CLEAN POWER FROM RENEWABLE FUELS

Libertine Holdings PLC

Annual Report and Accounts 2023

Contents

We create Linear Generator technology for heavy duty vehicles and reliable distributed power using fossil-free energy sources.

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Highlights

Operational Highlights

- Completion of work with Hyliion Holdings Corp. for the integration of Libertine's HEXAGEN™ hermetic linear generator technology into their first prototype KARNO™ vehicle generator.
- Completion of the design, manufacture and testing of Libertine's intelliGEN™ performance validation prototype linear generator for heavy duty powertrain applications.
- Memorandum of Understanding (MOU) entered into with Ashok Leyland to evaluate the use of Libertine's technology platform for its commercial vehicle powertrains.
- Progressed strong commercial interest in our technology for the decarbonisation of heavy-duty vehicles and distributed power, across a number of key geographical regions.

Financial Highlights

Revenue £k

£921k

2023	921k
2022	824k
2021	32k

Adjusted EBITDA[1] loss £k

£3,977k

2023	3,977k
2022	874k
2021	676k

Cash and Cash Equivalents £k

£2,478k

2023	2,478k
2022	6,697k
2021	280k

1) Adjusted EBITDA is an alternative performance measure for which a reconciliation to a GAAP measure is provided in note 7 on page 45.

At a Glance

Clean power from renewable fuels

Our Mission

To bring forward the widespread use of Linear Generators in transport and distributed power applications.

Who We Are

Libertine was established in 2009 to create Linear Generator technology for clean, efficient power generation using green hydrogen and other low carbon and renewable fuels.

Our facility in Sheffield sits in the heart of the UK's advanced manufacturing technology cluster.

We were awarded the London Stock Exchange's Green Economy Mark in April 2022.

>30

We have over 30 granted patents.

Find out more about us at:
www.libertine.co.uk

What We Do

Libertine has created two technology platforms, each using the same core technology elements, which the Company provides to its OEM customers for their development of Linear Generator and Linear Motor products:

Find out more about what we do at:
www.libertine.co.uk

Our Core Technology

intelliGEN™

The intelliGEN™ platform enables the creation of clean, highly efficient and fuel-flexible Linear Generator products including:

- heavy-duty hybrid powertrains of trucks, buses, tractors, construction and mining equipment;
- medium and light-duty hybrid powertrains of commercial vehicles operating over longer distances;
- a proportion of the passenger automotive market where vehicle use and recharging constraints are a barrier to battery electrification; and
- a wide range of off-grid, portable power and distributed power generation applications.

intelliGEN™in Action

Libertine enters into Memorandum of Understanding (MOU) with Ashok Leyland

Libertine are supporting Ashok Leyland's evaluation of its technology platform for integration into commercial vehicle powertrains.

Find out more at:
www.intelli-gen.com

HEXAGEN™

The HEXAGEN™ platform enables more effective energy storage, thermal power generation, waste heat recovery and gas compression products including:

- Stirling Engine power generators and thermal energy storage systems;
- linear motor reciprocating compressor (LMRC) systems for hydrogen refuelling stations; and
- Organic Rankine Cycle waste heat recovery systems.

HEXAGEN™ in Action

Libertine Partners with Hyliion on KARNO™ Project

Libertine has supplied prototype hardware containing its HEXAGEN™ platform for integration into Hyliion's first KARNO™ vehicle demonstrator.

Find out more at:
www.libertine.co.uk/applications/hexagen/

Investment Case

Seven reasons to invest in us

1

Linear Generator Platform Technology

Libertine's intelliGEN™ platform is a result of over a decade of development of Linear Generator technology in the UK. The software control of piston motion and compression ratio provided by the intelliGEN™ platform offers the potential for significant improvements in efficiency and emissions performance.

2

Complementary to Battery Electric Vehicle Solutions

Libertine's intelliGEN™ platform enables the accelerated development of Linear Generator products which can operate as range extenders in electric vehicles.

Linear Generators could address the main economic barriers to the electrification of heavy duty vehicles.

3

Partnerships with Leading OEMs

Libertine has completed multiple successful client-led development programmes.

Today Libertine is working with an increasing number of leading OEMs and strategic development partners, demonstrating Libertine's position as a valued commercial and technical partner for the creation of Linear Generator products.

4

Licensing Model

Libertine's engineering fee and IP licensing model aims to ensure product/market fit through a focused, customer-led approach to product development, and provides a means for Libertine to rapidly scale the impact and value of its technology platform.

5

Significant Addressable Markets

The potential market for Linear Generator products goes well beyond the distributed power generation applications where Linear Generators are already in commercial use today. Heavy duty commercial and off-highway powertrain applications could be worth $70-$100bn* by 2025 and are expected to grow at rates in excess of 5% per annum.

6

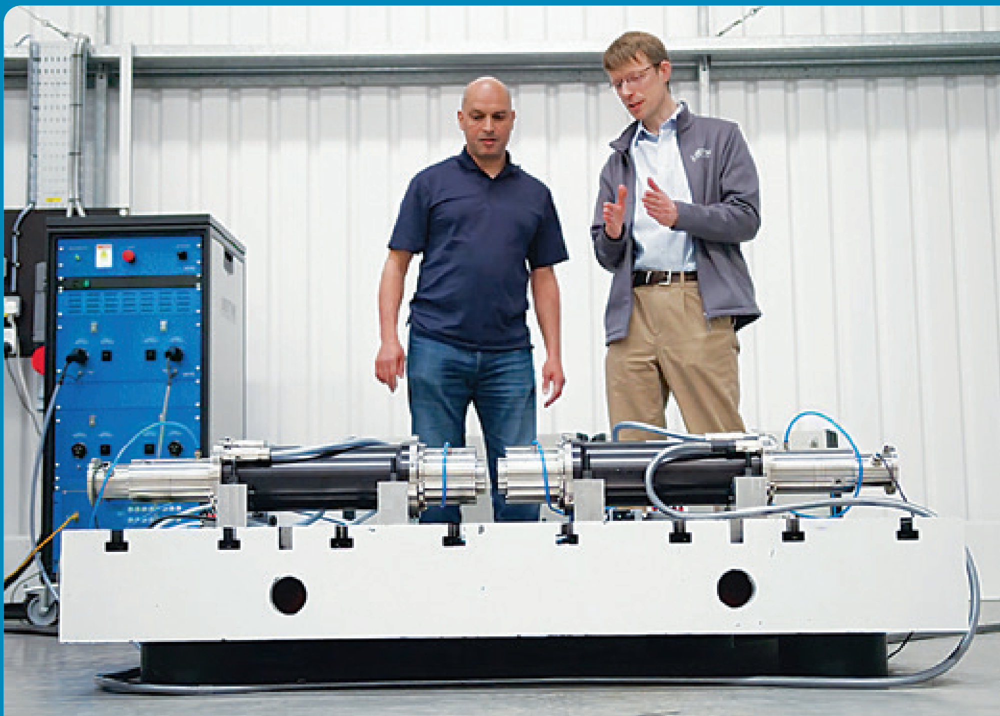
Intellectual Property

Libertine has developed a portfolio of over 30 granted patents in addition to a significant body of technical know-how, since the Company's formation in 2009, which, taken together, addresses the major technical barriers to the rapid and widespread adoption of Linear Generator technology.

7

Strong Management Team and Board

Libertine's senior management team includes Executives with decades of deep technical experience in the development of electrical machines and control technologies, advanced manufacturing, and the commercialisation of such technologies in automotive and distributed power markets.



* Guidehouse Insights Linear Generator market report, 2021.

Chair's Statement

Our mission is to bring forward the widespread use of Linear Generators in transport and distributed power applications

> We have delivered and integrated a number of performance validation prototypes for dyno and on-vehicle testing within customer product development roadmaps.
>
> **Keith Jackson**
> **Chair**

I am pleased to present the first full period of results, since our successful IPO in December 2021. The funding received at IPO has been transformational for the Group and I would like to thank our shareholders for their continuing support.

FY2022/23 Summary

During the year, Libertine has continued to deliver on the Master Consultancy Services Agreement ("MCSA") that it signed with General Electric Company (NYSE: GE, "GE") in August 2021. In September 2022, Libertine agreed to the novation of the MCSA to Hyliion Holdings Corp. (NYSE: HYLN, "Hyliion"), as a result of their deal to acquire the technology from GE.

In line with our strategy to support the product development of our OEM customers, we have delivered a number of performance validation prototypes to Hyliion to support the first vehicle demonstration of their fuel agnostic KARNO™ Hypertruck, using our HEXAGEN™ platform. We were pleased to see the first KARNO™ vehicle exhibited at the Advanced Clean Transportation Expo in California in May 2023.

Through a grant funded programme with BEIS, we have advanced our LGN120 performance validation prototype linear generator, and combustion testing of the system has commenced with our development partner, MAHLE Powertrain. We expect to demonstrate the fuel flexible capability of the generator using Hydrogen and CNG, which we believe will provide OEMs with an accelerated route to market.

In line with our plans set out at IPO, we have increased the investment in core technology development, and delivered a number of technical and performance milestones on our roadmap. Through customer testing programmes we have been able to harden our proprietary motion control capabilities and deliver durability and performance improvements.

Commercial interest in Libertine's technology platform remains strong, across a variety of applications and key geographical areas. We are focused on developing the technology platform with key OEM customers, who have the resources needed to bring new products to market.

The Story So Far...

2009

CEO Sam Cockerill founded Libertine 2009 whilst working for one of the UK's largest biofuel producers. Libertine was formed based on the insight that the future of transport and clean power generation is likely to involve a complex and diverse range of renewable fuels, working together with battery electrification, and that new technology solutions will be required to generate clean power from these renewable fuels.

2009–2016

During 2009-2016 Libertine established its IP portfolio and developed its Linear Generator technology through multiple grant-funded and commercial proof-of-concept projects.

2017

In 2017 Libertine received investment from the Northern Power Investment Fund to establish its premises and technical team in Sheffield, UK, at the heart of the UK's advanced manufacturing technology cluster.

Whilst good technical progress has been made in the year with a number of customer projects now in dyno and on-vehicle testing, development to reach this stage has taken longer than previously expected impacting the timing of follow-on revenues and cash flows. As a result, we have implemented changes to align our technology investment and operational scale up plans with the pace of our commercial progress, and have amended our go-to-market approach to drive near term cash flows.

The need for Libertine's technology remains as strong as ever given global concerns over energy pricing, resilience and the requirement to counteract the impacts of climate change.

Strategy

Libertine's proposed technology licencing model supports stage-gated development by OEM partners seeking to address key performance, technical, economic and route-to-market risks and to develop proprietary combustion systems and product integration IP. In the near term, in addition to grants, Libertine expects to continue to generate a high proportion of its revenue in engineering fees for providing linear e-machine hardware, controls and developer tools to power generator OEM customers, and supporting the integration of our platform technology within client developments.

Over time, as client development programmes result in the launch of commercial Linear Generator products, Libertine expects to increase the proportion of revenue generated from advance licence fees and royalties charged per unit on every Linear Generator product or system that uses Libertine's technology.

During the year, progress has continued against this strategy, with the delivery and integration of prototype hardware for Hyliion's first KARNO™ Hypertruck demonstration vehicle. We have also made good technical progress on our intelliGEN™ platform and control development, which we expect to drive further commercial interest.

Section 172 and Stakeholder Engagement

Effective stakeholder engagement is key to our success, helping the Board and management make better decisions. The Board recognises its responsibility to understand and consider stakeholder views as part of its decision-making process and remains committed to fostering effective business relationships.

Libertine's approach to stakeholder engagement and our Section 172 Statement is set out on page 19.

Team

I would like to formally thank all Board members and staff for their valuable contributions to the Group during the year. I would also like to thank all of our customers, development partners and suppliers, for their continued support.

Keith Jackson
Chair
27 September 2023

Today, Libertine helps OEMs develop products to make clean power from renewable fuels. Libertine's intelliGEN™ technology platform enables the creation of Linear Generator products for heavy duty powertrains and reliable distributed power using fossil-free energy sources. Libertine believes that these products will be essential for the decarbonisation of "hard to electrify" transport applications including heavy duty and off highway powertrains, light and medium duty commercial vehicles, for a proportion of passenger automotive market where vehicle use and recharging constraints are a barrier to electrification, and for a larger range of distributed power generation applications.

Since 2017 Libertine has expanded its business from £166k (Revenue in year to March 2017) to £2.9m (Sales in year to March 2022).

Today

2017–2022

Libertine's core business is the creation of linear electrical machines, controls and tools together forming a development platform for Linear Generator product development, and licensing this technology to power generator and vehicle manufacturers. Since establishing its facilities in Sheffield in 2017, Libertine has grown rapidly providing its innovative Linear Generator technology to developers in Europe, the US and Asia.

Chief Executive's Statement

We remain focused on partnering with OEMs to support the development of our technology

> Commercial interest in our technology for the decarbonisation of heavy-duty vehicles and distributed power remains strong.
>
> **Sam Cockerill**
> **Founder and Chief Executive**

I am pleased to report on our strategic progress and business performance for the financial year. During the period, Libertine has supported the adoption and use of our Linear Generator technology platforms by our OEM customers and strategic development partners, in line with our strategy.

Our mission is to bring forward the widespread use of Linear Generators in transport and distributed power applications.

Business Overview

Manufacturers of heavy-duty commercial vehicles have pledged to go "fossil free" by 2040 through a combination of powertrain technologies that include battery electrification, green hydrogen, renewable biofuels and synthetic low carbon fuels. Achieving this will require the rapid deployment of fossil fuel-free capable trucks by 2030; however, this can only happen if there is large demand from transport operators based on the use case economics for such trucks.

Battery electrification is not a universal solution to the problem of decarbonising transport. A number of significant economic barriers prevent trucks powered solely by battery electric powertrain technology from achieving decarbonisation of the heavy goods transport industry, including:

- reduced payload, due to the size and weight of batteries required;
- unproductive miles and hours, to charge the batteries;
- few charging points, creating uncertainty for truck operators and the need for off-route miles; and
- higher vehicle costs, predominantly due to the battery costs.

Libertine has developed Linear Generator technology platforms which has the potential to complement battery electrification within hybrid powertrains, addressing the significant economic barriers set out above.

Linear Generators are already in commercial use in distributed power generation applications today, displacing diesel generators due to their favourable operating economics compared to conventional internal combustion engine generators.

Libertine's technology will help meet the global need for clean, reliable and affordable transport and electrical power wherever it is needed, transforming the lives of millions of people.

Strategic Priorities

Libertine's proposed technology licencing model supports stage-gated development by OEM partners seeking to address key performance, technical, economic and route-to-market risks and to develop their own proprietary combustion systems and product integration IP. In the near term, in addition to grants, Libertine expects to continue to generate a high proportion of its revenue in engineering fees for developing and providing linear e-machine hardware, controls and developer tools to power generator OEM customers.

Over time, as client development programmes result in the launch of commercial Linear Generator products, Libertine expects to increase the proportion of revenue generated from advance licence fees and from royalties charged per unit on every Linear Generator product or system that uses Libertine's technology.

During the year, Libertine has continued to support the integration of its HEXAGEN™ electrical linear generator technology with Hyliion Holdings Corp. (NYSE: HYLN, "Hyliion"). We have delivered a number of performance validation prototypes to Hyliion for dyno and on-vehicle testing within their first KARNO™ Hypertruck demonstrator.

Libertine has also advanced its intelliGEN™ linear generator platform through a grant funded program with BEIS. Having completed the design and manufacture of a performance validation prototype Linear Generator, "LGN120", we have completed a first phase of combustion testing at MAHLE Powertrain. In addition to validating the exceptional efficiency and control performance offered by Libertine's intelliGEN platform technology, a key objective of combustion testing is to demonstrate fuel flexibility - an important differentiator for Linear Generators - by running the same engine with both hydrogen and compressed natural gas ("CNG"). This fuel flexibility has the potential to accelerate the global adoption of electrified powertrains in advance of the widespread deployment of hydrogen refuelling and battery recharging infrastructure.

Commercial interest in Libertine's technology platform within powertrain and stationary power applications remains strong, and we expect to support the use of our technology within further OEM product development programmes.

Market Overview

The addressable market for Linear Generators is significant, including over twelve million heavy duty and light duty commercial vehicles, and more than one million distributed power generator sets for energy storage, off-grid and waste-to-energy applications. Libertine's technology platform is scalable across multiple market segments, covering applications from 1–250 kilowatts of electrical power.

During the year, grant funded work with MAHLE Powertrain and work with Hyliion has focused on the design and manufacture of performance validation prototypes for heavy duty powertrain applications. We have also progressed commercial interest across other application sectors, including distributed power for telecom towers and hydrogen compression.

Technical Progress

Investment in core technology development has increased in-line with IPO plans. During the period we are pleased to have delivered a number of performance validation prototypes to customer/partner testing sites, and have supported the testing programmes. We have achieved a number of technical milestones, including progressions across durability, efficiency and power output metrics in line with our technology roadmap expectations.

Core technical development in FY2023/24 will focus on specific changes required to the first intelliGEN prototype to improve durability and operations across a wider range of compression ratios.

Financial Performance

During the year, Libertine has continued to support the integration of its HEXAGEN™ technology platform with Hyliion Holdings Corp. (NYSE: HYLN, "Hyliion") and develop its intelliGEN™ technology platform through grant funded operations with the Department for Business, Energy and Industrial Strategy ("BEIS"), alongside a number of other commercial projects.

The Group delivered £0.9m of commercial revenue and £0.4m of grant income. The business has continued to deliver operational milestones across a number of revenue and grant contracts and is gaining commercial traction and increased interest from OEMs.

Commercial revenues of £0.9m (FY22: £0.8m) were delivered across a number of engineering services contracts, predominately with Hyliion.

As of 31 March 2023, the Group had cash reserves of £2.5m.

