

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or what action you should take, you should consult your stockbroker, bank manager, solicitor or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your holding in the Existing Ordinary Shares held in Certificated Form prior to 12:30 p.m. on 25 April 2024 being the latest time for receipt of proxies for the General Meeting, please send this Circular and the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction or other jurisdiction where doing so may constitute a violation of local securities laws or regulations. If you have sold or transferred only part of your holding in the Existing Ordinary Shares in the Company you should retain these documents.

The issue of the Subscription Shares pursuant to the Subscription will not constitute an offer to the public requiring an approved prospectus under section 85 of the Financial Services and Markets Act 2000 as amended, and accordingly, this document does not constitute a prospectus for these purposes.

e-therapeutics plc

(incorporated in England and Wales with registered number 04304473)

Proposed Subscription of 192,666,667 Subscription Shares at 15 pence per share

Proposed cancellation of admission of Ordinary Shares to trading on AIM and Notice of General Meeting

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which contains a recommendation by the Directors that you vote in favour of the Resolutions.

Notice of a General Meeting of the Company to be held at the Company's office at Unit 4B, Floor 4, 4 Kingdom Street, Paddington Central, London, W2 6BD at 12.30 p.m. on 29 April 2024 is set out at the end of this Circular. Whether or not you intend to be present at the General Meeting you are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, so as to be received by the Company's Registrars, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, as soon as possible and in any event by no later than 12.30 p.m. on 25 April 2024. The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting in person, should they so wish.

S.P. Angel Corporate Finance LLP ("**SP Angel**"), which is authorised and regulated by the FCA, is acting as nominated adviser and broker to the Company for the purposes of the AIM Rules. Persons receiving this document should note that SP Angel is acting exclusively for the Company and no one else and will not be responsible to anyone, other than the Company, for providing the protections afforded to customers of SP Angel or for advising any other person on the transactions and arrangements described in this document. SP Angel makes no representation or warranty, express or implied, as to the contents of this document and SP Angel does not accept any liability whatsoever for the accuracy of or opinions contained (or for the omission of any material information) in this document and shall not be responsible for the contents of this document. Nothing in this paragraph shall serve to exclude or limit any responsibilities which SP Angel may have under the Financial Services and Markets Act 2000 or the regulatory regime established thereunder.

This document does not constitute an invitation or offer to sell or exchange or the solicitation of an invitation or offer to buy or exchange any security or to become a member of e-therapeutics plc. None of the securities referred to in this

document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.

FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements. These relate to the Company's and/or the Group's future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "intend", "anticipate", "seek", "target", "may", "plan", "will" or the negative of those, variations of or comparable expressions, including by references to assumptions. The forward-looking statements in this Circular are based on current expectations and are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those statements.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
SUBSCRIPTION STATISTICS.....	5
COMPANY INFORMATION	6
DEFINITIONS AND GLOSSARY.....	7
PART I LETTER FROM THE INDEPENDENT NON-EXECUTIVE CHAIRMAN.....	10
PART II NOTICE OF GENERAL MEETING	18

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2024
Announcement of proposed Subscription and Cancellation	10 April 2024
Publication and posting of this Circular and the Form of Proxy	10 April 2024
Latest time and date for receipt of Forms of Proxy for the General Meeting	12.30 p.m. on 25 April 2024
General Meeting	12.30 p.m. on 29 April 2024
Results of the General Meeting to be announced	29 April 2024
Expected last day of dealings in Ordinary Shares on AIM	8 May 2024
Expected time and date of Cancellation	7 a.m. on 9 May 2024

Notes:

- (1) Each of the times and dates above are subject to change. References to time in this Circular and the Form of Proxy are to London time unless otherwise stated. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to shareholders by announcement through a Regulatory Information Service.
- (2) The Cancellation requires the approval of not less than 75% of the votes cast by Shareholders at the General Meeting.

