RNS Number : 5481Z
Vela Technologies PLC
06 March 2025

6 March 2025

VELA TECHNOLOGIES PLC

("Vela" or "the Company")

Posting of Circular and Notice of General Meeting

Further to the Company's announcement on 4 March 2025, Vela Technologies PLC (LSE: VELA), the AIM-quoted investing company focused on early stage and pre-IPO disruptive technology investments, announces that it has posted a circular (containing a Notice of General Meeting) and Form of Proxy to Shareholders setting out further details regarding the proposed Fundraising, Share Capital Reorganisation, change of company name and change of investing policy.

The General Meeting is due to be held at the offices of Allenby Capital Limited at 5 St. Helen's Place, London, EC3A 6AB at 11:00 a.m. on 24 March 2025.

Extracts from the Circular are appended to this announcement. The Circular will shortly be available on the Company's website: velatechplc.com/.

Capitalised terms in this announcement have the meaning ascribed to them in the Definitions section of the Circular.

For further information, please contact:

Vela Technologies plc Tel: +44 (0) 7950 389469
Brent Fitzpatrick, Non-Executive Chairman
Jim McColl, Executive Director

Allenby Capital Limited (Nominated Adviser) Tel: +44 (0) 20 3328 5656
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Peterhouse Capital Limited (Broker) Tel: +44 (0) 20 7469 0930

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	*Timing*
Announcement of the Fundraising	4 March 2025
Publication of the Circular (including Notice of General Meeting) and Forms of Proxy	5 March 2025
Latest time and date for receipt of Forms of Proxy and electronic appointments of proxies via CREST	11.00 a.m. on 22 March 2025
General Meeting	11.00 a.m. on 24 March 2025
Announcement of the results of the General Meeting	24 March 2025
Share Capital Reorganisation record date and final date and time for trading in the Existing Ordinary Shares	6.00 p.m. on 26 March 2025
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 27 March 2025
Fundraising Shares in uncertificated form expected to be credited to accounts in CREST	As soon as possible after 8.00 a.m. on 27 March 2025
Dispatch of definitive share certificates for the Fundraising Shares	Within 10 Business Days in Certificated form of Admission

SHARE CAPITAL AND TRANSACTION STATISTICS

Issue Price for each New Ordinary Share	0.0025p
Number of Existing Ordinary Shares in issue as at the date of this document	18,970,695,255
Number of Placing Shares to be issued pursuant to the Placing	33,080,000,000
Number of Subscription Shares to be issued pursuant to the Subscription	10,920,000,000
Enlarged Share Capital immediately following completion of the Fundraising	62,970,695,255
Number of Deferred Shares in issue on completion of the Fundraising	18,970,695,255
Number of Warrants to be issued on completion of the Fundraising	22,000,000,000
Number of Broker Warrants to be issued on completion of the Fundraising	1,889,121,000
Number of Options to be granted on completion of the Fundraising	13,325,883,776
Placing Shares and Subscription Shares as a percentage of the Enlarged Share Capital	69.9 per cent.
Gross proceeds of the Placing and Subscription	£1.1 million
Estimated net proceeds of the Placing and Subscription	£0.92 million

LETTER FROM THE CHAIRMAN

1. INTRODUCTION

On 4 March 2025 the Company announced a series of measures designed to re-focus and re-invigorate the Company. These included:

- changes to the Board;
- a proposed new investing policy;
- the Fundraising, to raise gross proceeds of £1.1 million;
- a Share Capital Reorganisation; and
- a proposed change of name of the Company to Caledonian Holdings PLC

The purpose of this document is to provide you with information regarding these measures, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as awhole and why it unanimously recommends that you should vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. BACKGROUND

Vela Technologies plc is an AIM-quoted investing company currently focused on early stage and pre-IPO disruptive technology investments.

As announced on 28 November 2024, the Board has been proactively selling down certain of the existinginvestment portfolio, where possible without crystallising material losses, with the intention of recycling the proceeds into new investment opportunities. As at 31 December 2024, Vela's total assets (including cash) had decreased to £2,670,000 and Vela's cash balance was £47,000. Since this date, Vela announced that it had sold down further shares in its investment in EnSilica plc. In addition, the Company announced that one of its investments, Aeristech Limited, a hydrogen technology company headquartered in the West Midlands and part of Vela's investment portfolio, had entered administration. As at the date of this document the Company retains a portfolio of 13 companies which, as at 31 December 2024, had a fair value of £2,222,000.