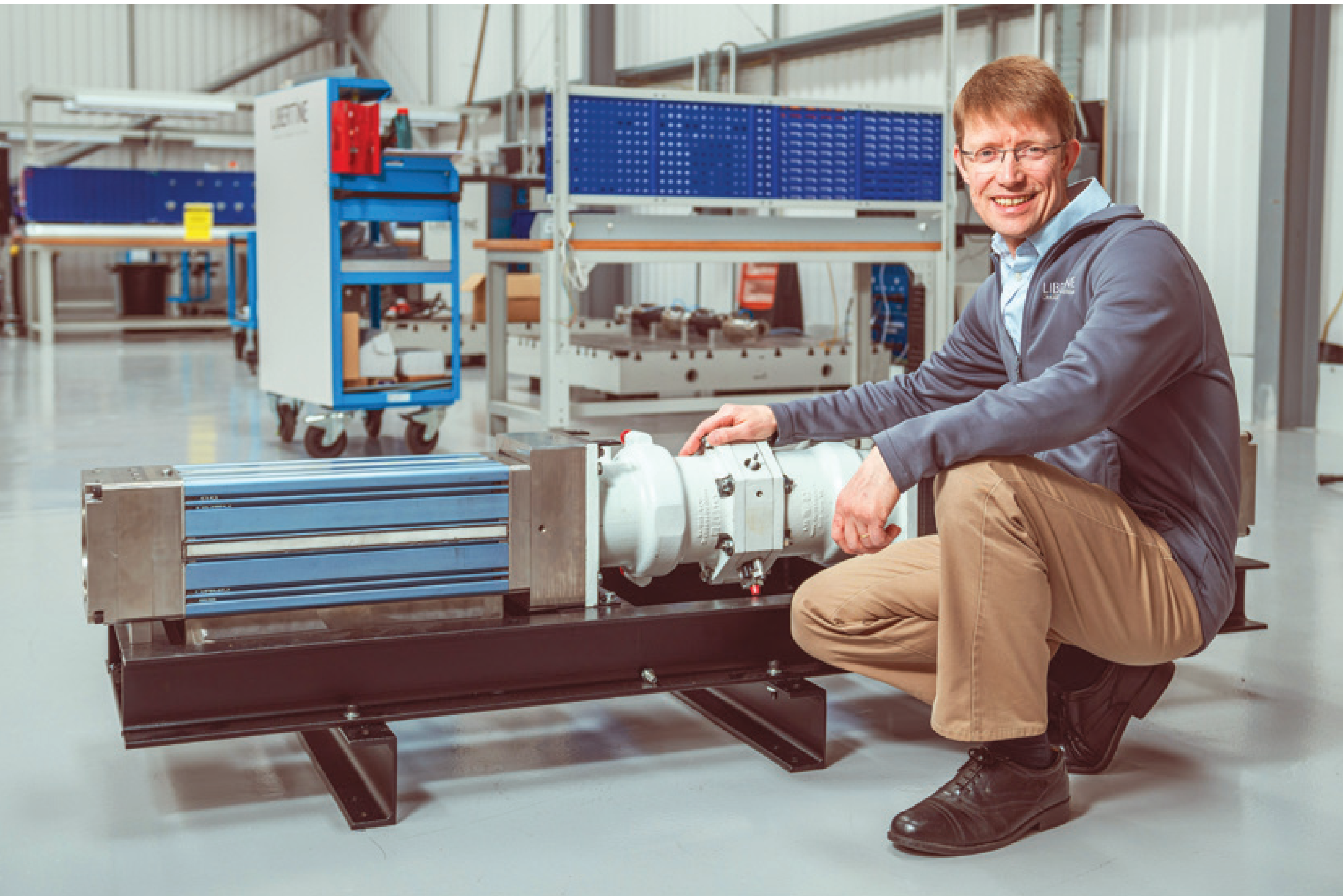
Outlook

Whilst strong technical progress has been made in the year with a number of commercial and grant funded projects now in dyno and on-vehicle testing, development to reach this stage has taken longer than previously expected impacting the timing of follow-on revenues.

We have aligned our technology investment and operational scale up plans with the pace of our commercial progress. We have also amended our go-to-market strategy to focus on key manufacturing partners who have the ability to bring product to market.

Management remain focused on partnering with OEM's to support the funding requirements for bringing the technology to market.

Sam Cockerill
Founder and Chief Executive
27 September 2023



Innovation

Developing clean power generation technology

Libertine expects that Linear Generators using its intelliGEN™ platform will match the performance and economic benefits currently demonstrated by larger scale Linear Generator products already in commercial use in the US. These benefits fall broadly into two categories:

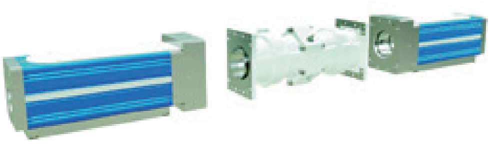
- **Total cost of ownership and reliability benefits**, including fuel efficiency, low maintenance costs, good reliability/uptime and durability.
- **Performance and utility benefits,** including fuel flexibility, low emissions, compact packaging, fast demand response and low vibration.

Integrating Libertine's technology provides a lower risk, faster and more cost-effective development path to market, alongside compelling technology advantages thanks to Libertine's proprietary platform innovations.

1

What is a Linear Generator?

A Linear Generator converts energy stored in a fuel or provided by a heat source into electricity as a result of pistons that each push magnets or magnetically active materials back and forth within a linear electrical machine.



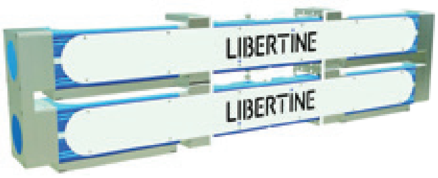
2

Linear Generators for Range Extender applications

Range extenders are fuel-powered units which drive an electric generator to charge an electric vehicle's battery or directly power wheel motors, extending the vehicle's range.

Estimated market worth

$70–100bn*



3

Linear Generators for Distributed Power applications

Linear Generators are already in commercial use in distributed power generation applications today, displacing diesel generators due to their favourable operating economics compared to conventional ICE gensets.

Estimated market worth

$12–20bn*

* Guidehouse Insights Linear Generator market report, 2021.

Applications

For the most demanding power and motion applications

4

intelliGEN LINEAR GENERATORS

Libertine intelliGEN™ Platform

Libertine's intelliGEN™ technology platform provides a robust, client-configurable hardware and software platform to accelerate Linear Generator development.

Compact, clean power generators for transport and distributed power applications using renewable fuels

Key features

- 1-120 kWe Linear Generator product family for clean, on-demand electrical power
- Compact opposed piston 2-stroke format, proprietary uniflow scavenging architecture with conventional oil lubricated ring pack
- Proprietary electrical machine and control system for clean combustion control and efficient electrical power conversion

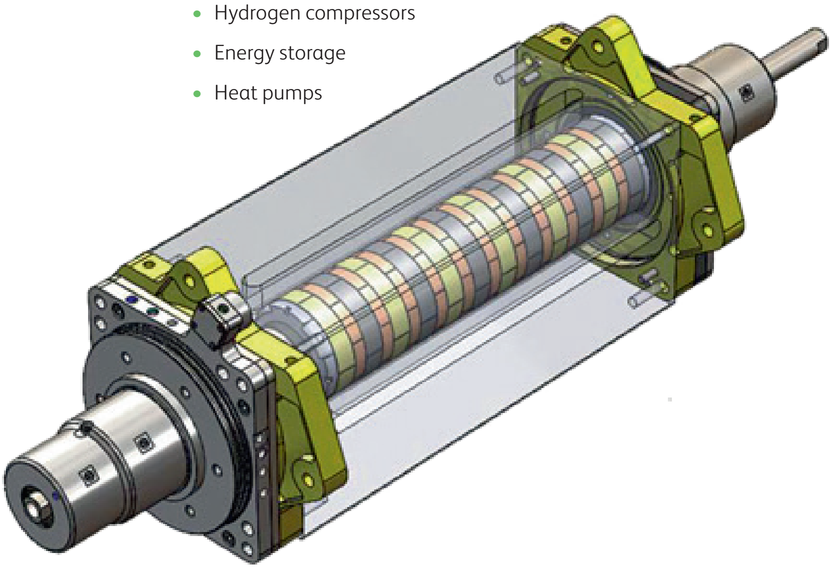
Find more information on our intelliGEN™ platform at: **www.intelli-gen.com**

5

HEXAGEN LINEAR GENERATORS

Hermetic Linear Motor-Generator platform technology for power generation and other applications.

- Stirling engine power generation
- ORC heat-to-power systems
- Hydrogen compressors
- Energy storage
- Heat pumps



Product performance benefits

- Electrical efficiency and power density
- Wide range of operating points
- Low maintenance costs
- Reduced footprint
- Extended life

Product developer benefits

- Proven e-machine and control technology
- Mechanical, electrical, thermal and control system interfaces are designed for ease of integration with application technology to maximise product performance benefits

Find more information on our intelliGEN™ platform at: **www.libertine.co.uk/applications/hexagen/**

Business Model

Creating value through efficient, clean power generation

Libertine has an asset-light licensing business model, which aims to integrate its technology platform into customer development programmes and mass volume production.

Success Factors

People
The skills and expertise of our employees are what create our core technology and deliver engineering services to our customers.

Technology and Manufacturing
Libertine's platform is a result of over a decade of development and this accumulated know-how is complemented by our technology development and manufacturing partnerships.

IP
Libertine has developed a portfolio of over 30 granted patents and continues to file new patent families to protect our innovations.

Customer Partnerships
We aim to develop long-term relationships with OEMs to support their creation of Linear Generator products, and with strategic development partners to extend our market reach.

Competitive Advantages

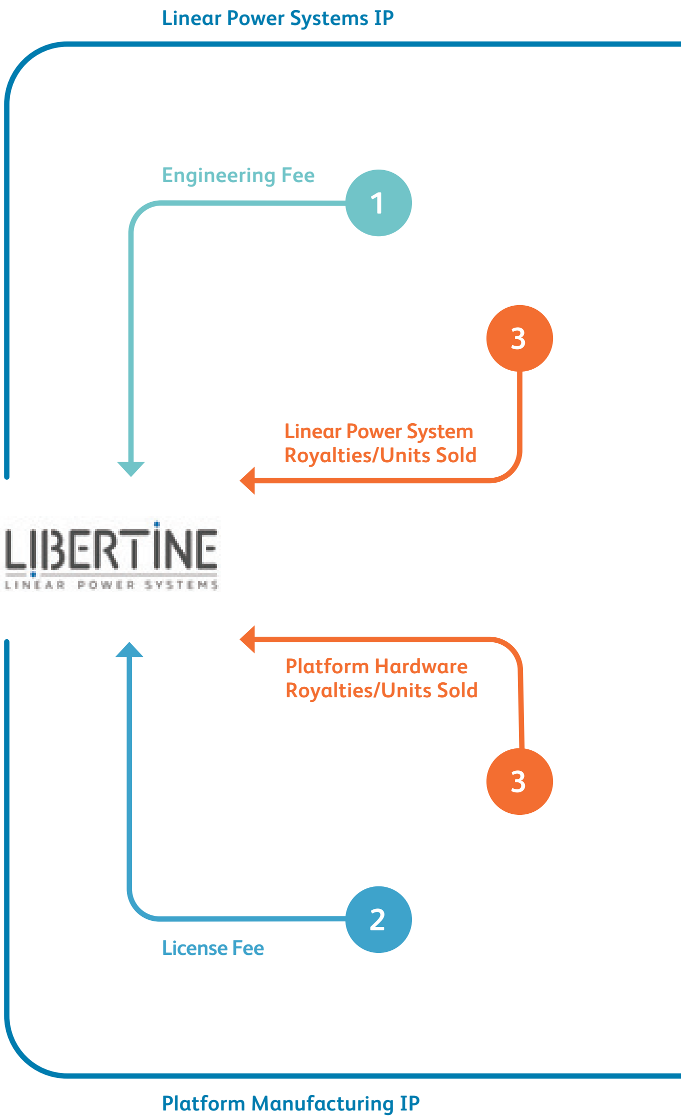
Technology
Libertine's proprietary technology is resolving a number of the challenges faced by previous linear generator developers.

Partnerships
Libertine has strong links into capable partners across their entire business model.

Licensing Model
Libertine's licencing model allows OEM customers to accelerate the development of their own proprietary linear generator products.

Management
Management have extensive knowledge of the market and the fit with Libertine's platform capabilities.

How We Do Business



Power Generator OEM Customers

Linear Generators

End Product Sales

Linear e-machines and Control Platform Hardware

Manufacturing Partners

End Product OEM Customers

Find more information
www.libertine.co.uk

Value Creation

People

We support the growth and development of our employees whilst inspiring them to push the boundaries of technology development.

OEM Partners

Libertine supports accelerated product development programmes, reducing the time, cost and risk of Linear Generator product development.

End Use Customers

Linear Generators will create firm, clean power from renewable fuels, improving the customer economics of net zero transport and power generation solutions.

Shareholders

Our asset light licencing business model aims to deliver high capital growth for shareholders.

Market Place

Our markets

The potential market for Linear Generator products goes well beyond the distributed power generation applications where Linear Generators are already in commercial use today, complementing intermittent renewable power with clean, on-demand power generation. Linear Generators also have the potential to complement battery electrification in hybrid powertrains, providing on-board power generation to address the practical and economic barriers to rapid adoption of clean electric propulsion using battery electric powertrain technology alone.

Application	**1. Heavy Duty Commercial Vehicles (50–150 kWe)**	**2. Off-grid, Energy Storage & Waste-to-energy (5–50 kWe)**	**3. Light Commercial Vehicles (20–150 kWe)**	**4. Heavy Duty Off Highway**
General Impact	Heavy duty commercial vehicle market is largely dominated by diesel fuel trucks. Battery electrification is challenged by reduced payload, uncertainty of charging infrastructure and higher vehicle costs.	In developing countries, off-grid applications are typically served by old and inefficient diesel engines. The development of grid infrastructure is insufficient to support battery electrification in these areas.	In certain regions, such as India, light 2- and 3-wheel commercial vehicles are highly polluting and inefficient.	Battery electrification of farming, forestry, mining and construction industries will be challenged by payload impacts, access to grid infrastructure, idol charging times and higher vehicle costs.
Market Drivers	• Addressable market of 2-4m units/$20-25bn per annum. • Net zero by 2050 requires rapid deployment of fossil-free capable trucks by 2030.	• Addressable market of 1-2m units/$6-12bn per annum. • Policy support from governments and major companies to decarbonise these technologies in highly polluted areas.	• Addressable market of 10-17m units/$40-55bn per annum. • Policy support from governments and major companies to decarbonise these technologies in highly polluted areas.	• Addressable market of 2-7m units/$10-20bn per annum. • Net zero by 2050 requires rapid deployment of fossil-free capable vehicles by 2030.
Our Response	Development of LGN120 platform for heavy duty powertrain vehicles. Fuel flexibility allows trucks to be developed today using on-forecourt fuels, whilst maintaining flexibility to use fuels of the future (inc. Hydrogen).	Libertine's fuel flexible intelliGEN™ platform can be sized for smaller market applications, using fuels that are less prone to theft.	Libertine's fuel flexible intelliGEN™ platform can be sized for smaller market applications, where the development of grid infrastructure is insufficient to support battery electrification demands of rapidly growing population.	Development of LGN120 platform for heavy duty powertrain vehicles. Fuel flexibility allows vehicles to use wastes and residues incurred through current operations.
Link to Strategy	**Link to Strategy**	**Link to Strategy**	**Link to Strategy**	**Link to Strategy**

Strategy

Our mission is to bring forward the widespread use of Linear Generators in transport and distributed power applications

Our Strategy Is To:

	1. Develop Our Technology Platform Through To Commercial Launch With Licensee Customers	2. Create Commercial Scale Across A Number Of Applications	3. Support OEM Development Programmes To Integrate Our Technology	4. Enhance The Strength Of Our Licensing Model And IP Portfolio
Description	We are working on joint development arrangements to support the creation of our customers' products through to commercial product launch and mass production.	We create commercial scale by generating more demand for our technology, through increasing our commercial customers across a growing range of applications.	We support our customers to integrate our technology platform into their products, through stage-gated engineering services.	Through our investment in core technical development we are enhancing the strength of our patent portfolio and further platform innovation.
Key Achievements	• Delivery of first prototype hardware to Hyliion for vehicle integration. • Completion of the design and manufacture of LGN120-P1 performance validation prototype.	• Progressed strong commercial interest across heavy duty powertrain and distributed power applications.	• Integration of Libertine's electrical linear generator technology with Hyliion KARNO™ vehicle. • Entered into Memorandum of Understanding with Ashok Leyland for evaluation of Libertine's technology.	• Enhanced core technical development through customer programmes and core research and development work.
Future Actions	Our partners are investing in manufacturing our technology as our teams work together towards product launches. We remain focused on securing additional long-term OEM relationships, across a number of applications.	As planned, we are utilising the funds raised at IPO to invest in our manufacturing capacity and capabilities. We aim to form strategic development partnerships to extend our market reach, and attract manufacturing partners to support the scale up of our production volumes.	Our key focus is on delivering on our existing customer programmes and achieving milestones with our customers. We have utilised the funds raised at IPO as planned to invest in our engineering team so that we can deliver across an expanding number of customers.	We are working with IP specialists to enhance our patent portfolio and protect it. We are investing in our core technical development in a strategic and targeted way to make the best use of available resources.
Link to KPI & Risk	**Link to KPI** 5 **Link to Risk** 1 2 5	**Link to KPI** 1 6 **Link to Risk** 3 4	**Link to KPI** 2 4 **Link to Risk** 2	**Link to KPI** 5 **Link to Risk** 4

KPIs

The Board monitors the Group's progress against its strategic objectives and the financial performance of the Group's operations

Financial KPIs

1

Revenue from Commercial Customers

£921k

Description

Growing commercial revenues on customer programmes is an important pre-cursor to licence income.

