RNS Number : 3538R
Gelion PLC
27 December 2024

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**Gelion plc**
("Gelion", "Company" or the "Group")

**Final results to 30 June 2024**

*A strong year in which Gelion delivered on all major set milestones while proactively managing costs*

Gelion (AIM: GELN), the global energy storage innovator, announces its audited final results for the year ended 30 June 2024.

**FY24 operational highlights**

- Acquired and integrated OXLiD Ltd (OXLiD), strengthening the Group's position in lithium-sulfur (Li-S) technology and establishing a presence in the UK and relationships with leading universities and organisations.
- Signed Joint Development Agreements (JDAs) with Glencore and Ionblox, one of the key pillars of Gelion's strategy to advance the commercialisation of the Group's next-generation battery technologies.
- Strengthened leadership team with prior experience from Panasonic and OXIS adding capabilities to the LiS team.

**FY24 financial highlights**

- Total income of £2.0m (2023: £2.1m) in R&D tax incentives and grant income, aligned with market expectations.
- Adjusted EBITDA loss reduced to £4.8m, down 18% from the previous year and 13% below market projections.
- Gelion's pro forma cash and cash equivalents, including R&D tax incentives, at 30 June 2024 amounted to £5.4m (2023: £9.2m).
- Adjusted loss after tax £6.3m (2023: £7.1m).
- Implemented cost management initiatives, achieving approximately £1.1m in savings despite additional operating expenses from the OXLiD acquisition.

**Post period highlights**

- Achieved a breakthrough 402 Wh/kg energy density with Gelion's GEN 3 Li-S technology, making it over 60% lighter than a comparable lithium-ion battery.
- Secured funding for a programme to support the optimisation of commercial pathways for our Battery Recycling IP.
- Launched an Integration Solutions division, with an initial £1 million commercial order, with revenue and margin to be recognised in FY25.
- Awarded a c.£2.5m grant by the Australian Renewable Energy Agency ("ARENA") as matched funding to implement its Advanced Commercial Prototyping Centre ("ACPC") Project ("Project") in Sydney to produce and optimise its next generation GEN 3 Lithium Sulfur (Li-S) and Silicon Sulfur (Si-S) battery technologies and provide these for test and validation by prospective global partners and customers. The Project will commence upon Gelion securing its appropriate co-funding.
- Successfully completed a capital raise round in December 2024, securing £1.7m from existing and new investors.

**John Wood, CEO of Gelion**, commented: *"We made significant progress across all our strategic priorities in FY24, successfully delivering on every major milestone we set, driving both growth and operational efficiency, while maintaining a disciplined approach to cost management. We have made notable strides in expanding Gelion's technological capabilities, strengthening our position in key markets, and advancing important partnerships. This, combined with the launch of our Integration Solutions business post-period end, where we secured a £1 million commercial order, with revenue and margin expected to be recognised in the first half of 2025, positions us well for the future. Our balance sheet has since been further strengthened following the successful £1.7m fundraise, and I would like to thank both new and existing shareholders for their support in making this possible."*

**Annual Report**

Copies of the Annual Report and other documents can be viewed and downloaded from the Company's website: https://gelion.com/investors/documents-notices/.

**CONTACTS**

| | |
|---|---|
| **Gelion plc**<br>John Wood, CEO<br>Amit Gupta, CFO<br>Thomas Maschmeyer, Founder and Principal Technology Advisor | **via Alma** |
| **Cavendish Capital Markets Limited** (Nominated Adviser and Joint Broker) | **+44 207 220 0500** |
| **Corporate Finance**<br>Neil McDonald<br>Seamus Fricker<br>Adam Rae | |
| **Sales**<br>Louise Talbot | |
| **Oberon** (Joint Broker)<br><br>Nick Lovering<br>Mike Seabrook | **+44 20 3179 5300** |
| **Alma Strategic Communications** (Financial PR Adviser)<br>Justine James<br>Hannah Campbell<br>Will Ellis Hancock | **+44 20 3405 0205**<br>gelion@almastrategic.com |

**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.

**Glossary**

| | |
|---|---|
| 1MPa | This level of pressure replicates real-world pressure conditions inside |

| | |
|---|---|
| MPa | This level of pressure replicates real-world pressure conditions inside batteries and is crucial for ensuring the durability, efficiency, and performance of the separator in practical applications. |
| Ah | Ampere hours. A measure of capacity stored in the cell. The larger the number the higher the capacity. |
| Energy density (Wh/kg) | The ratio of energy stored per unit weight i.e. Watt-hours per kilogram. The higher the number the lighter the battery. |
| Pouch cell | An industry standard format of a battery which comprises a flat pouch-shaped design with a multi-layered laminate structure. |
| Solid-to-solid conversion | A low or polysulfide-free conversion of sulfur within the cathode. Polysulfides are a dissolved form of sulfur that is corrosive and reduces cycle life in traditional lithium-sulfur batteries. Solid-to-solid conversion helps mitigate the formation of these polysulfides. |
| Semi-solid state as a route to increased longevity/cycle life: | Gelion's GEN 3 technology can employ 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. |
| Solid state separator | A solid-state separator is a solid material that separates the anode and cathode in a battery, enabling ion transfer while preventing short circuits enhancing battery safety, supports higher energy densities, and allows stable use of a lithium metal anode, increasing capacity and lifespan. |
| Cycle life | The number of full charge and discharge cycles a battery can complete before its capacity falls below a specified level, typically 80% of the original capacity. Higher cycle life indicates longer-lasting performance. |

**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 Solutions**

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.

**Chair statement**

Over the past year, Gelion has made material technical progress, laying crucial groundwork for commercialisation under its experienced leadership team.

Gelion's growing strategic and commercial relationships/collaborations mean it is well positioned to bring its solutions to market. In 2024, the Company delivered on its technological development plan and achieved important milestones on energy density and production processes, which will allow it to develop a cost-effective product that stands out in the dynamic field of energy storage solutions.

**Advancing next generation energy storage solutions**

In 2024, Gelion delivered on its strategic ambitions: building on its strong IP in lithium- sulfur (Li-S) to develop the next generation of safe, scalable and sustainable energy storage solutions. I am pleased that Gelion has achieved its energy density targets with materials and manufacturing processes that are suitable for commercial production. This will enable the Group to pursue licensing and contract manufacturing opportunities to scale up over the coming years.

Credit goes to Gelion's talented team across all disciplines, who have done phenomenal work-while bridging time zones and deepening collaboration between the team in Australia and new team members in the UK. The Board would like to thank everyone at Gelion for their hard work. Under the CEO's leadership, the entire team has gone above and beyond this past year and helped to drive both the Group's technological and commercial progress.

The Company recently completed a capital raise round raising £1.7 million from existing and new investors which will provide additional working capital to the business. The Company will need to secure additional capital by June 2025 which it aims to do by securing a strategic investor to co-fund the Australian government grant and the working capital of the business.

**Honing Gelion's focus in Li-S**

Gelion is firmly focused on where its expertise is strongest and has built on its leading position in Li-S battery chemistry. It has accelerated its Li-S technology development, aided by the successful integration of OXLiD, with its strengthening partnership with Ionblox enabling Gelion to take its technology to the next level. The team believes that combining Gelion's sulfur-based cathode and electrolyte with Ionblox's silicon anode provides an exciting path towards a superior battery that is capable of being utilised in a range of critical applications.

Crucially, Gelion is not developing its technology in a vacuum and recognises need for its technology development to be driven by market needs. To this end, the Group has created a business integration division, which builds customer relationships and routes to market by delivering turnkey stationary storage systems to customers. This strategy not only generates near-term sales income and strengthens customer relationships, but also fosters commercial delivery into the culture of the Group. This will be pivotal in accelerating the adoption of Gelion's own battery cell technology when ready. The signing of the first major contract during 2024 demonstrates how this business area can play an important role in Gelion's commercial strategy.

Gelion owns additional technologies in Zinc and battery recycling. The Board recognises the inherent value in these assets and seeks to realise this through independent investment, reducing capital requirements and allowing the team to maintain its focus on its core sulfur-based battery activities.

**Developing new partnerships**

Over the past year, Gelion has also received growing support from the UK and Australian governments, to develop Li-S and recycling technologies, and advance its prototype production capabilities. It is a testament to its cutting-edge technology that Gelion has been successful in gaining strong government backing, which has been subject to detailed due diligence. This underlines the Group's important role in delivering crucial technologies for net zero, facilitating the decarbonisation of sectors from agriculture to mining to transport.

Gelion's new partnership with Glencore is further evidence of its accelerated commercialisation strategy. It gives Gelion access to Glencore's expertise in battery materials while exploring the use of battery technologies for stationary, off-grid and mobile applications. Most importantly, it once again shows that Gelion is not developing technology in isolation. Partnerships like this are key to eventually bringing its own next-generation products to market.

**Building a bright future**

As a result of the milestone achievements in the year, Gelion is in a position to meaningfully pursue partnerships to commercialise its technology, developing best-in-class battery cells for the applications of tomorrow. The Group is strongly positioned as a global leader in Li-S technology, which will play a fundamental role in the next generation of battery storage. Gelion will further develop relationships with strategic manufacturers to bring its technologies to market and I am confident that, with discipline and determination, Gelion will succeed in its ambitions in 2025 and beyond.

**Dr Steve Mahon**
**Chairman**

## Chief executive statement

2024 was a strong year for Gelion, during which we made significant progress across all our strategic priorities.

We delivered on all major set milestones and have grown the Group while proactively managing costs. Our operations are now more effective as a result of the increased focus on pre-commercialisation.

Highlights for the past year include:

- Successfully acquiring and integrating OXLiD to expand our position in lithium-sulfur (Li-S) chemistry.
- Advancing our technological development while optimising cell design towards alignment with manufacturing processes and achieving our energy density targets.
- Signing new joint development agreements (JDAs) with Glencore and Ionblox which aid toward commercialisation of our next-generation battery technologies.
- Launching the Integration Solutions business with a commercial order of £1 million, with revenue and margin to be recognised in H1 2025 (FY25).

**Advancing towards commercialisation**

It has been inspiring to be part of Gelion's development over the past year. My focus as CEO is on driving our strategy forward and leading our teams toward developing our global collaborations and commercial partnerships while ensuring our technological development remains on track.

Since January 2024, we have successfully integrated our teams in the UK and Australia to advance our technology platform while strengthening our research collaboration efforts with academic institutions and broadening our non-dilutive grant funding efforts.

Cementing our global position and ensuring that we have the right partners in place is an integral part of our growth strategy. The Ionblox and Glencore JDAs, both signed in 2024, show this strategy in action and we continue to work toward converting strategic partnerships into substantial collaborations that will bring our technology to market.

The JDA with Glencore is an important step forward. It provides a framework to access Glencore's expertise in materials and recycling, and combine it with our own IP and innovation, to accelerate the commercialisation of our next- generation technologies.

