow for a broader range of scrap materials to be recycled. Currently in the feasibility stage, Gelion is committed to advancing our technology to a pilot-scale demonstration, paving the way for commercialisation through material production and IP licensing.

Integration

Gelion leverages its significant integration and BMS capability to deliver bespoke BESS for Australian customers. These BESS are currently based on lithium-ion technology and will also include Gelion's next-generation batteries as these become available. Gelion will deploy BESS with our proprietary cloud-based battery monitoring system, which will provide real-time diagnostics and alerts to maximise performance and return on investment for our customers

[1] <https://www.pv-magazine.com/2024/07/09/global-energy-storage-fleet-to-surpass-1-twh-3-twh-by-2033-woodmac-says/>

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