How We Calculate

'Revenue' per the consolidated statement of comprehensive income.

Comments on Results

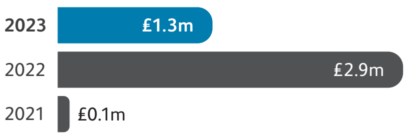
Revenues in 2023 and 2022 have predominately been with GE/Hyliion.

Link to Strategy

2

Revenue and Other Income

£1.3m



Description

Revenue and other income includes both commercial and grant funded projects.

How We Calculate

'Revenue' and 'Other operating income', per the consolidated statement of comprehensive income.

Comments on Results

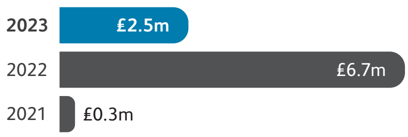
2022 included a significant one-off grant funded project.

Link to Strategy

3

Cash and Cash Equivalents

£2.5m



Description

Funds available for the investment in core technical development and operations.

How We Calculate

'Cash and cash equivalents' per the consolidated statement of financial position.

Comments on Results

Funding raised at IPO has been utilised in the period to support core technology and operational scale up.

Link to Strategy

Non-Financial KPIs

4

Customer Programme Delivery

FY2022/23 Performance

Whilst we have continued to deliver on customer programmes, development has taken longer than previously expected.

Description

We aim to ensure that our customer programmes progress through to first product launch and mass production.

How We Calculate

Actual timing of customer milestone delivery, vs budget.

Link to Strategy

5

Technology Readiness Level ("TRL")

FY2022/23 Performance

Our TRL has increased in the period, as demonstrated by the manufacture and integration of performance validation prototypes for dyno and on-vehicle testing.

Description

We aim to advance our technology through to TRL 9 "Full commercial operation" over a reasonable timeframe.

How We Calculate

By reference to published TRL definitions.

Link to Strategy

6

Commercial Traction

FY2022/23 Performance

Good commercial traction has been achieved in the period, with high levels of interest across a variety of applications and key geographical markets.

Description

We remain focused on securing long-term OEM relationships and supporting OEM development programmes.

How We Calculate

Number of commercial agreements proposed and signed, as well as other engagement measures.

Link to Strategy

Finance Review

Commercial revenues have increased in the period

> We have aligned our technology investment and operational scale up plans with the pace of our commercial progress.
>
> **Gareth Hague**
> **Chief Financial Officer**

During the period we have continued to deliver on commercial and grant funded programmes for the development of the HEXAGEN™ and intelliGEN™ platforms. In line with our plans set out at IPO, we have invested in our core technical development and engineering capabilities, ahead of the conversion of commercial interest.

We remain committed to delivering on our current customer programmes and supporting the integration of our technology into the products of our OEM customers.

Financial Performance

	FY2022/23 £m	FY2021/22 £m
Commercial revenue	**0.9**	0.8
Grant income	**0.4**	2.1
Total income	**1.3**	2.9
Cost of sales	**(1.8)**	(2.5)
Admin expenses	**(3.6)**	(1.3)
Adjusted EBITDA	**(4.1)**	(0.9)
Exceptional items	**—**	(1.0)
Net interest charge	**(0.0)**	(1.4)
Loss before tax	**(4.1)**	(3.3)
Taxation	**0.4**	0.1
Loss after tax	**(3.7)**	(3.2)

Revenues and Grant Income

Commercial revenues in the year were generated from engineering services on a number of customer programmes. The majority of the revenue came from the engineering development with Hyliion (formerly GE) on the first phase of our joint development agreement.

Grant income in the period relates to a new program which commenced with BEIS in March 2022. The additional grant funding is supporting the further development of the intelliGEN™ platform to demonstrate hydrogen and compressed natural gas ("CNG") fuel flexibility.

Operating Expenses

Administrative expenses increased in the period, as a result of investment into core technical development, scale up of the engineering team to support customer contracts and a full year of post-IPO professional fees. In the prior year, operating expenses includes £1.0m of exceptional costs incurred as a result of the IPO.

Share option charges in the current year relate to the Long Term Incentive Plan issued to all employees. In the prior year, share option charges related to the Enterprise Management Incentive share schemes which had previously been issued and which vested at IPO.

Adjusted EBITDA

The Adjusted EBITDA loss of £4.1m (FY2021/22: £0.9m) increased from the prior year as a result of the planned investment in core technical development, scale up of the engineering team to support customer contracts and a full year of post-IPO professional fees.

Adjusted EBITDA is calculated after adding back operating costs of an exceptional nature, which are not considered to form part of the underlying performance. The reconciliation of adjusted EBITDA to the loss from operations for the financial year is shown on page 45.

Finance Income and Expense

Net interest charges of £1.4m in the prior year predominately related to the movement in the fair value of the convertible loan note up to its conversion at the IPO. No similar charges have been incurred, as expected, in the current year.

Taxation

The tax credit for the current and prior year relates to research and development tax credits. No corporation tax charge has been incurred in the year as a result of the losses before taxation. The Group has £6.9m (FY2021/22: £3.4m) of unutilised tax losses as at 31 March 2023.

Finance Review continued

Cash

The Group end of year cash balance for FY2022/23 was £2.5m (FY2021/22: £6.7m). In line with our plans set out at IPO, we have invested during the year in the development of our core technology platform and in the scale up of our operational teams to support OEM customers.

Given the supply chain challenges experienced in the prior year, we have built inventories to support expected sales of intelliGEN™ prototype hardware during FY2023/24. Inventories have increased by £0.4m in the period.

Accounting Policies

The consolidated financial information has been prepared consistently in accordance with UK-adopted International Accounting Standards.

Going Concern

The consolidated financial statements have been prepared on a going concern basis.

The Directors have undertaken a comprehensive assessment to consider the Group and the Company's ability to trade as a going concern for a period of twelve months from the date of approving the financial statements. As of 31 August 2023, the Group had cash reserves of £1.2m, in addition to outstanding debtors of £0.2m, inventories of £0.6m, corporation tax receivables due of £0.4m and current liabilities of £0.2m.

The Directors have robustly tested the going concern assumption in preparing these financial statements, taking into account the Group's liquidity position as at 31 March 2023 and a number of severe but plausible downside scenarios, which collectively would be considered remote. Absent of any additional revenues, the Group has funds required to maintain current operations, through to May 2024. The Group expects to secure new revenues and incomes within the next 12 months which are more than sufficient to support approving the financial statements as a going concern. The Directors acknowledge that the uncertainty may arise with respect to both the timing and quantum of additional revenues and income. This indicates a material uncertainty which may cast significant doubt upon the group's and the company's ability to continue as going concern.

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required. On that basis, the Directors consider it is appropriate to prepare the financial statements as a going concern and have not included the adjustments that would result if the Group and Company were unable to continue as a going concern.

Gareth Hague
Chief Financial Officer
27 September 2023

Risk

The Board is responsible for risk management to safeguard the business

Risk management remains a key priority for Libertine to sustain the success of the business in years to come. Each area of the business identifies, evaluates and manages risk according to the Board policy.

Our Approach to Risk Management

The Board is responsible for risk management to safeguard that the business is not exposed to either unnecessary risks or insufficient management of those risks. The Audit & Risk Committee reviews the Group's risks and internal control processes in support of the Board.

Risk Management Process

The Board is responsible for the Group's risk framework and aims to ensure that the Group's ability to achieve its strategy outweighs its risk exposure.

The Board understands that some risks are inherent in our business activities and can relate to internal and external strategic threats, operational issues and compliance with laws and regulations.

The Group's risk management programme can only provide reasonable, but not absolute, assurance that risks are managed to an acceptable level. The Audit & Risk Committee supports the Board in monitoring the effectiveness of our risk management and internal control policies, procedures and systems. This summary is not intended to include all risks that could ultimately impact our business and the risks are presented in no particular order.

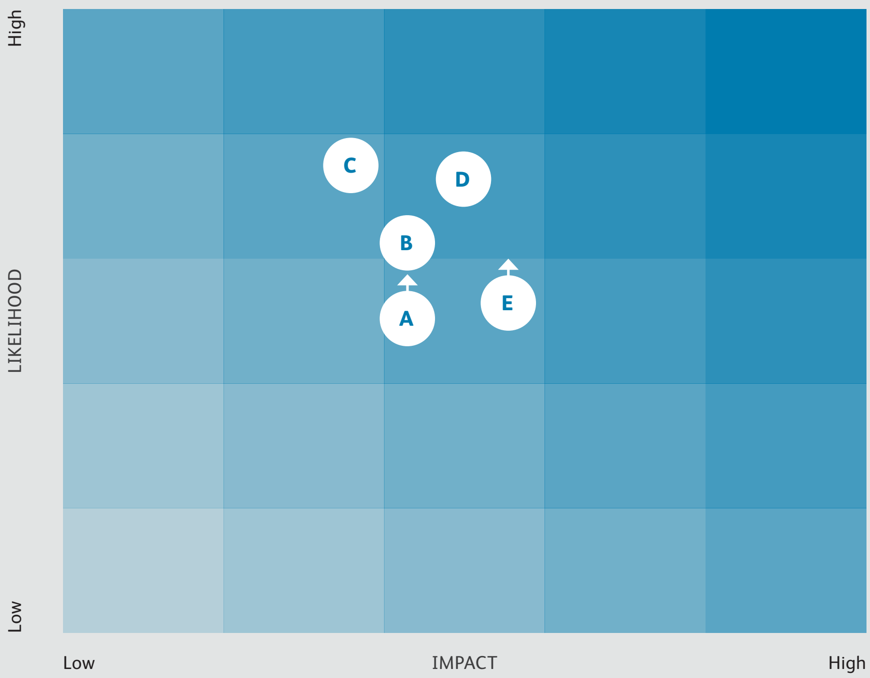
Risk Management Framework

Board of Directors
Ownership and Monitoring

Audit & Risk Committee
Independent Review and Challenge

Divisional and Functional Risk Registers

Principal Risks Heat Map



This risk heat map provides a graphical representation of the principal risks and uncertainties. It shows the assessment of the relative impact and likelihood of each risk, along with an indication of the year-on-year movement of each risk described in detail on the following page.

- **A** Core Technology Development
- **B** Commercial Contract Delivery
- **C** Competition and Markets
- **D** Intellectual Property ("IP") Protection
- **E** Funding Requirements

Risk continued

A Core Technology Development

Risk Description
We may not be able to develop technology through to commercial product launch, at an appropriate cost point and with a broad commercial appeal.

Actions Taken by Management/Mitigations
Technology roadmaps are maintained which map the future developments and performance expectations. These roadmaps are discussed with our customers and other third parties to obtain assurance over their demand/utilisation.

B Commercial Contract Delivery

Risk Description
Our route to commercialisation is through joint development and licensing partnerships with companies. Success will depend on the Group's ability to integrate its technology into products manufactured by customers, who in turn supply their chosen markets.

We may not be able to attract new partners or to deliver against their product launch timeframes.

Actions Taken by Management/Mitigations
We have a strong customer acceptance process which assesses the likelihood and risks associated with contract delivery and commercial product launch.

We are careful to only agree achievable contract delivery schedules and we monitor our delivery and resourcing levels accordingly.

C Competition and Markets

Risk Description
Competition risks may come from current engine and powertrain manufacturers, from improvements to current engines and from new technologies (including batteries, fuel cells and microturbines).

There is a risk that other technology solutions could beat us to market and provide better performance capabilities.

Actions Taken by Management/Mitigations
We are developing a fuel-flexible technology platform for use across most/all geographical markets and a broad range of applications.

Performance capabilities are benchmarked against other applicable technology and we believe that Linear Generators have a number of differentiating positive features.

D Intellectual Property ("IP") Protection

Risk Description
The success of the Group and its ability to compete effectively with other companies partly depends upon its ability to protect its IP in its key geographical markets and exploitation of its technology in these markets.

Actions Taken by Management/Mitigations
We have internal processes in place to capture and document IP, as well as to protect, limit and control the creation and use of IP with third parties.

We have over 30 granted patents and a number of pending patents. We are also working with our IP lawyers on ensuring that we are up to date with our applications and defences.

E Funding Requirements

Risk Description
There is a risk that the amounts the Group anticipates will be needed to fund its growth will be insufficient, that the anticipated timing of such investment may prove incorrect, or that the Group may be unable to raise future funding if required.

Actions Taken by Management/Mitigations
A comprehensive business plan was prepared to support the rationale for the IPO investment.

Management continue to monitor the cash flow runway and the potential for additional funding requirements.

Links to Strategy:

- Develop our technology platform through to commercial launch with licensee customers
- Support OEM development programmes to integrate our technology
- Create commercial scale across a number of applications
- Enhance the strength of our licensing model and IP portfolio

Change During the Year:

- Increased risk
- Stable
- Improving

Stakeholder Engagement and S172

The Directors are fully committed to effective engagement with all key stakeholders

The Directors are required by the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote success of the Group for the benefit of its shareholders as a whole and in doing so are required to have regard for the following:

- the likely long-term consequences of any decision;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customer and others;
- the impact of the Group's operations on the community and the environment; and
- the desirability of the Group maintaining a reputation for high standards of business conduct; and the need to act fairly.

The Corporate Governance Report sets out how the Group approaches corporate governance as a whole. The Group's activities, strategy and future prospects are discussed in the Strategic Report. The Directors are fully committed to effective engagement with all key stakeholders.

Stakeholders

The Board considers its major stakeholders to be its shareholders, employees, suppliers and customers. When making decisions, the interests of these stakeholders are considered by the Board, depending on the likely impact of these decisions.

Shareholders

The Company values the views of shareholders and recognises their interests in the Group's strategy and performance. As an AIM-listed business, we now have a wider range of investors, both institutional, private and employee. It is important that we understand fully the matters that are most important to them in their investment decisions and that these are aligned with our corporate strategies.

Employees

The Board has a good relationship with the Group's employees. The Board maintains dialogue with employees through the Executive Directors & Senior Management, and through various visits to the premises during the year. In support of the organisational development and focus on people, a People Director was appointed May 2022. See further details of People and Culture on page 21.

Suppliers

The Board ensures that the Group works hard to maintain good relationships with its suppliers. This is achieved by contracting on reasonable business terms and making payments on time. We meet with our significant suppliers on a regular basis, frequently at their operations, to ensure that we are aligned on service and quality.

Customers

The Executive Directors meet major existing and prospective customers on a regular basis, both virtually and in person, where travel guidelines allow. Typically, weekly project calls will take place with customers to review progress and agree action points. Executive Directors also hold separate relationship management meetings on a regular basis.

Sustainability

Our mission is to bring forward the widespread use of Linear Generators in transport and distributed power applications

Our Approach to Sustainability

Our approach to sustainability is focused on two key aspects:

- our technology platform has the potential to support the journey initially to net zero, and subsequently to energy abundance; and
- growing our business in a sustainable and socially responsible manner, with strong governance at its core.

Net Zero and Future Energy Abundance

A portfolio of technology solutions will be required to meet the challenge of net zero greenhouse gas emissions by 2050, and to reach beyond that to the prize of global energy abundance. We live in a world in which renewable energy is already abundant, but this energy often arises at the wrong times, in the wrong places and in the wrong forms.

Alongside the rapid increase in renewable solar power, wind power and energy storage, there is an increasing and complementary role for renewable fuels including biofuels, green hydrogen and synthetic fuels that can be produced without fossil fuels. The diverse, distributed and variable nature of these renewable fuels requires energy conversion technologies that are more flexible, more efficient and cleaner than the engines used in transport and distributed power generation today.

Linear Generators can produce on-demand clean power from renewable fuels, complementing battery electrification in transport and balancing intermittent renewables on the grid.

Libertine's technology has the potential to help meet the global need for clean, reliable and affordable transport and electrical power wherever it is needed, transforming the lives of millions of people.

Growing Our Business in a Sustainable Way with Strong Governance

Operating sustainably is about ensuring that we make a positive impact on society and maintain strong governance standards, for the benefit of all of our stakeholders. To read more on our approach to governance, please refer to the report on pages 22 to 32.

We strive to create a positive work environment for our people, helping to ensure wellbeing and success across the Group. We are committed to strong Health & Safety Standards, with the safety of our team of paramount importance. Our Health & Safety lead is present across our offices and instrumental in guiding the process of completing and reviewing Risk Assessments on an ongoing basis. Accidents, incidents, near misses and "good-spots" are recorded and reported to the Executive Management Team and Board of Directors monthly.

In May 2022, the Group recruited a People Director to drive our employee value proposition and support our headcount growth, in line with the plans set out at IPO. We are committed to improving our gender diversity.

People and Culture

Engineering a talent pipeline through strategic human resources

"Our people in the organisation are a source of pride. We have put together a fantastic team of individuals who are focused on achieving our goals and our mission.

Sam Cockerill
Founder and Chief Executive

The past year has seen a real focus on attracting, developing and retaining the great talent Libertine now has as it continues on its commercialisation journey. There has also been developments on the company's employer brand, defining the behaviours as part of the culture and internal systems to not only attract but hold onto talented engineers in a challenging job market.

When the success of your company depends on attracting highly specialised and technically qualified people, it's important to have a great employer value proposition. This will not only attract the best people into the business, but also encourage them to stay and develop their career with you.

In the past year, the business has increased its headcount by c.50% – including a Consultant People Director, specialist engineers, a build technician, project manager and finance manager.