Our partnership with Ionblox continues to progress as planned. By combining Gelion's cathode with Ionblox's anode, we are strongly positioned to develop a high-performance lithium silicon sulfur battery for high-value applications including electric vehicles, e-buses and heavy e-trucks, as well as electric vertical-takeoff-and-landing aircraft.

Building these relationships allows us to not only progress our technology goals, but also to lay the groundwork for commercialisation and establish a network of commercial partners ahead of producing our initial prototypes.

**Technological progress**
The acquisition of UK-based Li-S battery start-up OXLiD in November 2023 brought in fundamental capabilities, solidified our presence in the UK, provided access to Europe-based third-party fabricators and helped us to intensify our focus on Li-S technology. The addition of OXLiD's team, alongside the work of our highly experienced researchers in Australia, has contributed to our progress in reaching our energy density targets in 2024-an important milestone for Gelion.

Achieving 402 Wh/kg in our Li-S battery means Gelion's technology is over 60% higher energy density than a typical lithium-ion battery of the same energy.

We have refined our manufacturing approach by developing in-situ self-assembly of our cathode active material for Li-S cells, making our technology more competitive by addressing two of the key challenges in battery production: energy efficiency and cost. Our process uses less energy and eliminates toxic solvents, meaning it is both cheaper and more sustainable.

We are now building on extending the cycle life of our Li-S batteries, including paths toward fabrication processes for solid-state battery separators. Greater stability and durability will unlock a broader range of applications beyond the high-value transport uses we are targeting initially.

Despite our geographic expansion through the addition of OXLiD, we have increased our efficiency over the past 12 months and, through our focused efforts, reduced operating costs by approximately £1.1 million.

## Value generation

In addition to our development efforts on Li-S, we have been working on our cost-effective zinc hybrid technology. Our aim is to either secure independent investment by Q1 2025 or alternatively to reduce costs and evaluate options.

**Post-period end**
Following our acquisition of Johnson Matthey's lithium-ion recycling technology in 2023, we established a subsidiary in 2024 to commercialise this IP and tackle the growing volume of battery waste. We have received a grant approval of up to £170,000 from the UK Government to develop this novel recycling technology. Our JDA with Glencore also includes an option to explore recycling synergies.

This was followed in October by the first commercial order for our Integration Solutions business, signing a £1 million contract to supply battery energy storage systems to Group Energy Pty Ltd, part of the larger Borg Group. This lays the foundations for bringing our own technologies to market and underlines our customers' confidence in our team's technical and commercial capabilities.

**Outlook for 2025**
Looking ahead, I am focused on leading our team to realise Gelion's enormous potential. We will continue to advance important collaborations in technology, materials and end-customer engagements. Our progress on technology development means we are well positioned to achieve our targeted performance objectives, primarily regarding cycle life and stability, to reach our minimum viable product and drive early adoption.

Our Li-S technology has the potential to make up a significant share of the storage market by 2040. In parallel, preparations are underway to launch prototype capabilities, leveraging government support in Australia to produce pilot volumes before advancing towards licensing and contract manufacturing.

Finally, I thank our committed staff, valued shareholders and all of the partners who are joining us on this journey. I am proud of what we have achieved and excited for what lies ahead. We know that the energy transition requires exponential growth in both mobile and stationary storage, requiring low-cost, easily available and scalable solutions. This presents a tremendous opportunity to capitalise on Gelion's superior technology and deep expertise. We look forward to ushering in the next generation of energy storage.

**John Wood**
**CEO**

## Chief Financial Officer review

**Overview**
FY24 was a transformative year for Gelion. We significantly improved our financial performance through stringent cost management, while executing on strategically relevant investments to attain industry leadership and commercialisation opportunities.

We embarked on a focused cost management programme, successfully integrated OXLiD and welcomed its team of six highly skilled scientists. Our strategic reprioritisation of capital deployment allowed us to balance efficiency with innovation, resulting in cost reductions of approximately £1.1 million.

I have summarised the key financial highlights for FY24 as follows;

**Financial performance**
Total income for the year ended 30 June 2024 was £2.0m (2023: £2.1m), primarily from Research and Development (R&D) tax incentives and grant income resulting from the ongoing development programmes of our technologies.

Adjusted EBITDA loss improved to £4.8m (2023: £5.9m), reflecting the successful execution of cost saving initiatives during the year.

Operating losses before non-recurring items and share-based payments expense reduced to £5.5m (2023: £6.4m), primarily due to:

- a £0.6m decrease in R&D spend, primarily driven by focused R&D programmes and overall reduction in the average number of R&D staff from 36 in FY23 to 34 in FY24, including six team members that joined Gelion from OXLiD in November 2023
- a £0.5m decrease in administrative costs achieved by reducing discretionary expenses, reduction in headcount and the use of contractors

This was partially offset by an increase in Depreciation and Amortisation, reflecting the full-year impact of the Intellectual Property (IP) amortisation costs.

Non-recurring items relate to the expensed portion of the transaction costs incurred in relation to the acquisition of OXLiD Ltd and the November 2023 capital raise (£363,000) and the non-cash losses incurred from the disposal of IP and Property, Plant and Equipment assets (£1,236,000).

The proactive review of our IP portfolio led us to write-off patents relating to:

- Li-S which were deemed not essential for our strategic direction and
- Zinc bromide, given the decision to migrate to a Zinc solution that does not use bromine as was communicated in July 2023.

This has positioned us for further cost efficiencies in FY25.

**Statement of financial position and cash flows**

At 30 June 2024, Gelion's current assets amounted to £5.9m (2023: £9.4m), including cash and cash equivalents of £3.8m (2023: £7.3m), with the decrease reflecting the use of funds to support the operations. Gelion's pro forma cash and cash equivalents, including R&D tax incentives, at 30 June 2024 amounted to £5.4m (2023: £9.2m).

Our non-current assets increased to £7.7m (2023: £4.3m), primarily due to the recognition of goodwill arising from the OXLiD acquisition and increased investment in intangible assets, primarily IP.

Other receivables and trade payables have largely remained at the same level as during the prior period.
In November 2023, we successfully completed a capital raise of £4.1m (£3.4m net of transaction costs relating to the capital raise and the acquisition). Of this capital raise, we used £1.4m towards the acquisition of OXLiD, £0.7m towards transaction costs, £0.7m towards Opex and Capex for OXLiD and the remainder largely to fund our working capital.

We have recently completed a £1.7 million gross capital raise to further strengthen our balance sheet and continue with our development plans.

**Research and Development**
Research and Development continued to form a material part of our activity. We expensed most of our development costs of £3.5m for the year (2023: £4.1m). We had qualifying research and development costs, and have recognised £1.6m in R&D tax incentives from the Australian Taxation Office and £0.4m in UK grants/R&D tax credits.

Our efforts continue to advance our technologies toward market readiness, ensuring Gelion stays at the forefront of innovation.

**Foreign currency exposure**
Gelion does not currently face significant currency exposure; however, this may change in the future. Most overheads are in AUD and GBP, while material procurement involves other currencies. Gelion has a FX hedging contract with an Australian financial institution; however, no hedging contracts were outstanding as of June 2024. Where possible, we aim to maintain a natural hedge by aligning inflows and outflows in the same currency.

**Outlook**
As we look to the future, we are inspired by the opportunities presented by the global push for electrification and renewable energy adoption.

Over the past year, we have not only navigated complex challenges but have also positioned Gelion at the forefront of next-generation energy storage through strategic achievements and continued innovation.

The transition to renewable energy is accelerating beyond current incumbent technologies and we are uniquely positioned to be a key enabler of this transformation. Our innovative technologies and strong patent portfolio reflect our determination to provide the advanced solutions required for the mobile and stationary energy storage of the future.

We have laid a solid foundation for commercialisation with a streamlined operating model, acquiring critical capabilities and intellectual property that strengthen our position as an industry leader. Our strategy is aimed at capturing near-term market opportunities and capitalising on our technological advancements to accelerate our time to market and create value for our stakeholders.

With our expanded international presence, we are strategically positioned and aim to make a significant contribution on a global scale and play an important role in the energy transition.

**Amit Gupta**
**CFO**

**Consolidated Statement of Comprehensive Income**

| | Notes | Year ended 30 June 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| Other income | 4 | 1,988 | 2,054 |
| Total income | | 1,988 | 2,054 |
| Administrative expenses | | (3,322) | (3,841) |
| Research and development expenses | | (3,486) | (4,147) |
| Share-based payments expense | | (986) | (894) |
| Depreciation and amortisation | | (700) | (463) |
| Operating loss before non-recurring items | 6 | (6,506) | (7,291) |
| Non-recurring items: | 5 | | |
| Loss on disposal of fixed assets and write-off of IP intangibles | | (1,236) | (186) |
| Capital raising and acquisition related costs | | (363) | (80) |
| Total non-recurring items | | (1,599) | (266) |
| Operating loss | | (8,105) | (7,557) |
| Finance costs | | (3) | (3) |
| Finance income | | 149 | 153 |
| Loss on ordinary activities before taxation | | (7,959) | (7,407) |
| Tax income | 8 | 11 | - |
| Loss on ordinary activities after taxation | | (7,948) | (7,407) |

Total loss for the year attributable to equity holders of the parent

Other comprehensive income:
Items that may be reclassified to profit or loss

| | | | |
|---|---|---|---|
| - Exchange losses arising on translation | 9 | (27) | (695) |
| Total comprehensive loss for the year attributable to equity holders of the parent | | (7,975) | (8,102) |
| Loss per share (basic and diluted) attributable to the equity holders (pence) | 11 | (6.40) | (6.90) |

The above results relate entirely to continuing activities.
These results also include the results of OXLiD Ltd from the date of acquisition, more details in note 12. The accompanying notes form part of this financial information.

**Consolidated Balance Sheet**

| | Notes | As at 30 June 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **Assets** | | | |
| Non-current assets | | | |
| Intangible assets | 13 | 6,614 | 3,349 |
| Property, plant and equipment | 15 | 1,069 | 957 |
| Current assets | | | |
| Cash and cash equivalents | | | |

| | | | |
|---|---|---|---|
| Cash and cash equivalents | 17 | 3,792 | 7,268 |
| Other receivables | 18 | 2,118 | 2,114 |
| Total Assets | | 13,593 | 13,688 |
| **Liabilities** | | | |
| Current liabilities | | | |
| Trade and other payables | 16, 19 | 1,250 | 1,057 |
| Non-current liabilities | | | |
| Trade and other payables | 16, 19 | 55 | 27 |
| Deferred tax liabilities | 20 | 320 | - |
| **Total liabilities** | | 1,625 | 1,084 |
| **Net assets** | | 11,968 | 12,604 |
| **Equity** | | | |
| Issued capital | 21 | 136 | 108 |
| Share premium account | 21 | 24,487 | 20,752 |
| Other non-distributable reserves | 21 | 8,877 | 5,328 |
| Capital reduction reserve | 21 | 11,194 | 11,194 |
| Accumulated losses | | (32,726) | (24,778) |
| Total equity | | 11,968 | 12,604 |

The financial statements of Gelion Plc, company registration number 09796512, were approved by the Directors and authorised for issue on 24 December 2024.

