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If you have sold or otherwise transferred all of your Ordinary Shares in ITM Power plc prior to the date on which the shares are marked 'ex-entitlement' you should deliver this document together with the enclosed Form of Proxy and, if relevant, the Application Form, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold or otherwise transferred only part of your holding of your Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications which will be set out in the Application Form (if relevant).

This document is not a prospectus for the purposes of the Prospectus Regulation Rules and has not been approved by the UK Financial Conduct Authority pursuant to sections 85 and 87 of FSMA. In issuing this document the Company is relying on the exemption from issuing a prospectus in section 86(1)(e) of FSMA and on paragraphs 43 and 60 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). Applications in respect of the Open Offer from persons not falling within such exemptions will be rejected and the Open Offer contained in this document is not capable of acceptance by such persons. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the New Ordinary Shares by 8.00 a.m. on 23 October 2019.

AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the FCA have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.

ITM Power PLC

(Incorporated and registered in England and Wales with registered number 05059407)

Total fundraising of at least £52m

- (i) a strategic investment of £38m by Linde**
- (ii) a proposed firm placing of £14m, and**
- (iii) an Open Offer of up to c£6.8m**

Each at 40 pence per share

and

Notice of General Meeting

Investec Bank plc

Nominated Adviser, Financial Adviser and Broker

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the section headed "Risk Factors" in Part III of this document.

Notice of a General Meeting of the Company to be held at the offices of Burges Salmon LLP, 6 New Street Square, London, EC4A 3BF on 22 October 2019 at 11.00 a.m., is set out at the end of this document. A Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and in any event so as to be received by the Company's registrars, Link Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU by not later than 11.00 a.m. on 18 October 2019. Completion and posting of the Form of Proxy will not prevent a shareholder from attending and voting in person at the General Meeting.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 21 October 2019. The procedure for application and payment for Qualifying Shareholders is set out in Part II of this document, and, where relevant, will be set out in the Application Form to be sent to Qualifying Non-CREST Shareholders.

The New Ordinary Shares to be issued will, following their issue, rank pari passu with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The New Ordinary Shares have not been, nor will be, registered under the US Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan. Shareholders outside the UK and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Investec Bank plc, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively as nominated adviser, financial adviser and broker to the Company in relation to the Firm Placing and Admission and is not acting for any other persons in relation to the Firm Placing and Admission. Investec Bank plc is acting exclusively for the Company and for no one else in relation to the matters described in this document and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Investec Bank plc, or for providing advice in relation to the contents of this document or any matter referred to in it. The responsibilities of Investec Bank plc as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person, in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

No liability is accepted by Investec Bank plc nor does it make any representation or warranty, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Firm Placing, the Share Subscription, the Open Offer and Admission and accordingly Investec Bank plc disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any such statement, to the maximum extent permitted by law and the regulations to which it is subject. Investec Bank plc has not authorised the contents, or any part, of this document. Investec Bank plc may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Ordinary Shares (including the Firm Placed Shares, the Open Offer Shares and the Subscription Shares) and/or related instruments for its own account for the purposes of hedging any underwriting exposure or otherwise. Except as required by applicable law or regulation, Investec Bank plc does not propose to make any public disclosure in relation to any such transactions.

This document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or other securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the **United States or US**)), Australia, Canada, Japan, Jersey or South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

This document contains (or may contain) certain forward-looking statements with respect to the Company, the Group and certain of its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("**IFRS**") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as at the date they are made. Except as required by the FCA, the London Stock Exchange or applicable law, the Company, Investec Bank plc and their respective directors, officers, employees, agents, managers, members and partners expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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DIRECTORS AND ADVISERS

Directors	Professor Roger Putnam <i>(Non-Executive Chairman)</i> Dr Graham Cooley <i>(Chief Executive Officer)</i> Dr Simon Bourne <i>(Chief Technology Officer)</i> Dr Rachel Smith <i>(Executive Director)</i> Mr Andrew Allen <i>(Chief Financial Officer)</i> Sir Roger Bone <i>(Non-Executive Director)</i> Mr Robert Pendlebury <i>(Non-Executive Director)</i> Mr Martin Green <i>(Non-Executive Director)</i>
Company Secretary	Nicola Ham Edmonds <i>(Company Secretary and Head of Legal)</i>
Registered Office	22 Atlas Way Sheffield S4 7QQ
Nominated Adviser, Financial Adviser and Broker	Investec Bank plc 30 Gresham Street London EC2V 7QP
Solicitors to the Company	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX
Solicitors to the Nominated Adviser, Financial Adviser and Broker	Dechert LLP 160 Queen Victoria Street London EC4V 4QQ
Registrar	Link Asset Services The Registry 34 Beckenham Road Beckenham BR3 4TU
Receiving Agents	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement to participate in the Open Offer	5.00 p.m. on 2 October 2019
Announcement of the Firm Placing, the Share Subscription and the Open Offer	3 October 2019
Dispatch of the Circular, the Form of Proxy and, to certain Qualifying Non-CREST Shareholders, the Application Form	4 October 2019
Expected ex-entitlement date for the Open Offer	8.00 a.m. on 3 October 2019
Basic Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	7 October 2019
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 15 October 2019
Latest time for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 16 October 2019
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 17 October 2019
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 18 October 2019
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 21 October 2019
General Meeting	11.00 a.m. on 22 October 2019
Result of Open Offer announced through RNS	22 October 2019
Admission of the New Ordinary Shares to trading on AIM	8.00 a.m. on 23 October 2019
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	As soon as practicable after 8.00 a.m. on 23 October 2019
Expected date of dispatch of definitive share certificates for the New Ordinary Shares in certificated form (certificated holders only)	on 1 November 2019

Notes:

- (1) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or who are located or resident in countries outside the UK (particularly the Excluded Overseas Shareholders), details of which are set out in paragraph 6 of Part II of this document. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to the stock accounts in CREST of, Shareholders with registered addresses in any of the Restricted Jurisdictions.
- (2) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company (with the agreement of Investec Bank plc), in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.
- (3) References to times in this document are to London times unless otherwise stated.
- (4) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.
- (5) Assumes that the Resolutions that are set out in the Notice of General Meeting are passed.
- (6) If you require assistance please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

FIRM PLACING AND OPEN OFFER STATISTICS

Issue Price per New Ordinary Share	40 pence
Market price per Existing Ordinary Share ¹	43 pence
Discount to the market price of an Existing Ordinary Share ²	7 per cent.
Entitlement of Qualifying Shareholders under the Open Offer	1 Open Offer Share for every 19 Existing Ordinary Shares
Number of Ordinary Shares in issue as at the Latest Practicable Date	324,009,401
Number of New Ordinary Shares to be issued by the Company pursuant to the Firm Placing	35,000,000
Gross proceeds of the Firm Placing	£14,000,000
Number of New Ordinary Shares to be issued by the Company pursuant to the Share Subscription	95,000,000
Gross proceeds of the Share Subscription	£38,000,000
Net proceeds	£52,000,000
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Open Offer ³	17,053,126
Maximum gross proceeds of the Open Offer	£6,821,250
Number of Ordinary Shares in issue immediately following completion of the Firm Placing, the Open Offer and the Share Subscription ³	471,062,527
New Ordinary Shares as a percentage of the Enlarged Share Capital ³	31.2 per cent.

¹ Closing Price on AIM on the Latest Practicable Date.

² Being the percentage discount which the Issue Price represents to the Closing Price on the Latest Practicable Date.

³ Assumes the maximum number of New Ordinary Shares under the Open Offer are allotted.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Act	the Companies Act 2006 (as amended);
Admission	admission of the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
AIM	the AIM market operated by the London Stock Exchange;
AIM Rules	the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context may require);
AIM Rules for Companies	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
AIM Rules for Nominated Advisers	the rules of AIM as set out in the publication entitled 'AIM Rules for Nominated Advisers' published by the London Stock Exchange from time to time;
Application Form	the application form accompanying this document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer;
Basic Entitlement	the Open Offer Shares which a Qualifying Shareholder is entitled to subscribe for under the Open Offer calculated on the basis of 1 Open Offer Share for every 19 Existing Ordinary Shares held by that Qualifying Shareholder as at the Record Date;
Board or Directors	the board of directors of the Company for the time being;
Business Day	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
certificated or in certificated form	the description of a share or other security which is not in uncertificated form;
Circular or this document	this document dated 4 October 2019;
Closing Price	the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
Company or ITM Power plc	ITM Power plc, a company incorporated in England and Wales with registered number 05059407 and having its registered office at 22 Atlas Way, Sheffield, S4 7QQ;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Manual	the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules (including CREST Rule 8), the CCSS Operations Manual and the CREST Glossary of Terms;

CREST member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
CREST Proxy Instruction	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear's specifications;
CREST Regulations	the Uncertificated Securities Regulations 2001 (as amended);
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor;
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
Enlarged Share Capital	the issued share capital of the Company immediately following Admission, assuming (save for the purposes of calculating the 29.9 per cent. Aggregate Limit) the maximum number of Open Offer Shares are allotted;
EU	the European Union;
Euroclear	Euroclear UK & Ireland Limited;
Ex-Entitlement Date	8.00 a.m. on 3 October 2019;
Excess Applications	applications pursuant to the Excess Application Facility;
Excess Application Facility	the mechanism whereby a Qualifying Shareholder, who has taken up his Basic Entitlement in full, can apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, as more fully set out in Part II of this document;
Excess CREST Open Offer Entitlements	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this document;
Excess Shares	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and which are offered to Qualifying Shareholders under the Excess Application Facility;
Excluded Overseas Shareholders	other than as agreed by the Company and Investec or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction;
Existing Issued Shared Capital	the issued share capital of the Company as at the Latest Practicable Date;
Existing Ordinary Shares	the 324,009,400 Ordinary Shares in issue as at the Record Date;
FCA	the UK Financial Conduct Authority;
Firm Placees	the persons who have agreed to subscribe for the Firm Placed Shares;

