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**For immediate release**

**8 February 2021**

## **AMTE Power**

### **Announcement of intention to float on AIM**

AMTE Power, a developer and manufacturer of lithium-ion battery cells for specialist markets, announces its intention to seek admission to trading on AIM of the entire issued and to be issued ordinary share capital of the Company. Admission is expected to take place during March 2021. The Company intends to raise approximately £7 million (before expenses) by way of a placing of new ordinary shares in the capital of the Company ("**Ordinary Shares**").

AMTE Power was co-founded in 2013 by Kevin Brundish, together with several others, including former colleagues from QinetiQ, with the objective of developing a portfolio of highly differentiated, lithium-ion and lithium-ion derivative battery cells to meet the needs of specialist customers. Such customers, which include manufacturers of high-performance vehicles and specialist equipment, are not, in the Directors' experience, the primary focus of the international battery cell manufacturers, thereby creating a significant and scalable opportunity for the Company.

Key attributes of the AMTE Power business are as follows:

- the Company's highly experienced management team has implemented a distinctive strategy of not only accessing intellectual property, but also developing products based thereon to address its specialist customers' requirements, with the intention in due course of utilising its facilities to manufacture cells on a commercial scale;
- the Company has accessed a strong intellectual property portfolio from technology companies, QinetiQ and Faradion Limited, which enables it to develop new battery cells meeting the needs of its customers by building on the substantial early investment by these companies;

- it has been working in collaboration with a significant number of industrial businesses, including nine UK-based leading automotive manufacturers and component suppliers;
- since being established, it has secured an aggregate of approximately £9.1 million of equity finance, been directly awarded approximately £5.8 million of public sector grants and has generated commercial income to date of approximately £2.5 million;
- it is the Directors' understanding based on their market knowledge that the Company is well placed as one of only five UK commercial battery cell manufacturers with its purpose-built cell manufacturing facility at Thurso, Scotland, which has the second largest cell manufacturing capacity in the UK;
- in addition to its Thurso facility, the Company has entered into a framework agreement governing access to the UK Battery Industrialisation Centre (the "UK BIC") cell manufacturing facility and, in 2022, intends to commit to building a new UK manufacturing facility with a capacity of approximately 2GWh per annum; and
- the Company has three highly differentiated battery cells in development, with one expected to enter production in each of the next three years, and a pipeline of technologies for future development.

**Kevin Brundish, CEO of AMTE Power, said:**

*"Early on we chose to focus on the requirements of specialist customers whose power, performance and endurance needs are, we believe, outside the scope of the international manufacturers and also to not simply be a developer but have the manufacturing capability to deliver our products. The combination of which, we believe, differentiates AMTE and places us in a highly advantageous position.*

*"To give an example, our Ultra High Power battery cell which is designed for a high-performance sports car, needs to generate more power, than an average automotive battery, to deliver the required acceleration. To help develop and better understand the requirements for our products we have been working collaboratively with nine automotive companies including Jaguar Land Rover, Cosworth and Williams.*

*"We have also been working with the UK Government on our plans for building a British Gigafactory which is part of the Company's medium term outlook. However, today's announcement is about funding the final development and production of the Company's three advanced battery cells where we see significant commercial opportunities."*

**Target Markets**

From the increased market uptake of electric vehicles and personal devices, to growing environmental concerns and increasing regulation and political pressure to shift away from the use of fossil fuels, as exemplified by the UK Government's plan for a "Green Industrial Revolution", there has been a rapid rise in global demand for lithium-ion and lithium-ion derivative battery cells. Traditionally, the dominant market for lithium-ion batteries was consumer electronics, however over recent years, the automotive sector has become increasingly responsible for the substantial increase in demand, as electrification of vehicles has become a legislative requirement in many major nations, particularly in Europe.

This has contributed to the value of the global lithium-ion cells market, which the Company is targeting, being forecast to grow in value by 15 per cent. per annum from 2020 to 2030, to approximately US\$110 billion, on the back of a 22 per cent. per annum growth in volume (source: Bloomberg NEF 2019).

At a time of significant impetus in the battery cell market, the Directors' objective is for AMTE Power to become the supplier of choice for customers whose highly scalable, specialist needs are not, in their experience, being fully addressed by the major international cell manufacturers, by being a leading participant in the development and commercialisation of innovative, highly differentiated battery cell products. AMTE Power is focusing initially on three specialist markets.

### **Automotive**

The Company's most developed product for the automotive battery cell market is Ultra High Power, a re-chargeable pouch format battery cell. Ultra High Power is being developed in conjunction with several specialist manufacturers in the automotive industry and has the ability to deliver power consistently at a very high rate, thereby enhancing acceleration in high-performance vehicles.