The accompanying notes form part of this financial information.

**Consolidated Statement of Cash Flows**

| | Notes | Year ended 30 June 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Loss for the year before tax and exchange losses | | (7,959) | (7,407) |
| Adjustments for: | | | |
| Depreciation & amortisation | | 700 | 463 |
| Net finance loss/(income) | | (146) | (147) |
| Loss on disposal of fixed assets and write-off of IP intangibles | | 1,236 | 175 |
| Share-based payments expense | | 986 | 894 |
| Changes in operating assets/liabilities | | | |
| Decrease/(increase) in receivables | | 107 | 24 |
| Decrease/(increase) in prepayments | | 35 | 15 |
| Increase/(decrease) in payables | | 508 | (45) |
| **Net cash used in operating activities** | | **(4,533)** | **(6,028)** |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets | | (838) | (3,982) |
| Sale of intangible assets | | - | 1,189 |
| Purchase of tangible property, plant and equipment | | (589) | (456) |
| Acquisition of subsidiary, net of cash acquired | | (1,226) | - |
| Short-term investments (term deposits) | | - | 1,017 |
| Other investment - escrow account | | (133) | - |
| Interest received | | 153 | 146 |
| **Net cash used in investing activities** | | **(2,633)** | **(2,086)** |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | 4,100 | 18 |
| Transaction costs of issue of shares | | (348) | - |
| Repayment of leasing liabilities | | (47) | (46) |
| **Net cash used in financing activities** | | **3,705** | **(28)** |
| **Net increase/(decrease) in cash held** | | (3,461) | (8,142) |
| Cash and cash equivalents at beginning of financial year | | 7,268 | 16,024 |
| Effect of exchange rate changes | | (15) | (614) |

| | | | |
|---|---|---|---|
| Effect of exchange rate changes | | (15) | (614) |
| **Cash and cash equivalents at end of financial year** | **17** | **3,792** | **7,268** |

The accompanying notes form part of this financial information.

**Consolidated Statement of Changes in Equity**

| | Share capital | Share premium | Accumulated losses | Capital reduction reserve | Other non-distributable reserves | Total |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 July 2022 | 107 | 20,662 | (17,390) | 11,194 | 5,148 | 19,721 |
| Loss on ordinary activities after taxation | - | - | (7,407) | - | - | (7,407) |
| Other comprehensive income | - | - | - | - | (695) | (695) |
| Total comprehensive loss for the year | - | - | (7,407) | - | (695) | (8,102) |
| Contributions by and distributions to owners: | | | | | | |
| Share-based payment charge | - | - | - | - | 894 | 894 |
| Shares issued during the period | 1 | 73 | - | - | - | 74 |
| Forfeited/cancelled options | - | - | 19 | - | (19) | - |
| Exercise of share options | - | 17 | - | - | - | 17 |
| Total contributions by and distributions to owners: | 1 | 90 | 19 | - | 875 | 985 |
| Balance at 30 June 2023 | 108 | 20,752 | (24,778) | 11,194 | 5,328 | 12,604 |
| Balance at 1 July 2023 | 108 | 20,752 | (24,778) | 11,194 | 5,328 | 12,604 |
| Loss on ordinary activities after taxation | - | - | (7,948) | - | - | (7,948) |
| Other comprehensive income | - | - | - | - | (27) | (27) |
| Total comprehensive loss for the year | - | - | (7,948) | - | (27) | (7,975) |
| Contributions by and distributions to owners: | | | | | | |
| Merger relief reserve (fair value of | 11 | - | - | - | 2,590 | 2,601 |
| Share-based payment charge | - | - | - | - | 986 | 986 |
| Shares issued during the period | 17 | 4,083 | - | - | - | 4,100 |
| Costs of shares issued | - | (348) | - | - | - | (348) |
| Total contributions by and distributions to owners: | 28 | 3,735 | - | - | 3,576 | 7,339 |
| Balance at 30 June 2024 | 136 | 24,487 | (32,726) | 11,194 | 8,877 | 11,968 |

The accompanying notes form part of this financial information.

**Notes to the Consolidated Financial Statements**

**1. General Information**

Gelion Plc ('Gelion' or the 'Company') is a 100% owner of:

- Gelion Technologies Pty Ltd, an Australian subsidiary that conducts research and
- development in respect of an innovative battery system and associated industrial design and manufacturing; and
- OXLiD Ltd, a UK subsidiary which is involved in the research and development of lithium- sulfur battery technology; and
- Battery Minerals Ltd, a UK subsidiary which is involved in the recycling of lithium-ion
- battery technology.

Gelion is a public limited company, limited by shares, incorporated and domiciled in England and Wales. The Company was incorporated on 26 September 2015. The registered office of the Company is at c/o Armstrong, Level 4 LDN:W, 3 Noble Street London EC2V 7EE. The registered company number is 09796512.

Gelion Plc was incorporated as Gelion UK Ltd. On 12 November 2021, the Company was re-registered as a public limited company under the Companies Act and its name was changed to Gelion Plc.

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

## 2. Accounting Policies

### 2.1 Basis of Preparation

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

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations.

The preparation of financial statements in compliance with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The are as where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.20.

These financial statements are presented in Great British Pounds (GBP) unless otherwise stated, which is the Company's presentational currency and the parent company's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated. The functional currency of the subsidiaries are both Great British Pounds (GBP) and Australian Dollars (AUD). Some numerical figures included in this Annual Report have been subject to rounding adjustments. The policies adopted for translation of the subsidiary's assets, liabilities, income and expenses are set out in note 2.16.

### 2.2 Basis of Consolidation

The consolidated financial statements consolidate the financial statements of Gelion Plc and of its subsidiary undertakings drawn up to each reporting date.

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

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

| Name | Registered office | Class of shares | Holding |
|---|---|---|---|
| Gelion Technologies Pty Limited | Australia | Ordinary A | 100% |
| OXLiD Ltd | UK | Ordinary A | 100% |
| Battery Minerals Ltd | UK | Ordinary A | 100% |

The shareholdings are held directly.
The registered office of Gelion Technologies Pty Limited is Level 16, 101 Miller Street, North Sydney, NSW 2060.
The registered office of OXLiD Ltd and Battery Minerals Ltd is c/o Armstrong, Level 4 LDN:W, 3 Noble Street London EC2V 7EE.

### 2.3 Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Group will have sufficient funds available to enable it to continue to trade for the foreseeable future being a period of at least 12 months from the date of approval of these financial statements. In making their assessment that this assumption is correct, the Directors have undertaken an in-depth review of the business, its current prospects, and cash resources as set out below.

The Company is a holding entity and as such their going concern is dependent on the Group therefore the going concern assessment for the Company was performed as part of the Group's assessment.
As at 30 June 2024, the Group had cash in bank of £3.8 million and £1.6 million in receivables from the R&D tax incentive refund and UK grant income.

Following receipt of these funds, the Group's pro forma cash position equals £5.4 million ("Pro forma Cash") at 30 June 2024. The Directors have reviewed a range of potential cash flow forecasts and actual results subsequent to the year ended 30 June 2024 for the 18-month period from 1 July 2024 to 31 December 2025 (the "Period"), including reasonable possible downside scenarios.
The base case cash flow forecast includes the following assumptions for the 18 month period:

- net cash out flows of £7.5 million for the 18 month period which includes:
- £1.7 million proceeds less c. £0.2 million in transaction costs, from the recently announced capital raise in December 2024;
- an estimated R&D tax incentive receipt of £1.3 million for FY2025 (July 2024 to June 2025) expected to be received in September/ October 2025;
- positive gross margin from the Integration Solutions first sale;
- receipt of secured grant funding in the UK;
- ongoing R&D, general and administrative costs of the Group; and
- reducing certain other discretionary costs that are within the Group's control.

The Directors' have also considered a plausible downside scenario which includes a 10% contingency for unexpected costs (excluding expenses which are largely fixed or controllable in nature e.g. lease expenses, employee expenses etc).

**Conclusion**
The base case forecast includes a total net cash outflow over the Period of £7.5 million.

The Directors' reasonably plausible downside scenario, which includes a 10% contingency for unexpected costs includes a total net cash outflow of £7.7 million.

At 30 June 2024, the Group had £5.4 million of Pro forma Cash of which the final £1.6 million of R&D tax incentives was received in November 2024.
The forecast indicates that under both scenarios, the Group will need to raise additional funds before June 2025. As a result, the Group is reliant on securing additional funding which is not guaranteed.

Following the announcement that the Company recently completed a capital raise of £1.7 million in December 2024, the Directors have confidence that based on the prospects of the business and their previous experience in raising equity finance, that the Group can attract additional investment as required in the future. The Directors acknowledge that this funding is not, at the present time, in place.

The Group and Company require additional funding, which is not guaranteed. This indicates that a material uncertainty exists which may cast significant doubt on the ability of the Group and Company to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Group and Company were unable to continue as a going concern.

**2.4 Other Income**
Other income includes:

- Government grants: Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same periods in which the expenses are recognised under IAS 20 'Accounting for Government Grants and Disclosures'. Submissions are made for pre-arranged time periods with timing differences recognised within accrued or deferred income.
- R&D tax incentives (Australia): primarily relate to research and development incentives. This represents a refundable tax offset that is available on eligible R&D expenditure incurred by the Group. These are not recognised until there is reasonable assurance that the Group will comply withthe conditions attaching to them and that the incentives will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.
- R&D tax credits (UK): The Group claims R&D Expenditure Credit ('RDEC') on the costs it incurs in its research and development projects. RDEC is considered taxable income and therefore the Group records the RDEC under Other income in the statement of comprehensive income, and the associated tax charge levied against this income is recorded in the taxation line. The income is recognised on the performance model under IAS 20 'Accounting for Government Grants and Disclosures'.

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

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

**2.6 Earnings Per Share**

Basic earnings/loss per share
Basic earnings/loss per share is calculated by dividing:

- the profit or loss attributable to owners of Gelion Plc, excluding any costs of servicing equity other than Ordinary Shares; by
- the weighted average number of Ordinary Shares outstanding during the financial year, adjusted for bonus elements in Ordinary Shares issued during the financial year.

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

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

## 2.7 Cash And Cash Equivalents And Short-Term Investments

Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Term deposits that are held for a period of less than three months form a part of cash and cash equivalents.

Short-term investments

Short-term investments comprise of term deposits held by UK or Australian licensed banks for a period greater than three months, over which it can be converted to known amounts of cash with insignificant risk of change in value. The amounts were measured at amortised cost using the effective interest method in line with IFRS 9.

## 2.8 Property, Plant and Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Plant and equipment 3-7 years Office furniture and equipment 3 years

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

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

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

## 2.9 Right-Of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of- use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the Right-of-use assets are depreciated on a straight- line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is calculated over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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

## 2.10 Intangible Assets Research and development

Research and development expenditure is recognised as an expense as incurred. No research and development costs have been capitalised to date given the stage of the business.

