

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action to take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or transferred all of your Ordinary Shares in Vela Technologies plc, you should forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

## **VELA TECHNOLOGIES PLC**

*(Incorporated and registered in England and Wales with No. 03904195)*

*Directors:*  
Brent Fitzpatrick, *Non-Executive Chairman*  
James Normand, *Executive Director*  
Emma Wilson, *Executive Director*

*Registered Office:*  
15 Victoria Mews  
Mill Field Road  
Cottingley Business Park  
Bingley  
BD16 1PY

*To all Shareholders, and to warrant holders and option holders for information purposes only*

30 December 2021

Dear Shareholder

**Notice of Annual General Meeting**  
**Proposed consolidation of ordinary share capital**  
**Proposed change to investing policy**

### **1. Introduction**

The accounts for the year ended 31 March 2021 were posted to shareholders on 30 September 2021. This letter sets out the notice for the Annual General Meeting ("**AGM**"), which will be held at 15 Victoria Mews, Mill Field Road, Cottingley Business Park, Bingley, West Yorkshire BD16 1PY at 12 noon on 24 January 2022.

### **2. Resolutions at the Annual General Meeting**

Information relating to resolutions to be proposed at the AGM is set out below. The notice of AGM is set out at the end of this letter.

The following resolutions will be proposed at the AGM:

- (a) *Resolution 1:* to approve the annual report and accounts. The Directors are required to lay before the Company at the AGM the accounts of the Company for the financial year ended 31 March 2021, the report of the Directors and the report of the Company's auditors on those accounts.
- (b) *Resolution 2:* to approve the re-appointment of Murray Harcourt Limited as auditors of the Company. The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next such meeting.
- (c) *Resolution 3:* to authorise the Directors to approve the remuneration of the auditors.
- (d) *Resolution 4:* to approve the re-appointment of Brent Fitzpatrick as a Director. Under the Articles of Association, Directors must retire and submit themselves for re-election at the annual general meeting if they have not done so at either of the two previous annual general meetings.

- (e) *Resolution 5:* to approve the re-appointment of Emma Wilson as a Director. Emma joined the Board on 1 September 2021. Under the Articles of Association, Directors must be re-appointed at the first annual general meeting following their appointment.
- (f) *Resolution 6:* to approve a consolidation of every 50 ordinary shares of 0.01p per share into one new ordinary share of 0.5p per share. There are currently 16,252,335,184 ordinary shares of 0.01p (“**Existing Ordinary Shares**”) in issue. The Directors consider that it is in the best interests of the Company’s development to have a more manageable number of issued ordinary shares. In order to ensure the issued share capital is divisible by 50, 16 ordinary shares will be issued at par prior to the consolidation record date of 6:00 p.m. on 24 January 2022 (“**Record Date**”). The consolidation will result in the creation of 325,046,704 new ordinary shares of 0.5p each (“**New Ordinary Shares**”). As all the Existing Ordinary Shares are proposed to be consolidated, the proportion of the issued ordinary shareholdings in the Company held by each Shareholder immediately before and after the Consolidation will, except for fractional entitlements, remain unchanged.

Shareholders with a holding of more than 50 Existing Ordinary Shares, but which is not exactly divisible by 50, will have their holding rounded down to the nearest whole number of New Ordinary Shares. Any shareholders holding fewer than 50 Existing Ordinary Shares at the Record Date will cease to be a shareholder of the Company.

The overall market capitalisation of the Company should not change as a result of the consolidation, though the market price of each ordinary share is expected to increase from approximately 0.045p (the price at the close of business on 29 December 2021) to approximately 2.25p.

#### *Disposal of fractional entitlements*

Fractional entitlements to new ordinary shares arising from the consolidation will be aggregated and will be sold in the market for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions. As the net proceeds of sale will amount to less than £3 for any entitled shareholder, they will (in accordance with usual market practice) be retained by the Company.

#### *Admission of the new ordinary shares*

Application will be made for the New Ordinary Shares to be admitted to trading on AIM in place of the Existing Ordinary Shares. If approved at the AGM, the Record Date for the consolidation will be the close of business on 24 January 2022. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on 25 January 2022.

#### *ISIN and SEDOL codes*

Following the consolidation, the ISIN code for the New Ordinary Shares will be GB00BMG9C974 and the SEDOL code for the New Ordinary Shares will be BMG9C974.

#### *Share Certificates*

New share certificates in relation to the New Ordinary Shares will be despatched to Shareholders who hold their ordinary shares in certificated form in the week commencing 31 January 2022. The new share certificates will be sent by first-class post, at the risk of the holders of relevant new ordinary shares, to the registered address of that holder or, in the case of joint holders, to the one whose name appears first in the register of members. Following the consolidation, existing ordinary share certificates will cease to be valid.

#### *Uncertificated shares*

Shareholders who hold existing ordinary shares in uncertificated form will have such shares disabled in their CREST accounts on the Record Date, and their CREST accounts will be credited with the new ordinary shares following Admission, which is expected to take place on 25 January 2022.