The Directors consider Ultra High Power to be a cell that is highly differentiated from other automotive cells, and to be of particular interest to the high-performance motor industry. The Ultra High Power cell has undergone early testing by third parties and the Company is currently in discussions with ten key automotive and motorsport manufacturers to test and evaluate the products for inclusion of the cell in their vehicle programmes.

### **Oil & Gas**

The Company's cell for the oil and gas market is Ultra Prime, a single use cylindrical battery cell. Ultra Prime is being designed with very high-energy and high-temperature performance for use in challenging environments. In addition to these features, the Ultra Prime cell has a very long standby life with no loss of performance, making it ideal for use, not only where restricted access is a key consideration, but also where the battery needs to be in situ for an extended period. The Directors believe, based on early development work, that Ultra Prime will have the capability to operate for up to six years at a temperature of 125°C.

Ultra Prime is the subject of AMTE Power's first commercialisation contract, a seven-year development and supply agreement with a UK based, international, Tier 1 oil and gas industry equipment provider. The Company has agreed to develop and, subject to the achievement of milestones, to supply to the customer battery cells which can be manufactured at the Company's Thurso facility. The Company is also in discussions with a potential customer in the defence market concerning Ultra Prime.

### **Energy Storage**

The Company's differentiated product for the ESS cell market is Ultra Safe. Ultra Safe is being designed as a safe and cost-effective re-chargeable pouch format battery cell to address key applications in energy storage systems, whether microgrids (self-sufficient energy systems serving discrete geographic locations) or larger systems.

Ultra Safe is based chemically on sodium, an element which is more readily available, and at a significantly lower price, than lithium. In the ESS market, sodium-ion also has a safer thermal structure than lithium-ion and has the ability to operate in a broader temperature range.

The Board considers that Ultra Safe, while at an earlier stage than the other differentiated cells, has the greatest opportunity to be a transformational product, given its substantial potential advantages over lithium-ion as a storage medium, in terms of safety and cost.

In order to facilitate market access, the Company has entered into a memorandum of understanding in respect of a proposed joint venture with InfraNomics Pty. Ltd, an Australian company which developed the strategy for Lithium Valley, a substantial battery supply chain initiative in Australia.

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**Directors**

The Directors of the Company comprise:

*David William Morgan (Independent Non-Executive Chair, aged 63)*

Appointed Chair on 14 April 2020, David has had wide-ranging board and senior management experience in a number of industries. Having trained as a chartered accountant with KPMG, he then spent over 20 years with Johnson Matthey plc, a global precious metals and chemicals business, and was executive director for Corporate Development from 1999 to 2009. He is chair of Nord Gold UK Societas, a privately owned gold miner, and a non-executive director of Maidstone and Tunbridge Wells NHS Trust. He was previously the senior independent director at the Royal Mint, deputy chair of SFC Energy AG and chair of Hargreaves Services plc, as well as a director of two venture backed start-ups, Econic Technologies Ltd and Phosphonics Ltd. His career has involved both general and financial management and he has international mergers and acquisitions and business development experience.

*Kevin David Brundish (Chief Executive Officer, aged 50)*

Kevin, together with various colleagues, founded AMTE Power in 2013. He has over 25 years' experience within public and private companies and has experience of fund raising and mergers and acquisitions. Kevin qualified as a Chartered Engineer and has worked for and with world leading engineering groups such as QinetiQ, Rolls Royce plc and Siemens AG, and has taken a number of technologies and businesses through concept, design and into production. He is a member of the Faraday Challenge advisory board and has been part of the industry group advising the top tier of UK Government on energy storage.

*Adam d'Arcy Thomas Westcott (Chief Financial Officer, aged 47)*

Adam was appointed as a Director on 16 December 2020, having joined AMTE Power in January 2018. He has over 20 years' experience in finance, most recently as either chief financial officer or finance director of a number of entrepreneur-led growth businesses. Prior to this, he advised a range of small and large companies during his time working in investment banking, covering equity, debt and M&A

transactions. Adam is CIMA qualified and holds a Masters degree in Engineering from Oxford University.

*Rt. Hon. Viscount Thurso PC (Senior Independent Director, aged 67)*

Lord Thurso joined the Board on 1 June 2020, having served on a number of listed company boards and has been a senior independent director and remuneration committee chair. Following a career in the hospitality industry, he entered politics and was the Member of Parliament for Caithness, where the Thurso facility is located. He served on the Treasury Select Committee and the Parliamentary Banking Standards Commission. He is currently Chair of VisitScotland and sits in the House of Lords. Lord Thurso is currently a director of six other private companies.