Firm Placed Shares	the 35,000,000 New Ordinary Shares to be issued by the Company under the Firm Placing;
Firm Placing	the placing of the Firm Placed Shares with the Firm Placees pursuant to the Firm Placing and Open Offer Agreement;
Firm Placing and Open Offer Agreement	the conditional agreement dated 3 October 2019 between the Company and Investec Bank plc relating to the Firm Placing, details of which are set out in paragraph 6 of Part I of this document;
Form of Proxy	the form of proxy accompanying this document relating to the General Meeting;
FSMA	the UK Financial Services and Markets Act 2000 (as amended);
General Meeting or GM	the general meeting of the Company, notice of which is set out in Part V of this document, and including any adjournment(s) thereof;
Group or ITM Power	the Company and/or its subsidiary undertakings at the date of this document (as defined in sections 1159 and 1160 of the Act);
Investec or Investec Bank plc	Investec Bank plc, a company incorporated in England and Wales with registered number 00489604 and having its registered office at 30 Gresham Street, London EC2V 7QP;
Issue Price	40 pence per New Ordinary Share;
Linde	means Linde UK Holdings No.2 Limited;
Linde AG	means Linde Aktiengesellschaft, registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Munich under HRB234880;
Latest Practicable Date	means 5.00 p.m. on 2 October 2019, being the latest practicable date prior to publication of this document;
Link Asset Services	a trading name of Link Market Services Limited, a company incorporated in England and Wales with registered number 02605568 and having its registered office at The Registry, Beckenham, Kent BR3 4TU;
London Stock Exchange	London Stock Exchange plc;
Money Laundering Regulations	Money Laundering Regulations 2007 (as amended);
New Ordinary Shares	up to 147,053,126 new Ordinary Shares of 5 pence each to be issued by the Company pursuant to the Firm Placing, the Open Offer and the Share Subscription;
Notice of General Meeting	the notice of General Meeting, set out in Part V of this document;
Open Offer	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and in the case of the Qualifying Non-CREST Shareholders only, the Application Form;
Open Offer Entitlements	an entitlement to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder under the Open Offer (and, for the avoidance of doubt, references to Open Offer Entitlements include Basic Entitlements and Excess CREST Open Offer Entitlements);

Open Offer Shares	up to 17,053,126 New Ordinary Shares to be offered to Qualifying Shareholders under the Open Offer;
Overseas Shareholders	Shareholders with registered addresses outside the UK or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the UK;
Options	options granted by the Company over unissued Ordinary Shares pursuant to employee share option schemes and rights to subscribe for shares pursuant to employee and non-executive long term incentive plans put in place by the Company;
Optionholders	the employees and officers of the Company (including Directors) who hold Options;
Ordinary Shares	ordinary shares of 5 pence each in the capital of the Company;
Participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
Prospectus Regulation Rules	the Prospectus Regulation Rules Instrument published by the FCA (FCA 2019/80), implementing the EU Prospectus Regulation 2017/1129;
Qualifying CREST Shareholders	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form;
Qualifying Non-CREST Shareholders	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form;
Qualifying Shareholders	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date with the exception (subject to certain exceptions) of Excluded Overseas Shareholders;
Record Date	5.00 p.m. on 2 October 2019;
Registrars or Receiving Agent	Link Asset Services, trading name of Link Market Services Limited;
Regulatory Information Service or RNS	has the meaning given in the AIM Rules;
Resolutions	the resolutions to be proposed at the General Meeting which are set out in full in the Notice of General Meeting;
Restricted Jurisdictions	each of Australia, Canada, Japan, the Republic of South Africa and the United States;
Shareholders	holders of Existing Ordinary Shares;
Share Subscription	means the conditional subscription for Ordinary Shares by Linde on the terms and conditions contained in the Subscription Agreement;
Subscription Agreement	means the subscription agreement entered into between the Company and Linde on or about the date of this document pursuant to which Linde has agreed to subscribe for 95,000,000 Ordinary Shares on the terms and conditions set out therein;
Subscription Shares	means the 95,000,000 Ordinary Shares to be subscribed for by Linde pursuant to the Share Subscription;

uncertificated	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
UK or United Kingdom	the United Kingdom of England, Scotland, Wales and Northern Ireland;
US or United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
US Securities Act	the US Securities Act of 1933 (as amended);
USE	unmatched stock event;
£ or sterling	pounds sterling, the legal currency of the United Kingdom; and
29.9 per cent. Aggregate Limit	the restriction on the number of Open Offer Shares that each Qualifying Shareholder may receive under the Open Offer on the basis that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring its aggregate interest in the Company to more than 29.9 per cent. of the Enlarged Share Capital.

PART I

LETTER FROM THE CHAIRMAN OF



ITM Power PLC

(Incorporated and registered in England and Wales with registered number 05059407)

Directors:

Professor Roger Putnam	<i>(Non-Executive Chairman)</i>
Dr Graham Cooley	<i>(Chief Executive Officer)</i>
Dr Simon Bourne	<i>(Chief Technology Officer)</i>
Dr Rachel Smith	<i>(Executive Director)</i>
Mr Andrew Allen	<i>(Chief Financial Officer)</i>
Sir Roger Bone	<i>(Non-Executive Director)</i>
Mr Robert Pendlebury	<i>(Non-Executive Director)</i>
Mr Martin Green	<i>(Non-Executive Director)</i>

Registered office:

22 Atlas Way
Sheffield
S4 7QQ

4 October 2019

To Shareholders and, for information only, to the holders of Options

**Firm Placing of 35,000,000 New Ordinary Shares, Conditional Share Subscription of
95,000,000 New Ordinary Shares and Open Offer of up to
17,053,126 New Ordinary Shares at 40 pence per New Ordinary Share
and
Notice of General Meeting**

1. Introduction

The Company announced yesterday that it proposes to raise a minimum of £52 million (before expenses) pursuant to:

- a Share Subscription whereby Linde UK Holdings No.2 Limited, a member of the Linde group will subscribe for 95,000,000 New Ordinary Shares at an issue price of 40 pence per New Ordinary Share, thereby raising approximately £38 million (before expenses);
- a Firm Placing to raise approximately £14 million (before expenses) through the issue of New Ordinary Shares at an issue price of 40 pence per New Ordinary Share; and
- a non-underwritten Open Offer to raise up to approximately £6.8 million (before expenses) at an issue price of 40 pence per New Ordinary Share.

The Issue Price represents a discount of 7 per cent. to the Closing Price on the Latest Practicable Date. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will occur on or around 23 October 2019.

The Firm Placing, the Open Offer and the Share Subscription are inter-conditional and are also conditional on (amongst other things) the passing of the Resolutions at the General Meeting.

The purpose of this letter is to set out the background to, and the reasons for, the Firm Placing, the Open Offer and the Share Subscription. It explains why the Directors consider the Firm Placing, the Open Offer and the Share Subscription to be in the best interests of the Company and its Shareholders as a whole. It also recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do themselves in respect of their own beneficial shareholdings.

Shareholder approval will be sought in respect of the Firm Placing, the Open Offer and the Share Subscription at the General Meeting which is convened for 11.00 a.m. on 22 October 2019 at the offices of Burges Salmon LLP, 6 New Street Square, London EC4A 3BF.

Your attention is drawn to:

- (a) paragraph 4 of Part II of this document which sets out the actions to be taken by Qualifying Shareholders seeking to participate in the Open Offer; and
- (b) the Notice of General Meeting contained in Part V of this document and paragraphs 9 and 10 of this letter which explain the purpose of the General Meeting and action to be taken by you in relation to the Notice of General Meeting.

2. Overview of ITM Power

The Group manufactures integrated hydrogen energy solutions which offer rapid response and high pressure delivery designed to meet the requirements for grid balancing and energy storage services, and for the production of clean fuel for transport, renewable heat and chemicals. The Group services customers in three main end markets:

- (a) **Renewable Chemistry:** Hydrogen is a fundamental chemical building block for a variety of commodity chemicals and fuels, as well as an essential component of a range of chemical processes. Hydrogen is a critical ingredient in the production of ammonia used in agricultural fertilisers and is also a feedstock used in the fractional distillation of crude oil in petrochemical refining markets. Currently hydrogen is most commonly produced for these applications using steam reformation of methane natural gas, which is a carbon intensive process. Each of these industries represent multi-billion pound potential markets for the Group's electrolyzers, which could benefit from the decarbonised hydrogen as well as reduced energy costs achieved through rapid response grid balancing. The potential benefits of the Group's technology was demonstrated in September 2017 by Shell, who announced a project with the Group for a 10MW electrolyser for its Wesseling refinery in Rhineland, Germany. The high-profile project at Germany's largest refinery, which when deployed will be the largest of its kind, is currently expected to commence commissioning in March 2020 and to commence full operation in February 2021;
- (b) **Power-to-Gas Energy Storage:** the Group's 'Power-to-Gas' model is a commercial proposition which offers utility companies energy storage options. The Group's technology provides grid balancing services, converting excess renewable energy in the power network into hydrogen for injection into the gas network. The Group has established a reference plant at the Thüga Power Station in Frankfurt, Germany, which has been operational for over five years and has exceeded the expectations of the operator. The reference plant has helped drive further interest in the Group's rapid response electrolyzers and the Group recently announced the opening of a 1MW electrolyser ordered by Gasunie as well as a feasibility study with Ørsted to investigate the potential deployment of the Group's electrolyzers alongside gigawatt-scale renewable energy; and
- (c) **Clean Fuel:** the Group's refuelling model incorporates the work of national hydrogen infrastructure initiatives to support the growth of hydrogen as a transport fuel. There are a growing number of companies now manufacturing hydrogen buses, trucks, trains, and ferries. Targeting these types of vehicle fleets reduces the Group's reliance on wider infrastructure roll out, as is required for the mass market adoption of hydrogen fuel cell cars. This targeting follows a continuing focus by regional and national governments on air quality legislation designed to reduce emissions and improve air quality, particularly within towns and cities. The Group is currently engaged in discussions to provide electrolyser technology to support each of these industrial vehicle types with hydrogen refuelling solutions. These types of combustion engine vehicles are more difficult to replace with battery powered electric models due to the large weight of the battery that the vehicle would require. The Group have secured key contracts in this sector, including the sale of a 0.3MW electrolyser for installation at Tyseley Energy Park for a bus refuelling solution, and a 1MW electrolyser to support a fleet of 8 buses in Pau, France.

3. Background to and reasons for the Firm Placing, Share Subscription, the Open Offer and use of proceeds

The Group is seeing a considerable expansion in each of its end-markets. This is being driven by the improving economics and output of renewable power generation, alongside the growing commercial and regulatory focus on decarbonisation of energy intensive industrial processes. These trends are driving an increasing demand for the provision of green hydrogen at scale and the Group is in discussions over a number of proposals to deliver projects of 100 Megawatts and above, particularly in the power to gas and renewable chemistry markets.

Linde Minority Share Investment into ITM and Joint Venture between ITM and Linde

The Group has entered into an agreement with Linde AG to establish a 50/50 joint venture (the “**Joint Venture**”) through the formation a new vehicle. The objective of the Joint Venture is to enable the acceleration of large scale green hydrogen plant construction.