Improving staff engagement and creating a great employer brand does not happen overnight and usually requires a fundamental rethinking of business structures and processes. Whilst this journey continues, Libertine attribute part of its people and culture development to the evolution of a number of significant processes and ways of working, including:

Career Development and Salary Structure

A simple but effective performance development review process has been introduced, with coaching and mentoring to help develop a high-performance culture. There has also been the introduction of a new salary structure for engineers, along with a career development roadmap within Libertine so that both new and current employees could see a career pathway for themselves, and ultimately towards achievement of Chartership, should they choose this route.

Employee Benefits and Effective People Processes

As part of the review of the employee benefits Libertine offered their employees, and the creation of a benefits roadmap (for the future), a new benefit broker was engaged with, to enhance the current offering to employees, while keeping costs in check. An efficient digital holiday/absence/ whereabouts application has also implemented. Important people processes, such as recruitment and onboarding, were also reviewed and improved to get Libertine fit for future growth.

Increased Employee Communication

A successful first all-employee off-site day in 2022 was a catalyst for improving communication (especially at a more business strategy sharing level), involvement and engagement toward creating a high performing team culture.

The event has since been supplemented with regular informal conversations with each employee to keep an ear to the ground and help managers understand how engaged their direct reports are, as well as continuing to keep the business strategy foremost in people's minds. A recent half-day communication and engagement day on site was also held in the recognition of keeping employees informed on Libertine's commercialisation journey and key focus areas to achieve this.

After proactively engaging with employees via an employee engagement survey, Libertine has been able to gauge how employees felt about the business and their place in it. The results and an initial top-line action plan were also shared. Whilst employee engagement is always a journey with inevitable improvement areas, Libertine were pleased with the results and an overall engagement score of 3.9/5 (78%).

The strategic report has been approved by the Board of Directors and signed by:

Sam Cockerill
Founder and Chief Executive
27 September 2023

"

Getting Future Fit Through Strategic HR

I am very impressed with the way the team have responded to the changes. For a small business, Libertine has fully embraced strategic HR. There are actions that demonstrate recognition of the employees being key to Libertine's future success and the importance of ensuring that the right people are on the bus and in the right seats. The recent engagement survey and moreover results were really encouraging to see in a number of the people focus areas over the past year, clearly 'hitting the spot' for people."

Consultant People Director, Julia Langton

"I am delighted with the progress made for a small business. Both myself and Sam (the CEO) have been really pleased with the people and culture development that has taken place over the past year. A catalyst being using the skills and experiences, relative to small tech businesses, of a dedicated people specialist. We now have the foundations in place for future growth."

Chief Financial Officer, Gareth Hague

Board of Directors

Sam Cockerill
Founder and Chief Executive

Skills and Experience

Sam was previously an independent management and technical consultant to the renewable energy industry and public sector. Sam was a member of the senior management team of Ensus, which he helped to develop from a project financed startup business in 2007 into one of Europe's major bioethanol producers and successfully sold to CropEnergies in 2013. Sam has over 20 years' experience in automotive engineering, consumer product development and strategy consulting. He is a chartered mechanical engineer and has an MBA from INSEAD.

Keith Jackson
Independent Chair

Committees

R A N

Skills and Experience

Keith was founder and managing director of Pi Technology, an automotive control systems company whose engine controls are used on millions of vehicles around the world. Following the sale of the company to a major OEM he joined Rolls Royce Engines PLC where he worked as chief technology officer in the electrical power and control systems group and later became the chief technology officer at Meggitt PLC until May 2019. Keith is a Fellow of the Society of Automotive Engineers, a previous Rolls Royce Engineering Fellow and a Royal Aeronautical Society Fellow. He is a computer science graduate from University College London.

Gareth Hague
Chief Financial Officer

Skills and Experience

Gareth joined Libertine in 2021 as Chief Financial Officer, following three years as group finance director of Fintel plc, an AIM-listed fintech and support services business. During his time at Fintel, Gareth led the group's finance functions and was an integral part of the team that took the business through its IPO process in April 2018. Gareth started his career at PwC, before joining Pace plc, the FTSE 250 set-top box manufacturer. He spent five years within the senior management team at Pace plc and supported its sale to a Nasdaq-listed group in 2016. He is a chartered accountant with the ICAEW.

Committee Membership

A Audit & Risk Committee N Nomination Committee R Remuneration Committee ● Chair of Committee

Doug Montgomery

Independent Non-Executive Director

Committees

N R A

Skills and Experience

Doug served as global head of sales and marketing at Wood Mackenzie where he worked from 2000 to 2015, during which time the company was taken private through a management buy-out in 2001 and sold to Verisk Analytics in 2015 for £1.85bn.

Doug is currently chairman of Westwood Global Energy Group, an energy market intelligence firm, as well as serving as a non-executive director of Speech Graphics, a facial animation technology company.

Peter Wright

Independent Non-Executive Director

Committees

A R N

Skills and Experience

Peter is currently the independent chair of the audit committee for UNIQA Insurance in the Czech Republic and Slovakia. He held the same role, since 2015, with AXA Insurance prior to its acquisition by UNIQA. Peter is a former partner of Deloitte (UK and Central Europe). During his time with Deloitte he advised a broad range of clients in both the UK and Europe and was the insurance sector leader for EMEA. Prior to joining Deloitte, Peter held a number of senior finance roles in industry. Peter is a chartered accountant with the ICAEW.

Essential Skills and Experience Our Board Delivers:

	Technology	Financial	Energy transition	PLC	International	Independent?
Sam Cockerill	✓	✓	✓	—	✓	—
Keith Jackson	✓	—	—	✓	✓	✓
Gareth Hague	✓	✓	—	✓	✓	—
Doug Montgomery	✓	—	✓	✓	✓	✓
Peter Wright	✓	✓	—	—	✓	✓

Board Tenure:

0–2 years:	1
2–4 years:	1
4–6 years:	1
6+ years:	2

Introduction to Governance

Chair's Introductory Statement

"As a Board, we are committed to providing robust leadership and oversight of the business.

Keith Jackson
Chair

On behalf of the Board, I am pleased to introduce Libertine Holdings PLC's Corporate Governance Report for the year ended 31 March 2023.

The Board is committed to ensuring high standards of governance for Libertine Holdings PLC as the basis for promoting the long-term growth and protecting the business for the benefit of our shareholders and wider stakeholders. As Chair, it is my responsibility to ensure that the Board discharges its responsibilities appropriately and adheres to a robust corporate governance regime. The Group complies with the principles set out in the Corporate Governance Code issued by the QCA, to the extent that the Board considers appropriate for a business of the Company's size and nature. Details of how the Group complies with the QCA Code are set out on the Group website and have been approved by the Board of Directors, in accordance with the recommendations of the Code.

The Board is responsible for establishing and maintaining the Group's systems of financial and operational control, which are continuously monitored and reviewed. This provides the Board comfort around the risk exposure of the Group and to what extent it has changed during the year.

As a Board, we are committed to providing robust leadership and oversight of the business in setting and monitoring the Group's culture to ensure that behaviours align with our vision, mission and strategy.

The Board, which aims to meet at least eight times per year, is focused on delivering our strategy for the benefit of the shareholders and wider stakeholders.

Board Structure and Composition

The Company has always maintained a strong Board structure, with regular Board meetings and appropriate matters reserved for the Board.

The Board is responsible to the shareholders and to act in the interest of all Group stakeholders. This includes setting the strategy for the Group to achieve its long-term goals, monitoring performance, governance and managing Group risk.

The Board comprises five Directors: two Executive Directors, Sam Cockerill and Gareth Hague, and three Non-Executive Directors, Keith Jackson, Doug Montgomery and Peter Wright. The biographies of the Board can be found on pages 22 and 23.

The Chair is responsible for setting the Board agenda and monitoring its effectiveness. There is clear separation of responsibilities and independence between the Chair and Chief Executive.

Board Meetings

The Board met twelve times during the year. All Board members attended all the meetings, with the exception of Peter Wright, who attended all Board meetings subsequent to his appointment on 4 August 2022. The Board aims to meet at least eight times per year and Board members are expected to attend all meetings.

Outside of formal Board meetings, Non-Executive Directors communicate directly with the Executive Directors and senior management on a regular basis. Non-Executive Directors are expected to attend Committee meetings of which they are a member and devote sufficient time to ensure they fulfil their roles as Company Directors.

Board Committees

The Board has constituted an Audit & Risk Committee, a Nomination Committee and a Remuneration Committee. These Committees have written terms of reference including their duties and reporting responsibilities. The terms of reference for the Committees are kept under review to ensure they remain relevant. A copy of the terms of reference can be found on the Company website.

The Audit & Risk Committee

The Audit & Risk Committee's role is to assist the Board with the discharge of its responsibilities in relation to internal and external financial reporting, audits and controls, including reviewing the Group's annual and half-yearly financial statements, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by the external auditor, advising on the appointment of the external auditor, internal audit and controls, risk management, whistleblowing and fraud prevention systems.

The Audit & Risk Committee is chaired by Peter Wright, with the other members being Keith Jackson and Doug Montgomery. The Audit & Risk Committee normally meets not less than three times in each financial year and at such other times as the Chair of the Committee requires. It has unrestricted access to the Company's auditor.

The Remuneration Committee

The Remuneration Committee comprises Keith Jackson, who acts as Chair, and Doug Montgomery and Peter Wright as the other members. The Remuneration Committee reviews and makes recommendations in respect of the Executive Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees under the intended share option schemes.

The Remuneration Committee normally meets at least twice every year. The Committee met once in the year to 31 March 2023, with a second meeting occurring in April 2023.

The Nomination Committee

The Nomination Committee comprises Keith Jackson, Peter Wright and Doug Montgomery, who acts as Chair. The Nomination Committee reviews the composition of the Board and reviews and recommends nominees as new Directors to the Board.

Risk Management and Internal Controls

The Board has ultimate responsibility for the Group's system of internal controls and for reviewing its effectiveness. However, any such system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has in place a number of controls including, but not limited to, risk assessment, monitoring, processes, written policies, clear organisational structures and reporting lines, and regular updates on the performance of these controls are provided to the Board and the Audit & Risk Committee.

The Board considers that the internal controls in place are appropriate and effective for the Company. At this time the Board is satisfied that an internal audit function is not needed at this stage of the Group's development; however, this matter is kept under regular review by the Audit & Risk Committee.

Further information on what the Board does to manage risk is set out on pages 17 and 18.

Keith Jackson
Non-Executive Chairman
27 September 2023

Report of the Nomination Committee

> We are pleased to welcome Peter Wright onto the Board.
>
> **Doug Montgomery**
> **Independent Non-Executive Director**

Committee Members and Meetings Attended

Committee members	Meetings attended
Doug Montgomery (Chair)	1/1
Keith Jackson	1/1
Peter Wright	—

Number of meetings of the Nomination Committee

1

The Nomination Committee has delegated authority from the Board set out in its written terms of reference, available on the Group's website.

The Nomination Committee's primary objectives are to ensure that:

- the Board and its Committees have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively with the balance and effectiveness of the Board being reviewed on a regular basis;
- there are formal, rigorous and transparent procedures in place for the appointment of new Directors to the Board; and
- each member of the Board is able to allocate sufficient time to the Company to discharge their responsibilities effectively.

Membership of the Nomination Committee

The Committee consists of three Non-Executive Directors: Doug Montgomery as Chair, Keith Jackson and Peter Wright (since appointment). All of the Committee members are considered to be independent.

No individual participates in discussion or decision making when the matter under consideration relates to themselves. The Committee is empowered to appoint search consultants and legal, tax and other professional advisers as it sees fit to assist with its work.

Key Activities of the Committee

The key activities of the Committee during the year and since the year end are as follows:

- assessed the composition of the Board, including in relation to Committee chairship and membership;
- reviewed the time commitment from the Non-Executives and determined this was satisfactory; and
- led the search for a new Independent Non-Executive Director to act as Chair of the Audit & Risk Committee – filled by Peter Wright.

Doug Montgomery
Chair of the Nomination Committee
27 September 2023

Report of the Audit & Risk Committee

> Our focus during the year was on enhancing the risk management systems and supporting the Board's approval of the annual and interim statements.
>
> **Peter Wright**
> **Independent Non-Executive Director**

Committee Members and Meetings Attended

Committee members	Meetings attended
Peter Wright (Chair)	3/3
Doug Montgomery	4/4
Keith Jackson	4/4

Number of meetings of the Audit & Risk Committee

4

The Audit & Risk Committee is responsible for ensuring that the financial performance of the Group is properly reviewed and reported.

Its role includes monitoring the integrity of the financial statements (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by the external auditor and advising on the appointment of the external auditor.

Members of the Audit & Risk Committee

Peter Wright became Chair upon his appointment in August 2022, supported by the other members, Keith Jackson and Doug Montgomery. Prior to Peter's appointment and upon the IPO, Keith Jackson was Chair of the Committee. All three members of the Committee are Independent Non-Executive Directors.

The Executive Directors routinely attend the Audit & Risk Committee meetings by invitation. The Non-Executive Directors have the opportunity at the Audit & Risk Committee meetings to discuss matters with the external auditor without the presence of the Executive Directors.

The Board is satisfied that the Chair of the Committee has recent and relevant financial experience. Peter is a chartered accountant and is also chair of the audit committee for UNIQA Insurance in the Czech Republic and Slovakia.

The Committee meets not less than three times per year and more frequently if required, and has unrestricted access to the Group's auditor.

Duties

The Committee fully recognises its role assisting the Board to discharge its governance responsibilities. The main duties of the Audit & Risk Committee are set out in its terms of reference, which are summarised on page 25 and available on the Group's website.

The work carried out by the Audit & Risk Committee during FY2022/23 and since the year end comprised the following:

- ensuring the financial performance of the Company is being properly measured and reported on;
- review and approval of the FY2022/23 audit plan;
- review of the Annual Report and Accounts;
- consideration of the external audit report and management representation letter;
- review of the risk management and internal control systems; and
- review of the Group's risk register and procedures.

Role of the External Auditor

The Audit & Risk Committee monitors the relationship with the external auditor to ensure that auditor independence and objectivity are maintained. As part of this role, the Committee reviews the non-audit fees of the auditor. Crowe U.K. LLP's ("Crowe") fees for the financial year to 31 March 2023 are disclosed in note 6.

No non-audit fees have been paid to Crowe during the year, or since the year end.

Report of the Audit & Risk Committee continued

Audit Process

The auditor prepares an audit plan for the audit of the financial statements. The audit plan sets out the scope of the audit, areas of focus and planned timetable. This plan is reviewed and agreed by the Audit & Risk Committee. Following the audit, the auditor presents its findings to the Audit & Risk Committee for discussion. No major areas of concern were highlighted by the auditor during the period and areas of elevated risks are explained in the Independent Auditor's Report on pages 33 to 35.

Internal Audit

At present the Group does not have an internal audit function and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one. This position will be monitored and reviewed on a regular basis.

Whistleblowing

The Group has in place a process whereby employees can discuss concerns confidentially. The Committee is comfortable that the current policy is operating effectively. No matters have been reported in the year or since the year end.

Peter Wright
Chair of the Audit & Risk Committee
27 September 2023

Report of the Remuneration Committee

> "The Group's remuneration policy is designed to attract, motivate and retain high calibre individuals who will contribute fully to the success of the Group.
>
> **Keith Jackson**
> **Chair**

Committee Members and Meetings Attended

Committee members	Meetings attended
Keith Jackson (Chair)	**1/1**
Doug Montgomery	**1/1**
Peter Wright	**1/1**

Number of meetings of the Remuneration Committee

1

On behalf of the Board, I am pleased to present the Remuneration Report for the financial year ended 31 March 2023.

The report sets out our remuneration policy and provides details of amounts earned by the Directors during the year. The information is unaudited, except where stated.

As an AIM-listed company, Libertine Holdings PLC is not required under Section 420(1) of the Companies Act 2006 to prepare a Directors' Remuneration Report for each financial year of the Company. Libertine Holdings PLC makes the following disclosures voluntarily.

Composition of the Committee and Role

The Committee members during the year have been Doug Montgomery, Keith Jackson and Peter Wright, after appointment. The Executive Directors may attend meetings from time to time at the invitation of the Committee and provide information and support as requested. Directors are not present when their own remuneration is being discussed.

The activities of the Committee are governed by its terms of reference, which are available from the Group's website.

The Remuneration Committee determines, on behalf of the Board, the Group's policy for Executive remuneration and the individual remuneration packages for Executive Directors. The Remuneration Committee reviews the incentive and reward packages for the Executive Directors to ensure that they are aligned with the Group's strategic objectives and financial performance; are appropriate to attract, retain and motivate Executive behaviour in support of the creation of shareholder value; and drive continued commitment of Executives to the Group's success through appropriate incentive schemes. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees under the intended share option schemes.

The Remuneration Committee normally meets at least twice every year.

Remuneration Policy

The Group's remuneration policy is designed to attract, motivate and retain high calibre individuals who will contribute fully to the success of the Group. It is intended that this policy conforms with best practice standards commensurate with its size and market listing.

The key objectives of the policy are to:

- align Executive packages with Company objectives and shareholder interests;
- create an appropriate balance between fixed and performance-related elements and between short-term and long-term performance;
- promote a high performance culture; and
- support the recruitment, motivation, development and retention of quality people.

The remuneration packages of Executive Directors comprise the following elements:

- basic salary (generally reviewed annually);
- standard Executive benefits;
- pension contributions; and
- long-term share-based incentives.

Details of the emoluments for the Directors of Libertine Holdings PLC are set out on page 30.

Executive Directors' Service Contracts

The Executive Directors entered into new rolling service contracts with the Group on admission to AIM in December 2021 with an indefinite term, but a fixed period of six months' notice of termination.

Report of the Remuneration Committee continued

Non-Executive Directors

The Non-Executive Directors do not have service contracts but instead have letters of appointment for an initial term of three years. The appointments are subject to a six-month notice period. Non-Executive Directors' remuneration is approved by the Board.