### *Adjustment of warrants and options*

Following the consolidation, the entitlements to ordinary shares of holders of outstanding warrants and options will be adjusted to reflect the consolidation.

With effect from the Record Date, the number of ordinary shares subject to outstanding warrants or options will be divided by 50, and the exercise price per share will be multiplied by 50. The aggregate amount to be subscribed upon an exercise of warrants or options will remain the same, and all other terms of the warrants and options will remain unchanged.

- (g) *Resolutions 7 and 8*: to approve the renewal of general authorities to allot shares, which expire at the AGM, for the purpose of (i) granting the Directors general authority to allot up to a maximum nominal amount of £400,000, representing approximately 24.6% of the current issued ordinary share capital; and (ii) disapplying pre-emption rights in connection with the allotment of up to a maximum nominal amount of £400,000, representing approximately 24.6% of the current issued ordinary share capital.
- (h) *Resolution 9*: to approve the adoption by the Company of a revised investing policy. The revised investing policy is set out in full in the resolution. It replaces an investing policy adopted in January 2013 at the time when the Company first became classified as an investing company pursuant to the AIM Rules for Companies. The Company has therefore had nine years of experience operating as an investing company and, most relevantly, in August 2020 underwent a reorganisation which including the disposal of certain prior held investments. Moreover, the current investing policy is expressed in the context of the aspirations of the Company in 2013 and is therefore expressed largely in the future tense. The revised investing policy set out in the AGM notice takes account both of the investing history of Vela and of developments in the economic environment in the last nine years. The overarching aim to invest in disruptive technologies remains unchanged.

### **3. Action to be taken**

A form of proxy for use by Shareholders in connection with the AGM accompanies this Circular. The form of proxy should be completed in accordance with the instructions printed thereon and returned to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD as soon as possible but, in any event, so as to arrive by 12 noon on 20 January 2022.

**There are no longer any Covid-19 related legal prohibitions on attending the meeting in person. However, in light of the continuing impact of Covid-19, current government guidance, and recognising that some members and proxies may still be reluctant to attend in person, (i) the vote on each of the resolutions put to the meeting will be taken on a poll; and (ii) shareholders are strongly advised to appoint the chairman of the meeting as their proxy. The Company will keep the current Covid situation and any change to current government guidance under review. If arrangements for the meeting need to be changed, a market announcement will be made through a regulatory information service.**

### **4. Recommendation**

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Resolutions, as I intend to do so in respect of my shareholding of 1,500,000 Ordinary Shares (equivalent to approximately 0.01 per cent of the existing issued Ordinary Shares).

Yours faithfully

Brent Fitzpatrick

**Non-Executive Chairman**

## EXPECTED TIMETABLE OF EVENTS

Date of this document	30 December 2021
Latest time and date for receipt of Forms of Proxy	12 noon on 20 January 2022
Annual General Meeting	12 noon on 24 January 2022
Record Date for the share consolidation	6.00 p.m. on 24 January 2022
Existing Ordinary Shares disabled in CREST and share register closed	6.00 p.m. on 24 January 2022
Admission effective and dealings commence on AIM in New Ordinary Shares	8.00 a.m. on 25 January 2022
CREST accounts credited with New Ordinary Shares	25 January 2022
Certificates in respect of New Ordinary Shares dispatched	week commencing 31 January 2022
ISIN of Existing Ordinary Shares	GB00BYZ9XC29
ISIN of New Ordinary Shares	GB00BMG9C974

Times stated above refer to UK time.

# Vela Technologies plc

(Registered in England No. 03904195)

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2021 Annual General Meeting of the Company will be held at 15 Victoria Mews, Mill Field Road, Cottingley Business Park, Bingley, West Yorkshire BD16 1PY at 12 noon on 24 January 2022 for the following purposes:

### RESOLUTIONS

#### **Ordinary business**

To consider and, if thought fit, to pass resolutions 1 to 5 (inclusive) as ordinary resolutions:

- 1 To receive and adopt the directors' report, the auditor's report and the Company's accounts for the year ended 31 March 2021.
- 2 To re-appoint Murray Harcourt Limited as auditor in accordance with section 489 of the Companies Act 2006, to hold office until the conclusion of the next Annual General Meeting of the Company.
- 3 To authorise the Directors to determine the remuneration of the auditor.
- 4 To re-appoint Brent Fitzpatrick as a Director of the Company.
- 5 To re-appoint Emma Wilson as a Director of the Company.