These events prompted Vela's board to reassess its investment strategy, its portfolio and Board composition which has culminated in the various proposals announced by the Company on 4 March 2025, details of which are set out in this Circular.

3. BOARD COMPOSITION

The Board has appointed James McColl as an Executive Director and Christopher Cooke as a Non- Executive Director, both effective from 4 March 2025; James Normand and Emma Wilson resigned as directors, effective from 4 March 2025, and the Board thank them for their contribution to the Company in recent years. Emma Wilson will remain as Company Secretary and responsible for the Company's finance function moving forward.

As required by the Company's articles of association, Resolutions 5 and 6 will be proposed at the General Meeting to re-appoint James McColl and Christopher Cooke as directors. Their brief biographical details are as follows:

James ("Jim") McColl

Jim has specialised in creating investor value by building businesses for nearly three decades. Over that period, he has invested in 20 platform acquisitions, overseen 15 exits including two public listings and led a number of public to private transactions, mergers, demergers, spin outs and turnarounds. This has included the successful turnaround of Clyde Blowers plc, a small engineering company with a full listing on the London Stock Exchange, in which he bought a 29.9 per cent. stake in 1992. With a 3 per cent. market share, he led the acquisition strategy of six of the company's seven global competitors capturing a 60 per cent. share of the world market over 5 years before taking the company private.

Further biographical background on Jim is set out in the Company's announcement released on 4 March 2025.

Christopher ("Chris") Cooke

Christopher invests in small UK companies with a focus on engineering, clean energy and life sciences in particular. He has also worked as an independent business and organisational consultant for the last 15 or so years, prior to which he was a senior human resources professional mainly in engineering, technology and manufacturing enterprises. Two of Christopher's interim roles have been Interim Director of People at Railpen Investments (one of the world's largest pension funds and asset allocators) and as Interim Executive Director of People at the Student Loans Company (a very large publicly owned financial and lending institution).

He holds a Bachelor's degree from the University of Manchester, and Masters degrees in Strategic HR, and in Organisational Psychology from Hull and Sheffield universities respectively. His most recent consultancy assignments have involved advising and consulting with private owners of significant owner-managed businesses in the healthcare and manufacturing/engineering industries. He has been invested in Vela for over 5 years and intends as a Non-Executive Director to represent large and small shareholders and to help the team leading Vela into a new, successful phase.

4. NEW INVESTING POLICY

The Board of Directors, now comprising myself as Chairman, James McColl and Christopher Cooke, have reviewed the Company's investing policy and consider that it should be amended to primarily focus on investments in enterprises within the financial services space and to achieve long-term capital appreciation by investing in high-potential financial services firms, particularly in wealth management, fintech, and specialist lending.

The new policy is set out below and requires shareholder approval of Resolution 10 at the General Meeting:

Investing Policy

The Company's investing policy is focused primarily on companies operating within the financial services and associated markets. Within that over-arching strategy, the Company applies the following criteria in reaching an investment decision.

Stage of development

Usually (but not necessarily) investee businesses will have been operating for a number of years. The investee business may not yet have achieved profitability.

Geographical focus

Investee companies will usually be based in the UK (including the Channel Islands) or Europe and/or derive a material proportion of their business from the UK. Conversely, investee companies may derive a significant proportion of their income from overseas but be based in the UK. It is unlikely that Vela would invest in a business headquartered overseas and deriving a majority of its business from outside the UK.

Sector focus

The Company mainly focuses on investments within the financial services sector, targeting businesses that demonstrate strong growth potential, innovative financial solutions, and scalable business models. Primary areas of interest include fintech, asset management, insurance, and banking, with an emphasis on companies that leverage technology to enhance efficiency, accessibility, and financial inclusion.

Corporate status

The Company aims to have a mix of private and publicly-traded investments.

The private companies will generally need to have ambitions for a public listing in a relatively short time period (i.e. within two years of investment); or, failing that, a plan to find a buyer for the business or to scale up the business (e.g. by merging with or acquiring another or by raising material additional equity funding) within a similar timescale.

Investments in public companies will usually be made as part of a development capital financing designed to accelerate the growth of the business.

Investment instruments

The Company will generally expect to make investments in the form of equity. It will also consider investing in loan stock which is convertible (at Vela's option) into equity shares. The Company's investments will rarely be in the form of pure debt.