SUBSCRIPTION STATISTICS

Number of Existing Ordinary Shares	584,335,487
Subscription Price	15 pence
Number of Subscription Shares being issued pursuant to the Subscription	192,666,667
Enlarged Share Capital	777,002,154
Subscription Shares as a percentage of the Enlarged Share Capital	24.80%
Gross proceeds of the Subscription	£28.90 million

COMPANY INFORMATION

Directors	Professor Trevor Jones CBE (<i>Independent Non-Executive Chairman</i>) Michael Anthony Bretherton (<i>Non-Executive Director</i>) Ali Ahmad Mortazavi (<i>Chief Executive Officer</i>)
Company registration number	04304473
Nominated Adviser and Broker	SP Angel Corporate Finance LLP Prince Frederick House 35–39 Maddox Street London W1S 2PP
Solicitors to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

DEFINITIONS AND GLOSSARY

The following definitions and technical terms apply throughout this Circular and the accompanying Form of Proxy, unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended);
“AIM”	the AIM market of the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“AIM Rules for Companies”	the AIM Rules for Companies (including the guidance notes) published by the London Stock Exchange from time to time;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
“Business Day”	a day other than a Saturday, Sunday, or public holiday in London;
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM, subject to passing of the Cancellation Resolution and in accordance with Rule 41 of the AIM Rules;
“Cancellation Resolution”	means the resolution to authorise the Cancellation, to be proposed at the General Meeting and set out in the Notice of General Meeting as the resolution numbered 3;
“Certificated Form”	not in an uncertificated form;
“Circular”	this document;
“City Code”	the City Code on Takeovers and Mergers;
“Company” or “e-therapeutics”	e-therapeutics plc;
“Directors” or “the Board”	the directors of the Company whose names are set out on page 6 of this Circular;
“Enlarged Share Capital”	the issued ordinary share capital of the Company as enlarged by the issue of the Subscription Shares;
“Existing Ordinary Shares”	the 584,335,487 Ordinary Shares in issue at the date of this Circular;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“Form of Proxy”	the form of proxy for use in relation to the General Meeting which accompanies this Circular;
“General Meeting”	the general meeting of the Company to be held at 12.30 p.m., on 29 April 2024 at Unit 4B, Floor 4, 4 Kingdom Street, Paddington Central, London, W2 6BD;
“Group”	the group of which the Company and its subsidiary undertakings are members;
“London Stock Exchange”	London Stock Exchange plc;

“M&G”	means M&G Investment Management Limited;
“M&G Subscription Letter”	means the letter between funds managed by M&G and the Company containing the terms and conditions upon which M&G has agreed to subscribe for 131,000,000 Subscription Shares;
“Matched Bargain Facility”	means the facility to be implemented by the Company with a provider from time to time to assist investors to buy and sell Ordinary Shares following the Cancellation (subject to the Cancellation occurring), the details of which will be set out on the Company’s website;
“NASDAQ”	means the NASDAQ Stock Market of the NASDAQ OMX Group Inc.;
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this Circular;
“NSIA 2021”	the National Security and Investment Act 2021;
“NSIA Condition”	for purposes of the NSIA 2021, the Secretary of State: (i) having notified the parties pursuant to the NSIA 2021 that no further action will be taken in relation to the Subscription; or (ii) making a final order under the NSIA 2021 in respect of the Subscription, the provisions of which would allow completion of the Subscription on terms reasonably satisfactory to M&G;
“Ordinary Shares”	the ordinary shares of 0.1 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;
“Registrars”	Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD;
“Resolutions”	the resolutions proposed to be passed at the General Meeting as numbered 1 to 3 (inclusive) in the Notice of General Meeting;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory, or criminal exposure for the Company if information or documentation concerning the proposals is sent or made available to Shareholders in that jurisdiction including, without limitation, the United States, Canada, Australia, the Republic of South Africa and Japan;
“Richard Griffiths Subscription Letter”	means the letter between ORA Ventures Limited (an undertaking controlled by Richard Griffiths) and the Company containing the terms and conditions upon which it has agreed to subscribe for 61,666,667 Subscription Shares;
“Share Authority Resolutions”	means the resolutions to grant the Directors authority to allot the Subscription Shares and the related disapplication of statutory pre-emption rights, to be proposed at the General Meeting and set out in the Notice of General Meeting as the resolutions numbered 1 and 2;
“Shareholder”	a holder of Ordinary Shares;