*Adam Colton Park (Non-Executive Director, aged 51)*

Adam joined the Board in October 2016. Adam is the Chief Operating Officer of Renaissance Capital Partners, the family office, which is focused on disruptive technologies, of Kenneth Randall (which is expected on Admission to be interested, together with Adam Park, in approximately 9 per cent. of the Existing Share Capital). Adam, who has general management experience across several industry sectors, is currently a director of Clearpath Consultancy Limited, and formerly was a director at Anna Alla Limited.

*Alyson Margaret Levett (Independent Non-Executive Director, aged 54)*

Alyson joined the Group as a Non-Executive Director on 20 January 2021. She is Chief Financial Officer of AIM quoted i-nexus Global PLC where she has a strategic role and day-to-day responsibility for planning, implementing, managing and controlling all finance-related activity. Alyson has an extensive background in finance, including as finance director of Griffin Internet prior to its acquisition by MDNX in 2012. Alyson was also a director of AML Financial Consultancy Limited, through which she provided consultancy services to businesses on a range of finance related matters. She has a Masters degree in Economics from Cambridge University and is a qualified chartered accountant.

### **Senior management**

The Directors are supported by the following key senior managers:

*David (Dave) Pell (Head of Sales & Marketing, aged 58).*

Dave, who joined the Company in January 2020, has over 30 years' experience working in key sales and commercial roles in technology-based businesses. He has run a number of global sales organisations for the largest global IT and technology companies, commercial operations for BT Global Services, and has headed advanced technology divisions at QinetiQ, where he led the focus on technology transition and commercialisation, with a particular focus on applications in energy markets.

*Stuart Paterson (Head of Operations, aged 54)*

Stuart joined the Company in November 2019, bringing 23 years of battery industry experience gained via various local and global businesses. He initially completed a broad-based engineering apprenticeship with Michelin before moving into management roles in engineering, production or operations with various Japanese and American companies. Stuart was one of the founding members and owners of MPower, a battery business based in Dundee, whose subsequent owners include Axion,

Johnson Matthey and Cummins Inc. His career in operations has afforded him the opportunity to set up and manage operations in European as well as UK plants.

*Steven (Steve) Farmer (Head of Innovation and Product Development, aged 60)*

Steve, who has over 30 years' experience working in high technology research and development and production, including technical, business, account and sales management, was a co-founder of AMTE Power in 2013. He has experience in leading complex teams and propositions for customers such as the UK Ministry of Defence, the US Department of Defense and original equipment manufacturers in aerospace, automotive, defence and energy markets. Steve heads up the Company's Development team.

## **Important Notices**

*The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by WH Ireland Limited ("WHI") solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).*

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*This announcement is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are in the United Kingdom, Qualified Investors as defined in article 2(e) of Regulation (EU) 2017/1129 as it forms part of English law pursuant to the European Union (Withdrawal) Act 2018 and (a) fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (b) are persons who fall within article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order (all such persons together being referred to as "Relevant Persons").*

*This announcement must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement does not itself constitute an offer for sale or subscription of any securities in the Company.*

*The Ordinary Shares referred to in this Announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Ordinary Shares have not been and will not be approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.*

*Any subscription for or purchase of Ordinary Shares in the proposed Placing should be made solely on the basis of the information contained in the final Admission Document to be published by the Company in connection with the Placing and Admission. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Placing or any transaction or arrangement referred to in this announcement. This announcement has not been approved by any competent regulatory authority.*

*In connection with the Placing, WHI and SI Capital Limited ("SI Capital" and together with WHI, the "Joint Bookrunners") and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain,*

purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in the Admission Document, once published, to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any offer to, or subscription, acquisition, placing or dealing by the Joint Bookrunners and any of their respective affiliates acting as investors for their own accounts. In addition, the Joint Bookrunners or their respective affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Ordinary Shares. The Joint Bookrunners have no intention to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

WHI which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Company and no one else in connection with the Placing and Admission, and WHI will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this announcement.

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Neither of the Joint Bookrunners, nor any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions contained in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith and any liability therefore is expressly disclaimed.

The anticipated timetable for Admission, including the publication of the Admission Document and/or the date of Admission, may be influenced by a range of circumstances, including market conditions. There is no guarantee that the Admission Document will be published or that Admission will occur and investors should not base their financial decisions on the Company's intentions in relation to the Placing and Admission at this stage.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the directors' current intentions, beliefs or expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the Company's markets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement are based on certain factors and assumptions, including the directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Whilst the directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by applicable law or regulation, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in the directors' expectations or to reflect events or circumstances after the date of this announcement.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

**Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no**

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

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

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