Development expenditure is recognised as an expense except those costs incurred on development projects can be capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits.

Patents and trademarks

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

Patents 1-20 years

Disposal of intangible assets

When an intangible asset, such as a patent, is disposed of or no longer expected to generate future economic benefits, it is derecognized from the financial statements. The profit or loss on disposal is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds from its disposal.

The Group may dispose of intangible assets through various methods, including but not limited to sale, abandonment, or expiration of the asset's legal rights. The method of disposal is chosen based on the circumstances at the time of disposal. Any gain or loss on the disposal of an intangible asset is recognized in the statement of profit or loss in the period in which the disposal occurs.

## 2.11 Impairment of Non-Financial Assets

Goodwill and intangible assets with indefinite useful economic lives are tested for impairment annually at the financial year-end. Other non- financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

## 2.12 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year

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

**2.13 Financial Instruments**

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

a) Classification

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

- those to be measured at amortised cost.

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

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

- the asset is held within a business model

whose objective is to collect contractual cash flows; and

- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

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

c) Measurement

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

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

d) Tax receivables

Management has assessed that tax receivables arising from a refundable tax offset from Australian Taxation Office, for eligible R&D expenditure, are recognised at its par value.

These receivables are expected to be collected in a short-term period and the Directors have assessed there is no need for impairment of these receivables. This is based on Australian government credit rating (AAA) and successful historical collection of tax receivables.

**2.14 Share-based Payments**

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

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

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

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

- the grant date fair value of the award;
- the current best estimate of the number of awards that will vest;
- the expired portion of the vesting period; and
- the removal of any fair value attributable to share options that have contractually lapsed or expired.

The charge to profit and loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods.

There is a corresponding entry to the share-based payment reserve in equity.

If a share-based payment arrangement is modified, the minimum expense recognised over the vesting period is the original fair value. If the modification increases fair value, the additional fair value is recognised over the remaining vesting period.

**2.15 Non-Recurring Items**

The Group considers certain unusual or infrequent items that either because of their size or their nature, or relevance to the business as are non- recurring and disclose separately to report the underlying performance of the business. For an item to be considered as a separate item, it must initially meet at least one of the following criteria:

- It is a significant item, which may cross more than one accounting period.
- It has been directly incurred as a result of either an acquisition/divestment or funding related or arises from a major business change.
- It is unusual in nature, e.g. outside the normal course of business.

If an item meets at least one of the criteria, the Board, through the Audit and Risk Committee, then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures and disclosed separately.

performance measures and disclosed separately.

**2.16 Foreign Currency Translation**

The functional currency of each company in the Group is that of the primary economic environment in which the entity operates.

Monetary assets and liabilities denominated in foreign currencies are translated into GBP at
the rates of exchange ruling at the period end. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

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

**2.17 Contributed Equity**

Ordinary Shares are classified as equity.
Incremental costs directly attributable to the issue of new shares are deducted from the share premium account.

When the Group issues a hybrid instrument consisting of a debt host liability and a non-closely related embedded derivative (the conversion feature) and the Group accounts for the debt host at amortised cost and the embedded derivative at FVTPL, when conversion takes place, no gain or loss on conversion is recognised. The equity issued is measured by reference to the sum of the carrying amount of the host debt liability plus the carrying amount of the embedded derivative at the date of conversion, rather than the fair value of the shares issued. This approach is in line with the policy followed for conversion of compound instruments.

Retained losses includes all current and prior period results.

**2.18 Business Combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. Contingent consideration to be transferred by the acquirer is recognised at the acquisition- date fair value. Subsequent changes in the fair value of the contingent consideration classified as a liability is recognised in profit or loss.
Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

**2.19 Input Taxes**

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST) in Australia or value added tax (VAT) in the UK, unless the sales tax incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of sales tax receivable or payable.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a net basis. The sales tax components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**2.20 Critical Accounting Judgements And Key Sources Of Estimation Uncertainty**

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

Critical accounting judgements
Australian R&D tax incentives

From 1 July 2011, the Australian Taxation Office has provided a tax incentive, in the form of a refundable tax offset of 43.5% for eligible research and development expenditure

43.5%, for eligible research and development expenditure.

Management has assessed its research and development activities and expenditure and applied judgement in determining which expenses are likely to be eligible under the scheme. For the period ended 30 June 2024 the Group has recorded other income of £1,548,000 (2023: £2,049,000) based on expected tax refunds to be received from the government (recognised under Other receivables at 30 June 2024).

UK R&D Tax reliefs:
R&D expenditure credit (RDEC) Scheme OXLiD is eligible to claim Research and Development Expenditure Credit (RDEC) under the SMEs program. Management has assessed eligible R&D expenses and, has recognised £57,000 in other income from expected tax refunds for the period ending 30 June 2024 (recognised under Other receivables as of 30 June 2024).

Recognition of a deferred tax asset

The Group has incurred tax losses in both Australia and the UK in each of the periods reported in these financial statements. No deferred tax asset has been recognised in respect of these losses, as the Directors believe that there is not sufficient certainty over future profits that would utilise them.
Key sources of estimation uncertainty Business combination

In our accounting for business combination, determining the acquisition date fair values of the identifiable assets acquired and liabilities assumed involves considerable estimation. The necessary measurements are based on information available on the acquisition date and are based on expectations as well as assumptions that have been deemed reasonable by management.

Estimation of useful lives of property, plant and equipment and intangible assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life of intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.
Patents are recognised at cost. Management believes this is the best estimate at the current time, during the research and development phase. The key assumption for amortisation is the useful life which is determined by the life of the patent (usually 15-20 years). The Directors do not believe that a future change in the useful life of patents is probable in the foreseeable future.

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

Impairment of goodwill, patents and trademarks
The Group performs an annual impairment test for goodwill acquired through business combinations, comparing its carrying amount to its recoverable amount at the reporting date. The recoverable amount is determined using a value-in-use calculation, based on a discounted cash flow (DCF) model. Projected cash flows are derived from the five-year budget. The recoverable amount is highly sensitive to key assumptions, including the discount rate applied in the DCF model, expected future cash inflows, and the growth rate used for extrapolating cash flows beyond the forecast period. Details on these key assumptions, along with a sensitivity analysis, are provided and further explained in note 14.

The Group assesses impairment of patents and trademarks at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment.

If an impairment trigger is identified, the recoverable amount of the asset is determined. To date, impairment has been recognised when patent costs capitalised, in respect of patent applications that have been written off due to lapsed or rejected applications. In these instances, the Group fully impairs the carrying amount of patent at that date.

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

Recognition of equity-settled share-based payments
The cost of equity-settled share-based payment transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model. The Group had adopted the graded vesting approach, whereby a larger proportion of the total expense is recognised in earlier vesting periods
which then decreases in the subsequent years.

Please refer to note 22 for the key assumptions

and inputs used in the model to determine the fair values at each measurement date.

**2.21 Standards, Amendments And Interpretations To Existing Standards That Are Effective For The First Time In The Financial Year**

During the year ended 30 June 2024, Gelion has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

| **Standard** | **Effective date, annual period, beginning on or after** |
|---|---|
| Lease Liability in a Sale and Leaseback (Amendment to IFRS 16) | 1 January 2024 |

16)

| | |
|---|---|
| IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-Current) | 1 January 2024 |
| IAS 1 Presentation of Financial Statements (Amendment - Non-Current Liabilities with Covenants) | 1 January 2024 |
| IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment - Supplier Finance Arrangements) | 1 January 2024 |

Their adoption has not had any material impact on the disclosures or amounts reported in the financial information.

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

| **Standard** | **Effective date, annual period, beginning on or after** |
|---|---|
| Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates) | 1 January 2025 |
| Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments) | 1 January 2026 |
| IFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |

All of the above standards issued but not yet effective have not been endorsed by the UK Endorsement Board as of the reporting date.

The Directors are evaluating the impact that these standards will have on the financial information of Gelion.

**3. Segment Reporting**

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

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

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

| | As at 30 June 2024 | | | As at 30 June 2023 | | |
|---|---|---|---|---|---|---|
| | UK | Australia | £'000 | UK | Australia | £'000 |
| Non-current assets | | | | | | |
| Goodwill | 2,804 | - | 2,804 | - | - | - |
| Intangible assets | 1,284 | 2,526 | 3,810 | - | 3,349 | 3,349 |
| Property, plant and equipment | 101 | 968 | 1,069 | - | 957 | 957 |
| Total income | | | | | | |
| Other income | 440 | 1,548 | 1,988 | 5 | 2,049 | 2,054 |
| Depreciation and amortisation | (69) | (631) | (700) | - | (463) | (463) |
| Finance income (interest) | 91 | 58 | 149 | 98 | 55 | 153 |
| Operating loss | | | | | | |
| Operating loss | (1,359) | (6,746) | (8,105) | (966) | (6,591) | (7,557) |

**4. Other Income**

| Name | **Year ended 30 June 2024 £'000** | **2023 £'000** |
|---|---|---|
| R&D tax concessions | 1,605 | 2,049 |
| Grant income | 383 | - |
| Recovery of VAT | - | 5 |
| Total other income | 1,988 | 2,054 |

The subsidiaries incur R&D expenditure which qualifies for relief under a tax incentive scheme provided by the Australian Taxation Office, as well as the R&D expenditure credit (RDEC) Scheme by HMRC.

Management estimates the expenditure each year relevant to approved R&D activities in respect of which a claim can be made at each reporting date. The accounting policy in respect of recognition of this income is detailed in note 2.4 and the key accounting judgements applied are detailed in note 2.20.
Following the recent acquisition of OXLiD Ltd, the Company started recognising grant income (accrued for the period post-acquisition) which relates to approved grant funding of OXLiD through the Faraday Battery Challenge (FBC) and the Advanced Propulsion Centre (APC) programs. The grant funding is

recognised on an accrual basis and are claimed either on a monthly or a quarterly basis with the funds received in the month after the claim submission.

## 5. Non-Recurring Items

| | Year ended 30 June | |
|---|---|---|
| **Name** | **2024 £'000** | **2023 £'000** |
| Acquisition related costs | 225 | - |
| Capital raising costs | 138 | - |
| Loss on disposal of fixed assets | 112 | 186 |
| Loss on write-off of IP intangibles | 1,124 | - |
| Transaction costs incurred for IP acquisition and divestment | - | 80 |
| Total non-recurring items | 1,599 | 266 |

Non-recurring costs in FY24 include one-off capital raise and OXLiD Ltd acquisition costs as well as loss on disposal of fixed assets and write-off of IP intangibles. These have been separately disclosed to assist the user of the financial information to understand and compare the underlying results of the Company.
Non-recurring costs in FY23 included one-off loss on sales of fixed assets and advisory costs incurred in relation to the purchase and sale of the IP portfolio that were non-recurring in nature.