“SP Angel”	S.P. Angel Corporate Finance LLP;
“Subscribers”	M&G and Richard Griffiths;
“Subscription”	the conditional subscription for the Subscription Shares pursuant to the Subscription Letters;
“Subscription Letters”	means each of the M&G Subscription Letter and the Richard Griffiths Subscription Letter;
“Subscription Price”	15 pence per Subscription Share;
“Subscription Shares”	192,666,667 new Ordinary Shares to be conditionally placed for cash pursuant to the Subscription Letters and whose allotment and issue is conditional, <i>inter alia</i> , on the passing of the Share Authority Resolutions; and
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.

In this Circular:

- all references to “pounds”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom;
- words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender;
- all references to legislation are to English legislation unless the contrary is indicated, and any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension thereof; and
- all times referred to are London time unless otherwise stated.

PART I
LETTER FROM THE INDEPENDENT NON-EXECUTIVE CHAIRMAN

e-therapeutics plc

(incorporated in England and Wales with registered number 04304473)

Directors

Professor Trevor Jones CBE *(Independent Non-Executive Chairman)*
Michael Anthony Bretherton *(Non-Executive Director)*
Ali Ahmad Mortazavi *(Chief Executive Officer)*

Registered Office:

4 Kingdom Street
London
W2 6BD

10 April 2024

To the Shareholders

Proposed Subscription of 192,666,667 Subscription Shares at 15 pence per share

Proposed cancellation of admission of Ordinary Shares to trading on AIM

and

Notice of General Meeting

1. Introduction

The Company today announced proposals to:

1. raise £28.90 million (gross) by way of the issue of, in aggregate, 192,666,667 Subscription Shares at a price of 15 pence per Subscription Share; and
2. cancel the admission of the Company's Ordinary Shares to trading on AIM.

The Company has a current cash position of approximately £18 million and the gross proceeds from the proposed fundraise of £28.90 million will considerably strengthen its balance sheet. In addition, the Company has an intention to cancel its admission to AIM and subsequently explore the option of listing on NASDAQ in due course.

The proposed subscribers for the Subscription Shares are funds managed by M&G and Richard Griffiths and his controlled undertakings ("Richard Griffiths"). The Subscription Price of 15 pence represents a premium of approximately 30 per cent. to the closing mid-market price of 11.55 pence per Ordinary Share on 8 April 2024, the latest practicable date prior to the date of this Circular.

Although the Company has obtained certain ongoing Shareholder authorities at the annual general meeting of the Company held on 18 July 2023, these are not sufficient to implement the issue of the Subscription Shares. Accordingly, the Company is seeking further Shareholder approval to grant the Directors authority to allot equity securities and to disapply statutory pre-emption rights in respect of an allotment of equity securities for cash in connection with the Subscription.

The Subscribers are currently interested in, in aggregate, 272,764,967 Existing Ordinary Shares, representing approximately 46.68 per cent. of the Company's Existing Ordinary Shares. Accordingly, on completion of the Subscription, the Subscribers' interest in the Company would increase to, in aggregate, approximately 59.90 per cent. of the then Enlarged Share Capital.

The Board has concluded that it is in the best interests of the Company and its Shareholders as a whole to

cancel the admission of the Company's Ordinary Shares to trading on AIM. Pursuant to Rule 41 of the AIM Rules, the Company (through its nominated adviser, SP Angel) has notified the London Stock Exchange on 9 April 2024 of the date of the proposed Cancellation.

The Subscription and the Cancellation are conditional upon, *inter alia*, Shareholder approval of the Resolutions, which will be sought at the forthcoming General Meeting to be held at Unit 4B, Floor 4, 4 Kingdom Street, Paddington Central, London, W2 6BD at 12.30 p.m. on 29 April 2024. You will find a Notice of General Meeting at the end of this Circular. A Form of Proxy is also enclosed with this Circular.