Investments will usually be in the form of cash but may also take the form of an issue of new ordinary shares.

In the case of equity investments, the Directors intend to take minority positions and investments will therefore typically be of a passive nature.

Holding period

The Company generally invests with the intention of realising its investment within three years of investment. Investments can be made at the pre-IPO stage and in anticipation of a public listing for the shares, often within a few months. In such cases the whole or part of the investment may be sold on admission of the investee company's shares to trading on a stock exchange.

Investments in companies whose shares are not traded on a public exchange are, of course, inherently more difficult to realise; and so, although there may be an intention to list the shares or to see the business sold, the Company may need to hold an investment in a private company for a longer time period.

The Directors intend to re-invest the proceeds of disposals in accordance with the Company's investingpolicy unless, at the relevant time, the Directors believe that there are no suitable investment opportunities in which case the Directors will consider returning the proceeds to shareholders in a tax efficient manner.

Number and size of investments

There is no limit on the number of projects into which the Company may invest except the capacity of Vela's investment team to appraise and monitor them. Similarly, the monetary quantum of each investment is a factor of the funds available to the Company at the point of investment. Both the number and size ofinvestments will therefore vary according to the Company's human and monetary resources. Each of these will be referred to in the Company's annual and interim reports. As investments are made and new promising investment opportunities arise, further funding of the Company may be required to enable the Company to make further investments.

The Company will pursue a balanced portfolio of an even mixture of early stage, pre-liquidity event and liquid investments. While the aim is to have the portfolio split fairly evenly between the different stages of liquidity, there will be no set criteria for the proportion of the portfolio which will be represented by each investment type.

Although the percentage holdings taken by way of equity interests will vary, such interests will always constitute a minority (i.e. below 50 per cent.) position. Further, unless in cases where the management believe exceptional value may be accrued and/or the Company is seeking to play a more proactive role in its investee companies, generally investments will not exceed 25 per cent. of an investee's issued capital.

Opportunistic investments

As a result of the Company's network of contacts in the financial markets, it occasionally receives invitations to invest in businesses which do not meet the core criteria of the investing policy. Nevertheless, if the Board considers that there is an opportunity to benefit by investing in such a proposition and thus allowing its shareholders access to investments in which they may otherwise not be able to participate, it may consider doing so. Such investments will be limited at 10 per cent. of the Company's net asset value and would usually be made on the understanding and expectation that any such investment would be held for the short term only.

Follow-on investments in existing investment portfolio

In addition, the investing policy will enable the Company to make, where the Board deems appropriate,follow-on investments in the Company's investment portfolio which was in place as at March 2025 prior to the change in focus to financial services and which predominately are companies in the disruptive technology sector.

Investment appraisal

In order to mitigate investment risk, the Directors will carry out a thorough appraisal of each potential investment. This appraisal may include site visits, analysis of financial, legal and operational aspects of each investment opportunity, meetings with management, risk analysis, review of corporate governance and anti- corruption procedures and, where the Directors see fit, the seeking of third party expert opinions and valuation reports. The Company will not have a separate investment manager.

Nature of returns

It is anticipated that returns to the Company will be delivered through a combination of capital gain, dividend income and interest on convertible loans.

Given the Company's expected percentage holdings in investee businesses, it will be unusual for theCompany to seek or be offered a position on the investee's board of directors. However, in those instances where it is felt desirable and appropriate for Vela to appoint a director, the fee earned from any such post held by a director or employee of Vela would be payable to Vela and form part of the return earned by Vela on its investment.

Cash held by the Company pending investment, reinvestment or distribution will be managed by the Company and placed on deposit with banks so as to protect the capital value of the Company's cash assets. The Company may, where appropriate, enter into agreements or contracts in order to hedge against interest rate or currency risks.

Review of investing policy

The Directors will keep the investing policy under continuous review and will make and announce any non- material changes or variations as may be appropriate. Any material change or variation of the investing policy will be subject to prior approval of shareholders.

5. THE FUNDRAISING

Peterhouse, as agent for the Company, has conditionally raised approximately £827,000 (before expenses) through a placing of 33,080,000,000 New Ordinary Shares with new and existing investors and £273,000 through a subscription for 10,920,000,000 New Ordinary Shares, at the Issue Price. The Issue Price represents a discount of approximately 50.0 per cent. to the mid-market closing price of 0.005 pence per Existing Ordinary Share on the Latest Practicable Date.