## 6. Operating Loss Before Non-Recurring Items

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

| | | Year ended 30 June | |
|---|---|---|---|
| Name | Notes | **2024 £'000** | **2023 £'000** |
| R&D tax concessions | 4 | 1,605 | 2,049 |
| Grant income | 4 | 383 | - |
| Depreciation and amortisation | 13, 15 | (700) | (463) |
| Employee benefits | 10 | (4,842) | (5,223) |
| R&D expenses | | (1,161) | (1,553) |
| Out of which: | | | |
| External R&D services | | (813) | (925) |
| R&D materials, consumables & other | | (348) | (628) |
| Administration and other expenses | | (1,791) | (2,101) |
| **Total operating loss before non-recurring items** | | **(6,506)** | **(7,291)** |

## 7. Auditors' Remuneration

| | Year ended 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Fees payable to the Company's auditors for the statutory audit of the Company's annual financial statements | 119 | 70 |
| Fees payable to the Company's auditors and its associates for the audits of the Company's subsidiaries | 37 | 33 |
| Non-audit services | | |
| Taxation and other services | 1 | 9 |
| **Total auditors' remuneration** | **157** | **112** |

## 8. Taxation

| | Year ended 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| The taxation expense/(income) for the year is made up as follows: | | |
| Corporation taxation on the results for the year | (11) | - |
| **Taxation expense/(income) for the year** | **(11)** | **-** |
| Numerical reconciliation of income tax expense to accounting loss: | | |
| Profit/(loss) for the year before income tax | (7,959) | (7,407) |

| | | |
|---|---|---|
| Profit/(loss) for the year before income tax | [illegible] | [illegible] |
| Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2023: 25%) | (1,990) | (1,852) |
| *Add/(less) tax effect of:* | | |
| Non-deductible expenditure | 1,253 | 1,435 |
| R&D tax offsets | (401) | (512) |
| Tax losses incurred but not recognised | 1,127 | 878 |
| Difference in tax rates applied | - | 51 |
| **Total taxation expense/(income)** | **(11)** | |

Non-deductible expenses include share-based payments and expenditure subject to R&D tax incentive.

Estimated tax losses of £12,009,000 (2023: £7,452,000) are available for relief against future profits. No deferred tax asset has been provided for in the accounts based on the estimated tax losses. The estimated tax losses per jurisdiction is as follows and don't have an expiry date in each of these jurisdictions:

| | **Year ended 30 June** | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Estimated tax losses arising in the UK | 2,576 | 1,664 |
| Estimated tax losses arising in Australia | 9,433 | 5,788 |
| Total tax losses available to carry forward | 12,009 | 7,452 |

The standard rate of corporation tax in Australia, where the subsidiary is based, is 25% (2023: 25%).
As per note 2.5, deferred tax assets have not been recognised on the basis the Company is not forecasted to make a profit for the foreseeable future.

**9. Exchange Gains and Losses Arising on Translation of Foreign Operations**

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

A gain or loss through other comprehensive income arises on translation of the subsidiary's assets and liabilities from Australian Dollars to Great British Pounds at each year end.

**10. Employee Benefit**

Employee benefit expenses (including Directors) comprise:

| | **Year ended** | **30 June** |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Salaries and wages including taxes | 3,573 | 4,005 |
| Defined contribution pension cost | 283 | 324 |
| Share-based payment expense | 986 | 894 |
| Total employee benefits expense (note 6) | 4,842 | 5,223 |

| Average Employee Numbers | | |
|---|---|---|
| | **2024 (#)** | **2023 (#)** |
| R&D | 34 | 36 |
| Administration | 16 | 17 |
| Average number of employees | 50 | 53 |
| *Employee headcount at period end* | *50* | *47* |

Decrease in the average number of employees from FY23 to FY24 is primarily impacted by the attrition of certain employees during FY24 partially offset by the addition of six scientists from newly acquired OXLiD Ltd.

The actual closing headcount of R&D staff increased to 35 at 30 June 2024 (31 at 30 June 2023) due to the addition of scientists from OXLiD Ltd.

**Key management personnel**
**Directors and key management personnel compensation**

The total remuneration paid (including bonus accruals) to the Directors and key management personnel of the Group during the year are as follows:

| | **Year ended 30 June** | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Salaries and wages including taxes | 756 | 873 |
| Defined contribution pension cost | 44 | 44 |

| | | |
|---|---|---|
| Share-based payment expense | 773 | 691 |
| Total key management personnel costs | 1,573 | 1,608 |

The Directors and senior management represent key management personnel. Further details of Directors' remunerations are given in the Directors' Remuneration Report. The highest paid Director during the year received total remuneration of £219,803 (2023: £189,014). Amit Gupta exercised 12,144 options during the year at a gain of £2,998. No share options were exercised by Directors during the prior financial year ended 30 June 2023.

**11. Loss Per Share**

| | Year ended 30 June | |
|---|---|---|
| | **2024** | **2023** |
| Loss after tax | £7,948,000 | £7,407,000 |
| Weighted average number of shares (number) | 124,870,447 | 107,944,951 |
| Loss per share (pence) | 6.4p | 6.9p |

The calculation of the loss per share is based on the loss for the financial period after taxation of £7,948,000 (2023: £7,407,000) and on the weighted average of 124,870,447 (2023: 107,944,951) Ordinary Shares in issue during the period.

In FY24, the parent company issued 27,602,853 shares, majority of which relates:
- 17,082,127 ordinary shares issued at a price of 24 pence per share
- 10,508,582 ordinary shares in exchange for acquisition of OXLiD Ltd.

This increase in the number of Ordinary Shares has resulted in the weighted average number of shares in the year to June 2024 to increase to 124,870,447 (2023: 107,944,951).

There were 11,139,221 share options outstanding at 30 June 2024 (2023: 8,478,535). The impact of these options would be to reduce the diluted loss per share and therefore they are antidilutive. Hence, the diluted loss per share reported for the periods under review is the same as the earnings per share.

**12. Business Combinations During the Period**

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date.

The measurement period ends on either the earlier of
(i) 12 months from the date of the acquisition or
(ii) when the acquirer receives all the information possible to determine fair value.

On 29th November 2023, the Company completed the acquisition of 100% of ordinary shares of OXLiD Ltd. OXLiD Ltd is a UK-based lithium-sulfur battery technology company. The Company believes that the acquisition will enhance Gelion's presence in the UK which will act as a further catalyst to establish the foundations for strategic partnerships with major supply chain and industry participants (upstream and downstream), providing a commercially attractive route to market for Gelion's technology.

The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date:

| | **Fair values** |
|---|---|
| | **£'000** |
| Intangible asset - technology | 1,326 |
| Property, plant and equipment | 20 |
| Trade and other receivables | 16 |
| Cash | 24 |
| Trade and other payables | (8) |
| Deferred tax liabilities | (331) |
| Total provisional fair value | 1,047 |
| Consideration | 3,851 |
| Goodwill | 2,804 |

The fair values include recognition of an intangible asset related to technology of £1,326,000 which will be amortised over 17 years on a straight-line basis. The goodwill of £2,804,447 comprises the potential value of future technology, the value of the existing workforce and the value of Gelion increasing its geographical footprint in the UK, all of which are not separately recognised. Deferred tax of £331,534 has been calculated on the fair value uplift of the intangible assets acquired, and a corresponding amount recognised as goodwill. Directly related acquisition costs of £225,000 have been expensed to the income statement.

Fair value of consideration paid:

Fair value of consideration paid:

| | £'000 |
|---|---|
| Completion cash | 1,250 |
| Completion equity | 2,601 |
| Total consideration | 3,851 |

The net cash sum expended on Acquisition in the period ended 30 June 2024 is as follows:

| | £'000 |
|---|---|
| Cash paid as consideration on acquisition | (1,250) |
| Cash acquired at acquisition | 24 |
| Net cash outflow on acquisition | (1,226) |

The consideration was settled by cash (£1.25 million) and in equity (amounting to £2,522,060, with the issue of 10,508,582 shares in the Company valued at 24 pence per share on 29th November 2023).
The completion equity consideration of 10,508,582 ordinary shares in Gelion has subsequently been fair valued £2,600,874 based on the closing share price of Gelion of 24.75p at the Acquisition Date.

The deferred consideration of £400,000 is subject to the retention of the founder in OXLiD Ltd and will be payable equally over 12, 18 and 24 months, therefore this part of the arrangement represents post- combination services and is separate from the business combination (IFRS 3, B55(a) - Continuing
Employment).

OXLiD Ltd contributed £439,977 in other income and £210,773 to losses for the Group between the date of acquisition and 30 June 2024. If the acquisition had occurred on 1 July 2023, Group's other income and losses would increase to £2,653,000 and £8,460,000 respectively for the year to 30 June 2024.

**13. Intangible Assets**

| | Patents £'000 | Trademarks £'000 | Goodwill £'000 | Total £'000 |
|---|---|---|---|---|
| At 30 June 2022 | 387 | 29 | | 416 |
| Cost | | | | |
| Additions | 4,298 | 4 | - | 4,302 |
| Disposals | (1,189) | - | - | (1,189) |
| Write-offs | (37) | (11) | - | (48) |
| Difference on foreign exchange | (29) | (2) | - | (31) |
| At 30 June 2023 | 3,430 | 20 | - | 3,450 |
| Additions | 587 | 1 | - | 588 |
| Acquisition of a subsidiary | 1,326 | - | 2,804 | 4,130 |
| Write-offs | (1,278) | - | - | (1,278) |
| Difference on foreign exchange | (9) | - | - | (9) |
| At 30 June 2024 | 4,056 | 21 | 2,804 | 6,881 |
| | | | | |
| Amortisation | | | | |
| At 30 June 2022 | 54 | - | - | 54 |
| Amortisation | 54 | - | - | 54 |
| Difference on foreign exchange | (7) | - | - | (7) |
| At 30 June 2023 | 101 | - | - | 101 |
| Amortisation | 318 | - | - | 318 |
| Write-offs | (154) | - | - | (154) |
| Difference on foreign exchange | 2 | - | - | 2 |
| At 30 June 2024 | 267 | - | - | 267 |
| Carrying amount | | | | |
| At 30 June 2023 | 3,329 | 20 | - | 3,349 |
| At 30 June 2024 | 3,789 | 21 | 2,804 | 6,614 |

Of the total patent portfolio as at 30 June 2024 of £3.789 million, £3.77 million relates to Li-S (including OXLiD) and £19k relates to Zinc technology.

### 14. Goodwill and Impairment

In accordance with IFRS requirements, the Group performs an annual impairment test to assess whether goodwill has suffered any impairment. The recoverable amount is determined using the higher of VIU (value-in-use) and FVLCTS (Fair Value Less Costs of Disposal) calculations, which involve estimating future cash flows and applying a discount rate to calculate the present value of those cash flows.

On 29th November 2023, the Group recognised goodwill of £2,804,447 following the acquisition of OXLiD.

This goodwill has been fully allocated to the OXLiD Cash Generating Unit (CGU) on the basis that OXLiD will generate cash flows that are largely independent of the cash inflows from other subsidiaries within the Group and is considered as a separate CGU.