The Company has received irrevocable undertakings from the Subscribers, representing approximately 46.68 per cent. of the Company's Existing Ordinary Shares, to vote in favour of the Resolutions. In addition, the Directors have indicated their intention to vote their entire holdings in favour of the Resolutions which, in aggregate, represent approximately 9.0 per cent. of the Existing Ordinary Shares. Taken together, the aggregate holdings of the Subscribers and Directors represent approximately 55.68% of the Company's Existing Ordinary Shares, to be voted in favour of the Resolutions. The purpose of this Circular is to: (i) provide you with details of and background to the Subscription and explain why the Directors recommend that you vote in favour of the Share Authority Resolutions; (ii) provide you with details of the Cancellation and set out the reasons why the Directors believe that the Cancellation is in the best interests of the Company and its Shareholders as a whole and, therefore, why the Directors recommend that you vote in favour of the Cancellation Resolution at the General Meeting, and (iii) seek your approval for the Resolutions to be proposed at the General Meeting.

The actions that you should take to vote on the Resolutions, and the recommendations of the Directors, are set out in paragraphs 6 and 7 of this Part I.

2. Information on the Subscription

2.1 The Subscription and Related Party Transactions

The Company has conditionally raised gross proceeds of £28.90 million through the issue of 192,666,667 Subscription Shares at the Subscription Price, to M&G and Richard Griffiths pursuant to the terms of the Subscription Letters. The Subscription Price of 15 pence represents a premium of approximately 30 per cent. to the closing mid-market price of 11.55 pence per Ordinary Share on 8 April 2024, the latest practicable date prior to the date of this Circular.

The Subscription is, *inter alia*, conditional upon the passing of the Share Authority Resolutions at the General Meeting and regulatory approval. Specifically, the Subscription by M&G being conditional upon the satisfaction of the NSIA Condition. The Richard Griffiths Subscription and the M&G Subscription are each conditional on the occurrence of the other, so the intention is that they will complete at the same time.

M&G and Richard Griffiths are both substantial shareholders (as defined in the AIM Rules for Companies) in the Company, therefore each of their subscriptions are deemed to be related party transactions under the AIM Rules. Accordingly, the directors who are independent of both M&G and Richard Griffiths, being Ali Mortazavi and Trevor Jones, consider, having consulted with the Company's nominated adviser, SP Angel, that the terms of the participation of each of M&G and Richard Griffiths in the Subscription are fair and reasonable insofar as the Company's shareholders are concerned.

Michael Bretherton is a director of certain entities that are controlled undertakings of Richard Griffiths and he is not, therefore, deemed independent of the Richard Griffiths Subscription given his association with Richard Griffiths.

2.2 Use of proceeds

With a current cash position of approximately £18 million together with gross proceeds from the fundraise of £28.90 million, the Company will advance multiple GalOmic™ pipeline assets towards the clinic and initiate clinical trials on one program. The Company also plans to use the proceeds to keep its early pipeline well populated by pursuing further candidates. The strengthened cash position will enable the accelerated development and integration of cutting-edge AI systems into HepNet™. Additionally, the Company will explore the option of listing on NASDAQ in due course, if it is felt that the Company has made sufficient progress and that such a course of action would be beneficial. There is no certainty that such a listing will be achievable in any given time frame.

2.3 *Subscribers and participation by the Subscribers in the Subscription*

The Company's largest Shareholder is Richard Griffiths, who currently is interested in, in aggregate, 170,889,967 Ordinary Shares, held both directly and through his controlled undertakings, representing approximately 29.25 per cent. of the Existing Ordinary Shares. The Company's second largest Shareholder is M&G which is currently interested in, in aggregate, 101,875,000 Ordinary Shares on behalf of clients representing approximately 17.43 per cent. of the Existing Ordinary Shares. The aggregate interests of the Subscribers comprise 272,764,967 Ordinary Shares representing approximately 46.68 per cent. of the Existing Ordinary Shares.

Richard Griffiths has subscribed for 61,666,667 Subscription Shares pursuant to the Subscription. M&G has subscribed for 131,000,000 Subscription Shares pursuant to the Subscription.

The table below sets out the proposed participation in the Subscription, along with current shareholdings of the Subscribers as well as their resulting interests in the Ordinary Shares of the Company.