The Fundraising has not been underwritten and is conditional, *inter alia*, upon:

(a) the passing of the Fundraising Resolutions;

(b) completion of the Share Capital Reorganisation; and

(c) Admission occurring by no later than 8.00 a.m. on 27 March 2025 (or such later time and/or date as the Company

(c) Admission occurring by no later than 8.00 a.m. on 27 March 2025 (or such later time and/or date as the Company and Peterhouse may agree, not being later than 30 April 2025).

If these conditions are not met, then the Fundraising will not proceed.

Details of the Placing

Peterhouse has procured subscribers for the Placing Shares at the Issue Price. The Placing is not underwritten and is conditional on, *inter alia*, the approval of the Fundraising Resolutions and Admission. The Placing Shares will represent approximately 52.5 per cent. of the Enlarged Share Capital.

Brent Fitzpatrick (Non-Executive Chairman) has conditionally subscribed for 400,000,000 Placing Shares at the Issue Price.

If the conditions for the Placing are not satisfied or waived (where capable of waiver), the Placing will lapse and the Placing Shares will not be allotted and issued and no monies will be received by the Company pursuant to the Placing.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the other New Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Details of the Subscription

The Company has conditionally raised approximately £273,000 (before expenses) through a subscription of 10,920,000,000 New Ordinary Shares with new and existing investors.

Prior to his appointment to the board of the Company, Jim McColl conditionally subscribed for 8,000,000,000 Subscription Shares at the Issue Price raising gross proceeds of £200,000. In addition, Christopher Cooke (Non-Executive Director), James Normand (former director), Emma Wilson (former director) and certain other investors have conditionally subscribed for a total of 2,920,000,000 Subscription Shares at the Issue Price raising gross proceeds of £73,000.

The Subscription is not underwritten and is conditional on the approval of the Fundraising Resolutions, completion of the Share Capital Reorganisation, completion of the Placing and Admission.

If the conditions for the Subscription are not satisfied or waived (where capable of waiver), the Subscription will lapse and the Subscription Shares will not be allotted and issued and no monies will be received by the Company pursuant to the Subscription.

The Subscription Shares will, when issued and fully paid, rank *pari passu* in all respects with the other New Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Rights of the Fundraising Shares and application for Admission

The Fundraising Shares will, when issued, be credited as fully paid up and will be issued subject to the Company's articles of association and rank *pari passu* in all respects with each other and with the other ordinary shares of the Company then in issue, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the New Ordinary Shares after the date of issue of the Fundraising Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

Application will be made to the London Stock Exchange for the Fundraising Shares to be admitted to trading on AIM. Subject, *inter alia*, to the passing of the Fundraising Resolutions at the General Meeting, it is expected that Admission will become effective in respect of, and that dealings on AIM will commence in, all of the Fundraising Shares, on or around 8.00 a.m. on 27 March 2025.

Following completion of the Fundraising, the participants of the Fundraising will, in aggregate, hold approximately 69.9 per cent. of the Enlarged Share Capital.

Warrants

Participants of the Fundraising will receive one warrant for every two New Ordinary Share subscribed for as part of the Fundraising ("**Warrants**"). The Warrants will be valid for two years from the date of the Placing and will have an exercise price of 0.0075 pence. The Warrants have an accelerator clause: if the share price of the Company's shares is sustained at a price greater than 0.015 pence for five consecutive trading days the Company may choose to force execution of the Warrants at the exercise price of 0.0075 pence. The Company is obliged to write to each Warrant holder providing seven calendar days' notice to exercise the warrants (the "**Notice**"), after which each Warrant holder will have up to 14 days to pay for the exercise of their Warrants, subject to the terms of the Warrant Deed. Warrants for which notice of execution is not given within 7 days from the date of Notice will be forfeited.

Broker Warrants

Subject to the completion of the Fundraising, Peterhouse has been granted warrants to subscribe for 1,889,121,000 New Ordinary Shares in the capital of the Company (the "**Broker Warrants**"), which is equal to 3 per cent. of the Enlarged Share Capital. The Broker Warrants will be exercisable at the Issue Price. The Broker Warrants can be exercised for a period of two years from the date of Admission.