Linde AG is a leading industrial gases and engineering company with 2018 pro forma sales of USD 28 billion (EUR 24 billion). The company employs approximately 80,000 people globally and serves customers in more than 100 countries worldwide.

The Directors expect Linde AG’s size and global reach to significantly increase the ability of the Group to offer cost-competitive electrolysis products and systems in key markets, as well as to provide new opportunities through the Joint Venture’s access to Linde AG’s global customer base, and project delivery expertise. It is expected that these factors will materially increase the Group’s volume of electrolyser sales. This is a key driver in the Group’s ambition to continue the cost reduction and increase competitiveness.

The Group and Linde AG have enjoyed for several years a successful collaboration on hydrogen projects and the Joint Venture is believed by the Directors to represent an important step in the Group’s development of the business and significantly enhancing the Group’s capability to offer and efficiently deliver electrolysers for large-scale projects.

With the Joint Venture, the Group and Linde AG plan to primarily serve the refinery market, among others, with electrolysis-based hydrogen and green gases solutions, and jointly offer to customers feasibility studies, project development and EPC services. The Group will contribute with its electrolysis competences and supplies, and Linde AG will contribute with its proprietary technologies for gas separation and gas processing and its global project realization competencies.

The Directors believe that by combining Linde AG’s world-leading experience with the Group’s continued developments in delivery of PEM electrolyser technology at increasing scale with the Joint Venture, the Group, will be uniquely placed to deliver large-scale and complex gas production projects to industrial customers. In particular the Joint Venture will enable the Group and Linde AG to combine ITM’s expertise in Polymer Electrolyte Membrane (“**PEM**”) electrolysis with Linde AG’s successful global project realization experience in gases production and processing facilities. The Joint Venture is expected to significantly increase the ability of the Group to access complex large-scale projects and solutions with its electrolysis technology, which require project delivery and site integration.

Through the Joint Venture, the Group is expected to be in an improved position to accelerate the process of converting large-scale opportunities into sales, as well as to reduce project lead times and improve execution through dedicated and experienced resources across both electrolysis and project delivery / site integration requirements. The increased manufacturing capacity of the Group, together with Linde AG’s engineering, procurement and construction management resources through the Joint Venture, is expected to further increase the volume of projects which can be delivered in parallel, driving an associated cost reduction which is expected to increase the Group’s competitiveness.

Under the terms of the agreement, the Joint Venture will see an innovation management council created with equal representation from both ITM Power and Linde AG, with the target to determine measures to enhance the value propositions and competitive edge. The Joint Venture will be set up to include personnel from both organisations to leverage the depth of expertise from both the Group and Linde AG.

Move to Bessemer Park

The Group has an agreement for lease on a new 134,000 square foot facility at Bessemer Park in Sheffield. The facility is currently being developed in line with the Group's requirements and is expected to have an annual production capacity sufficient for the manufacture of over 1000 MW of electrolysers per annum, making the facility the world's largest PEM electrolyser manufacturing plant currently in development.

The facility is intended to be used for product assembly, stack manufacturing and development and testing of the Group's proposed 5MW stack module and will address capacity constraints that the Group currently experiences in its existing facilities, including limited power sources. The Bessemer Park site will also have a marketing area and office space for more than 100 employees. Current expectations are that occupation of administrative offices will commence in Spring 2020 and that manufacturing will commence in the summer of 2020.

The Directors expect the move to Bessemer Park will facilitate a number of advantages in addition to the increased manufacturing capacity, including semi-automation of manufacturing processes and a larger 5MW grid connection, to contribute to the Group's strategy of delivering increased system sizes for larger projects.

Continued Product Development

The Directors' immediate objective in terms of product development is to continue to focus on the scale up of proven electrolysis equipment, targeting penetration of larger markets. The Directors believe this approach to be a direct response to market demand from sales enquiries, trade fairs and marketing events and the large scale tender opportunities presenting in the market at present. To achieve this, the Group is pursuing the development of a 5MW 2-stack module which is scaleable for those projects of up to and beyond 100MW capacity that are increasingly being tendered. Product development, and in particular upscaling of product offering, is further supported through the Group's participation in large-scale feasibility studies, such as the 100MW Centurion project and the Gigastack feasibility study with Ørsted.

The Company's provisional specifications for the 5MW module indicate that it will be capable of generating 2.1 tonnes of hydrogen per day, and the Group's current internal development timetable anticipates that first hydrogen from a 5MW module will be generated in the final quarter of 2020. The design of the 5MW module is intended to improve design integration techniques in order to reduce balance of plant costs on larger projects, and is further indicative of the Group's drive for continuous product improvement and cost reduction.

4. Cash Position and Requirements

As at 30 April 2019, the Company reported total financial assets of c£19.8 million, of which c£5.2 million is cash, c£1.7 million is cash on guarantee and the remaining £12.9 million is deployed working capital (debtors less creditors).

To manage working capital demands and mitigate the impact of existing projects with cash receipts towards the end of the contractual agreement, the Group is seeking a move towards quoting for potential sales with upfront payment terms, thus reducing the initial working capital outlay of such commercial projects. On certain projects, working capital is also enhanced through working with, and receiving support from, partners on the development of technology.

Cash flow remains a key consideration for the Board, and the presiding financial objective for the Group is the achievement of a positive cash flow in the medium term.

Use of Proceeds

The Directors intend to use the proceeds of the Firm Placing, the Open Offer and the Share Subscription to:

- facilitate the Group's move to new larger facilities at Bessemer Park in Sheffield, which will consolidate the Group's two current sites and is expected to facilitate annual production capacity of over 1000MW. This would include installation of an enlarged grid connection with a capacity of 5MW, in order to be able to test larger scale electrolysers, as well as development of semi-automated manufacturing processes to enable cost reduction;

- fund and resource the Group's development of a 5MW electrolyser module, which is seen by the directors as a key opportunity to increase the scale of projects which the Group is capable of delivering on a competitive basis, along with further product development focusing on the delivery of electrolyser systems;
- to meet requirements for the funding of the Joint Venture agreement referred to above, which is expected to be an initial £2million; and
- provide working capital to support (among other things) the delivery of the contract backlog and opportunity pipeline to strengthen the Group's balance sheet, to assist in meeting tender requirements and to improve contractual terms offered by customers and suppliers, in particular with regard to obtaining improved upfront payment terms from customers and suppliers.

Backlog and Pipeline

As at the beginning of September 2019, the Group had c.£17.1 million of existing projects under contract and a further c.£16.1 million in the later stages of negotiation (c.£33.2 million in total). In addition, the Group has a qualified opportunity pipeline of c.£379 million of commercial sales, which consists of over 50 separate projects, across all three end markets, Renewable Chemistry, Power-to-Gas Storage and Clean Fuel.

For each of the projects qualified within this figure, the Group has been engaged to provide a written proposal within the past 12 months, the client is understood to remain actively interested in pursuing the project, and the Directors believe the client has the financial means and the ambition to implement the project in the medium term. The majority of these projects, both under contract or negotiation and in the qualified pipeline, provide for a portion of the project cost to be paid by the client to the relevant member of the Group up front, with the corresponding balance of the income typically received towards the end of the contract. This results in a working capital shortfall during the middle and later stages of the contract term, when cash is used in the build phase as well as final commissioning and user testing. The Board is also of the opinion that to bid effectively for the increasing number of larger scale projects it is important that the Group can demonstrate a robust balance sheet and financial condition.

5. Details of the Firm Placing Open Offer and the Share Subscription

Structure

The Directors have given careful consideration as to the structure of the proposed fundraising and have concluded that the Firm Placing, the Open Offer and the Share Subscription is the most suitable option available to the Company and its Shareholders at this time.

It is intended that 35,000,000 Firm Placed Shares will be issued through the Firm Placing at 40 pence per New Ordinary Share to raise gross proceeds of £14 million. Up to 17,053,126 New Ordinary Shares will be issued through the Open Offer at 40 pence per New Ordinary Share to raise gross proceeds of up to approximately £6.8 million.

Principal terms of the Firm Placing

The Company is proposing to issue 35,000,000 Firm Placed Shares pursuant to the Firm Placing. In accordance with the terms of the Firm Placing and Open Offer Agreement, Investec has agreed to use reasonable endeavours to procure places for the Firm Placing Shares at the Issue Price.

The Firm Placing is not being underwritten.

The Firm Placed Shares are not subject to clawback and are not part of the Open Offer.

Dr. Graham Cooley, Andy Allen, Sir Roger Bone and Martin Green have undertaken to subscribe for, in aggregate, 265,000 Firm Placed Shares in the Firm Placing at a price of 40 pence per New Ordinary Share, as set out below.

Under the Firm Placing and Open Offer Agreement, the Group has agreed to pay to Investec a fixed sum together with a commission based on the aggregate value of certain of the Firm Placed Shares placed at the Issue Price and the Open Offer Shares issued at the Issue Price and the costs and expenses of the Firm Placing together with any applicable VAT.

<i>Participant</i>	<i>Number of Firm Placed Shares</i>
Sir Roger Bone	125,000
Martin Green	40,000
Dr Graham Cooley	75,000
Andy Allen	25,000

Principal terms of the Open Offer

The Board considers it important that Qualifying Shareholders have the opportunity to participate in the fundraising, and the Directors have concluded that the Open Offer is the most suitable option available to the Company and its Shareholders.

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by both subscribing for their respective Basic Entitlements and by subscribing for Excess Shares under the Excess Application Facility, subject to availability.

Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for 1 Open Offer Share for every 19 Existing Ordinary Shares held on the Record Date.

The Open Offer will raise gross proceeds of up to approximately £6.8 million.

The Issue Price represents a 7 per cent. discount to the Closing Price of 43 pence per Ordinary Share on the Latest Practicable Date.

Basic Entitlement

Qualifying Shareholders are invited, on and subject to the terms and conditions of the Open Offer, to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price. Qualifying Shareholders have a Basic Entitlement of:

1 Open Offer Share for every 19 Existing Ordinary Shares

registered in the name of the relevant Qualifying Shareholder on the Record Date.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 17,053,126 New Ordinary Shares.

Allocations under the Open Offer

In the event that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility provided always that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring their aggregate interest in the Company to more than the 29.9 per cent. Aggregate Limit.

Excess Application Facility

Subject to availability and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form and should refer to paragraph 4.1(c) of Part II of this document for further information. Qualifying CREST Shareholders will have Excess CREST Open

Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of Part II of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess Applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Application procedure under the Open Offer

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Basic Entitlements as shown in Box 3 on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlements.