Subscriber	Holding prior to participation in the Subscription		Number of Subscription Shares subscribed for	Holding immediately following issue of the Subscription Shares	
	Number of Ordinary Shares	% of issued share capital		Number of Ordinary Shares	% of issued share capital
Richard Griffiths	170, 889,967	29.25	61,666,667	232,556,634	29.93
M&G	101,875,000	17.43	131,000,000	232,875,000	29.97

The Company is grateful for the continued support of its Shareholders, and in particular the Subscribers. Following Cancellation, the Directors are conscious that certain protections expected for substantial minority shareholders in a non-listed company might differ from the norms of governance applicable to a company publicly traded on AIM. In particular, pursuant to the terms of the Subscription Letters, the Company has agreed with each Subscriber separately to:

- provide limited representations and warranties in relation to the affairs of the Company;
- provide each Subscriber with certain agreed financial information on a recurring basis (e.g. monthly management accounts and periodic accounts);
- provide each Subscriber with a right to nominate up to two non-executive directors to the board of the Company for so long as that Subscriber holds at least 15 per cent. of the existing issued share capital of the Company from time to time, or one non-executive director while that Subscriber holds at least 5 per cent. of the existing issued share capital of the Company from time to time; and
- enter into good faith negotiations to agree such protections for the Subscribers as are customary for a significant minority shareholder in a company of a similar nature to the Company, which shall include (without limitation) customary veto rights for that Subscriber in respect of certain matters undertaken by the Company (subject always to obtaining requisite shareholder approval should any such proposals involve, for example, any amendment to the Company's articles of association).

2.4 Allotment, settlement and dealings

If the Cancellation Resolution is passed, no application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. An application will only be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM should the Cancellation Resolution not be passed.

Following the allotment and issue of the Subscription Shares, the Company's enlarged issued share capital will comprise 777,002,154 Ordinary Shares of 0.1 pence each with voting rights in the Company. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in the interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules, whilst the Company remains listed on AIM.

Upon their issue, the Subscription Shares will represent approximately 24.80 per cent. of the Enlarged Share Capital.

The Subscription Shares will, upon their issue, rank *pari passu* with the Existing Ordinary Shares.

3. Information on the Cancellation

3.1 Background to and reasons for the Cancellation

ETX integrates computational power and biological information to discover life-transforming RNAi medicines. The Company's technology uses computation to model human biology, identify novel targets, and develop RNAi medicines against those targets that can be rapidly progressed to the clinic.

ETX's proprietary HepNet™ platform enables the generation and analysis of biological network models, providing a novel and mechanistic approach to drug discovery. This approach explicitly considers the true complexity of biology to make more reliable predictions from large complex data sets and ETX's proprietary hepatocyte knowledgebase. HepNet™ enables the Company to make better medicines faster through generation of novel insights and increased automation across all stages of drug development.

GalOmic™, ETX's proprietary RNAi platform, enables targeted delivery to hepatocytes in the liver and the specific silencing of novel disease-associated genes, identified by HepNet™. The focus on hepatocytes offers the opportunity to tackle a wide variety of diseases. The liver is a highly metabolically active organ which performs a key role in many biological processes and vital functions crucial for human health. ETX's GalOmic™ constructs have demonstrated compelling *in vivo* performance in terms of depth of gene silencing and duration of action.

The Company is prosecuting a pipeline of first-in-class RNAi candidates across a variety of therapeutic areas with high unmet need, including preclinical programs in metabolic dysfunction-associated steatohepatitis (MASH), dry age-related macular degeneration (dry AMD), haemophilia, cardiometabolic disease, and other undisclosed indications. The Company is currently progressing its lead assets, ETX-312 for MASH and ETX-407 for dry AMD, through IND-enabling studies. ETX has also partnered with biopharma companies such as Novo Nordisk, Galapagos NV, and iTeos Therapeutics using its computational network biology approach across a diverse range of drug discovery projects.