#### **Special business**

To consider and, if thought fit, to pass resolutions 6, 7 and 9 as ordinary resolutions, and resolution 8 as a special resolution:

- 6 THAT, with effect from the close of business on 24 January 2022 (or such other time or date as the directors of the Company may determine), every 50 ordinary shares of 0.01p each in the issued share capital of the Company be consolidated into one new ordinary share of 0.5p each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of 0.01p each in the capital of the Company as set out in the Company's articles of association for the time being; and that (as no shareholder is entitled to a fraction of a share) the Directors be and are hereby authorised to arrange for the aggregation and sale of such fractional entitlements at the best price reasonably obtainable and to distribute the net proceeds to such shareholders (subject to a minimum entitlement of £3) and to retain the balance of the net proceeds of sale for the benefit of the Company.
- 7 THAT, in addition to all existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be authorised generally and unconditionally pursuant to Section 551 of the Companies Act 2006 as amended to exercise all the powers of the Company to allot shares and/or rights to subscribe for or to convert any security into shares, provided that the authority conferred by this resolution shall be limited to the allotment of shares and/or rights to subscribe or convert any security into shares of the Company up to an aggregate nominal amount of £400,000, such authority (unless previously revoked, varied or renewed) to expire on the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the date on which this resolution has been passed, provided that the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require shares and/or rights to subscribe for or to convert any security into shares to be allotted after such expiry and the directors may allot such shares and/or rights to subscribe for or to convert any security into shares in pursuance of such offer, agreement or other arrangement as if the authority conferred hereby had not expired.

8 THAT, in addition to all existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be and are hereby generally empowered to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) pursuant to the general authority conferred by resolution 7 above for cash or by way of sale of treasury shares as if Section 561 of the Companies Act 2006 or any pre-emption provisions contained in the Company's articles of association did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:

- (i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be practicable) to their then holdings of such securities, but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever;
- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £400,000;

such authority and power (unless previously revoked, varied or renewed) to expire on the earlier to occur of 15 months after the passing of this resolution or the conclusion of the next Annual General Meeting of the Company, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power hereby conferred had not expired.

9 THAT the Company's investing policy be revised and be as follows; and that the Directors of the Company be authorised to take all such steps as they may consider necessary or desirable to implement the investing policy:

#### **"Investing Policy**

The investing policy of Vela Technologies plc is focused on enterprises using disruptive technology either to gain an advantage in an existing market or to create a new market. Within that over-arching strategy, Vela 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. They may be established businesses that are developing a new line or technology, or they may have been formed specifically in order to exploit a particular product which is expected to disrupt the market or create a completely new one. 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 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**

Disruptive technology is not confined to the pure technology sector, but may be found in IT software businesses, including SaaS (software as a service); or in 'bricks and mortar' businesses which use IT in innovative ways in order to disrupt the sector in which they operate.

The definition of disruptive may also extend to pharmaceutical businesses where, for example, a new drug may have the potential to make a beneficial impact on the treatment of medical conditions; as well as to companies operating in the wellness and life sciences sectors.

#### **Corporate status**

Vela 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**

Vela will generally expect to make investments in the form of equity. It will also consider investing in loan stock which is convertible (usually at Vela's option) into equity shares. In certain cases (e.g. a new drug which may be one of a number being developed by the promoter) it may be appropriate for Vela to take an interest in the future cash flows from that drug. Vela'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 Vela 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**

Vela 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 sell the business, Vela 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 investing policy 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**

The number of projects in which the Company may invest will be limited by 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 Vela at the point of investment. Both the number and size of investments will therefore vary according to Vela's human and monetary resources. Each of these will be referred to in Vela'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 Vela 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.

Equity interests will be minority in nature and rarely exceed 10% of an investee's issued share capital.

### **Opportunistic investments**

As a result of Vela'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 to no more than 5% of the Company's net asset value and would usually be made on the strict understanding and expectation that any such investment would be held for the short term only.

### **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. Vela will not have a separate investment manager.

### **Nature of returns**

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

Where Vela's expected percentage holding in investee businesses or the monetary quantum of its investment justifies it Vela may seek or be offered a position on the investee's board of directors. In those instances where this is applicable, 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 to the investing policy will be subject to the prior approval of shareholders."

Dated: 30 December 2021

*Registered Office:*  
15 Victoria Mews  
Mill Field Road  
Cottingley Business Park  
Cottingley  
Bingley  
West Yorkshire  
BD16 1PY

*By order of the Board*  
Emma Wilson  
Secretary

### **Notes:**

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. **There are no longer any Covid-19 related legal prohibitions on attending the meeting in person. However, in light of the continuing impact of Covid-19, current government guidance, and recognising that some members and proxies may still be reluctant to attend in person, (i) the vote on each of the resolutions put to the meeting will be taken on a poll; and (ii) shareholders are strongly advised to appoint the chairman of the meeting as their proxy. The Company will keep the current Covid situation and any change to current government guidance under review. If arrangements for the meeting need to be changed, a market announcement will be made through a regulatory information service.**



3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. **As all resolutions will be taken on a poll, shareholders are strongly advised to appoint the chairman of the meeting as their proxy.**
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
5. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- (a) completed and signed;
- (b) sent or delivered to the Company's Registrars, Neville Registrars Limited, at Neville House, Steelpark Road, Halesowen B62 8HD; and
- (b) received by no later than 12 noon on 20 January 2022.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

7. To change your proxy appointment, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, you may photocopy the enclosed proxy form.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

8. In order to revoke a proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating that you revoke your proxy appointment to Neville Registrars Limited, at Neville House, Steelpark Road, Halesowen B62 8HD. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by no later than 12 noon on 20 January 2022.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person.

9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company as at 6.00 p.m. on 20 January 2022 or, if this meeting is adjourned, at 6.00 p.m. on the date two business days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.