Summary of Directors' Remuneration (Audited)

The table below sets out the total remuneration for the financial period.

Name	Basic salary £'000	Bonus £'000	Pension £'000	Benefits[2] £'000	Total £'000	2022 Total £'000
Executive						
Sam Cockerill	140	—	2	16	158	136
Gareth Hague	125	—	2	17	144	147
Non-Executive						
Keith Jackson	45	—	—	—	45	64
Doug Montgomery	35	—	—	—	35	18
Peter Wright[1]	23	—	—	—	23	—

1) Peter Wright was appointed on 4 August 2022.

2) Benefits relate to share option charges for options granted under the LTIP scheme issued in February 2023. In 2022, charges related to share options issued pre-IPO and included the acceleration of options up to the vesting date.

Share Options and Incentive Schemes (Audited)

Details of options for Directors who served during the year are as follows:

Name	Scheme	Transaction	Volume (under option)	Grant date	Option price
Sam Cockerill	Libertine Holdings PLC EMI Scheme	Exchange[1]	1,125,000	13/12/2021	£0.02
	Libertine Holdings LTIP Scheme	Issued[2]	1,166,500	22/02/2023	£0.001
Gareth Hague	Libertine Holdings PLC EMI Scheme	Exchange[1]	1,655,000	13/12/2021	£0.02
	Libertine Holdings LTIP Scheme	Issued[2]	1,122,000	22/02/2023	£0.001
Keith Jackson	Libertine Holdings PLC EMI Scheme	Exchange[1]	1,195,000	07/12/2021	£0.02

1) In December 2021, as a result of the Group reorganisation to introduce Libertine Holdings PLC as the ultimate parent company and restructuring of the share capital to increase the number of shares issued by a factor of ten, the previous EMI Scheme in Libertine FPE Limited was replaced. The replacement scheme in Libertine Holdings PLC granted ten times the number of previously held shares to maintain the same proportion of ownership, with an option price of £0.02. The Libertine Holdings PLC EMI Scheme vested at the point of IPO and the above shares became exercisable.

2) In February 2023, Libertine Holdings PLC implemented a new Long Term Inventive Plan ("LTIP") for all employees. The initial number of options to be issued, as quoted above, are subject to the achievement of performance conditions in respect of the three financial years to 31 March 2025. Performance conditions are aligned to shareholder value creation and focus on key financial and operational metrics, consistent with the Company's investment case. The number of options achieved under the scheme will be determined by the Remuneration Committee at the end of each financial year, and a maximum of one-third of the allocation can be achieved for each year.

Directors' Interests

Details of the Directors' shareholdings are included in the Directors' Report on pages 31 to 32.

Keith Jackson
Chair of the Remuneration Committee
27 September 2023

Directors' Report

The Directors present their report and audited consolidated and Company's financial statements for the year ended 31 March 2023.

Principal Activity
Libertine Holdings PLC (the "Company") is incorporated in England and Wales. The financial statements consolidate the results and financial position of the Company and its subsidiary undertaking (the "Group"). Libertine Holdings PLC is the ultimate parent company of the Group and trades principally through its subsidiary undertaking. Libertine Holdings PLC's principal activity is that of a holding company. The principal activity of the Group during the period was the development of linear electrical machines.

Business Review and Future Developments
A review of Group performance during the year including key performance indicators, business risks and comments on future development is given in the Strategic Report on pages 1 to 21.

Results and Dividends
The Group's revenue in the year was £0.9m (2022: £0.8m) and loss after tax was £3.7m (2022: £3.2m).

The Board is not recommending a final dividend for the year (2022: £nil).

Post-Balance Sheet Events
There are no matters arising after the balance sheet date that would require disclosure in the financial statements.

Directors and Their Interests
The Directors of the Company who held office during the year and up to the date of approving the Group's financial statements were:

Executive
Sam Cockerill
Gareth Hague

Non-Executive
Keith Jackson
Doug Montgomery
Peter Wright (appointed 4 August 2022)

The Directors who held office during the year and up to the date of approving the financial statements had the following interests in the Ordinary Shares of the Company:

Name	Ordinary Shares	Ordinary Shares under option	Total
Sam Cockerill	14,245,000	2,291,500	16,536,500
Gareth Hague	100,000	2,767,000	2,867,000
Keith Jackson	50,000	1,195,000	1,245,000
Doug Montgomery	2,119,590	—	2,119,590
Peter Wright	78,071	—	78,071

Directors' Insurance
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force from incorporation and is currently in force. The Company also purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors.

Appointment and Replacement of Directors
The rules governing the appointment and resignation of Directors are contained within the Company's Articles of Association. The Articles can be found on the Company's website, www.libertine.co.uk.

Political Donations
It is the Company's policy not to make political donations. The Directors confirm that no political donations were made during the year (2022: £nil).

Share Capital and Voting
As at 31 March 2023 the Company's issued share capital comprised 139,219,010 Ordinary Shares of £0.001. The holders of Ordinary Shares are entitled to one vote per share at general meetings of the Company.

Significant Shareholdings
As at 31 August 2023, the Company was advised of the following significant shareholding interests in 3% or more of the voting rights:

	Number	% of issued
NPIF YHTV Equity LP	27,041,240	19.42%
Octopus Investments	25,250,000	18.14%
Providence Holdings Limited	15,402,830	11.06%
Sam Cockerill	14,245,000	10.23%
Janus Henderson Investors	10,500,000	7.54%
Synergy Growth	5,340,810	3.84%
UK Future Fund	5,261,820	3.78%

Employee Involvement and Equal Opportunities
Employee involvement is encouraged at all levels within the Group and is considered to be a key part of the future success. Management provides regular communications to staff on corporate strategy and objectives.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Health and Safety
The health and safety of our employees is paramount. We carry out regular health and safety training and assessments for our staff. The Directors receive regular health and safety reports which include all areas of risk and Reporting of Injuries, Diseases and Dangerous Occurrences ("RIDDOR") within the Group.

Annual General Meeting
The Annual General Meeting of the Company is to be held on 9 November 2023. The notice of the meeting has been provided to shareholders at the back of this report.

Disclosure of Information to the Auditor
The Directors of the Company at the date of approval of this report confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's and Group's auditor is unaware; and
- each Director has taken all reasonable steps they ought to have taken as a Director to make themselves aware of any relevant information and to establish that the Company's and Group's auditor is aware of that information.

Directors' Report continued

Independent Auditor
The auditor, Crowe U.K. LLP, has indicated its willingness to continue in office and a resolution that it be reappointed will be proposed at the Annual General Meeting.

Research and Development
During the year the Group carried out research and development activities to further develop its technology platform.

Going Concern
The consolidated financial statements have been prepared on a going concern basis.

The Directors have undertaken a comprehensive assessment to consider the Group and the Company's ability to trade as a going concern for a period of twelve months from the date of approving the financial statements. As of 31 August 2023, the Group had cash reserves of £1.2m, in addition to outstanding debtors of £0.2m, inventories of £0.6m, corporation tax receivables due of £0.4m and current liabilities of £0.2m.

The Directors have robustly tested the going concern assumption in preparing these financial statements, taking into account the Group's liquidity position as at 31 March 2023 and a number of severe but plausible downside scenarios, which collectively would be considered remote. Absent of any additional revenues, the Group has funds required to maintain current operations, through to May 2024. The Group expects to secure new revenues and incomes within the next 12 months which are more than sufficient to support approving the financial statements as a going concern. The Directors acknowledge that the uncertainty may arise with respect to both the timing and quantum of additional revenues and income. This indicates a material uncertainty which may cast significant doubt upon the group's and the company's ability to continue as going concern.

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required. On that basis, the Directors consider it is appropriate to prepare the financial statements as a going concern and have not included the adjustments that would result if the Group and Company were unable to continue as a going concern.

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and elected to prepare the Company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 "Reduced Disclosure Framework").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards or UK Accounting Standards have been followed, subject to any material departures disclosed and explained;
- prepare the Strategic Report and Directors' Report which comply with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the Directors confirms that, to the best of their knowledge:

The Group financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards and Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Approval
The Directors' Report was approved on behalf of the Board on 27 September 2023.

Gareth Hague
Chief Financial Officer
Libertine Holdings PLC

Independent Auditor's Report
To the members of Libertine Holdings PLC

Opinion
We have audited the financial statements of Libertine Holdings PLC (the "Parent Company") and its subsidiary undertaking (the "Group") for the year ended 31 March 2023, which comprise:

- the Consolidated statement of comprehensive income for the year ended 31 March 2023;
- the Consolidated and Parent Company statements of financial position as at 31 March 2023;
- the Consolidated and Parent Company statements of changes in equity for the period then ended;
- the Consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern
We draw attention to note 2 (b) in the financial statements, which indicates the existence of a material uncertainty in relation to the going concern basis of preparation due to the assumption about future revenue and income. As stated in note 2 (b), these events or conditions along with other matters as set forth in note 2 (b) indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We obtained and reviewed the Board's paper setting out the going concern assessment;
- We tested the integrity of the working capital model, reviewed and challenged the underlying data and key assumptions used to make the assessment, paying particular attention to cash inflow in the model;
- We assessed the reasonableness of management's budget/forecasts, including comparison to actual results achieved in the year;
- We reviewed management's assessment regarding the material uncertainty disclosed in note 2 (b) and considered the timing and quantum of the cash inflow from the future revenue and income; and
- We reviewed the appropriateness of the disclosure made and its consistency with our knowledge of the business.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach
Materiality
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £200,000 (2022: £155,000), based on approximately 5% of the Group's loss for the year, which is considered the most appropriate measure for a trading group. Materiality for the Parent Company financial statements as a whole was set at £100,000 (2022: £100,000) being approximately 1.5% of net assets. The materiality is rounded to nearest thousand.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £150,000 (2022: £108,000) for the Group and £75,000 (2022: £75,000) for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £10,000 (2022: £8,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Independent Auditor's Report continued

To the members of Libertine Holdings PLC

Overview of our audit approach continued

Overview of the scope of our audit

Our audit approach was developed by obtaining a thorough understanding of the Group's activities and is risk based. Based on this understanding we assessed those aspects of the Group and subsidiary company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit matters and planned our audit approach accordingly.

Our group audit strategy focused on the Parent Company and one significant component, which were subject to a full scope audit. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks. All Group companies were within the scope of our testing.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty relating to going concern above, we have determined the matters described below to be the key audit matters to be communicated in our report.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition (Group financial statements) Revenue of £0.92million (2022: £0.82million) has been recognised in these financial statements. Judgement is required to identify the performance obligations in a contract and the estimated contract costs to complete when determining the basis on the revenue recognition. Our audit approach focused on the risk that revenues may not have been recognised in line with IFRS 15- Revenue from contracts with customers The Group's accounting policy for revenue recognition is disclosed in Note 2(g) and the financial statements disclose further detail concerning the group's revenue in Note 3 and Note 4.	We confirmed the existence and the design effectiveness of control around management's revenue recognition. Our audit procedures included: • We designed procedures to test revenue stream and applied challenge to management's revenue recognition policy having regard to the recognition criteria set out in IFRS 15 and the underlying contracts. • For a sample of contracts we agreed the performance obligations identified by management and considered whether they were distinct. • For the same sample we agreed the transactions to supporting invoices and cash receipts. • For revenue that is recognised over time we agreed the calculation of the stage of completion, which is determined by reference to the actual cost incurred to the reporting date to estimated total costs for each contract, to supporting documentation. • We also held discussion with the project engineer to understand progress and the expected cost to completion. We considered management's accuracy of forecasting costs by comparing forecasts utilised in previous periods to actual performance. • All of the revenue recognised in the period related to projects that completed shortly after the year end, reducing the judgement involved in the estimated costs to complete, we had compared the forecast year end position to actual costs incurred. • On the basis of the above we recalculated the expected revenue to be recognised and agreed the calculation of accrued income was appropriate. • For onerous contract, we reviewed the management's assessment and calculation of the onerous provision. • We assessed the adequacy of the presentation and disclosures made in the financial statements regarding revenue.
Impairment considerations regarding the intercompany receivable in the Parent Company financial statements At 31 March 2023, the amount due from the group's undertaking was £2.46million (2022: £6.7million) after recognising an expected credit loss of £4.23million in the year (2022: £2.46million). The carrying amount of these receivable is dependent on the financial performance of the group's undertaking. There is a risk that these receivable may not be recovered and may be impaired. This is disclosed in note 2 (e) and 4 to Parent Company financial statements.	We confirmed the existence and the design effectiveness of control around management's impairment assessment in respect of intercompany receivable. Our audit procedures included: • We reviewed and challenged management's assessment and the quantum of an expected credit loss provision recognised in the reporting year. • We considered management's accuracy of forecasting costs by comparing forecasts utilised in previous periods to actual performance. • We reviewed management's assessment having regard to the fact the receivable is repayable on demand and the net asset position of the subsidiary. • We assessed the adequacy of the disclosures in the financial statements.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained in the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 32, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law, other law and regulations that are specific to the industry and taxation legislation in the UK jurisdictions in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, challenging assumptions made by management, reviewing accounting estimates for biases, corroborating amounts and balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant financial framework and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Charlton (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

27 September 2023

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2023

	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Revenue	3, 5	**921**	824
Cost of sales		**(1,271)**	(664)
Gross (loss)/profit		**(350)**	160
Other operating income	4	**365**	2,041
Administrative expenses	8	**(4,066)**	(4,100)
Loss from operations		**(4,051)**	(1,899)
Finance income	11	**—**	6
Finance expense	11	**(5)**	(1,412)
Loss before taxation		**(4,056)**	(3,305)
Taxation	12	**350**	83
Loss for the year and total comprehensive loss for the year attributable to the owners of the Company		**(3,706)**	(3,222)
Basic and diluted loss per share (pence)	13	**(2.7p)**	(3.3p)

The above results were derived from continuing operations.

There are no items of comprehensive income other than the loss for the year and, therefore, no statement of other comprehensive income is presented.

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position
as at 31 March 2023

	Note	As at 31 March 2023 £'000	As at 31 March 2022 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**144**	54
Right-of-use assets	15	**192**	19
		336	73
Current assets			
Inventory	16	**518**	107
Trade and other receivables	17	**1,285**	1,192
Corporation tax receivable		**478**	128
Cash and cash equivalents		**2,478**	6,697
		4,759	8,124
Total assets		**5,095**	8,197
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	22	**139**	139
Share premium account	23	**10,421**	10,414
Merger Reserve		**3,401**	3,401
Share option reserve		**450**	351
Accumulated losses		**(10,862)**	(7,156)
Total equity		**3,549**	7,149
LIABILITIES			
Non-current liabilities			
Borrowings	21	**—**	—
Lease liability, non-current	20	**154**	—
		154	—
Current liabilities			
Trade and other payables	18	**1,203**	886
Contract liability		**153**	150
Lease liability, current	20	**36**	12
		1,392	1,048
Total liabilities		**1,546**	1,048
Total equity and liabilities		**5,095**	8,197

The accompanying notes form part of the financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 27 September 2023 and were signed on its behalf by:

Gareth Hague
Director

Libertine Holdings PLC (registered number: 13724783)

Consolidated Statement of Changes in Equity
for the year ended 31 March 2023

Attributable to the owners of the Company:

	Issued capital £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Accumulated losses £'000	Total £'000
Balance as at 1 April 2021	—	—	3,483	80	(3,934)	(371)
Total comprehensive loss for the year	—	—	—	—	(3,222)	(3,222)
Transactions with shareholders:						
Share for share exchange	82	—	(82)	—	—	—
Issue of shares	57	11,094	—	—	—	11,151
Share issue costs	—	(680)	—	—	—	(680)
Share option charge	—	—	—	271	—	271
As at 31 March 2022	139	10,414	3,401	351	(7,156)	7,149
Total comprehensive loss for the year	—	—	—	—	(3,706)	(3,706)
Transactions with shareholders:						
Issue of shares	—	7	—	—	—	7
Share option charge	—	—	—	99	—	99
As at 31 March 2023	**139**	**10,421**	**3,401**	**450**	**(10,862)**	**3,549**

Issued capital and share premium account reflect the shares issued by the Company to date.

The merger reserve represents a reserve arising on consolidation, as a result of accounting for the share for share exchange in December 2021.

Share option reserve relates to the cumulative charges for share options.

Accumulated losses reflects the cumulative comprehensive losses of the Company.

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Cash flows from operating activities			
Loss after tax for the year		**(3,706)**	(3,222)
Adjustments for:			
Taxation	12	**(350)**	(83)
Depreciation of property, plant and equipment	14	**38**	9
Depreciation of right-of-use asset	15	**36**	32
Share option charge	24	**99**	271
Finance expense	11	**5**	1,412
Finance income	11	**—**	(6)
Equity-settled transactions or services		**—**	30
Tax credits received		**—**	111
Changes in working capital:			
Increase in inventories		**(411)**	(107)
Increase in trade and other receivables		**(93)**	(395)
Increase in trade and other payables		**323**	114
Net cash used in operating activities		**(4,059)**	(1,834)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(128)**	(53)
Finance income received		**—**	6
Net cash used in investing activities		**(128)**	(47)
Cash flows from financing activities			
Proceeds from borrowings		**—**	—
Payment of lease liabilities		**(34)**	(37)
Finance expense		**(5)**	—
Share issue (net of issue costs)		**7**	8,335
Net cash (used in)/generated from financing activities		**(32)**	8,298
Net (decrease)/increase in cash and cash equivalents		**(4,219)**	6,417
Cash and cash equivalents at the beginning of the year		**6,697**	280
Cash and cash equivalents at the end of the year		**2,478**	6,697

The share for share exchange (note 22) and settlement of the convertible loan note (note 21) were significant non-cash items which occurred in the prior year. Share option charges are also non-cash items.