The recoverable amount of the OXLiD CGU has been determined from value in use calculations based on cash flow projections from OXLiD's budget for a five-year period ending 30 June 2029. Other major assumptions are as follows:

| | |
|---|---|
| First year of revenue | £553,000 |
| WACC | 18.11% |
| Long-term Growth rate | 2.0% |
| Working Capital investment as a % of Revenue Growth | 3.0% |
| Operating Margin | 51% |

The growth rate and operating margin assumptions applies only to the period beyond the year 5 given OXLiD is pre-revenue.

Operating margins have been based on future expectations in the light of anticipated economic and market conditions. Discount rates are based on management's assessment of specific risks related to the CGU. Growth rates beyond the first five years are based on economic data pertaining to the region concerned.

Wage inflation has been based on independent economic data published by the OECD while market share assumptions reflect the Group's internal estimate.

Based on the value in use assessment, the recoverable amount of the OXLiD CGU as of 30 June 2024 exceeds the carrying amount. Therefore, no impairment is required.

### 15. Property, Plant and Equipment

| | Office Furniture and equipment | Plant and equipment | Right-of-use assets | Leasehold improve-ments | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 30 June 2022 | 75 | 1,177 | 410 | 102 | 1,764 |
| Additions | 12 | 416 | 47 | 28 | 503 |
| Disposals | - | (160) | - | - | (160) |
| Difference on foreign exchange | (6) | (87) | (30) | (8) | (131) |
| At 30 June 2023 | 81 | 1,346 | 427 | 122 | 1,976 |
| Additions | 10 | 559 | 32 | 20 | 621 |
| Acquisition of a subsidiary | 1 | 19 | - | - | 20 |
| Disposals | - | (198) | (31) | (36) | (265) |
| Difference on foreign exchange | - | (3) | (1) | - | (4) |
| At 30 June 2024 | 92 | 1,723 | 427 | 106 | 2,348 |
| | | | | | |
| Depreciation | | | | | |
| At 30 June 2022 | 40 | 261 | 356 | 57 | 714 |
| Charge for the year | 18 | 310 | 49 | 32 | 409 |
| Accumulated depreciation on disposal | - | (29) | - | - | (29) |
| Difference on foreign exchange | (3) | (36) | (29) | (7) | (75) |
| At 30 June 2023 | 55 | 506 | 376 | 82 | 1,019 |

| | | | | | |
|---|---|---|---|---|---|
| Charge for the year | 17 | 298 | 44 | 23 | 382 |
| Accumulated depreciation on disposal | - | (108) | - | (14) | (122) |
| Difference on foreign exchange | - | - | (1) | 1 | - |
| At 30 June 2024 | 72 | 696 | 419 | 92 | 1,279 |
| | | | | | |
| Carrying amount | | | | | |
| At 30 June 2023 | 26 | 840 | 51 | 40 | 957 |
| At 30 June 2024 | 20 | 1,027 | 8 | 14 | 1,069 |

**16. Leases**

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

There is no leasehold property recognised by the Group in the two years ended 30 June presented in these financial statements other than those recognised as right-of-use assets. Therefore, for the carrying amount of right-of-use assets at each reporting date and movements in each year ended refer to note 15.

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

| | **2024 £'000** | **2023 £'000** |
|---|---|---|
| Balance as at 1 July | 56 | 56 |
| Additions | 32 | 47 |
| Interest | 3 | 3 |
| Payments | (47) | (46) |
| Termination of lease | (33) | - |
| Difference on foreign exchange | (3) | (4) |
| Balance as at 30 June | 8 | 56 |

The maturity analysis of lease liabilities is disclosed in note 23.

The following are the amounts recognised in profit or loss:

| | **Year ended** | **30 June** |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Depreciation expense of right-of-use assets | 44 | 46 |
| Interest expense on lease liabilities | 3 | 3 |
| Total amount recognised in profit or loss | 47 | 49 |

**17. Cash and Cash Equivalents**

| | **As at 30 June** | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Cash at bank | 3,792 | 7,268 |
| | 3,792 | 7,268 |

Cash at bank comprises balances held by Gelion Plc, OXLiD Ltd and Gelion Technologies Pty Limited current bank accounts.

**18. Other Receivables**

| | **As at 30 June** | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Other receivables: | | |
| R&D tax incentive | 1,614 | 1,934 |
| Prepayments | 137 | 172 |
| Restricted cash - Escrow account | 133 | - |

| | | |
|---|---|---|
| Other debtors | 234 | 8 |
| **Total other receivables** | **2,118** | **2,114** |

The amounts are measured at amortised cost using the effective interest method in line with IFRS 9. There were no term deposits for a period greater than three months as of June 2024.

R&D tax incentives are granted by the Australian Taxation Office and the HMRC in the form of tax offsets. The key judgements applied in the recognition of this receivable are detailed in note 2.20.

Restricted cash in the escrow account represents the first instalment of deferred consideration of £400,000 payable to the founder of OXLiD.

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

## 19. Trade and Other Payables

Due within one year

| | As at 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Trade payables | 795 | 228 |
| Accruals | 290 | 584 |
| Employee liabilities including employment taxes | 157 | 171 |
| Lease liabilities | 8 | 26 |
| Other payables (GST/VAT) | - | 48 |
| | 1,250 | 1,057 |

Due in more than one year

| | As at 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Lease liabilities | - | 27 |
| Provision for long service leave | 55 | - |
| | 55 | 27 |

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Please refer to note 23 for further details.

## 20. Deferred Tax

| | As at 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| **Deferred tax liabilities** | 320 | **-** |
| | 320 | **-** |

Deferred tax liability of £320k represents the carrying amount of the deferred tax liability recognised on OXLiD's technology-based intangibles at the time of acquisition, as detailed in note 12.

## 21. Issued Capital and Reserves

Share capital and premium

| | Ref. | **Number o shares on issue** |
|---|---|---|
| Balance as at 1 July 2022 | | 107,134,8 |
| Shares issued during the period | a/b | 1,197,911 |
| Exercise of share options | | 75,000 |
| Balance as at 30 June 2023 | | 108,407,7 |
| | | |
| Merger relief reserve (fair value of shares issued on acquisition) | | - |
| Shares issued during the period | c | 27,590,70 |
| Cost of shares issued | d | - |

| | |
|---|---|
| Exercise of share options | 12,144 |
| Balance as at 30 June 2024 | 136,010,6( |

a) On 19 October 2022, 1,026,515 Ordinary Shares of £0.001 each were issued to ex-CEO Andrew Grimes (related party transaction) in exchange for relinquishing 1,830,000 options that had vested.
b) On 13 March 2023, Gelion acquired the University of Sydney's Lithium Sulfur IP for a total consideration of AUD 130,000, which was satisfied by the issue of 171,396 Ordinary Shares.
c) On 23 November 2023, 17,082,127 new ordinary shares of £0.001 have been issued at a price of 24 pence per share. On 29 November 2023, 10,508,582 new ordinary shares of £0.001 have been issued as part of consideration for acquisition of OXLiD Ltd.
d) Transaction costs incurred in the issuing of shares in the period ended 30 June 24 of £436,000 of which£348,000 was offset against share premium and £88,000 was expensed.

**Nature and purpose of other reserves**

**Other reserves**

- Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 22 for further details of these plans.

- Foreign currency translation reserve

The subsidiary's functional currency is AUD and therefore on consolidation a foreign exchange gain or loss on translation of net assets is recognised through other comprehensive income at each reporting date. These gains or losses are accumulated in a foreign currency translation reserve.

- Capital reduction reserve

Immediately following the Second Bonus Issue in FY22, the balance standing to the credit of the share premium account was cancelled and the amount so cancelled was credited to a distributable reserve called the 'capital reduction reserve'.

- Merger relief reserve

On 29th November 2023, the Company completed the acquisition of 100% of ordinary shares of OXLiD Ltd. The transaction consideration involved a combination of cash and the issuance of 10,508,582 ordinary shares in Gelion. The investment was recognised at fair value, and the excess of the fair value over the nominal value of the issued share capital is recorded within equity as a merger relief reserve.

Other non-distributable reserves:

| | **Share-based payment reserve £'000** | **Foreign currency translation reserve £'000** | **Merger relief reserve £'000** | **Total other reserves £'000** |
|---|---|---|---|---|
| Balance at 1 July 2022 | 4,636 | 512 | - | 5,148 |
| Foreign currency translation | - | (695) | - | (695) |
| Share-based payment charge | 894 | - | - | 894 |
| Forfeited/cancelled options | (19) | - | - | (19) |
| Balance at 30 June 2023 | 5,511 | (183) | - | 5,328 |
| | | | | |
| Balance at 1 July 2023 | 5,511 | (183) | - | 5,328 |
| Foreign currency translation | - | (27) | - | (27) |
| Merger relief - fair value of shares issued For OxLiD acquisition | - | - | 2,590 | 2,590 |
| Share-based payment charge | 986 | - | - | 986 |
| Balance at 30 June 2024 | 6,497 | (210) | 2,590 | 8,877 |

**22. Share-based Payments**

The Directors recognise the role of the Group's staff in contributing to its overall success and the importance of the Group's ability to incentivize and motivate its employees. Therefore, the Directors believe that certain employees should be given the opportunity to participate and take a financial interest in the success of the Company, aligning employees' interests with shareholders and Company goals.
In July 2022, the Board introduced a new Share Option Plan. The plan is designed to motivate and incentivise key talent to assist the Group in achieving its strategic aims whilst remaining consistent with its tolerance for risk, all set within delegated limits set out during the IPO.

These options are structured as nominal cost options. The options will normally vest in three equal tranches over three years, subject to continued employment.

On 21 November 2022, 255,951 options were granted that will vest in three equal tranches, the first anniversary is 31 August 2023, followed by annual vesting on 31 August 2024 and 31 August 2025. The options were granted with the exercise price of 0.1 pence and will be exercisable up to the tenth anniversary of the grant.

On 8 December 2022, 2,704,000 options granted to Mr John Wood and these will vest in three tranches as follows: 1,622,400 will vest in 12 months from grant date, 540,800 will vest in 24 months from grant date and 540,800 will vest in 36 months from grant date. The options were granted with the exercise price of 0.1 pence and are exercisable up to the fifth anniversary of the grant.

On 13 December 2023, 1,637,629 options were granted that will vest in three equal tranches, the first anniversary being 31 August 2024, followed by annual vesting on 31 August 2025 and 31 August 2026. The options were granted with the exercise price of 0.1 pence and will be exercisable up to the tenth anniversary of the grant.

On 20 December 2023, 949,751 options were granted that have an 18-month vesting period and will vest in full on 31 May 2025. The options were granted with the exercise price of 0.1 pence and will be exercisable up to the tenth anniversary of the grant.

On the 5 February 2024, 200,000 options were granted to Louis Adriaenssens that have a 12-month vesting period and will vest in full on 4 February 2025. The options were granted with the exercise price of 0.1 pence and will be exercisable up to the fifth anniversary of the grant.