The Directors are of the belief that the ETX team has made significant progress to date with an extremely limited R&D spend and that this progress has been possible due to the deep domain expertise that the team has in the fields of RNAi and AI. However, the Company is operating under a material disadvantage compared to US peers who have access to significantly larger balance sheets.

Despite the firm commitments given by the Company's two largest shareholders and the dramatic rise in the US biotech indices in Q3 2023 which has seen record amounts of capital being raised, during a recent capital-raise roadshow the Directors found a lack of institutional UK interest in the Company's innovative, technology-driven value propositions. Importantly, ETX struggled to get sufficient engagement from the vast majority of the institutions who were approached, reflecting the risk appetite of the UK markets. This trend has been a consistent theme over the last four years and the Company has primarily raised funds through the current two key shareholders, who continue to support the Company irrespective of its listing status.

The Directors have therefore undertaken a review to evaluate the benefits and drawbacks to the Company and its Shareholders of retaining the admission to trading of the Ordinary Shares on AIM and believe that Cancellation is in the best interests of the Company and its Shareholders as a whole.

The Directors consider that the key drawbacks of retaining the Company's listing on AIM include the following:

- the UK public markets have changed significantly with a significant reduction in liquidity, access to capital and institutional interest in the biotechnology/tech growth sector. The Directors believe that the Company's current public market valuation does not accurately reflect the Company's value and is in fact a material hindrance to the Company's plans and ambitions;
- feedback from potential investors has been that they would not invest in ETX in its current status as an AIM listed company and that ETX would be a far more attractive proposition for them as an unlisted company. Furthermore, the Directors are of the view that there could be a far larger pool of available capital as an unlisted company as opposed to an AIM listed one;
- ETX intends to use the proceeds from this capital raise to progress multiple pipeline candidates, advance its AI-driven computational platform and to list on the US NASDAQ exchange in due course. The Directors are of the belief that such a listing could have the potential to significantly narrow what they perceive to be an existing valuation gap with US peers, alongside significant secondary market liquidity;
- there has been limited liquidity in the Ordinary Shares for some time and, as a result, the Directors believe that continued admission to trading on AIM no longer sufficiently provides the Company with the advantage of providing wider or more cost-effective access to capital in the medium to longer-term;
- as a result of the limited liquidity in Ordinary Shares highlighted above, the listing of the Ordinary Shares on AIM does not necessarily offer investors the opportunity to trade in meaningful volumes or with frequency within an active market. With low trading volumes, the Company's share price can move up or down significantly following trades of small volumes of Ordinary Shares;
- the considerable cost, management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM are disproportionate to the benefits to the Company given that the continued listing on AIM is unlikely to provide the Company with significantly wider or more cost-effective access to capital than alternative funding options; and
- the above negative impacts as a result of being listed give rise to adverse influences on the business in terms of operational activities, long term strategy and future plans.

Accordingly, and following careful consideration, the Board considers the disadvantages associated with maintaining the admission of the Ordinary Shares to trading to be disproportionate when compared to the perceived benefits of being listed on AIM and therefore the Board has unanimously concluded that the proposed Cancellation is in the best interests of the Company and its Shareholders as a whole.

3.2 Process for, and principal effects of, Cancellation

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

Under the AIM Rules, the Cancellation can only take place after the expiry of a period of 20 Business Days from the date on which notice of the Cancellation is given. In addition, a period of at least five Business Days following the Shareholder approval of the Cancellation is required before the Cancellation may be put into effect. Accordingly, if the Cancellation Resolution is approved, the last day of dealings in the Ordinary Shares on AIM will be 8 May 2024, and the Cancellation will become effective at 7.00 a.m. on 9 May 2024.