Notes to the Financial Statements
for the year ended 31 March 2023

1. General Information
Libertine Holdings PLC ("Libertine" or the "Company") is a company incorporated and domiciled in the United Kingdom (registered number 13724783). The Company was incorporated on 5 November 2021 in the United Kingdom and is a public company limited by shares registered in England and Wales. The address of the Company's registered office is 1 Coborn Avenue, Tinsley, Sheffield, S9 1DA.

The principal activity of the Company is that of investment holding. The principal activity of the Group is the development of linear electrical machines.

On 7 December 2021, the Company entered into agreements with all of the shareholders of Libertine FPE Limited for a share for share exchange regarding the Ordinary Shares in Libertine Holdings PLC and Ordinary Shares in Libertine FPE Limited. As a result of this transaction, the ultimate shareholders in the Company received shares in Libertine Holdings PLC in direct proportion to their original shareholding in Libertine FPE Limited.

2. Accounting Policies
The principal accounting policies adopted in the preparation of the consolidated financial statements of the Company (the "consolidated financial statements"), which have been applied consistently to all periods presented, are set out below. The financial statements are for the Group, consisting of Libertine Holdings PLC and its subsidiary.

a) Basis of Preparation
The consolidated financial statements of the Libertine Holdings PLC Group have been prepared in accordance with UK adopted International accounting standards and UK Companies Act 2006.

Historical Cost Convention
The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities (including derivative instruments), measured at fair value through the income statement.

The consolidated financial statements have been presented in thousands of Pounds Sterling (£'000). Pound Sterling is the currency of the primary economic environment in which the Company operates.

b) Going Concern
The consolidated financial statements have been prepared on a going concern basis.

The Directors have undertaken a comprehensive assessment to consider the Group and the Company's ability to trade as a going concern for a period of twelve months from the date of approving the financial statements. As of 31 August 2023, the Group had cash reserves of £1.2m, in addition to outstanding debtors of £0.2m, inventories of £0.6m, corporation tax receivables due of £0.4m and current liabilities of £0.2m.

The Directors have robustly tested the going concern assumption in preparing these financial statements, taking into account the Group's liquidity position as at 31 March 2023 and a number of severe but plausible downside scenarios, which collectively would be considered remote. Absent of any additional revenues, the Group has funds required to maintain current operations, through to May 2024. The Group expects to secure new revenues and incomes within the next 12 months which are more than sufficient to support approving the financial statements as a going concern. The Directors acknowledge that the uncertainty may arise with respect to both the timing and quantum of additional revenues and income. This indicates a material uncertainty which may cast significant doubt upon the group's and the company's ability to continue as going concern.

The Directors do however remain confident in the business model and believe the Group could be managed in a way to allow it to meet its ongoing commitments and obligations through mitigating actions including cost saving measures and securing alternative sources of funding should this be required. On that basis, the Directors consider it is appropriate to prepare the financial statements as a going concern and have not included the adjustments that would result if the Group and Company were unable to continue as a going concern.

c) Basis of Consolidation
The financial statements consolidate the financial information of the Company and the entities controlled by the Company (its subsidiaries) at each reporting date.

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of subsidiaries acquired or sold are included in the financial information from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by the Group.

As described in note 1, the Company entered into agreements with all of the holders of Ordinary Shares in Libertine FPE Limited, for a share for share exchange regarding the Ordinary Shares in Libertine Holdings PLC. The Directors concluded that the transaction fell outside of the scope of IFRS 3 "Business Combinations" since the Group represents a combination of entities under common control.

In accordance with IAS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors", in developing an appropriate accounting policy, the Directors have considered the pronouncements of other standard setting bodies and specifically looked to accounting principles generally accepted in the United Kingdom ("UK GAAP") for guidance (FRS 102) which does not conflict with IFRS and reflects the economic substance of the transaction.

Under UK GAAP, the assets and liabilities of both entities are recorded at book value, not fair value. No goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented.

Therefore, although the Group reconstruction completed in December 2021, the consolidated financial statements are presented as if the Group structure has always been in place, including the activity from incorporation of the Group's principal subsidiary. All entities had the same management as well as controlling shareholders. Accordingly, the comparative amounts for the year ended 31 March 2022 are presented on a pro forma basis and present the financial information of Libertine FPE Limited.

On this basis, the Directors have decided that it is appropriate to reflect the combination using merger accounting principles as a Group reconstruction under FRS 102 in order to give a true and fair view. No fair value adjustments have been made as a result of the combination.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

2. Accounting Policies continued

d) Initial Public Offering ("IPO")

The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange, on 23 December 2021. In connection with the admission to AIM, the Group undertook a Group reorganisation of its corporate structure which resulted in the Company becoming the ultimate holding company of the Group. Prior to the reorganisation the only company in the Group was Libertine FPE Limited. As described in note 2(c) above, the transaction was accounted for as a capital reorganisation rather than a reverse acquisition since it did not meet the definition of a business combination under IFRS 3. In a capital reorganisation, the consolidated financial statements of the Group reflect the predecessor carrying amounts of Libertine FPE Limited with comparative information of Libertine FPE Limited presented for all periods since no substantive economic changes have occurred.

e) Estimates and Judgements

The consolidated financial statements has been prepared on the historical cost basis. The accounting policies have been applied consistently in all material respects.

The preparation of the consolidated financial statements requires the Board to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets and liabilities as at each reporting date and the reported amounts of revenues and expenses during each reporting period. Any estimates and assumptions are based on experience and any other factors that are believed to be relevant under the circumstances and which the Board considers to be reasonable. Actual outcomes may differ from these estimates. Any revisions to accounting estimates will be recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the change will be recognised over those periods.

Certain accounting policies which have a significant bearing on the reported financial condition and results of the Group require subjective or complex judgements. The principal such areas of judgement are:

Revenue from Customer Contracts

Customer contracts typically include engineering services and judgement is required when identifying the performance obligations in a contract as well as when determining the basis on which to allocate revenues between each performance obligation. Note 2g below sets out the Group's accounting policies in respect of revenue from customer contracts.

Capitalisation and Amortisation of Development Costs

When determining the criteria for starting, and subsequently ceasing, the capitalisation of development costs as an internally generated asset, IAS 38 requires that strict criteria are met, in particular, that it is probable that future economic benefits will result from the development asset. Management's view is that the probability threshold needs to be sufficiently high, such that development costs would not be capitalised before the Group could demonstrate the inflow of future economic benefits from significant long-term contractual/recurring revenues. Management considers the required criteria have not been met and therefore the Group has not yet capitalised any development costs.

There are no significant estimates.

f) Foreign Currencies

Transactions entered into by the Group in a currency other than Pound Sterling, are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the Consolidated Statement of Comprehensive Income.

The presentational and functional currency for the Group and the Company is Pound Sterling.

g) Revenue and Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration(s) received or receivable when performance obligations are satisfied and represents the amount receivable for goods supplied by the Company and value added taxes.

Where the Company enters into an engineering contract with a customer an initial cost estimate to deliver the contract is established. The nature of the work typically comprises engineering staff time for design, development and modelling, as well as the delivery of prototype hardware. Where a contract contains clear and distinct performance obligations the contract value and revenue recognition is allocated to the individual obligations. Where a contract is considered to contain a single obligation, delivered over the period of the contract, the performance obligation is deemed to be satisfied over time based on a percentage of completion basis. The assessment of the percentage of completion is updated during the term of the contract and subject to internal reviews. When the Company receives payment from the contract customer but the work has yet to be carried out by engineering staff, the revenue is not recognised but is deferred as a contract liability until the performance obligation is satisfied.

Where a contract is expected to be loss making, the Group recognises a provision for the loss it expects to make on the contract.

Invoices are raised based on milestones determined in the contract and invoices are paid on standard credit terms (15 to 60 days).

Notes to the Financial Statements continued
for the year ended 31 March 2023

2. Accounting Policies continued

h) Grant Income

Grants are recognised in the statement of comprehensive income as other operating income.

The Company enters into grant applications and will apply for grant income to be paid out against a project that contains defined deliverables, clear outcomes and a set of level of expenditure. Expenditure comprises operational expenditure for labour and supplies.

The level of expenditure at the start of the project and a level of grant income paid for by the grant provider are allocated for payment against the expenditure incurred. Such projects are sought by the Company as they provide funding over one or more work streams that form part of the Company's programme(s).

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. The Company recognises the costs of a project in the period in which they are incurred either as asset purchases when related to equipment or operating expenses when non-capital in nature, and the grant income that is provided against this total expenditure is recognised as income when received from the issuing authority, given that its release is subject to their review and confirmation of compliance with all conditions for release.

Where retention of a government grant is dependent on the Company satisfying certain criteria or is a payment on account at the outset of an agreement, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the statement of comprehensive income or netted against the asset purchased.

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.

i) Cost of Sales

Cost of sales are recognised in respect of goods and services received when supplied in accordance with contractual terms.

j) Property, Plant and Equipment

Office and computer equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. These assets are subsequently measured using the cost model, less accumulated depreciation and impairment losses.

Depreciation is provided at rates calculated to write off the cost of assets, less their estimated residual value, over their expected lives on the following bases:

Office equipment	–	over 4–5 years
Computer equipment	–	over 2–4 years
Leasehold improvements	–	over 5 years
Tools and equipment	–	over 5 years

k) Impairment Testing of Property, Plant and Equipment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

l) Financial Assets and Liabilities

Financial assets and liabilities are recognised when the Group unconditionally becomes a party to the contractual terms of the instrument. Unless otherwise indicated, the carrying amounts of financial assets and liabilities are considered by the Directors to be a reasonable estimate of their fair values at each reporting date.

Financial assets include trade and other receivables. Financial liabilities include trade and other payables and borrowings; these are classified as other financial liabilities carried at amortised cost.

Trade and Other Receivables

Trade receivables are measured at the transaction price determined under IFRS 15 and other receivables are recognised initially at their fair value and subsequently at their amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the recoverability of the asset is at risk, appropriate allowances for any estimated irrecoverable amounts are recognised in the income statement.

Trade and Other Payables

Trade and other payables are recognised initially at their fair value, net of transaction costs, and subsequently at their amortised cost using the effective interest method.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank.

m) Tax

Current Tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Where taxable losses are incurred, no tax is payable and losses are carried forward for future periods. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

2. Accounting Policies continued

n) Convertible Loans

Convertible loans, where conversion is dependent upon an event such as listing, are treated as borrowings and recorded in financial liabilities in accordance with the term of the loan. Convertible loans are valued based on the weighted probability of a range of redemption possibilities. Movements in the fair value of convertible loans are recognised as a finance expense/income.

o) Employee Benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-Term Benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined Contribution Pension Plans

The Group provides post-employment benefits through a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third party which administers the scheme. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense in administrative expenses in the statement of comprehensive income when they fall due. The assets of the scheme are held separately from those of the Group.

(iii) Share-Based Payments

The Group enters into arrangements that are equity-settled, share-based payments with certain employees and Directors in the form of share options. During the period covered by the consolidated financial statements, the Group operated an HM Revenue and Customs approved share option scheme. This scheme is an Enterprise Management Incentive ("EMI") Scheme where equity options are made to certain qualifying employees to reward and incentivise them. The equity share-based payments are measured at the fair value of the equity at the grant date and charged to the statement of comprehensive income over the vesting period.

The value of the share options is determined using the Black Scholes option pricing model, and recorded as a share option reserve in the statement of financial position, with movements in the reserve treated as operating expenditure in the respective year. The number of equity instruments expected to vest each year is adjusted for non-market vesting conditions.

p) IFRS 16 "Leases"

IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value.

The Group holds a single lease for its property, with a lease term of five years. The lease was renewed in the current year.

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities on the statement of financial position. The Group has not needed to apply any of the recognition exemptions allowed by IFRS 16.

Lease liabilities are measured at the present value of the remaining lease payments discounted at the Company's incremental borrowing rate. The associated right-of-use asset was measured at the amount equal to the lease liability adjusted for the amount of any prepaid or accrued lease payments relating to the lease. Lease liabilities are discounted using the incremental borrowing rate, which is estimated by management to be 6%.

q) Inventories

Inventories are valued at the lower of cost and net realisable value on a first in, first out ("FIFO") basis. Cost comprises purchase price plus associated freight and duty costs for imported goods. Inventories are regularly assessed for evidence of impairment. Where such evidence is identified, a provision is recognised to reduce the value of inventories to their net realisable value.

r) Operating Items of an Exceptional Nature

The Group presents certain items as "operating items of an exceptional nature" in the notes to the profit and loss account. These are non-recurring items which in management's judgement need to be disclosed separately by virtue of their size, nature and occurrence.

s) New Standards and Amendments Issued but Not Yet Effective

The following adopted IFRSs have been issued and have not been applied by the Group in the consolidated financial statements. Their adoption is not expected to have a material effect on the consolidated financial statements unless otherwise indicated:

Effective from 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current).

Effective from 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback).
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

Notes to the Financial Statements continued
for the year ended 31 March 2023

3. Revenue
Revenue arises from:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
North America	915	798
EMEA	6	26
	921	824

In the year ended 31 March 2023, one customer generated more than 10% of total revenue (31 March 2022: one). Revenue attributable to the customer was £915,000 (31 March 2022: £798,000).

Revenue by category:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Engineering services	921	824
	921	824

The table below shows how much revenue recognised in the current year relates to carried forward contract liabilities and unsatisfied performance obligations resulting from the long-term contract with customers:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Grant income recognised that was included in the contract liability balance at the beginning of the year	—	640
Aggregated amount of transaction price allocated to unsatisfied performance obligation during in the year	153	150

4. Other Operating Income
Other operating income by category:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Grant income	365	2,041
	365	2,041

Government Grants
Grant income relates to government grant schemes aimed at supporting industrial research and development to bring new products and technologies to market and support the long-term sustainable growth of businesses. The Group enters into grant schemes to provide funding towards to further development of its technology platform.

5. Operating Segments
IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision making. The Group is operated as one business by its Executive Team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. Management therefore considers that the Group has one operating segment. As such, no additional disclosure has been presented under IFRS 8.

6. Loss from Operations

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Loss from operations is stated after charging:		
Defined contribution pension expense	36	12
Depreciation of property, plant and equipment (PPE)	38	9
Depreciation of right-of-use asset	36	32
Operating costs of an exceptional nature	—	984
Net gain on foreign currency translation	(37)	(14)
Auditor's remuneration:		
– for the audit of the Group's financial statements	39	36
– for the audit of the subsidiary's financial statements	10	9
– for non-audit fees	—	—

Operating costs of an exceptional nature in the prior year include professional fees of £753,000 in connection with the IPO and share-based payment charges of £231,000 on acceleration of the schemes as a result of them vesting at the IPO date.

7. Reconciliation of GAAP to Non-GAAP Measures

The Group uses a number of "non-GAAP" figures as comparable key performance measures, as they exclude the impact of items that are non-cash items and also items that are not considered part of ongoing underlying trade. The Group's "non-GAAP" measures are not defined performance measures in IFRS. The Group's definition of the reporting measures may not be comparable with similarly titled performance measures in other entities.

Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") is calculated as follows:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Loss from operations	(4,051)	(1,899)
Add back:		
Depreciation of property, plant and equipment (note 14)	38	9
Depreciation of lease asset (note 15)	36	32
EBITDA	**(3,977)**	**(1,858)**
Add back:		
Operating costs of exceptional nature (note 6)	—	984
Adjusted EBITDA	**(3,977)**	**(874)**

Operating costs of an exceptional nature have been excluded as they are not considered part of the underlying trade.

Adjusted loss from operations is calculated as follows:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Loss from operations	(4,051)	(1,899)
Add back:		
Operating costs of exceptional nature (note 6)	—	984
Adjusted loss from operations	**(4,051)**	**(915)**

Adjusted loss after tax is calculated as follows:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Loss after tax	(3,706)	(3,222)
Add back:		
Operating costs of exceptional nature (note 6)	—	984
Movement in fair value of convertible loan note (note 11)	—	1,410
Adjusted loss after tax	**(3,706)**	**(828)**

Notes to the Financial Statements continued
for the year ended 31 March 2023

7. Reconciliation of GAAP to Non-GAAP Measures continued

Free cash flow conversion is calculated as follows:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Adjusted loss from operations	(4,051)	(915)
Adjusted for:		
Depreciation of property, plant and equipment (note 14)	38	9
Depreciation of lease asset (note 15)	36	32
Share option charges (note 24)	99	40
Net working capital change	(182)	(390)
Purchase of PPE	(128)	(53)
Underlying cash flow from operations	(4,188)	(1,277)
Underlying operating cash flow conversion	103%	140%
Net interest paid	(5)	6
Income tax received	—	111
Payment of lease liabilities	(34)	(37)
Free cash flow	(4,227)	(1,197)
Adjusted EBITDA	(3,977)	(874)
Free cash flow conversion	106%	137%

8. Administrative Costs by Nature

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Direct costs of government grant schemes	503	1,741
Research and development expenditure	1,625	39
Staff costs (excluding share-option charges)	1,274	692
Labour cost allocations	(666)	(110)
Other staff costs	224	133
Share option charges	99	40
Occupancy	154	87
Marketing and promotion	44	43
Sub-contract costs	171	85
Legal and professional fees	427	291
Depreciation	74	41
Operating costs of exceptional nature	—	984
Engineering consumables	28	—
Other sundry costs	109	34
	4,066	4,100

9. Staff Costs

Staff costs, including Directors' remuneration, were as follows:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Wages and salaries	1,103	612
Social security costs	135	68
Pension costs	36	12
Share option charges	99	40
	1,373	732

Share option charges in the prior year exclude the acceleration of the charge as a result of the schemes vesting at the IPO date, which has been classified as an operating cost of an exceptional nature.