Existing and former Director participation in the Fundraising

Brent Fitzpatrick and new directors Jim McColl and Christopher Cooke, together with former directors James Normand and Emma Wilson, have conditionally subscribed for a total of 9,600,000,000 Fundraising Shares at the Issue Price as follows:

Director/Former director	*Holding of Ordinary Shares at the date of this document*	*Subscription value (£)*	*Number of Fundraising Shares subscribed for*	*Resultant holding of New Ordinary Shares*	*% of Enlarged Share Capital*	*Number of Warrants held on Admission*
James McColl	-	200,000	8,000,000,000	8,000,000,000	12.70%	4,000,000,000
Christopher Cooke*	1,935,376,945	20,000	800,000,000	2,735,376,945	4.34%	400,000,000

Christopher Cooke	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brent Fitzpatrick	68,500,000	10,000	400,000,000	468,500,000	0.74%	200,000,000
James Normand	-	5,000	200,000,000	200,000,000	0.32%	100,000,000
Emma Wilson	-	5,000	200,000,000	200,000,000	0.32%	100,000,000
Total	2,003,876,945	240,000	9,600,000,000	11,603,876,945	18.43%	4,800,000,000

*Includes 83,709,962 Ordinary Shares held by Christopher Cooke's youngest child who is under the age of 18 years.

USE OF PROCEEDS

It is intended that the net proceeds of the Fundraising, totalling approximately £0.92 million, will principally be used to make investments within the financial services sector (see the proposed change of investing policy) and for general working capital purposes.

6. THE SHARE CAPITAL REORGANISATION

Under the Act, a company is unable to issue shares at a subscription price which is less than the nominal value of shares of the same class. This means that, as the nominal value of the Existing Ordinary Shares is currently 0.01 pence, the Company could not issue further Ordinary Shares at the Issue Price without a sub-division of the Existing Ordinary Shares. The Board, therefore, has concluded that it is essential to implement the Share Capital Reorganisation in order for the nominal value of the New Ordinary Shares to become lower than the Issue Price, so that the Company can proceed with the Fundraising.

Accordingly, it is proposed to sub-divide each Existing Ordinary Share into one New Ordinary Share of 0.001pence each (0.001 pence being the proposed new nominal value per share) and one Deferred Share of 0.009 pence each.

The New Ordinary Shares will, in all material respects, have the same rights (including rights as to voting, dividends and return of capital) as the Existing Ordinary Shares, save for their nominal value. The NewOrdinary Shares will be traded on AIM in the same way as the Existing Ordinary Shares, with the exception of the difference in nominal value. The nominal value of shares already held in CREST will be updated at approximately 8.00 a.m. on 27 March 2025.

The rights attached to the Deferred Shares will be set out in the Articles (as per Resolution 2 in the Notice of General Meeting contained in the Notice). The Deferred Shares will have little or no economic value asthey will not carry any rights to vote or dividend rights, nor (realistically) have any entitlement to a share of assets on a return of capital or on a winding up of the Company. The Company does not intend to make any application for the Deferred Shares to be admitted to trading on AIM or any other public market. The Deferred Shares will not be transferable without the prior written consent of the Company. No share certificates will be issued in respect of the Deferred Shares. The Board may further appoint any person to act on behalf of all the holders of the Deferred Shares to transfer all such shares to the Company in accordance with the terms of the Act.

Please note the Company has 1,748,943,717 deferred shares of 0.08 pence each and 2,665,610,370special deferred shares of 0.01 pence each in issue which are different to the Deferred Shares proposed tobe issued pursuant to the Share Capital Reorganisation. For further information regarding these two share classes, please see the Company's financial statements for the year ended 31 March 2024.

The Company does not intend to issue new share certificates to the holders of the New Ordinary Sharesfollowing the Share Capital Reorganisation. Existing share certificates will remain valid for the same number of shares but with a different nominal value of 0.001 pence per New Ordinary Share. Following the ShareCapital Reorganisation, should you wish to receive an updated share certificate please contact the Registrars at the address set out in this document.

Holders of options and warrants over Existing Ordinary Shares will maintain the same rights as currently accruing to them and will not be issued with new option certificates.