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and also in respect of their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 7 October 2019.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The Basic Entitlements and Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST as soon as practicable after 8.00 a.m. on 7 October 2019. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part II of this document and, where relevant, on the Application Form.

Conditionality

The Firm Placing and the Open Offer are conditional, among other things, upon the following:

- the passing, without amendment, of the Resolutions at the General Meeting;
- Admission occurring by 8.00 a.m. on 23 October 2019 (or such later time and/or date as may be agreed between the Company and Investec being no later than 8.00 a.m. on 1 November 2019); and
- the Firm Placing and Open Offer Agreement and the Subscription Agreement becoming unconditional in all respects and not having been terminated in accordance with their terms.

If the conditions set out above are not satisfied or waived (where capable of waiver), the Firm Placing, the Share Subscription and the Open Offer will lapse; and

- (a) the Firm Placed Shares will not be issued and all monies received from investors in respect of the Firm Placed Shares will be returned to them (at the investors' risk and without interest) as soon as possible thereafter; and
- (b) any Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will, after that time and date, be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and

by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.

Application for Admission

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Admission is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 23 October 2019 (or such later time and/or date as may be agreed between the Company and Investec, being no later than 8.00 a.m. on 1 November 2019). No temporary document of title will be issued.

The New Ordinary Shares will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares in issue at the date of this document and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Important notice

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company.

The Firm Placing, the Open Offer and the Share Subscription are separate and distinct transactions involving the issue of New Ordinary Shares.

Qualifying Shareholders are being invited to participate in the Open Offer and (subject to certain exceptions) will have received an Application Form with this document. However Qualifying Shareholders are not entitled to participate in the Firm Placing unless expressly invited by the Company and Investec to do so.

In issuing this document and structuring the Firm Placing, the Share Subscription and the Open Offer in this manner, the Company is relying on the exemption from issuing a prospectus in section 86(1)(e) of FSMA and on paragraphs 43 and 60 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended).

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to the date on which the shares are marked 'ex-entitlement' is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchasers under the rules of the London Stock Exchange.

6. Effect of the Firm Placing and the Open Offer

Upon completion of the Firm Placing, the Open Offer and the Share Subscription, the New Ordinary Shares will represent approximately 31.2 per cent. of the Enlarged Share Capital (assuming the Open Offer is subscribed in full).

Following Admission, the Group will have a total of 471,062,527 Ordinary Shares in issue (assuming the Open Offer is subscribed in full). With effect from Admission, this figure may (assuming the Open Offer is subscribed in full) be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Group, under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

7. The Firm Placing and Open Offer Agreement

Pursuant to the terms of the Firm Placing and Open Offer Agreement, Investec, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Firm Placed Shares at the Issue

Price. The Firm Placing and Open Offer Agreement is conditional upon, among other things, the conditions set out above (please see 'conditionality' in paragraph 5 of this Part I) and none of the warranties or undertakings given to Investec prior to Admission being or becoming untrue, inaccurate or misleading.

The Firm Placing and Open Offer Agreement contains customary warranties given by the Company in favour of Investec in relation to, among other things, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Investec (and its affiliates) in relation to certain liabilities which they may incur in respect of the Firm Placing and the Open Offer.

Investec has the right to terminate the Firm Placing and Open Offer Agreement in certain circumstances prior to Admission. In particular, in the event of breach of the warranties or a material adverse change or if the Firm Placing and Open Offer Agreement does not become unconditional.

8. Subscription Agreement

Pursuant to the Subscription Agreement, Linde has agreed to subscribe for 95,000,000 New Ordinary Shares at a price of 40 pence per New Ordinary Share, raising £38.0 million before expenses. The Share Subscription is conditional on (amongst other things):

- (a) the Firm Placing and Open Offer Agreement having not lapsed or been terminated in accordance with its terms and the Open Offer Shares and the Firm Placed Shares having been admitted to trading on AIM in accordance with the AIM Rules;
- (b) the Company successfully raising, pursuant to the Share Subscription, the Firm Placing and the Open Offer, an amount which equals not less than £52,000,000 and not more than £59,000,000;
- (c) the New Ordinary Shares issued pursuant to the Share Subscription representing not less than 20 per cent. of the Enlarged Share Capital of the Group; and
- (d) admission of the Subscription Shares occurring no later than 8.00 am on the date on which Admission occurs.

Pursuant to the Subscription Agreement:

- (a) Linde will have the right, following completion of the Share Subscription and for so long as it holds at least 10 per cent. of the issued ordinary share capital of the Company, to appoint a non-executive director to the Board;
- (b) following completion of the Share Subscription, the Group will establish a technology management committee which will be responsible for setting the direction of product innovation for the Group, which committee will be chaired by the non-executive director appointed by Linde; and
- (c) Linde has agreed, other than in certain limited circumstances, not to sell any of the Subscription Shares for a period of 12 months following completion of the Share Subscription or acquire shares which would increase Linde's shareholding to more than 29.99 per cent. of the Company's issued ordinary share capital.

9. General Meeting

A General Meeting of the Company is planned to be held at 11.00 a.m. on 22 October 2019, at the offices of Burges Salmon LLP, 6 New Street Square, London, EC4A 3BF. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions in order to implement the Firm Placing, the Open Offer and the Share Subscription.

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting in Part V of this document.

Resolution 1: Authority to allot shares

This ordinary resolution will grant the Directors authority to allot the New Ordinary Shares for the purposes of the Firm Placing, the Open Offer and the Share Subscription. The authority given by this Resolution will

expire 90 days after the date of the passing of the Resolution. This authority will be in addition to that proposed to be given to the Directors at the AGM.

Resolution 2: Disapplication of pre-emption rights

Conditional on the passing of Resolution 1, Resolution 2 disapplies the statutory pre-emption rights in respect of the allotment of the New Ordinary Shares to be allotted pursuant to Resolution 1 in connection with the Firm Placing, the Open Offer and the Share Subscription. The authority given by this Resolution will expire 90 days after the date of the passing of the Resolution. This authority will be in addition to that contained in the special resolution proposed to be passed at the AGM.

10. Action to be taken in relation to the General Meeting

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's registrars at Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11.00 a.m. on 18 October 2019. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Link Asset Services (CREST Participant ID: RA10) so that it is received by no later than 11.00 a.m. on 18 October 2019. The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

11. Action to be taken in respect of the Open Offer

Qualifying Non-CREST Shareholders (i.e. holders of Existing Ordinary Shares who hold their Existing Ordinary Shares in certificated form)

If you are a Qualifying Non-CREST Shareholder you will receive an Application Form which gives details of your Basic Entitlement under the Open Offer (as shown by the number of Basic Entitlements set out in Box 3 of the Application Form). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the Application Form in accordance with the procedure for application set out in paragraph 4.1 of Part II of this document and on the Application Form itself.

Qualifying Non-CREST Shareholders who wish to subscribe for more than their Basic Entitlement should complete Boxes 5, 6, 7 and 8 on the Application Form. Completed Application Forms, accompanied by full payment in accordance with the instructions in paragraph 4.1 of Part II of this document, should be posted using the accompanying reply-paid envelope (if posted from the UK only) or returned by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, in either case, as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 21 October 2019. If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form.

Qualifying CREST Shareholders (i.e. holders of Existing Ordinary Shares who hold their Existing Ordinary Shares in uncertificated form)

If you are a Qualifying CREST Shareholder you will not be sent an Application Form. You will receive a credit to your appropriate stock account in CREST in respect of your Basic Entitlement under the Open Offer and also an Excess CREST Open Offer Entitlement for use in connection with the Excess Application Facility. You should refer to the procedure for application set out in paragraph 4.2 of Part II of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4.2 of Part II of this document by no later than 11.00 a.m. on 21 October 2019.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from an appropriately qualified independent professional adviser.

12. Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Ordinary Shares for the benefit of such persons (including, without limitation, subject to certain exceptions, custodians, nominees, trustees and agents), or who have a contractual or other legal obligation to forward this document, the Form of Proxy or (if applicable) an Application Form to such persons, is drawn to the information which appears in paragraph 4 of Part II (Terms and Conditions of the Open Offer) of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including, without limitation, the United States or any other Restricted Jurisdiction) should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements to the Open Offer.

13. Taxation

Your attention is drawn to the taxation section contained in Part IV of this document.

This information is intended only as a general guide to the current UK tax position. Shareholders who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser immediately.

14. Intentions of the Directors in relation to the Firm Placing

The following participants intend to subscribe for an aggregate of 265,000 Firm Placed Shares as set out below:

<i>Participant</i>	<i>Number of Firm Placed Shares</i>
Sir Roger Bone	125,000
Martin Green	40,000
Dr Graham Cooley	75,000
Andy Allen	25,000

The Directors do not intend to subscribe for any Open Offer Shares. Accordingly Excess Shares will be available for other Qualifying Shareholders under the Excess Application Facility.

15. Directors' interests

The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and of persons connected with them (within the meaning of Section 252 of the Act) in the Existing Issued Share Capital and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the Latest Practicable Date and as they are so expected to be upon Admission (assuming full take-up under the Open Offer) are as follows:

<i>Name</i>	<i>At the Latest Practicable Date</i>		<i>On Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Professor Roger Putnam	27,129	0.01%	27,129	0.01%
Dr Graham Cooley	1,062,726	0.33%	1,137,726	0.24%
Dr Simon Bourne	349,462	0.11%	349,462	0.07%
Dr Rachel Smith	80,886	0.02%	80,886	0.02%
Mr Andrew Allen	0	0.00%	25,000	0.01%
Sir Roger Bone	133,710	0.04%	258,710	0.05%
Mr Robert Pendlebury	37,269	0.01%	37,269	0.01%
Mr Martin Green	0	0.00%	40,000	0.01%

16. Irrevocable voting commitments from certain Directors

Directors who in aggregate hold 1,691,182 Existing Ordinary Shares, representing approximately 0.52 per cent. of the Existing Issued Share Capital, have irrevocably undertaken to vote (and where such Existing Ordinary Shares are registered in the name of any other persons have irrevocably undertaken to use reasonable endeavours to procure that those persons will vote) in favour of the Resolutions at the General Meeting.

17. Recommendations and voting intentions

The Directors believe that the Firm Placing, the Open Offer and the Share Subscription are in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions as they and Shareholders connected with them intend to do so in respect of their aggregate beneficial holdings of the Existing Issued Share Capital.