The average number of employees, including the Directors, during the year was as follows:

	Year to 31 March 2023	Year to 31 March 2022
Directors	5	4
Staff	14	9
	19	13

10. Remuneration of Key Management Personnel

Key management personnel represent those personnel who hold a statutory directorship in Libertine Holdings PLC, for the period that they hold the statutory directorship. Further details are disclosed in the Directors' emoluments table on page 30 and share options and incentive schemes disclosure on page 53 which form part of these audited financial statements. Further information on the Directors' remuneration and benefits is as follows:

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Wages and salaries	**368**	210
Social security costs	**47**	24
Pension costs	**4**	2
Share option charges	**33**	153
	452	389

During the year, retirement benefits were accruing to two Directors (2022: two) in respect of defined contribution pension schemes. Share option charges above include the acceleration of charges at IPO.

11. Finance Income and Expense

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Interest receivable	**—**	6
Interest payable:		
Movement in fair value of convertible loan note	**—**	(1,410)
Interest on lease liability	**(5)**	(2)
	(5)	(1,412)
	(5)	(1,406)

12. Taxation

Income Taxes Recognised in Profit or Loss

	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Current tax		
UK tax credit for the year	**350**	83
Deferred tax	**—**	—
Total income tax credit recognised	**350**	83
Loss on ordinary activities before tax	**(4,056)**	(3,305)
Loss on ordinary activities multiplied by normal rate of tax (19%)	**771**	628
Effects of:		
Non-deductible expenses	**(18)**	(413)
R&D tax credit	**350**	83
Share-based payments	**(19)**	51
Deferred tax asset not recognised	**(734)**	(266)
Tax credit for the year	**350**	83

The Group was not liable for corporation tax during the past two years due to taxable losses being sustained in each of the years reported.

The Group has not recognised the deferred tax assets in respect of losses as the business is developing its products. When there is clear visibility of profits, the Group will recognise the deferred tax assets to the extent that sufficient taxable income will be available. Accumulated tax losses carried forward were £6.9m (31 March 2022: £3.4m).

Notes to the Financial Statements continued
for the year ended 31 March 2023

13. Loss per Share

	Year to 31 March 2023	Year to 31 March 2022
Basic loss per share		
Loss attributable to equity shareholders of the Parent (£'000)	**(3,706)**	(3,222)
Weighted average number of shares in issue	**139,182,846**	97,417,339
Basic loss per share (pence)	**(2.7p)**	(3.3p)

Basic loss per share is based on the weighted average number of Ordinary Shares in issue during the period. Diluted loss per share would assume conversion of all potentially dilutive Ordinary Shares arising from the share schemes detailed in note 24. Due to the losses in both periods there are no potentially dilutive Ordinary Shares, and therefore there is no difference between the basic and diluted loss per share.

The weighted average number of shares uses the number of shares in issue on admission to AIM on 23 December 2021. This has been applied retrospectively to the number of shares in issue at 31 March 2022 and the metric has been restated to ensure that the adjusted earnings per share figures are comparable over the two periods.

Adjusted Loss per Share

The calculation of adjusted loss per share is based on the adjusted loss after tax, as presented in note 7. Adjusted loss per share figures are given to exclude the effects of exceptional items and pre-reorganisation finance costs, all net of taxation, and are considered to show the underlying performance of the Group.

	Year to 31 March 2023	Year to 31 March 2022
Adjusted loss per share		
Adjusted loss after tax (note 7) (£'000)	**(3,706)**	(828)
Weighted average number of shares in issue	**139,182,846**	97,417,339
Adjusted loss per share (pence)	**(2.7p)**	(0.8p)

14. Property, Plant and Equipment

	Office equipment £'000	Computer equipment £'000	Leasehold improvements £'000	Tools and equipment £'000	Total £'000
Cost					
At 1 April 2021	35	23	—	—	58
Additions	24	10	19	—	53
At 31 March 2022	59	33	19	—	111
Additions	22	11	53	42	128
At 31 March 2023	**81**	**44**	**72**	**42**	**239**
Depreciation					
At 1 April 2021	26	22	—	—	48
Charge for the year	6	2	1	—	9
At 31 March 2022	32	24	1	—	57
Charge for the year	14	7	10	7	38
At 31 March 2023	**46**	**31**	**11**	**7**	**95**
Net book value					
At 31 March 2023	**35**	**13**	**61**	**35**	**144**
At 31 March 2022	27	9	18	—	54

Depreciation charges for the year are recognised in administrative expenses.

15. Right-of-Use Assets

	Property £'000
Cost	
At 1 April 2021	161
Additions	—
At 31 March 2022	161
Additions	209
Modification	(161)
At 31 March 2023	**209**
Depreciation	
At 1 April 2021	110
Charge for the year	32
At 31 March 2022	142
Charge for the year	36
Modification	(161)
At 31 March 2023	**17**
Net book value	
At 31 March 2023	**192**
At 31 March 2022	19

The Group has a lease contract for the property used in its operations, which has a five-year lease term to October 2027. Lease liabilities are discounted using the incremental borrowing rate, which is estimated by management to be 6%.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation is charged to administrative expenses.

16. Inventory

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Inventory	**518**	107
	518	107

During the year £763,000 (2022: £536,000) inventories relating to revenue were recognised as a cost in the consolidated statement of comprehensive income.

Inventories are stated after provision for impairment of £nil (2022: £nil).

17. Trade and Other Receivables

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Current		
Trade receivables – gross	**507**	637
Other debtors	**53**	32
VAT debtor	**203**	205
Accrued income	**288**	—
Prepayments	**234**	318
	1,285	1,192

The Group had no past due trade receivables as at 31 March 2023 (31 March 2022: £nil).

Trade receivables are non-interest bearing and receivable under normal commercial terms. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value and that no impairment is required at the reporting dates. Trade and other receivables represent financial assets and are assessed for impairment on an expected credit loss model. Therefore, there is no expected credit loss provision for impairment at 31 March 2023 (31 March 2022: £nil).

The impairment loss recognised in the income statement for the period in respect of expected credit losses was £nil (2022: £nil).

Notes to the Financial Statements continued
for the year ended 31 March 2023

18. Trade and Other Payables

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Trade payables	**773**	426
Tax and social security payable	**40**	30
Accruals and provisions	**390**	430
	1,203	886

The fair values of the Group's trade and other payables are considered to equate to their carrying amounts.

Accruals and provisions include an onerous contract provision of £109,000 (31 March 2022: £nil) in respect of expected losses on contracts entered into by the Group.

19. Financial Instruments

Classification

All financial assets have been classified as loans and receivables, and all financial liabilities have been classified as other financial liabilities measured at amortised cost.

Risk Management Objectives

Management identifies and evaluates financial risks on an on-going basis. The principal risks to which the Group is exposed are market risk (including interest rate risk, and cash flow risk), currency risk, credit risk, and liquidity risk.

Market Risk

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in: (a) interest-bearing assets and liabilities; and (b) foreign currencies, to the extent that these are exposed to general and specific market movements (see details below).

Interest Rate Risk

The Group's interest-bearing assets comprise cash and cash equivalents and borrowings. As the Group's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Group's income. The Group has £nil borrowings at 31 March 2023 (31 March 2022: £nil).

Currency Risk

The Group manages currency risk through natural hedging. The Group is exposed to foreign currency risks as a result of sales and purchases in non-Sterling currencies, mainly USD and Euros. Management monitor the Group's exposure to foreign currencies and consider the need for hedging contracts as appropriate.

On the gross sales value in the period, a 5% change in the USD:GBP rate would have changed the total revenue in the period by £60,000.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances (including bank deposits, cash and cash equivalents) and credit exposures to trade receivables.

Credit risk is managed by monitoring clients and performing credit checks as deemed necessary before accepting any customers. The Group's exposure to credit risk on cash and cash equivalents is considered low as the bank accounts are with banks with high credit rating.

Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Directors have considered the liquidity risk as part of their going concern assessment.

The Group seeks to manage its liquidity risk by ensuring that sufficient liquidity is available to meet its foreseeable needs.

A summary table with maturity of financial liabilities presented below is used by management to manage liquidity risks. The amounts disclosed in the following tables are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within twelve months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not material.

19. Financial Instruments continued

Liquidity Risk continued

The maturity analysis of financial instruments at 31 March 2023 is as follows:

Analysis by contractual maturities:	Carrying amount £'000	Demand and less than three months £'000	From three to twelve months £'000	From twelve months to two years £'000	From two to five years £'000	Total £'000
Financial liabilities:						
Trade and other payables	(1,094)	(1,094)	—	—	—	(1,094)
Lease liability	(190)	(8)	(28)	(41)	(113)	(190)
	(1,284)	(1,102)	(28)	(41)	(113)	(1,284)

The maturity analysis of financial instruments at 31 March 2022 is as follows:

Analysis by contractual maturities:	Carrying amount £'000	Demand and less than three months £'000	From three to twelve months £'000	From twelve months to two years £'000	From two to five years £'000	Total £'000
Financial liabilities:						
Trade and other payables	(886)	(886)	—	—	—	(886)
Lease liability	(12)	(9)	(3)	—	—	(12)
	(898)	(895)	(3)	—	—	(898)

Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Group's overall strategy remained unchanged during the period.

The capital structure of the Group consists of cash and cash equivalents, issued capital, less accumulated losses. As at 31 March 2023, the Group had £2.5m of cash reserves. On the basis of the Group's current financial position and forecast cash flows, the Directors have prepared and approved the financial statements as a going concern and highlight to the reader the significant assumption and material uncertainty in securing additional revenues.

The Group is not subject to any externally imposed capital requirements.

20. Leases

The Group's lease is for the office and manufacturing facility used in its operations. The current term of the property lease expires in October 2027.

The Group's present value lease obligations are stated below:

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Lease liabilities due within one year	36	12
Lease liabilities due after one year	154	—
	190	12

Lease liabilities include the net present value of the fixed payments. The lease payments are discounted using the Group's estimated incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments paid in the year were £34,000 (31 March 2022: £36,989).

Notes to the Financial Statements continued
for the year ended 31 March 2023

21. Borrowings
Movement in net borrowings:

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Borrowings at 1 April	—	694
Convertible loan notes issued	—	—
Movement in fair value of convertible loan note	—	1,410
Conversion of loan notes	—	(2,104)
	—	—

In July 2020 the Group issued £600,000 of convertible loan notes to four investors. The loan notes had a term until July 2023 and a coupon rate of 8%. The loan notes automatically convert to shares in the Company upon a listing. Had conversion not occurred the loan notes were repayable in full in July 2023. The loan notes were treated as non-current borrowings to match the financial instrument.

On 23 December 2021, the Company issued 10,523,630 Ordinary Shares in Libertine Holdings PLC in settlement of the convertible loan note.

22. Share Capital

	Ordinary Shares (£0.001)	
	Number	£
At 1 April 2021	—	—
Share for share exchange	82,411,310	82,411
Issued	56,407,700	56,408
At 31 March 2022	138,819,010	138,819
Issued	400,000	400
At 31 March 2023	**139,219,010**	**139,219**

On 7 December 2021, the Group underwent a reorganisation in which Libertine Holdings PLC became the ultimate parent undertaking of the Group. The reorganisation was performed via a share for share exchange of 82,411,310 Ordinary Shares, whereby each previous Ordinary Share in Libertine FPE Limited was exchanged for an Ordinary Share in Libertine Holdings PLC.

On 16 December 2021, the Company issued 154,070 Ordinary Shares in Libertine Holdings PLC for the equity-settled transaction or service valued at £30,000.

On 23 December 2021, the Company issued 10,523,630 Ordinary Shares in Libertine Holdings PLC in settlement of the convertible loan note. On the same day the Company issued 45,000,000 Ordinary Shares in Libertine Holdings PLC as part of its admission to AIM.

On 4 March 2022, the Company issued 730,000 Ordinary Shares in Libertine Holdings PLC to settle share options.

On 3 May 2022, the Company issued 400,000 Ordinary Shares in Libertine Holdings PLC to settle share options.

23. Share Premium Account

	£'000
At 1 April 2021	—
Issued	11,094
Share issue costs	(680)
At 31 March 2022	10,414
Issued	7
Share issue costs	—
At 31 March 2023	**10,421**

Share premium is the amount subscribed for share capital in excess of nominal value.

Details of the share transactions are included in note 22.

24. Share-Based Payments

Since 2017, before the incorporation of Libertine Holdings PLC, options have been granted by Libertine FPE Limited to Directors, employees and suppliers to purchase Ordinary Shares. Libertine FPE Limited has issued both EMI and unapproved share options. The options were due to vest over a period of up to ten years from grant date and were exercisable in the event of a listing.

All options had an exercise price of £0.20 when issued. In December 2021, all outstanding options in Libertine FPE Limited were replaced by options in Libertine Holdings PLC as part of the Group reorganisation ahead of the IPO. In advance of the share for share exchange and to ensure parity of the share options with Ordinary Shares in issue, the number of options in issue were increased by a factor of ten, with the exercise price reducing to £0.02 per share. All other option terms remained the same and as such there was no difference in fair value at the options replacement date.

In February 2023, Libertine Holdings PLC implemented a new Long Term Incentive Plan ("LTIP") for all employees. The initial number of options issued to all employees of 7,182,314 are subject to the achievement of performance conditions in respect of the three financial years to 31 March 2025. Performance conditions are aligned to shareholder value creation and focus on key financial and operational metrics, consistent with the Group's investment case. The number of options achieved under the scheme will be determined by the Remuneration Committee at the end of each financial year, and a maximum of one third of the allocation can be achieved each year. The scheme is subject to both good leaver/bad leaver provisions and malus/clawback provisions. A one year retention period for 50% of vesting options applies at the vesting date.

The LTIP was issued as an EMI scheme. The EMI scheme is open to all qualifying employees who are an employee within the Group working 25 hours per week, or if less, at least 75% of their working time.

Details of the option plans are as follows:

	As at 31 March 2023	As at 31 March 2022
Outstanding at beginning of year	**6,908,120**	482,812
Granted	**7,182,314**	536,000
Forfeited	**—**	(255,000)
Unachieved	**(1,844,397)**	—
	12,246,037	763,812
December 2021 share reorganisation	**—**	6,874,308
	12,246,037	7,638,120
Exercised	**(400,000)**	(730,000)
Outstanding at end of year	**11,846,037**	6,908,120

The weighted average exercise price on outstanding options at 31 March 2023 is £0.01 (31 March 2022: £0.02).

The expected volatility is based on the historical volatility (based on the share price) of comparator companies with publicly available share prices. The risk-free interest rate is based on the average return on ten-year UK gilts. Assumed retention of the options was 100%.

The fair value of each option granted was estimated on the grant date using the Black Scholes option pricing model with the following assumptions:

	LTIP Scheme	Pre-IPO EMI Scheme	Pre-IPO Unapproved Scheme
Fair values at grant dates (per share)	£0.18	£0.28–£0.55	£0.28–£0.46
Share price at grant dates	£0.195	£0.47–£0.64	£0.47–£0.64
Exercise price at date of issue	£0.001	£0.02	£0.02
Expected volatility	67%	70%	70%
Option life (expected weighted average life)	3 years	1–10 years	0–2.8 years
Expected dividend	0%	0%	0%
Risk-free interest rate (based on government bonds)	1.61%	1.12%	1.12%

The total share option charge in the period was £99,000 (FY22: £271,000). £231,000 of the charge in the prior period was on acceleration of options on vesting, as a result of the IPO. This charge has been accounted for as an operating cost of an exceptional nature.

25. Related Party Transactions

There were no related party transactions in the period (FY22: £nil).

26. Controlling Party

In the opinion of the Directors, the Company does not have an ultimate controlling party.

27. Events After the Balance Sheet Date

No matters have arisen since the balance sheet date.

Company Statement of Financial Position
as at 31 March 2023

	Note	As at 31 March 2023 £'000	As at 31 March 2022 £'000
ASSETS			
Non-current assets			
Investments	3	**412**	313
		412	313
Current assets			
Trade and other receivables	4	**2,478**	6,697
		2,478	6,697
Total assets		**2,890**	7,010
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	5	**139**	139
Share premium account	5	**10,421**	10,414
Share option reserve	5	**330**	231
Retained earnings		**(8,000)**	(3,774)
Total equity		**2,890**	7,010
Current liabilities			
Trade and other payables		**—**	—
		—	—
Total liabilities		**—**	—
Total equity and liabilities		**2,890**	7,010

The accompanying notes form part of the financial statements.

As permitted by Section 408 of the Companies Act 2006, the statement of profit or loss of the Company is not presented as part of these financial statements. The Company's loss for the financial period was £4,226,000 (2022: £3,774,000).

These financial statements were approved and authorised for issue by the Board of Directors on 27 September 2023 and were signed on its behalf by:

Gareth Hague
Director
Company registered number: 13724783

Company Statement of Changes in Equity

for the year ended 31 March 2023

Attributable to the owners of the Company:

	Issued capital £'000	Share premium account £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
At incorporation	—	—	—	—	—
Total comprehensive loss for the year	—	—	—	(3,774)	(3,774)
Issue of shares	139	11,094	—	—	11,233
Share issue costs	—	(680)	—	—	(680)
Share option charge	—	—	231	—	231
As at 31 March 2022	139	10,414	231	(3,774)	7,010
Total comprehensive loss for the year	—	—	—	(4,226)	(4,226)
Issue of shares	—	7	—	—	7
Share option charge	—	—	99	—	99
As at 31 March 2023	**139**	**10,421**	**330**	**(8,000)**	**2,890**

Issued capital and share premium account reflect the shares issued by the Company to date.

Share option reserve relates to the cumulative charge for share options.

Retained earnings reflects the cumulative comprehensive losses of the Company.

Notes to the Company Financial Statements
for the year ended 31 March 2023

1. General Information
Libertine Holdings PLC ("Libertine") is a company incorporated and domiciled in the United Kingdom (registered number 13724783). The Company was incorporated on 5 November 2021 in the United Kingdom and is a public company limited by shares registered in England and Wales. The address of the Company's registered office is 1 Coborn Avenue, Tinsley, Sheffield, S9 1DA.