By effecting the Share Capital Reorganisation, the total nominal value of the issued share capital of the Company will remain the same, with New Ordinary Shares having a nominal value of 0.001 pence each plus Deferred Shares having a nominal value of 0.009 pence each. The Share Capital Reorganisation is conditional upon, and effected by, the approval of Resolutions 1 and 2 at the General Meeting as required by the Act and the Articles. If Resolutions 1 and 2 are passed, the Share Capital Reorganisation will become effective at approximately 8.00 a.m. on 27 March 2025.

Please note that the Fundraising cannot take place unless the Share Capital Reorganisation is approved. Accordingly, if the Share Capital Reorganisation Resolutions are not approved by Shareholders at the General Meeting, the Fundraising will not proceed and the Company will not be able to receive the new funds from investors in order to develop its business in the manner otherwise contemplated in this document.

7. GRANT OF OPTIONS

James McColl has agreed to neither accrue, nor be paid, a salary as an Executive Director. In light of the above, in addition to his £200,000 cash investment announced on 4 March 2025 and to further align the interests of the Company with James McColl, the Company has agreed, subject only to approval of the Resolutions and the completion of the Fundraising, to grant options over 13,325,883,776 New OrdinaryShares to James McColl (the "**Options**"). The Options are a contractual entitlement for James McColl under the terms of his appointment as a director of the Company.

The Options will be valid for two years from the date of the GM and will be exercisable at the Issue Price. The Options will vest upon the completion of Vela's first investment following James McColl's appointment.

The Options, if exercised in full, would represent approximately 17.5 per cent. of the enlarged issued share capital of the Company (as enlarged following the issue of the Fundraising Shares and the exercise of the Options only).

8. GENERAL MEETING

The notice convening the General Meeting of the Company, to be held at the offices of Allenby Capital Limited, 5 St Helen's Place, London, EC3A 6AB at 11.00 a.m. on 24 March 2025, is set out at the end of this document.

The Fundraising Resolutions (Resolutions 1 to 4, as summarised below) will be proposed to seek Shareholders' approval of the Share Capital Reorganisation and to grant new authorities to enable the Directors, *inter alia*, to allot the Fundraising Shares on a non pre-emptive basis.

- Resolution 1 - approves the Share Capital Reorganisation;
- Resolution 2 - amends the articles to include the rights attaching to the Deferred Shares;
- Resolution 3 - authorises the Directors to allot Equity Securities up to an aggregate nominal amount of £678,891.21 in respect of the Fundraising;
- Resolution 4 - disapplies statutory pre-emption rights in respect of the allotment of Equity Securities up to an aggregate nominal amount of £678,891.21 in respect of the Fundraising.

Each of Resolutions 1 to 4 (inclusive) is conditional on the passing of each of Resolutions 1 to 4 (inclusive). -

Resolution 5 - to re-appoint James McColl, he having been appointed by the Board of Directors until

the General Meeting;

- Resolution 6 - to re-appoint Christopher Cooke, he having been appointed by the Board of Directors until the General Meeting;
- Resolution 7 - to authorise the Directors to allot Equity Securities up to an aggregate nominal amount of £188,912.09 in respect of additional issues of equity;
- Resolution 8 - to disapply statutory pre-emption rights in respect of allotments of Equity Securities up to an aggregate nominal amount of £188,912.09 in respect of additional issues of equity;
- Resolution 9 - change the Company's name to Caledonian Holdings plc; and
- Resolution 10 - change of investing policy.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

General Meeting

Shareholders should check that they have received a Form of Proxy for use in relation to the General Meeting with this document.

You are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen B62 8HD; or by registering your vote online by visiting www.sharegateway.co.uk. Shareholders will need to use their Personal Proxy Registration Code which is printed on their Form of Proxy to facilitate this, as soon as possible but in any event so as to arrive by not later than 11.00 a.m. on 22 March 2025 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold Existing Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the Company's registrars, Neville Registrars Limited (under Participant ID 7RA11) so that it is received by not later than 11.00 a.m. on 22 March 2025.

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

10. DOCUMENTS AVAILABLE

Copies of this document will be available to the public, free of charge, at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for one month from the date of this document. This document will also be available on the Company's website, www.velatechplc.com.

11. DIRECTORS' RECOMMENDATION

The Directors consider the Fundraising to be in the best interests of the Company and Shareholders as a whole. The Directors also consider the passing of the Resolutions (including the Fundraising Resolutions) to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own shareholdings, which total 2,003,876,945 Existing Ordinary Shares (representing approximately 10.56 per cent. of the Existing Ordinary Shares).