Share-based payment expense for the year ended 30 June 24 was £1.0m, an increase of £0.1m compared to the prior year. This increase primarily reflects the acceleration of expense recognition inherent in the graded vesting schedule of share options granted to employees, whereby a larger proportion of the total expense is recognised in earlier vesting periods and decreases in the subsequent years. This expense recognition pattern aligns with the economics of these awards, as employees render a greater proportion of the services required to earn the awards during the initial vesting periods.

For options granted to groups of employees, the estimated number of options expected to vest has been adjusted downward based on the actual average attrition rate of 23%. The share- based payment expense for unvested options is determined by the probability of number of options likely to vest; as a result, the number of unvested options is reduced to account for the average attrition rate.

| | **Year ended 30 June** | |
|---|---|---|
| | **2024<br>£'000** | **2023<br>£'000** |
| Share-based payment expense recognised | 986 | 894 |
| Total share-based payment expense | 986 | 894 |

Summary of movements in awards:

| | **New Share Option Plan Number<br>'000s** | **2021 and prior Original Share Option Plan Number<br>'000s** | **Weighted average exercise price<br>£** |
|---|---|---|---|
| Outstanding at 1 July 2022 | - | 7,563 | 0.32 |
| Granted | 2,960 | - | 0.00 |
| Forfeited | (64) | (1,905) | 0.32 |
| Exercised | - | (75) | 0.22 |
| Outstanding at 30 June 2023 | 2,896 | 5,583 | 0.21 |
| Exercisable at 30 June 2023 | - | 5,583 | 0.32 |
| Granted | 2,787 | - | 0.00 |
| Forfeited/Cancelled | (115) | - | 0.00 |
| Exercised | (12) | - | 0.00 |
| Outstanding at 30 June 2024 | 5,556 | 5,583 | 0.16 |
| Exercisable at 30 June 2024 | 1,674 | 5,583 | 0.24 |

The range of exercise prices for options outstanding at the end of the year was £0.001 to £1.45 (2023: £0.001 to £1.45).

The weighted average remaining contractual life for the share options outstanding as at 30 June 2024 was 5.55 years (2023: 7.02 years).

Of the total number of options outstanding at 30 June 2024, 7,256,964 (2023: 5,582,795) had vested and were exercisable.

The weighted average fair value of the options granted in the year was £0.24 (2023: £0.52).

The Black-Scholes option pricing model was used to value the share-based payment awards granted in the year as it was considered that this approach would result in materially accurate estimate of the fair value of options granted. The following table lists the inputs to the models used for share option plans:

| | 2024 | 2023* |
|---|---|---|
| Weighted average fair values at the measurement date | £0.24 | £0.52 |
| Weighted average exercise price | £0.001 | £0.001 |
| Expected volatility (%) | n/a | n/a |
| Risk-free interest rate (%) | n/a | n/a |
| Expected life of share options (years) | 10 | 10 |

*2024 Options that were granted represent nominal cost options with an exercise price of £0.001. Nominal cost options fair value, under the Black-Scholes option pricing model, equals the share price at grant date, therefore expected volatility and risk-free interest rate have no impact on the valuation. In the year ended 30 June 2024 2,787,380 options (2023: 2,959,951) were granted at an exercise price of £0.001 (2023: £0.001). The total share-based payment expense for the year was £986,000 (2023: £894,000).

**23. Financial Instruments and Risk Management**

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

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

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

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due. There were no receivables from customers as at end of June 2024.

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

The principal financial assets of the Group are bank balances including short-term deposits. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings, and the Directors consider the credit risk to be minimal. The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

| | As at 30 June | | | |
|---|---|---|---|---|
| | **2024 Carrying value £'000** | **2024 Maximum exposure £'000** | **2023 Carrying value £'000** | **2023 Maximum exposure £'000** |
| Cash and cash equivalents | 3,792 | 3,792 | 7,268 | 7,268 |
| | 3,792 | 3,792 | 7,268 | 7,268 |

| | As at 30 June | | | |
|---|---|---|---|---|
| | **2024 Rating** | **2024 Cash at bank £'000** | **2023 Rating** | **2023 Cash at Bank £'000** |
| Royal Bank of Scotland | A+ | 3,671 | A+ | 4,237 |
| HSBC UK | A+ | 31 | | - |
| Commonwealth Bank of Australia | A+ | 90 | A+ | 3,031 |
| | | 3,792 | | 7,268 |

The Group monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Currency risk

Currency risk

The Group operates in a global market with income and costs possibly arising in a number of currencies (AUD, USD, EUR) and is exposed to foreign currency risk arising from commercial transactions, acquiring fixed assets and raw materials, as well as translation of net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the companies' functional currency. Currency exposures are reviewed regularly. The Group has signed an agreement with financial institution in FY23, to set forward exchange rate contracts to provide certainty in terms of cash flow forecasts.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in Australian Dollar.
Accordingly, movements in the Great British Pounds exchange rate against these currencies could have a detrimental effect on the Group's results primarily for reporting purposes.

Currency risk is managed by maintaining some cash deposits in currencies other than Great British Pounds, particularly those currencies where future expenditure is forecasted. The table below shows the currency profiles of cash and cash equivalents:

| | **As at 30 June** | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| US Dollars | 3 | 317 |
| Great British Pounds | 2,901 | 1,593 |
| Australian Dollars | 888 | 5,358 |
| | 3,792 | 7,268 |

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

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

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

| | **As at 30 June** | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Cash and cash equivalents | 3,792 | 7,268 |
| | 3,792 | 7,268 |

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

Year ended 30 June 2024

| | Due in less than one month | Due between one and three months | Due between three months and one year | Due between one year and five years | Total £'000 |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | |
| Trade and other payables | 1,242 | - | - | - | 1,242 |
| Lease liabilities | 3 | 5 | - | - | 8 |
| Provision for Long Service Leave | - | - | - | 55 | 55 |
| | 1,245 | 5 | - | 55 | 1,305 |

Year ended 30 June 2023

| | Due in less than one month | Due between one and three months | Due between three months and one year | Due between one year and five years | Total £'000 |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | |
| Trade and other payables | 1,031 | - | - | - | 1,031 |
| Lease liabilities | 4 | 9 | 12 | 27 | 53 |

| | | | | | |
|---|---|---|---|---|---|
| | 1,035 | 9 | 12 | 27 | 1,084 |

**24. Capital Commitments**

There were no capital commitments as at 30 June 2024 and 30 June 2023.

**25. Related Party Transactions**

Other than the remuneration to key management personnel outlined in note 10 of these financial statements, there are the following related party transactions:

Management and R&D service fees of £88,201 (2023: £91,757) were paid to Thomas Maschmeyer Consulting Pty Ltd, a company with a common director (Prof Thomas Maschmeyer).

Remuneration of £25,448 (2023: £6,031) was paid to a fixed term employee for services provided to the company. The employee is a related person of a Group Director. FY24 expense reflects the full year impact whereas in FY23, the employee was involved for part of the year.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out in aggregate in note 10 for each of the categories specified in IAS 24.

**26. Events Subsequent to Year End**

Equity fundraising through new ordinary shares

On 20 December 2024, the company announced that it has successfully raised gross proceeds of £1.7 million via the issue of 11,397,837 new ordinary shares at a price of 15 pence per share.

Subsequent to this capital raise, the Directors have confirmed that they intend to subscribe for, in aggregate, 1,033,330 new ordinary shares at the issue price following publication of the Company's financial results for the year ended 30 June 2024 raising gross proceeds of £0.1 million. The Company has therefore raised, in aggregate, gross proceeds of approximately £1.8 million through the capital raise round.

**27. Control**

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

**28. Alternative Performance Measures (APM)**

The below non-IFRS performance measures have been used. These measures are additional to IFRS measures and may not be comparable with other companies. APMs should not be viewed in isolation but as a supplementary information.

In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant either because of their size or their nature, and which are non-recurring. For an item to be considered as an allowable adjustment to IFRS measures, it must initially meet at least one of the following criteria:

- It is a significant item, which may cross more than one accounting period.
- It has been directly incurred as a result of either an acquisition/divestment or arises from a major business change.
- It is unusual in nature, e.g. outside the normal course of business.

If an item meets at least one of the criteria, the Board, through the Audit and Risk Committee, then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures. These adjustments have been defined as:

A. Capital raising and acquisition related costs - Costs incurred in relation to capital raising, acquisition or divestment
B. Loss on disposal of fixed assets and write-off of IP intangibles
C. Share-based payments expense - Non-cash employee incentives

Use: Provides a consistent measure of the profits from the core business activities. The Company believes these APMs are widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. This measure is closely tracked by management to evaluate the Company's operating performance and to make financial, strategic and operating decisions and because it may help investors to understand and evaluate, in the same manner as management, the underlying trends in the Company's operational performance on a comparable basis, period on period.

Measures

1. Adjusted EBITDA loss is calculated by excluding Capital raising and acquisition related costs, Loss on disposal of fixed assets and write-off of IP intangibles, Share-based payments and Depreciation and Amortisation from Operating loss:

Reconciliation:

| | Year ended 30 June | |
|---|---|---|
| | **2024** **£'000** | **2023** **£'000** |
| Operating loss | (8,105) | (7,557) |

| | | |
|---|---|---|
| Adjustments | | |
| Loss on disposal of fixed assets and write-off of IP intangibles | 1,236 | 186 |
| Share-based payments expense | 986 | 894 |
| Depreciation and amortisation | 700 | 463 |
| Capital raising and acquisition related costs | 363 | 80 |
| Adjusted EBITDA loss | (4,820) | (5,934) |

2. Adjusted Operating loss is calculated by excluding Loss on disposal of fixed assets and write-off of IP intangibles and Capital raising and acquisition related costs from Operating loss.

Reconciliation:

| | Year ended 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Operating loss | (8,105) | (7,557) |
| Loss on disposal of fixed assets and write-off of IP intangibles | 1,236 | 186 |
| Capital raising and acquisition related costs | 363 | 80 |
| Adjusted Operating loss | (6,506) | (7,291) |

3. Adjusted loss after taxation is calculated by excluding non-recurring expenses from reported loss from ordinary activities after taxation.

Reconciliation:

| | Year ended 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Loss on ordinary activities after taxation | (7,948) | (7,407) |
| Loss on disposal of fixed assets and write-off of IP intangibles | 1,236 | 186 |
| Capital raising and acquisition related costs | 363 | 80 |
| Adjusted loss after taxation | (6,349) | (7,141) |

4. Pro forma cash and cash equivalents are calculated by including R&D tax incentive receivables from the Australian and UK governments.