The Company is in receipt of undertakings from Directors to vote in favour of the Resolutions representing not less than 0.52 per cent. of the Existing Issued Share Capital.

Yours faithfully,

Professor Roger Putnam

Non-Executive Chairman

ITM Power plc

PART II

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

As explained in Part I of this document, the Company proposes to issue up to 17,053,126 Open Offer Shares at the Issue Price in order to raise approximately £6,821,250 (before expenses) by way of the Open Offer (assuming that the Open Offer is subscribed in full).

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlements to the extent that other Qualifying Shareholders do not take up their Basic Entitlement in full.

The Open Offer has not been underwritten. There may be no more than 17,053,126 Open Offer Shares issued under the Open Offer.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 3 October 2019, when the Existing Ordinary Shares are marked “ex” the entitlement to the Open Offer, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have applied (subject to the terms and conditions set out in this document and the Application Form).

A summary of the arrangements relating to the Open Offer is set out below. This document and, for Qualifying Non-CREST Shareholders, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part II which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part II.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price (payable in full on application and free of all expenses) and will have a Basic Entitlement of:

1 Open Offer Share for every 19 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder on the Record Date. Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders with fewer

than 19 Existing Ordinary Shares will not be able to apply for Open Offer Shares. Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Please refer to paragraphs 4.1(c) and 4.2(c) of this Part II for further details of the Excess Application Facility.

Please note that holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Basic Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 4.2(a) to 4.2(l) of this Part II and also to the CREST Manual for further information on the relevant CREST procedures.

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 3 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 5, 6, 7 and 8 on the Application Form. Excess Applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 17,053,126 Open Offer Shares.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 3 October 2019 is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be admitted to CREST with effect from 7 October 2019.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. Conditions and further terms of the Open Offer

The Open Offer is conditional, *inter alia*, upon the following:

- (a) the passing, without amendment, of the Resolutions at the General Meeting;
- (b) Admission becoming effective by not later than 8.00 a.m. on 23 October 2019 (or such later time and/or date as may be agreed between the Company and Investec, being no later than 8.00 a.m. on 1 November 2019); and
- (c) the Firm Placing and Open Offer Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms.

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 23 October 2019 (or such later time and/or date as may be agreed between the Company and Investec, being no later than 8.00 a.m. on 1 November 2019), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form on or before 1 November 2019. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 23 October 2019.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 23 October 2019, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his Basic Entitlement or a Qualifying Shareholder has Basic Entitlements and Excess CREST Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form (that is, not in CREST) will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form (that is, in CREST) will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding

Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of this Part II.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this document.

4.1 ***If you have an Application Form in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 2. It also shows the number of Open Offer Shares which represents their Basic Entitlement under the Open Offer, as shown by the total number of Basic Entitlements allocated to them set out in Box 3. Box 4 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying Non-CREST Shareholders wishing to take up their Basic Entitlement in full should complete Boxes 5, 7 and 8.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Non-CREST Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than 19 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 19 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of this Part II). Qualifying Non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Basic Entitlement may do so by completing Boxes 5, 7 and 8 of the Application Form. Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, by completing Boxes 5, 6, 7 and 8 of the Application Form (see paragraph 4.1(c) of this Part II). Qualifying Non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 4.1(b) of this Part II).

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer to Qualifying Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 17 October 2019. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser

as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to either the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into a Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2(b) of this Part II.

(c) *Excess Application Facility*

Subject to availability, and assuming that Qualifying Non-CREST Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares, up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, may do so by completing Boxes 5, 6, 7 and 8 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility and where such Excess Application is not in excess of the relevant Qualifying Non-CREST Shareholder's 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Non-CREST Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

(d) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply-paid envelope or returned by post or by hand (during normal office hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (who will act as Receiving Agent in relation to the Open Offer), so as to be received by the Receiving Agent by no later than 11.00 a.m. on 21 October 2019, after which time Application Forms will not be valid (subject to certain exceptions described below). Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

Application Forms delivered by hand will not be checked upon delivery and no receipt will be provided.

Completed Application Forms should be returned with a cheque or banker's draft drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "Link Market Services Limited Re: ITM Power plc Open Offer A/C" and crossed "A/C Payee Only". Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by completing the account name on the back of the cheque or draft and adding the branch stamp) may not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion (but with the prior consent of Investec, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) with the prior consent of Investec to accept either:

- (i) Application Forms received after 11.00 a.m. on 21 October 2019; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 21 October 2019 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Open Offer Shares have already been allotted and issued to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, Investec or the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

(e) *Effect of application*

By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company and Investec that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Investec that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and Investec that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this

document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Group contained in this document;

- (iv) confirms to the Company and Investec that in making the application he is not relying and has not relied on Investec or any other person affiliated with Investec in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (v) confirms to the Company and Investec that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Investec;
- (vi) represents and warrants to the Company and Investec that he is the Qualifying Shareholder originally entitled to the Basic Entitlements or that he received such Basic Entitlements by virtue of a *bona fide* market claim;
- (vii) represents and warrants to the Company and Investec that if he has received some or all of his Basic Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements by virtue of a *bona fide* market claim;
- (viii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the Articles of Association of the Company;
- (ix) represents and warrants to the Company and Investec that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (x) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Investec or any of their affiliates, by means of any: (a) “directed selling efforts” as defined in Regulation S under the US Securities Act; or (b) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act; and
- (xi) represents and warrants to the Company and Investec that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

All enquiries in connection with the procedure for application and completion of the Application Form, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Non-CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this document.

4.2 If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) *General*

Subject as provided in paragraph 6 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Basic Entitlement and also in respect of his Excess CREST Open Offer Entitlement (an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit) (see paragraph 4.2(c) of this Part II for further details). Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility. Any Qualifying CREST Shareholders with fewer than 19 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 19 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.2(c) of this Part II).

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 3.00 p.m. on 7 October 2019, or such later time and/or date as may be agreed between the Company and Investec, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) *Bona fide market claims*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the Excess CREST Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Subject to availability, and assuming that Qualifying CREST Shareholders have accepted their Basic Entitlement in full, Qualifying CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility, subject always to the 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's sole risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Entitlements and/or Excess CREST

Open Offer Entitlements corresponding to the number of Open Offer Shares applied for;
and

- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above.
- (e) *Content of USE instruction in respect of Basic Entitlements*
- The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
 - (ii) the ISIN of the Basic Entitlement. This is GB00BKLXG654;
 - (iii) the CREST participant ID of the accepting CREST member;
 - (iv) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
 - (v) the participant ID of Link Asset Services in its capacity as Receiving Agent. This is 7RA33;
 - (vi) the member account ID of Link Asset Services in its capacity as Receiving Agent. This is 20383ITM;
 - (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(e)(i) above;
 - (viii) the intended settlement date. This must be on or before 11.00 a.m. on 21 October 2019;
and
 - (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 21 October 2019.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 21 October 2019 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 23 October 2019 (or such later time and/or date as may be agreed between the Company and Investec, being no later than 8.00 a.m. on 1 November 2019), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

- (f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*
- The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BK58R520;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Link Asset Services in its capacity as Receiving Agent. This is 7RA33;
- (vi) the member account ID of Link Asset Services in its capacity as Receiving Agent. This is 20383ITM;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 21 October 2019; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 21 October 2019.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 21 October 2019 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 23 October 2019 (or such later time and/or date as may be agreed between the Company and Investec, being no later than 8.00 a.m. on 1 November 2019), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(g) *Deposit of Basic Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer can be applied for through an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary

steps in connection with taking up the entitlement prior to 11.00 a.m. on 21 October 2019. After depositing their Basic Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 16 October 2019 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements or Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 15 October 2019, in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and the Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlements or in respect of the Excess CREST Open Offer Entitlements, as the case may be, prior to 11.00 a.m. on 21 October 2019. CREST holders inputting the withdrawal of their Basic Entitlement from their CREST account must ensure that they withdraw both their Basic Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 21 October 2019 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 21 October 2019. In this connection CREST members and (where applicable) their CREST sponsors are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question, without payment of interest;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question, without payment of interest; and

- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.
- (k) *Effect of valid application*
- A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:
- (i) represents and warrants to the Company and Investec that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
 - (ii) agrees with the Company to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
 - (iii) agrees with the Company and Investec that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
 - (iv) confirms to the Company and Investec that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Group contained in this document;
 - (v) confirms to the Company and Investec that in making the application he is not relying and has not relied on Investec or any other person affiliated with Investec in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
 - (vi) confirms to the Company and Investec that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Investec;
 - (vii) represents and warrants to the Company and Investec that he is the Qualifying Shareholder originally entitled to the Basic Entitlements and Excess CREST Open Offer Entitlements or that he has received such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
 - (viii) represents and warrants to the Company and Investec that if he has received some or all of his Basic Entitlements and Excess CREST Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
 - (ix) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles of Association of the Company;
 - (x) represents and warrants to the Company and Investec that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer

Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (xi) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Investec or any of their affiliates, by means of any: (a) “directed selling efforts” as defined in Regulation S under the US Securities Act; or (b) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act; and
 - (xii) represents and warrants to the Company and Investec that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.
- (l) *Company’s discretion as to the rejection and validity of applications*
- The Company may in its sole discretion but with the prior consent of Investec:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

5. Money Laundering Regulations

5.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5, the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent, the Company and Investec from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or
- (ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,397.88 as at the Latest Practicable Date).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker’s draft in sterling drawn on a branch in the UK of a bank or building society which bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, should be made payable to “Link Market Services Limited Re: ITM Power plc Open Offer A/C” in respect of an application by a Qualifying Shareholder and crossed “A/C Payee Only” in each case. Third party cheques may not be accepted with the exception of building society cheques or bankers’ drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers’ draft to such effect. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1(i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of

South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form, written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

To confirm the acceptability of any written assurance referred to in paragraph 5.1(b) above, or in any other case, the acceptor please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,397.88 as at the Latest Practicable Date) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 21 October 2019, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 **Basic Entitlements and Excess CREST Open Offer Entitlements in CREST**

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

6. **Overseas Shareholders**

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas

Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 **General**

The distribution of this document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company or Investec or any other person to permit a public offering or distribution of this document (or any other offering or publicity materials or application forms) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the UK.