The principal activity of the Company is that of investment holding.

2. Accounting Policies
The principal accounting policies adopted in the preparation of the financial statements of the Company (the "financial statements"), which have been applied consistently to all periods presented, are set out below.

a) Basis of Preparation
The financial statements of Libertine Holdings PLC 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, as modified and in accordance with the Companies Act 2006.

The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own statement of comprehensive income.

The Company has taken advantage of the following disclosure exemptions under FRS 101, on the basis that equivalent disclosures are, where required, are given in the consolidated financial statements of Libertine Holdings PLC:

a. a cash flow statement and related notes as required by IAS 7 – "Statement of Cash Flows";

b. the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(IV) of IAS 1 – a reconciliation of the share capital at the beginning and end of the period;

c. the requirements of paragraphs 30 and 31 of IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" to disclose the new or revised standards that have not been adopted and information about their likely impact;

d. all of the disclosure requirements of IFRS 7 "Financial Instruments: Disclosures";

e. the requirements of paragraph 17 of IAS 24, "Related Party Disclosures" to disclose key management personnel; and

f. the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

b) Going Concern
The financial statements have been prepared on a going concern basis.

The Directors have undertaken a comprehensive assessment to consider the Group and the Company's ability to trade as a going concern for a period of twelve months from the date of approving the financial statements. As of 31 August 2023, the Group had cash reserves of £1.2m, in addition to outstanding debtors of £0.2m, inventories of £0.6m and corporation tax receivables due of £0.4m.

The Directors have robustly tested the going concern assumption in preparing these financial statements, taking into account the Group's liquidity position as at 31 March 2023 and a number of severe but plausible downside scenarios, which collectively would be considered remote.

Absent of any additional revenues, the Group has funds required to maintain current operations, through to May 2024. The Group expects to secure new revenues and incomes within the next 12 months which are more than sufficient to support approving the financial statements as a going concern. The Directors acknowledge however that the timing and quantum of additional revenues and income is a significant assumption and a material uncertainty to the decision to approve the financial statements as a going concern.

Given the uncertainty, the Directors have prepared and approved the financial statements as a going concern and highlight to the reader the significant assumption and material uncertainty in securing additional revenues.

c) Comparative Figures
The comparative figures presented cover the period from incorporation on 5 November 2021 to 31 March 2022.

d) Investments
Investments in subsidiaries are stated at cost less provision for impairment. Where merger relief is applicable, the cost of the investment is recorded at the fair value on the date of the transaction. The difference between the fair value of the investment and the nominal value of the shares (plus the fair value of any other consideration given) is shown as a merger relief reserve and no share premium is recognised.

e) Financial Assets and Liabilities
Financial assets and liabilities are recognised when the Company unconditionally becomes a party to the contractual terms of the instrument. Unless otherwise indicated, the carrying amounts of financial assets and liabilities are considered by the Directors to be a reasonable estimate of their fair values at each reporting date.

Financial assets include trade and other receivables. Financial liabilities include trade and other payables and borrowings; these are classified as other financial liabilities carried at amortised cost.

Intercompany Balances
Intercompany receivables are recognised initially at their fair value and subsequently at their amortised cost using the effective interest method, less provision for expected credit losses. If there is objective evidence that the recoverability of the asset is at risk, appropriate allowances for any estimated irrecoverable amounts are recognised in the income statement.

3. Fixed Asset Investments

	Shares in Group undertakings £'000	Total £'000
Cost and net book value		
At incorporation	—	—
Share for share exchange	82	82
Additions	231	231
At 31 March 2022	313	313
Additions	99	99
At 31 March 2023	**412**	**412**

The Company has investments in the following subsidiary undertaking:

Name	Country of domicile	Registered office	Principal activity	Holding	%
Libertine FPE Limited	England	1 Coborn Avenue, Tinsley, Sheffield, S9 1DA	Development of linear electrical machines	Ordinary Shares	100%

On 7 December 2021, the Company acquired the share capital of Libertine FPE Limited in a share for share exchange. The cost of investment is recorded as the carrying amount of the equity items in Libertine FPE Limited at the date of the Group reorganisation.

The Directors consider the carrying value of investments to be supported by the net assets and future cash flows of the businesses.

The additions in the year of £99,000 (2022: £231,000) relate to share option charges in Libertine FPE Limited, which arose after the share for share exchange and will be settled by shares in Libertine Holdings PLC.

4. Trade and Other Receivables

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Amounts due from Group undertakings	**9,141**	9,153
Expected credit loss provision	**(6,681)**	(2,456)
	2,460	6,697
VAT Receivable	**18**	—
	2,478	6,697

An expected credit loss provision of £4,225,000 (2022: £2,456,000) has been recognised in respect of the amount due from Libertine FPE Limited, which is repayable on demand. The amounts due from Group undertakings less the expected credit loss provision are equal to the cash available for repayment at 31 March 2023 in Libertine FPE Limited.

5. Share Capital & Reserves

	Share Capital £'000	Share Premium £'000	Share Option Reserve £'000	Total £'000
At 31 March 2022	139	10,414	231	10,784
Share issue	—	7	—	7
Share option charge	—	—	99	99
At 31 March 2023	**139**	**10,421**	**330**	**10,890**

On incorporation, the Company issued one Ordinary Share at the nominal value of £0.01 per share.

On 30 November 2021, by way of a special resolution, the Company's existing one Ordinary Share of £0.01 was subdivided into ten Ordinary Shares of £0.001 each.

On 7 December 2021, the Company issued 82,411,310 Ordinary Shares pursuant to the share for share exchange agreement. On the same date the Company repurchased and cancelled the original ten Ordinary Shares of £0.001 each.

On 16 December 2021, the Company issued 154,070 Ordinary Shares in Libertine Holdings PLC for the equity-settled transaction or service valued at £30,000.

On 23 December 2021, the Company issued 10,523,630 Ordinary Shares in Libertine Holdings PLC in settlement of the convertible loan note. On the same day the Company issued 45,000,000 Ordinary Shares in Libertine Holdings PLC for £0.20 per share as part of its admission to AIM.

On 4 March 2022, the Company issued 730,000 Ordinary Shares in Libertine Holdings PLC for £0.02 per share to settle share options.

On 3 May 2022, the Company issued 400,000 Ordinary Shares in Libertine Holdings PLC to settle share options.

6. Events After the Balance Sheet Date

No matters have arisen since the balance sheet date.

Notice of Annual General Meeting

This document is important and requires your immediate attention

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the capital of the Company, please forward this document to the purchaser or transferee, or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Libertine Holdings PLC (the Company)
(incorporated in England & Wales with the registered number 13724783)

Directors:
Keith Jackson (Chair)
Sam Cockerill (Chief Executive Officer)
Gareth Hague (Chief Financial Officer)
Doug Montgomery (Independent Non-Executive Director)
Peter Wright (Independent Non-Executive Director)

Registered Office:
1 Coborn Avenue
Tinsley
Sheffield
S9 1DA

27 September 2023

Dear Shareholder

2023 Annual General Meeting

On behalf of the directors of Libertine Holdings PLC (together the 'Directors'), it gives me great pleasure to invite you to attend the Annual General Meeting (or 'AGM') of Libertine Holdings PLC (the 'Company') which will be held at 1 Coborn Avenue, Tinsley, Sheffield, S9 1DA on Thursday 9 November 2023 at 11:00am (UK time).

A copy of the 2023 Annual Report and Accounts is enclosed. This contains the financial statements for the year ended 31 March 2023. A resolution relating to the financial statements is included in the ordinary business of the AGM.

The formal Notice of AGM is set out on pages 59 and 60 of this document, detailing the resolutions that the shareholders are being asked to vote on with explanatory notes of the business to be conducted at the AGM on page 61. Details of the arrangements for the AGM are set out on pages 59 and 60.

I, and my fellow Directors, look forward to meeting shareholders in person. Shareholders who are unable to attend in person are encouraged to send in their votes using their proxy cards and submit any questions to us at companysecretary@libertine.co.uk. To view a copy of any of the following documents prior to the meeting please email the Company Secretary at companysecretary@libertine.co.uk:

i. the Executive Directors' service agreements; and

ii. the Non-Executive Directors' letters of appointment.

Action To Be Taken

Shareholders are requested to ensure any proxy appointments are received by 7 November 2023. The easiest way to do this is to visit www.signalshares.com and following the instructions for electronic submission. Alternative methods are outlined in paragraphs 2 and 3 of the section marked "Important Information" within the notice.

Recommendation

The Directors believe that the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that shareholders vote in favour of all of the resolutions to be proposed at the AGM. The Directors who own Ordinary Shares intend to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully

Keith Jackson
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held on 9 November 2023 at 11:00am at 1 Coborn Avenue, Tinsley, Sheffield, S9 1DA for the transaction of the following business:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Financial Statements and Reports

1. To receive the annual accounts and reports of the Company and the auditor's report on those accounts and reports for the year ended 31 March 2023.

Directors' (Re-) Election

2. To re-elect Keith Jackson as a Director of the Company.
3. To re-elect Sam Cockerill as a Director of the Company.
4. To re-elect Gareth Hague as a Director of the Company.
5. To re-elect Doug Montgomery as a Director of the Company.
6. To re-elect Peter Wright as a Director of the Company.

Auditor's Appointment and Remuneration

7. To reappoint Crowe UK LLP as auditor of the Company.
8. To authorise the Directors to fix the remuneration of the auditor of the Company.

By order of the Board

Gareth Hague
Company Secretary

IMPORTANT INFORMATION

The following notes explain your general rights as a shareholder and your right to attend and vote at the AGM or to appoint someone else to vote on your behalf.

1. A shareholder entitled to attend and vote at the AGM may appoint a proxy or proxies (who need not be a shareholder or shareholders of the Company) to exercise all or any of that shareholder's rights to attend, speak and vote at the AGM. Where more than one proxy is appointed, each proxy must be appointed for different shares.
2. Proxies may only be appointed by:
    - 2.1. making an online proxy appointment by going to www.signalshares.com and following the instructions for electronic submission provided there; or via the LinkVote+ app (refer to notes below); or
    - 2.2. requesting a paper proxy card from the Company's registrars, Link Group on 0371 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK, or email Link at shareholderenquiries@linkgroup.co.uk:
        - 2.2.1. forms must be completed and returned together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, to the Company's registrars, Link Group, PXS1, Central Square, at 29 Wellington Street, Leeds LS1 4DL by post or (during normal business hours only) by hand; or
        - 2.2.2. having an appropriate CREST message transmitted through the CREST electronic proxy appointment service as described in the CREST Manual (a CREST proxy instruction). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf (see note 3 below). Please refer to the CREST Manual on the Euroclear website www.euroclear.com for further information.
        - 2.2.3. if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io and refer to the notes below.

    To be effective the form of proxy or other instrument appointing a proxy must be received by the Company's registrars, or received electronically via www.signalshares.com, LinkVote+, Proxymity or, in the case of shares held through CREST, via the Euroclear website, in each case not later than 11:00 am on 7 November 2023.

    Completion of a proxy form, online proxy appointment or CREST proxy instruction will not prevent a shareholder from attending and voting in person at the meeting. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

Notice of Annual General Meeting continued

IMPORTANT INFORMATION continued

3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) by using the procedures described in the CREST Manual (available at www.euroclear.com). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of the receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated by other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service providers, to procedure that his CREST sponsor or voting service provider takes) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(3)(a) of the Uncertificated Securities Regulations 2001.

4. Link Group, the company's registrar, has launched a shareholder app: LinkVote+. It's free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.

5. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11:00am on 7 November 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

6. Only those shareholders included in the register of members of the Company close of business on 7 November 2023 or, if the meeting is adjourned, on the day which is two working days before the time for holding the adjourned meeting, will be entitled to attend and to vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meeting.

7. To view a copy of the service contracts of the Executive Directors and the letters of appointment of the Non-Executive Directors prior to the meeting please email the Company Secretary at companysecretary@libertine.co.uk.

8. The electronic addresses provided in this notice are provided solely for the purpose of enabling shareholders to register the appointment of a proxy or proxies for the meeting or to submit their voting directions electronically. You may not use any electronic address provided in this notice to communicate with the Company for any purposes other than those expressly stated.

9. A copy of this notice, and other information required by the Companies Act 2006, can be found at www.libertine.co.uk/investors/aim-rule-26/.

10. Shareholders have a right to ask questions relating to the business being dealt with at the meeting. The Company must answer such questions unless:

    10.1. answering would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;

    10.2. the answer has already been given on a website in the form of an answer to a question; or

    10.3. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered, any such questions must be emailed to the Company Secretary at companysecretary@libertine.co.uk in advance of the meeting.

11. As at 25 September 2023, being the last business day prior to publication of this AGM notice, the Company's issued share capital comprised 139,219,010 Ordinary Shares of £0.001 each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 25 September 2023 is 139,219,010.

12. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

13. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
14. Voting on all resolutions at the AGM will be conducted by a poll rather than a show of hands. As soon as practicable following the AGM, the results of the voting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website at www.libertine.co.uk/investors/aim-rule-26/.

EXPLANATORY NOTES TO THE RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING

The resolutions to be proposed at the AGM of the Company to be held on 9 November 2023 at 11:00am are set out in the notice of AGM. The following notes provide an explanation to the resolutions being put to shareholders.

The resolutions are proposed as ordinary resolutions. These resolutions will be passed if more than 50% of the votes are cast in favour of them.

Resolution 1 – Financial Statements and Accounts

The Directors are required to present to shareholders at the AGM the reports of the Directors and auditor and the audited accounts of the Company for the year ended 31 March 2023.

Resolutions 2 to 6 – Election of Directors

Each of Keith Jackson, Sam Cockerill, Gareth Hague, Doug Montgomery and Peter Wright are being put forward for re-election. Having considered the performance of and contribution made by each of the Directors and following performance evaluation for those Directors standing for re-election, the Board of Directors is satisfied that, and the Chairman confirms that, the performance of each Director continues to be effective and to demonstrate commitment to the role and as such the Board recommends their re-election.

A biography of each Director appears on page 22 and 23 of the Company's Annual Report and on the Company's website at www.libertine.co.uk/about-us.

Resolution 7 – Reappointment of Auditor

The Companies Act 2006 requires that an auditor be appointed at each general meetings at which accounts are laid to hold office until the next such meeting. The Directors recommend the reappointment of Crowe UK LLP as the company's auditor.

Resolution 8 – Authorising and Fixing the Remuneration of the Auditor

It is normal practice for shareholders to resolve at the Annual General Meeting that the Directors decide on the level of remuneration of the auditor for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditor for the next financial year will be disclosed in the next audited accounts of the Company.

Glossary of Terms

The following glossary of terms applies throughout this document, unless the context otherwise requires:

BEV	Battery Electric Vehicle
CNG	Compressed Natural Gas
Conventional ICE genset	A conventional ICE incorporating a crankshaft governing the engine's compression ratio and a rotating electrical power generator
Compression ratio	The ratio of the uncompressed volume to the compressed volume of a working chamber in an ICE
Dispatchable power	Electrical power that can be produced on demand
Distributed power generation	Distributed power generation refers to a variety of technologies that generate electricity at or near where it will be used, and which includes reciprocating ICEs within packaged gensets
Electrical machine (EM or e-machine)	A means for converting mechanical energy into electrical energy or, conversely, for producing mechanical work using electrical energy, as a result of relative motion between a fixed part of the EM (the stator) and a part that moves relative to the stator (the translator)
Free Piston	A reciprocating component that transfers energy to or from a gas (or liquid), and whose linear motion is not constrained by a crankshaft or other mechanical means
Generator Set (genset)	A thermal power generation engine that is mechanically coupled to an electrical power generator
Green Hydrogen	Hydrogen produced from renewable power
ICE	Internal Combustion Engine
intelliGEN™	Libertine's trademarked brand name for its linear e-machine and control technology platform for Linear Generator product development applications
IP	Intellectual Property
kWe	Kilowatt of electrical power or output capacity
Linear Electrical Machine (LEM)	A type of e-machine in which the relative motion between the stator and translator is linear, rather than rotational
Linear Generator	A genset in which the electrical power generator is a linear electrical machine
Net Zero	The term net zero means achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it
OEM	Original Equipment Manufacturer
Packaged genset	A genset that is incorporated together with ancillary systems and an enclosure to form a complete power generation product, typically for distributed power generation
PEM Fuel Cell	A type of fuel cell incorporating a Proton Exchange Membrane (also known as a proton-conducting polymer electrolyte membrane), typically requiring high purity hydrogen fuel and operating at temperatures of 100°C or less
Power electronics	Electronic switching and control circuitry designed to manage the flow of current and power to and from e-machines and other power generation devices
Powertrain	The electromechanical system that converts stored energy on board a vehicle into useful mechanical power at the wheels, propelling the vehicle forwards
Range Extender (REx)	An on-vehicle power generator for plug-in hybrid vehicles typically providing only part of the vehicle's energy requirements (A rechargeable battery providing the balance)
RNG	Renewable Natural Gas: Methane produced from renewable feedstocks typically through anaerobic digestion and biogas upgrading processes
Solid Oxide Fuel Cell	A type of fuel cell incorporating a solid oxide or ceramic electrolyte, typically able to operate on multiple fuels such as hydrogen and methane, and operating at temperatures of 100°C or more

Company Information

Financial Calendar

Trading update for six months ending 30 September 2023	To be published in November 2023
Interim results for six months ending 30 September 2023	To be published in December 2023
Full year results for twelve months ending 31 March 2024	To be published in August 2024
Annual Report publication	To be published in August 2024

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Auditor

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Legal Advisers

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Financial PR

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Registrar

Link Group
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