**Reconciliation:**

| | Year ended 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Cash and cash equivalents | 3,792 | 7,268 |
| R&D tax incentive receivable from the Australian Government | 1,557 | 1,934 |
| R&D tax credits from the UK Government | 57 | - |
| Pro forma cash and cash equivalents | 5,406 | 9,202 |

**Parent Company Balance Sheet**

| | | As at 30 June | |
|---|---|---|---|
| | **Notes** | **2024 £'000** | **2023 £'000** |
| Assets | | | |
| Non-current assets | | | |
| Investment in subsidiary | 4 | 26,446 | 24,589 |
| Current assets | | | |
| Cash and cash equivalents | | 3,671 | 4,237 |
| Other receivables | 5 | 392 | 79 |
| Total assets | | 30,509 | 28,905 |

| | | | |
|---|---|---|---|
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 6 | 315 | 172 |
| Total liabilities | | 315 | 172 |
| | | | |
| Net assets | | 30,194 | 28,733 |
| | | | |
| Equity | | | |
| Issued capital | 7 | 136 | 108 |
| Share premium account | 7 | 24,487 | 20,752 |
| Share-based payment reserve | 7 | 6,496 | 5,510 |
| Capital reduction reserve | 7 | 11,194 | 11,194 |
| Merger relief reserve | | 2,511 | - |
| Accumulated losses | | (14,630) | (8,831) |
| Total equity | | 30,194 | 28,733 |

As permitted by Section 408 of the Companies Act 2006, no income statement or statement of comprehensive income is presented for the Company.

The financial statements of Gelion Plc, company registration number 09796512, were approved by the Directors and authorised for issue on 24 December 2024.

**Parent Company Statement of Changes in Equity**

| | Share capital | Share premium | Accu-mulated losses | Capital reduc-tion reserve | Share-based payment reserve | Merger relief reserve | Total |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 July 2022 | 107 | 20,662 | (937) | 11,194 | 4,635 | - | 35,661 |
| Total comprehensive loss | - | - | (7,894) | - | - | - | (7,894) |
| Contributions by and distributions to owners: | | | | | | | |
| Share-based payment charge | - | - | - | - | 894 | - | 894 |
| Shares issued during the period | 1 | 73 | - | - | - | - | 74 |
| Forfeited/cancelled options | - | - | - | - | (19) | - | (19) |
| Exercise of share options | - | 17 | - | - | - | - | 17 |
| Total contributions by and distributions to owners | 1 | 90 | - | - | 875 | - | 966 |
| Balance at 30 June 2023 | 108 | 20,752 | (8,831) | 11,194 | 5,510 | - | 28,733 |
| Balance at 1 July 2023 | 108 | 20,752 | (8,831) | 11,194 | 5,510 | - | 28,733 |
| Total comprehensive loss for the period | - | - | (5,799) | - | - | - | (5,799) |
| Contributions by and distributions to owners: | | | | | | | |
| Merger relief reserve (fair value of shares issued on acquisition) | 11 | - | - | - | - | 2,511 | 2,522 |
| Share-based payment charge | - | - | - | - | 986 | - | 986 |
| Shares issued during the period | 17 | 4,083 | - | - | - | - | 4,100 |
| Costs of share issued | - | (348) | - | - | - | - | (348) |

| | Note | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Exercise of share options | | - | - | - | - | - | - | - |
| Total contributions by and distribution to owners | 28 | | 3,735 | - | - | 986 | 2,511 | 7,260 |
| Balance at 30 June 2024 | | 136 | 24,487 | (14,630) | 11,194 | 6,496 | 2,511 | 30,194 |

## 1. General Information

Gelion Plc ('Gelion' or the 'Company') is a 100% owner of an Australian subsidiary that conducts research and development in respect of an innovative battery system and associated industrial design and manufacturing.

Gelion is a public limited company, limited by shares, incorporated and domiciled in England and Wales. The Company was incorporated on 26 September 2015. The registered office of the Company is at c/o Armstrong, Level 4 LDN:W, 3 Noble Street London EC2V 7EE. The registered company number is 09796512.

Gelion Plc was incorporated as Gelion UK Ltd. On 12 November 2021, the Company was re-registered as a public limited company under the Companies Act and its name was changed to Gelion Plc.

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

## 2. Accounting Policies

2.1 Basis of preparation

These separate financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.20 of the consolidated financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 - Share-Based Payment
- IFRS 7 - Financial Instruments (Disclosures)
- Paragraphs 91 to 99 of IFRS 13 - Fair Value Measurement
- The following paragraphs of IAS 1 - Presentation of Financial Statements
- 10(d) - Statement of cash flows
- 16 - Statement of compliance with all IFRS
- 38A - Requirement for minimum of two primary statements, including cash flow statements
- 38B-D - Additional comparative information
- 111 - Statement of cash flows information
- 134-136 - Capital management disclosures
- IAS 7 - Statement of cash flows
- Paragraph 17 of IAS 24 - Related party disclosures relating to key management personnel
- The requirement of IAS 24 - Related party transactions relating to transactions between group members

These financial statements are presented in Great British Pounds (GBP) unless otherwise stated, which is the Company's presentational and functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

2.2. Significant accounting policies

The accounting policies of the Company are the same as those of the Group which are set out in the relevant Notes to the Consolidated Financial Statements, except that it has no policy in respect of consolidation and investments in subsidiaries are carried at historical cost, less any provisions for impairment.

2.3. Critical judgements and key sources of estimation uncertainty

As noted in note 2.20 to the consolidated financial statements the preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Company specific critical judgements are as follows:

- Impairment of investments in subsidiaries.

The Company is making significant investments into Gelion Technologies Pty and OXLiD Ltd to assist with the development and deployment of its technologies. In assessing the carrying value of this asset for impairment, the Directors will at the end of each reporting period assess whether there is any indication that an asset may be impaired including the Investment in Subsidiary. The assessment will consider indications for potential impairment and assess the impairment amount with reference to the recoverable amount and carrying amount of the asset.

2.4. Share-based payments

The Group provides benefits to its employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions) in the parent entity as per note 2.14

services in exchange for shares or rights over shares (equity-settled transactions) in the parent entity as per note 2.[illegible] of the consolidated financial statements. The only difference to that policy is that the costs relating to share-based payments is capitalised in the parent as part of the investment in the Group's subsidiaries, as it relates to employees of those subsidiaries.

**3. Results for the Year**

The Company recorded a loss for the financial year ended 30 June 2024 of £5,799,000 (2023: loss £7,894,000). The auditors' remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements.

**4. Investments in Subsidiaries**

The following were subsidiary undertakings of the Group:

| Name | Registered office | Class of shares | Holding |
|---|---|---|---|
| Gelion Technologies Pty Limited | Australia | Ordinary A | 100% |
| OXLiD Ltd | UK | Ordinary A | 100% |
| Battery Minerals Ltd | UK | Ordinary A | 100% |

The shareholdings are held directly.

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

The registered office of OXLiD Ltd and Battery Minerals Ltd is c/o Armstrong, Level 4 LDN:W, 3 Noble Street London EC2V 7EE.

| | Gelion Technologies Pty Ltd £'000 | OXLiD Ltd £'000 | Total £'000 |
|---|---|---|---|
| Cost | | | |
| At 30 June 2022 | 28,233 | - | 28,233 |
| Additions - equity subscription | 2,482 | - | 2,482 |
| Additions - share-based payment charge | 894 | - | 894 |
| Less - options cancelled | (19) | - | (19) |
| At 30 June 2023 | 31,590 | - | 31,590 |
| Additions - acquisition of a subsidiary | - | 3,772 | 3,772 |
| Additions - equity subscription | 1,562 | 300 | 1,862 |
| Additions - share-based payment charge | 895 | 91 | 986 |
| At 30 June 2024 | 34,047 | 4,163 | 38,210 |
| | | | |
| Impairment | | | |
| At 30 June 2022 | - | - | - |
| Impairment | 7,001 | - | 7,001 |
| At 30 June 2023 | 7,001 | - | 7,001 |
| Impairment | 4,763 | - | 4,763 |
| At 30 June 2024 | 11,764 | - | 11,764 |
| Carrying amount | | | |
| At 30 June 2023 | 24,589 | - | 24,589 |
| At 30 June 2024 | 22,283 | 4,163 | 26,446 |

Share-based payment charges capitalised relate to the share-based payment charges incurred by the parent company for options granted by the parent to the employees of the subsidiary.
As for the impairment of the investment, please refer further to note 4.1.

4.1. Impairment of Investment in Subsidiaries

The Company tests the net recoverable amounts of assets annually for impairment, or more frequently if there are indicators of impairment. During the year, Management considered the recoverability of its investments in subsidiaries, which is disclosed in note 4. The subsidiaries continue to operate, incurring research and development activity and generate losses, which is seen as temporary. The fair value measurement of the investments is classified as Level 1 under IFRS 13.

Gelion Technologies Pty Limited is responsible for majority of the Group activities. As such, this single cash generating unit contributes significantly to the market capitalisation of the Group (and parent company, listed on AIM).

Since the Company is pre-revenue, the directors do not think the value in use to be an appropriate measure to determine recoverable amount. Th directors have therefore considered the market capitalisation less relevant adjustments as a proxy in the 'fair value less costs to sell' assessment.

The market capitalisation of the Group on 30 June 2024 was £30.2 million (136,010,603 shares at the share price of 22.2 pence). Certain adjustments were made to the market capitalisation being the cash balance (£3.7 million) and net receivables (£0.1 million) in the parent company at 30 June 2024 resulting in the indicative carrying value of £26.4 million.

In comparing the cost of the total investment (£31.2 million), the indicative carrying value of £26.4 million represents an impairment of £4.8 million to be recognised in the current year. If this exercise was undertaken on 31 October 2024, the impairment would increase by £3.6 million to £8.4 million.

Management considered the investment in OXLiD Ltd for impairment and concluded that there is no impairment as of 30 June 2024. As a separate CGU, its recoverable amount exceeds its carrying value, as detailed in Note 14.

Battery Minerals Ltd was incorporated on 16 February 2024, and there is a £1 investment in Battery Minerals Ltd as of 30 June 2024.

The Company will continue to assess the recoverable amount of its investments in subsidiaries annually or whenever there are indications of impairment, in accordance with IAS 36. Any subsequent changes in the recoverable amount and impairment losses will be recognized in the financial statements in the periods in which they occur.

**5. Trade and Other Receivables**

| | As at 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Amounts receivable from Group companies | 198 | - |
| Restricted cash - Escrow account | 133 | - |
| Prepayments | 19 | 50 |
| Other debtors | 42 | 29 |
| | 392 | 79 |

Restricted cash in the escrow account represents the first instalment of deferred consideration of £400,000 payable to the founder of OXLiD.

The amounts are measured at amortised cost using the effective interest method in line with IFRS 9.

There were no term deposits for a period greater than three months as of June 2024.

**6. Trade and Other Payables**

Due within one year

| | As at 30 June | |
|---|---|---|
| | **2024 £'000** | **2023 £'000** |
| Trade payables | 231 | 28 |
| Amounts owed to Group companies | - | 59 |
| Accruals | 84 | 85 |
| | 315 | 172 |

**7. Share Capital**

Details of the Company's share capital are as set out in note 21 to the consolidated financial statements.
Details of the Company's share premium account and other reserves are as set out in note 21 to the consolidated financial statements.

Details of the movements in retained earnings are set out in the parent company Statement of Changes in Equity.

END

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