Receipt of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and neither Basic Entitlements nor Excess CREST Open Offer Entitlements will be credited to stock accounts in CREST of, Excluded Overseas Shareholders or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company or Investec (nor any of their respective representatives) is making any representation to any offeree or purchaser of Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company and Investec determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Basic Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part II and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.8 below, any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.8 below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is an Excluded Overseas Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such an Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Excluded Overseas Shareholders will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of a Basic Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this

document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 **United States**

Subject to certain exceptions, this document is intended for use only in connection with offers of Open Offer Shares outside the United States and neither this document nor any Application Form is to be sent or given to any person within the United States. The Open Offer Shares offered hereby are not being registered under the US Securities Act, for the purposes of sales outside of the United States.

This document may not be transmitted in or into the United States and may not be used to make offers or sales to US holders of Existing Ordinary Shares.

Subject to certain exceptions, the Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the US Securities Act.

Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing the Open Offer Shares, as the case may be, that:

- (i) it is acquiring the Open Offer Shares from the Company in an “offshore transaction” as defined in Regulation S under the US Securities Act; and
- (ii) the Open Offer Shares have not been offered to it by the Company or Investec or any of their affiliates by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act.

Each subscriber acknowledges that the Company and Investec will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber by its subscription for the Open Offer Shares are no longer accurate, it shall promptly notify the Company and Investec. If such subscriber is subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each subscriber represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Each subscriber acknowledges that it will not resell the Open Offer Shares without registration or an available exemption or safe harbour from registration under the US Securities Act.

6.3 **Canada**

This document is not, and is not to be construed as, a prospectus, an advertisement or a public offering of these securities in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the Open Offer Shares, and any representation to the contrary is an offence.

In addition, the relevant exemptions are not being obtained from the appropriate provincial authorities in Canada. Accordingly, the Open Offer Shares are not being offered for subscription by persons resident in Canada or any territory or possessions thereof. Applications from any Canadian Person who appears to be or whom the Company has reason to believe to be so resident or the agent of any person so resident will be deemed to be invalid. Neither this document nor an Application Form will be sent to and no Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to a stock account in CREST of any Shareholder in the Company whose registered address is in Canada. If any Application Form is received by any Shareholder in the Company whose registered address is elsewhere but who is, in fact, a Canadian Person or the agent of a Canadian Person so resident, he should not apply under the Open Offer.

For the purposes of this paragraph 6.3, “Canadian Person” means a citizen or resident of Canada, including the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada or any political sub-division thereof.

6.4 **Australia**

Neither this document nor the Application Form has been lodged with, or registered by, the Australian Securities and Investments Commission. A person may not: (i) directly or indirectly offer for subscription or purchase or issue an invitation to subscribe for or buy or sell, the Open Offer Shares; or (ii) distribute any draft or definitive document in relation to any such offer, invitation or sale, in Australia or to any resident of Australia (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of such a corporation or entity located outside Australia). Accordingly, neither this document nor any Application Form will be issued to, and no Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to a CREST stock account of, Shareholders in the Company with registered addresses in, or to residents of, Australia.

6.5 **Other Restricted Jurisdictions**

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.6 **Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

6.7 **Representations and warranties relating to Overseas Shareholders**

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Investec and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or

(ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or

(iii) purports to exclude the representation and warranty required by this sub-paragraph 6.7(a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part II represents and warrants to the Company and Investec that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.8 **Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion with the prior consent of Investec. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. **No withdrawal rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

8. **Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 22 October 2019. Application will be made to AIM for admission to trading of the New Ordinary Shares. It is expected that, subject to the Firm Placing, the Open Offer and the Share Subscription becoming unconditional in all respects (save for Admission), Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 23 October 2019.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 21 October 2019 (being the latest practicable date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 23 October 2019, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be on 23 October 2019). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post on 1 November 2019. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company. All documents or

remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 of this Part II, and the Application Form.

The result of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as reasonably practicable after the results are known.

9. Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a Regulatory Information Service.

10. Taxation

Certain statements regarding United Kingdom taxation in respect of the Open Offer Shares and the Open Offer are set out in Part IV of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

11. Share option schemes

The Open Offer is not being extended to the holders of Options, save to the extent that any such Options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise prior to the Record Date.

12. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, where applicable, the Application Form Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

13. Further Information

Your attention is drawn to the further information set out in this document and also to the terms, conditions and other information printed on any Application Form.

PART III

RISK FACTORS

Potential investors should carefully consider the risks described below before making a decision to invest in the Company. This Part III contains what the Directors believe to be certain of the principal risk factors associated with an investment in the Company. It should be noted that this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Company's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the New Ordinary Shares could decline and an investor may lose all or part of their investment. There can be no certainty that the Company will be able to implement successfully the strategy set out in this document or documents referred to in this document. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial, may also have an adverse effect on the Company.

This document contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this document. Prospective investors should carefully consider the other information in this document. The risks listed below do not necessarily comprise all the risks associated with an investment in the Company.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under FSMA and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

The Group's principal activity is the design and manufacture of hydrogen energy systems for energy storage and clean fuel production. As with any business in this sector, there are risks and uncertainties relevant to the Group's business. Certain of these risk factors affect the majority of businesses, some are common to businesses in the energy storage and clean fuel production sector and others are more specific to the Group.

1. Principal risks and uncertainties relating to the Group

1.1 *Limited operating revenues*

The Group continues to operate in emerging market sectors and as such there can be no certainty that the Group will achieve or sustain significant revenues, profitability or positive cash flow from its operating activities.

In addition to sales, to date the Group has secured a number of grants, which have been an important source of revenue. There is no guarantee that the Group will be able to secure further grant funding, or to access existing grant funding in full, or that grant funding will remain an option to the Group in the future. In certain circumstances the Group may be required to repay certain existing grant funding.

1.2 *Early stage commercialisation*

The Group has achieved initial revenues through the commercialisation and marketing of its products technology and solutions. Whilst the Group has developed a number of commercial relationships, there is no assurance that these relationships will continue to result in revenue generating contracts. Continuing development of the Group's products and technologies may be required and there can be no assurance that any of the Group's future products and technologies will be commercially successful. The Group may encounter delays and incur additional research and development costs and expenses over and above those anticipated or budgeted for by the Directors.

The success of the Group depends upon its generation of increased revenues by further exploitation of its existing products and technologies, its successful commercialisation of further applications of its products and technologies and the identification of new market opportunities for such applications.

1.3 **Market**

A mass market for the Group's products and technologies may never develop or may take longer to develop than anticipated. The development of a mass market for the Group's products and technologies may be affected by many factors, some of which are beyond its control, including the emergence of newer, more competitive technologies and products, the future cost of fuels used by the Group's systems, regulatory requirements, perceptions of the safety of its products and the technologies and the propensity of end-users to try new products and technologies.

If a mass market for any product fails to develop or develops more slowly than anticipated, the Group may fail to achieve profitability with respect to the technology associated with such product. In addition, the Group may not continue to develop such technology if market conditions do not support the continuation of the product.

1.4 **Competition**

As electrolyser products and technologies have the potential to replace existing power products, competition for the Group's products and technologies could come from current power technologies, from improvements to current power technologies and from new alternative power technologies, including other types of electrolysers or from other self-contained energy systems. Certain of the Group's target markets are currently serviced by existing manufacturers with existing customers and suppliers. These manufacturers use more proven and widely accepted technologies such as internal combustion engines, turbines, batteries, overhead contact lines as well as coal, oil, natural gas and nuclear powered generators.

Within the Group's targeted markets, there are also a number of competitors. Around the world corporations, national laboratories and universities are actively engaged in the development and manufacture of electrolyser products and technologies. Each of these competitors has the potential to capture market share in each of the Group's target markets.

Emerging or entirely new technologies, such as "cold fusion", may obviate the need for both existing methods of energy storage and electrical power generation and those proposed for the hydrogen economy such as electrolysers and fuel cells.

Many of the Group's competitors have financial resources, customer bases, businesses or other resources, which give them significant competitive advantages over the Group. This competitive advantage would be intensified further if two or more of the Group's competitors were to merge to compete more effectively against the Group.

Competitors and potential competitors may develop technologies and products that are less costly and/or more effective than the technology or products of the Group or which may make those of the Group obsolete or uncompetitive.

1.5 **Technology risk**

As with any emerging technology, there are risks associated with the industrial development performance and the long-term operational life of the product. Whilst early indications from commercial scale products in the field are positive, there is no guarantee that the Group's products or components will continue to display characteristics that are better than the competition. Similarly, whilst a cost-out roadmap is in place for the Group, there is no guarantee that the envisaged cost savings will be applied in a certain timescale or indeed ahead of competing technologies. There may also be a risk that the costs savings expected do not achieve the benefits that have been envisaged for the Group.

As with any emerging technology, there are risks associated with the industrial development performance and the long-term operational life of the product. There is no guarantee that the Group's products or components will continue to display their advantageous properties or will be economic to produce if and when scaled up to volume production.

1.6 **Dependency on third parties**

To be commercially useful, certain of the Group's products and technologies will need to be integrated into products and processes of third parties. There can be no assurance that third parties will

manufacture or implement appropriate products or processes or that such products or processes will achieve commercial success or be an attractive alternative to conventional products or processes. There is also no guarantee that such third parties will choose to use the Group's products and technologies. Any integration, design, manufacturing or marketing problems encountered by such third parties could adversely affect the market for the Group's products and technologies.

The Group has entered into, and intends to continue to enter into arrangements with third parties (for example commercial partners, manufacturers, suppliers and licensees) in respect of the development, production, marketing and commercialisation of its products and technology where appropriate. The variation or termination of or an inability to enter into such arrangements, or disagreements between the Group and any such third parties or failure by such third parties to fulfil such arrangements could lead to delays in or could inhibit or prevent the Group's development and/or commercialisation plans. In particular, the Group has, and will continue to put in place, agreements, letters of intent and memoranda of understanding with third parties for the purposes of its development and commercialisation strategies. The termination (or purported termination) of any such arrangement may inhibit or prevent the Group's plans and strategies and/or use of intellectual property.

The Group has an existing forecourt agreement with a major forecourt retailer for the deployment of refuelling stations. The purpose of these agreements is to continue to seed the rollout of the refuelling infrastructure, as well as to gain operating experience in the 'real world'. There is a risk that the Group may be required to remove the refuelling stations from the sites if market growth is lower than expected or if the ensuing follow-on agreements become punitive.

It is anticipated that in the short to medium term the Group will have a relatively small number of key business relationships with actual or target customers. Loss of one or more of these key relationships or an inability to establish business relationships with new customers could inhibit or prevent the Group's development and/or commercialisation plans. Consequently, investors should not predict or anticipate the Group's future revenues based upon the customers it currently has, its target customer base or the number and size of its existing and prospective projects.

1.7 Long and variable sales cycle

The amount of revenue that the Group will recognise resulting from the commercialisation of its products and technologies is difficult to predict because of the length of the sales cycle of most of its products. End-users often expend significant time and effort in evaluating and testing the Group's products and technologies. The evaluation process can result in a sales cycle of several months or more, and after evaluations, a potential customer may not purchase the Group's product. Although the Group's entry into the Joint Venture with Linde AG is expected to lead to increased sales visibility, as a result of its existing sales cycle, the Group's sales and operating results may vary significantly and unexpectedly from period to period and from market expectations of its performance, which could cause volatility in the price of the Ordinary Shares.

1.8 Dependence on key personnel

The Group's success depends in large part on its ability to attract and retain key management, engineering, scientific, manufacturing and operating personnel. As the Group expands it will potentially require more of such skilled personnel. Recruiting such skilled personnel for the electrolysers and hydrogen energy systems industries is highly competitive. There is no guarantee that the Group will be able to attract and retain such personnel needed for its business.

1.9 Management of growth

The expansion of the Group's target markets will place additional demands upon the Group's technical, sales and marketing and administrative resources. The ability of the Group to cope with these additional demands is uncertain. The failure to manage its growth appropriately may adversely affect the business and its financial condition.

1.10 Operating risks

The Group is subject to a range of operating risks to which all similar companies are exposed, including, amongst other things, industrial accidents, technical failures, labour disputes, supply issues, fire,

explosions and other industrial plant issues, all of which may include aspects that may be beyond the Group's control.

In addition, the Group has outlined the proposal to move to new enlarged facilities in order to facilitate the delivery of the growing contract backlog and opportunity pipeline. While the Company has identified and reached an agreement for lease on new premises which meets the Group's requirements, there is a risk that moving the Group's facilities to a new and larger premises may result in some disruption to the Group's operations. The Group is planning to gradually phase operations from its current sites to the new site over a transition period of approximately 12 months from the date of signing the lease, in order to minimise this risk of any operational disruption.

1.11 **Intellectual property**

ITM Power cannot be certain that the steps the Group has taken to protect its intellectual property rights will be adequate or that third parties will not infringe its rights. The Group also cannot guarantee that any future applications for the protection of its intellectual property will be granted or will be sufficient to protect its intellectual property. There is a risk that any intellectual property rights granted to the Group will be challenged, declared invalid or unenforceable.

Furthermore, there can be no assurance that others have not developed or will not develop similar products, duplicate any of the Group's products and technologies or design around any pending patent application or patents (if any) subsequently granted to the Group. Other persons may hold or receive patents which contain claims having a similar scope.

The Group may become subject to lawsuits in which it is alleged that the Group has infringed the intellectual property rights of others or commence lawsuits against others who the Group believe are infringing the Group's rights. The Group's involvement in intellectual property litigation could adversely affect the development or sales of the challenged product or intellectual property whether or not such litigation is resolved in the Group's favour. In the event of an adverse outcome as a defendant in any such litigation, the Group may, among other things, be required to:

- (a) pay substantial damages;
- (b) cease the development, manufacture, use, sale or importation or exploitation of products and technologies that infringe upon other intellectual property;
- (c) expend significant resources to develop or acquire non-infringing intellectual property;
- (d) discontinue processes incorporating infringing technology; or
- (e) obtain licences to the infringed intellectual property.

There is no assurance that the Group would be successful in any development or acquisition of non-infringing intellectual property or that licences to the infringed intellectual property would be available upon reasonable terms. Any such development, acquisition or licence could require the expenditure of substantial time and other resources and could delay the commercialisation of the Group's products and technologies and have an adverse effect on its business and financial results.

While ITM Power intends to take out adequate indemnity insurance as required, such insurance coverage may prove inadequate to satisfy potential claims and losses. Further, the Group may become subject to liabilities that cannot be insured against or against which it may elect not to be so insured because of high premium costs.

1.12 **Product liability**

The Group's business exposes it to potential product liability claims that are inherent in products that use hydrogen. ITM Power's electrolyzers generate hydrogen from water. Fuel cells use fuels which are flammable and therefore potentially dangerous. Any accidents involving the Group's products or other hydrogen-based products could impede widespread market acceptance and demand for the Group's products and technologies. In addition, the Group may be held responsible for damages beyond the scope of its insurance coverage.

The Group produces hydrogen by way of electrolysis. One application of the hydrogen produced by the Group's electrolyzers is in the refuelling of Fuel Cell Electric Vehicles. There is an inherent risk of poisoning fuel cells with insufficiently pure hydrogen. The Group warrants that its products produce hydrogen at the required purity, but there is a risk that ageing plant may cause the quality of hydrogen produced to diminish, thereby damaging the fuel cells of third parties.

1.13 **Environmental liability risk**

The Group's business exposes it to the risk of harmful substances escaping into the environment, resulting in personal injury or loss of life, damage to or destruction of property and natural resource damage. Depending on the nature of the claim, the Group's current insurance policies may not adequately reimburse it for costs incurred in settling environmental damage claims, and in some instances, it may not be reimbursed at all. The Group's business is subject to numerous laws and regulations that govern environmental protection and human health and safety. These laws and regulations have changed frequently in the past and it is reasonable to expect additional and more stringent changes in the future. The Group's operations may not comply with future laws and regulations, and the Group may be required to make significant unanticipated capital and operating expenditures. If the Group fails to comply with applicable environmental laws and regulations, governmental authorities may seek to impose fines and penalties on it or to revoke or deny the issuance or renewal of operating permits and private parties may seek damages from the Group. Under those circumstances, the Group might be required to curtail or cease operations, conduct site remediation or other corrective action, or pay substantial damage claims.

1.14 **Litigation risk**

Legal proceedings, with or without merit, may arise from time to time in the course of the Group's business. The Directors cannot preclude litigation being brought against any member of the Group (whether with or without merit) and any litigation brought against any member of the Group could be expensive, time consuming and have an adverse effect on the financial condition, results or operations of the Group. The Group's business may be adversely affected if the Group and/or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

1.15 **Currency exchange rate fluctuations and overseas activities**

The Group will conduct certain parts of its business overseas in currencies other than sterling and as such its financial performance is subject to the effects of fluctuations in foreign exchange rates.

Foreign revenues are also subject to special risks that may disrupt markets, including the risk of war, terrorism, civil disturbances, embargo and government activities. Revenue generating activities in certain foreign countries may require prior governmental approval in the form of an export licence and otherwise be subject to tariffs and import/export restrictions. There can be no assurance that the Group will not experience difficulties in connection with future foreign revenues and, in particular, adverse effects from foreign currency fluctuations.

Conducting business in most countries will require the Group to become familiar with and to comply with foreign laws, rules, regulations and customs. The Group has growing experience conducting foreign business and its ability to conduct business effectively in international markets is expected to be enhanced by the Joint Venture. However, the Group cannot assure investors that it will be successful in overseas markets. Moreover, the Group's failure to comply with foreign laws, rules and regulations of which the Group is not aware may harm the development of the Group's business. Further, risks are inherent in international operations, including the following:

- (a) customer agreements may be difficult to enforce and receivables difficult to collect through a foreign country's legal system;
- (b) foreign customers may have longer payment cycles;
- (c) foreign countries may tax foreign income and tax rates in certain foreign countries may exceed those of the United Kingdom and foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;
- (d) intellectual property rights may be more difficult to enforce in foreign countries; and

- (e) general economic conditions in the countries in which the Group seeks to trade could have an adverse effect on the Group earnings from operations in those countries.

The Group engages in short term currency hedges from time to time (but not always) when a need is identified for currency in a certain denomination. The Group, in contracting to forward contracts, may lose out on more advantageous deals closer to the date of the transaction.

1.16 **Risk of regulatory change**

The Group's strategy has been formulated in the light of the current regulatory and legal environment and anticipated future changes. The regulatory and legal environment may change and any such change may have adverse consequences for the Group and its business.

1.17 **General economic conditions and volatility**

Market conditions may affect the ultimate value of the Company's share price regardless of operating performance. The Group could be affected by unforeseen events outside its control, including, natural disasters, terrorist attacks and political unrest and/or government legislation or policy, variations in operating results, announcements of technological innovations or new products and services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Group's markets, and other factors outside the Group's control. Market perception of technology companies may change which could impact on the value of investors' holdings and on the ability of the Group to raise funds by an issue of further shares in the Company. Further general economic conditions may affect exchange rates, interest rates and inflation rates. Movements in these rates may have an impact on the Company's cost of raising and maintaining debt financing should it seek to do so in the future. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity.

1.18 **Energy price volatility**

Crude oil, natural gas and other energy prices are volatile, depending on shifts in local, regional and world supply and demand, as well as the policies of entities such as the Organization of Petroleum Exporting Countries, the prices of other hydrocarbon products and the general economic and political climate. Any decrease in oil, natural gas or other energy prices could reduce the market's perception of the benefits of the Group's offering.

1.19 **Brexit**

The Group receives income from sales and grants from the EU and from the US. Some of this income from the EU is dependent on the UK being part of the EU. The UK voted to leave the EU in a referendum held on 23 June 2016 and the Group faces risks associated with the political and economic instability associated with this. A UK exit from the EU may materially change the legal and regulatory framework that would be applicable to the Group's operations in the future. This could lead to restrictions on opportunities for further funding and the timing of current funding under the Government's guarantee for Horizon 2020 funding in a Brexit scenario.

Brexit may pose a risk to the Group as ITM Power plc is an exporter, and there is currently limited visibility of any trade deal that may emerge from Brexit negotiations. This could have significant impact on the profitability of those contracts previously entered into which are due to run beyond the end of October 2019, as well as lead to uncertainty over prospective contracts. By way of mitigation, the Group have set up premises in Europe, and are considering holding stock in Germany and customer locations to improve support services.

1.20 **Subsidiary jurisdictions**

The Group has subsidiary companies in the US (California), Germany and Australia. As such, the Group is subject to the laws and jurisdiction of those countries for the transactions undertaken by the subsidiary companies.

1.21 **Joint Venture**

The Group is committed to entering into a 50/50 joint venture with Linde AG. There is no guarantee that the Joint Venture will deliver the increase in sales, competitiveness and other advantages to the Group which the Directors believe that the joint venture will result in. The Joint Venture is not fully controlled by the Group and therefore it is possible that in the future there may be disagreements in relation to strategy or approach which may limit the effectiveness of the Joint Venture or result in strategic decisions being taken which are different to those the Directors would have taken had they been acting in their sole discretion. Such disagreements or decisions may have an impact on the Group's ability to deliver the anticipated benefits of the joint venture to the same extent as predicted or at all.

The expected benefits to the Group of the Joint Venture are in part reliant on the strategy and operational performance of Linde AG. These are to a large extent beyond the control of the Group and there can be no guarantee that Linde AG's strategy will continue to include a focus on the provision of clean hydrogen at scale nor that it will be successful in winning contracts which will generate demand from the Joint Venture for the Group's hydrolysers.

1.22 **Automation of manufacturing**

As part of the move to new premises, the Group intends to implement new semi-automated methods of manufacturing, which the Directors believe will result in manufacturing and operational efficiencies which will benefit the group. The design and installation of complex machinery carries with it risks that the procurement or installation of the machinery may overrun in time or cost and that the expected efficiencies may not be achieved in the envisaged timescale or at all following installation. In addition, there is no guarantee that the automation of manufacturing procedures will ensure the quality of manufacturing which the Group requires immediately or at all.

1.23 **5MW 2-stack module development**

The Group is pursuing the development of a higher capacity 5MW electrolyser module which is expected to enable more efficient and scalable electrolyser systems and in turn make the Group's electrolyser offerings more cost-competitive and attractive to projects requiring large scale (10MW+) electrolysis. There are risks inherent in the development of new technology that unforeseen difficulties and obstacles to development can arise which may result in the module not performing as expected, not realising the cost benefits anticipated or not being capable of realisation at all. Where the development can be realised, there is no guarantee that the development will be completed in the time periods which the Group currently anticipates.

2. Risks relating to the Ordinary Shares

2.1 **The market of the Ordinary Shares may fluctuate significantly**

The market price of the Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Company's control, including among others:

- (a) changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- (b) changes in the performance of the hydrogen and/or energy industries as a whole and of the Company's competitors;
- (c) fluctuations in stock market prices and volumes, and general market volatility; and
- (d) the introduction of new legislation affecting the hydrogen fuel cell technology industry.

Any or all of these events could result in a material decline in the market price of the Ordinary Shares, regardless of the actual performance of the Group. Shareholders should be aware that the value of the Ordinary Shares may go down as well as up and may not reflect the underlying asset values or prospects of the Company.

2.2 ***Future need for access to capital***

Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions in financing and operating activities. In addition, there can be no assurance that the Group will be able to raise additional funds if and when needed or that such funds will be available on terms favourable to it. If the Group is unable to obtain additional financing as needed it may be required to reduce the scope of its operations or anticipated expansion or to cease trading.

2.3 ***Investment in publicly quoted securities***

Investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the “Official List” in the UK and traded on the London Stock Exchange’s main market for listed securities. An investment in Ordinary Shares traded on AIM may be difficult to realise. Admission to AIM does not guarantee that there will be a liquid market for New Ordinary Shares. An active public market for New Ordinary Shares may not develop or be sustained after Admission and the market price of the Ordinary Shares may fall below the Issue Price. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

2.4 ***Potentially volatile share price and liquidity***

The share price of companies quoted on AIM can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise their investment in the Company may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

PART IV

TAXATION

The following information is given in summary form and as a general guide to certain UK tax considerations. It is based on tax legislation and, where relevant, current HM Revenue & Customs practice, at the date of this document. Such legislation and practice is liable to change (in some cases with retrospective effect). The information relates to the tax position of holders of New Ordinary Shares in the capital of the Company who are resident and domiciled in the United Kingdom for tax purposes.

The statements below do not constitute advice to any Shareholder or potential investor on his or her personal tax position, and may not apply to certain classes of investor (such as persons carrying on a trade in the United Kingdom or holding the shares as trustees, or United Kingdom insurance companies). This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of New Ordinary Shares. Any Shareholder or potential investor should obtain advice from his or her own investment or taxation adviser before subscribing for New Ordinary Shares.

Inheritance tax relief

Individuals and trustees subject to IHT may be entitled to business property relief of up to 100 per cent. in relation to unquoted shares (which should include shares traded on AIM where the shares are not also listed on a recognized stock exchange) in the Company, generally after a holding period of two years, providing all the relevant conditions for the relief are satisfied at the appropriate time.

Taxation of dividends

Income tax

Under current United Kingdom taxation legislation, no withholding tax will be deducted from dividends paid by the Company.

Individual shareholders resident in the UK receiving dividends from the Company may be liable to income tax on such dividends, subject to any applicable reliefs and exemptions. In the tax year ending 5 April 2020, no income tax is payable in respect of the first £2,000 of dividend income received from all sources in the tax year (although such income would still count towards the basic, higher and additional rate thresholds). In a tax year, dividends received in excess of £2,000 that fall within a shareholder's basic higher and additional rate bands are taxable at 7.5 per cent., 32.5 per cent. and 38.1 per cent. respectively.

Corporation tax

With certain exceptions, a holder of New Ordinary Shares that is a company resident (for taxation purposes) in the United Kingdom and receives a dividend paid by the Company, should generally not be subject to tax in respect of the dividend.

Taxation of chargeable gains

- (a) Under current HM Revenue & Customs practice, the subscription by a Shareholder for shares under the Open Offer up to that Shareholder's minimum entitlement is expected to be treated as a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. To the extent that it is so treated, a Shareholder should not be treated as disposing of the shares already held by that Shareholder in the Company; the shares issued should be treated as acquired at the same time as the Existing Ordinary Shares held by that Shareholder in respect of which the new shares were offered, and the cost of acquisition of the new shares should be pooled with the expenditure allowable on the relevant Existing Ordinary Shares for the purposes of determining the amount of any chargeable gain arising on a subsequent disposal. Any subscription by a Shareholder for shares under the Open Offer in excess of that Shareholder's minimum entitlement should be treated as a new acquisition outside the scope of the rules on reorganisations of share capital. As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that the HM Revenue & Customs practice mentioned above will be followed, particularly where an open offer is not made to all Shareholders.

- (b) A UK resident individual shareholder who disposes of, or who is deemed to dispose of, their shares in the Company may be liable to capital gains tax in relation thereto at a rate of 10 per cent. (in the tax year ending 5 April 2020), of any chargeable gain thereby realised (after taking into account any applicable reliefs and exemptions). To the extent that any chargeable gains or part thereof, aggregated with taxable income arising in a tax year, exceed the upper limit of the basic rate income tax band, capital gains tax will be charged at 20 per cent. (in the tax year ending 5 April 2020). In computing the gain, the Shareholder should be entitled to deduct from proceeds the cost to that Shareholder of the shares (together with incidental costs of acquisition and disposal).
- (c) A UK resident corporate shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 19 per cent.). (subject to any applicable reliefs or exemptions).

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty should be payable on the issue by the Company of New Ordinary Shares. No stamp duty or stamp duty reserve tax should be payable on transactions in shares traded on AIM where the shares are not also listed on a recognised stock exchange.

Shareholders and/or potential investors who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the UK, should immediately consult a suitable professional adviser. Any person who is in any doubt as to his or her tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should consult his or her own professional adviser.

PART V

NOTICE OF GENERAL MEETING

ITM Power PLC

(Incorporated and registered in England and Wales with registered number 5059407)

NOTICE IS HEREBY GIVEN that a General Meeting of ITM Power plc (the “**Company**”) will be held at the offices of Burges Salmon LLP, 6 New Street Square, London, EC4A 3BF at 11.00 a.m. on 22 October 2019, for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolution 1 will be proposed as an Ordinary Resolution and Resolution 2 will be proposed as a Special Resolution:

ORDINARY RESOLUTION

1. That the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**2006 Act**”), in addition to all existing authorities to the extent unused, to exercise all the powers of the Company to allot ordinary shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal amount of £7,352,657 to such persons and at such times and on, and subject to, such terms as the directors may determine. This authority, unless renewed, extended, varied or revoked by the Company in a general meeting, shall expire 90 days after the date of the passing of this resolution, save that the Company may, prior to the expiry of such period, make an offer or agreement which would or might require shares to be allotted in the Company after such expiry and the directors may allot any such shares in the Company and grant any such subscription and conversion rights referred in this resolution in pursuance of such offer or agreement notwithstanding the expiry of the authority given by this resolution.

SPECIAL RESOLUTION

2. That, subject to the passing of resolution 1 set out in the notice convening this meeting, the directors of the Company be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the “**2006 Act**”) to allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authority conferred by resolution 1 above up to a maximum nominal value of £7,352,657 as if section 561 of the 2006 Act did not apply to any such allotment. This power, unless renewed, extended, varied or revoked by the Company in general meeting, shall expire 90 days after passing of this resolution save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Dated: 4 October 2019

By order of the Board

Nicola Ham Edmonds

Company Secretary

Notes:

1. Resolution 1 is proposed as an Ordinary Resolution. This means that for the Resolution to be passed, more than half of the votes cast on such Resolution must be in favour of such Resolution. Resolution 2 is proposed as a Special Resolution. This means that for such Resolution to be passed, at least three-quarters of the votes cast on such Resolution must be in favour of such Resolution.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If a member appoints more than one proxy in relation to the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which the member is the registered holder will be apportioned to the blank proxy form.
3. To appoint as a proxy a person other than the chairman of the meeting, a member must insert the proxy's full name in the box on the proxy form. If a member signs and returns a proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be the member's proxy. Where a member appoints as a proxy someone other than the chairman, the member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. If a member wishes a proxy to make any comments on the member's behalf, the member will need to appoint someone other than the chairman and give them the relevant instructions directly.
4. A member which is a corporation is entitled to appoint one or more corporate representatives to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member. If a member which is a corporation appoints more than one corporate representative in relation to the meeting, each representative must exercise the rights attached to a different share or shares held by that member. In the case of a member which is a corporation, the proxy form must be executed under the corporation's common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation.
5. A form of proxy is enclosed. To be valid, the form of proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and deposited at the office of the Company's registrars, Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours (excluding non-working days) before the time for holding the meeting (or any adjourned meeting). Completion of a form of proxy does not preclude a member from attending and voting in person at the meeting if (s)he so wishes.
6. The Company specifies that only those members entered in the Company's register of members at the close of business on 18 October 2019 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes in the Company's register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting. If the meeting is adjourned, the close of business on the day two days (excluding non-working days) before the date of the adjourned meeting shall apply for the purpose of determining the entitlement of members to attend and vote at the adjourned meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 22 October 2019 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Asset Services Limited (CREST Participant ID: RA10), no later than 48 hours (excluding non-working days) before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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.
9. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited 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 a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be 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 sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.