The principal effects of the Cancellation will be that:

- there would no longer be a formal market mechanism enabling Shareholders to trade their shares through AIM;
- the Company intends to implement a Matched Bargain Facility in order to give Shareholders an opportunity to trade the Ordinary Shares following Cancellation (see paragraph 3.4 below for further details). The Ordinary Shares may, however, be more difficult to trade compared to shares of companies trading on AIM;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain material developments or events (including substantial transactions, financing transactions, related party transactions and certain acquisitions and disposals) and the separate requirement to seek shareholder approval for certain other corporate events such as reverse takeovers or fundamental changes in the Company's business;
- SP Angel would cease to be the Company's nominated adviser and broker;
- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the AIM Rules or the Disclosure Guidance and Transparency Rules;
- the Company will no longer be subject to UK MAR regulating inside information and other matters;
- in the absence of a formal market and quote, it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time; and
- the Cancellation may have taxation or other commercial consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

The Company will remain registered as a public limited company with the Registrar of Companies in England & Wales in accordance with and subject to the Companies Act 2006, notwithstanding the Cancellation. Shareholders should also note that the City Code on Takeovers and Mergers will continue to apply to the Company following the Cancellation.

3.3 Transactions in the Ordinary Shares prior to the proposed Cancellation

Shareholders should note that they are able to trade in the Ordinary Shares on AIM prior to Cancellation. Shareholders do not have to sell their Ordinary Shares if they do not wish to do so. However, Shareholders who elect not to sell their Ordinary Shares in the market prior to the Cancellation will, subject to completion of the Cancellation, hold Ordinary Shares in an unlisted company. The Board is not making any recommendation as to whether or not shareholders should buy or sell their Ordinary Shares.

3.4 Transactions in the Ordinary Shares post the proposed Cancellation

If a shareholder retains their Ordinary Shares following the Cancellation, although the Ordinary Shares will remain freely tradeable, they will no longer be tradeable on AIM.

The Directors are aware that, should the Cancellation be approved by Shareholders, it would make it more difficult to buy and sell Ordinary Shares in the Company following the Cancellation. Therefore, the Company intends to implement a Matched Bargain Facility after the Cancellation to assist Shareholders to trade in the Ordinary Shares. Should the Cancellation become effective and the Company put in place a Matched Bargain Facility, details will be made available to Shareholders on the Company's website at www.etherapeutics.co.uk. Shareholders will continue to be able to hold their

shares in uncertificated form (i.e. in CREST) and should check with their existing stockbroker whether they are willing or able to trade in unquoted shares.

You should also be aware that any such Matched Bargain Facility could be withdrawn at a later date.

4. Cancellation Process

Under the AIM Rules it is a requirement that, unless the London Stock Exchange otherwise agrees, the Cancellation must be conditional upon the consent of not less than 75 per cent. of votes cast by the Shareholders, given in a general meeting.

The Company is calling a General Meeting, notice of which is set out at the end of this document, and will propose a special resolution to approve the Cancellation. Under the AIM Rules, the Company is required to give the London Stock Exchange at least 20 Business Days' notice of Cancellation and separately notify shareholders that it wishes to cancel the admission of its shares to trading on AIM.

Accordingly, the Directors (through the Company's nominated adviser, SP Angel) have notified the London Stock Exchange on 9 April 2024 of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the admission of the Ordinary Shares to trading on AIM.

If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 8 May 2024 and that Cancellation will take effect at 7.00 a.m. on 9 May 2024. Upon the Cancellation becoming effective, SP Angel will resign as nominated adviser to the Company and the Company will no longer be required to comply with the AIM Rules.

5. General Meeting

A General Meeting of the Company, notice of which is set out at the end of this Circular, is to be held at 12.30 p.m. on 29 April 2024 at Unit 4B, Floor 4, 4 Kingdom Street, Paddington Central, London, W2 6BD at which the Resolutions will be proposed. Please note that the summary and explanation set out below is not the full text of the Resolutions and Shareholders should review the full text of the Resolutions before returning their Forms of Proxy.

The Resolutions can be summarised as follows:

- Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot relevant securities up to an aggregate nominal value of £192,666.67 in connection with the Subscription;
- Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, disapplies statutory pre-emption rights, provided that such authority shall be limited to the allotment of equity securities in connection with the Subscription up to an aggregate nominal amount of £192,666.67; and
- Resolution 3, which will be proposed as a special resolution, will seek to cancel the admission of the Company's Ordinary Shares to trading on AIM.

Resolution 1 authorises the allotment of such number of Ordinary Shares as are necessary for the Subscription. Similarly, Resolution 2 authorises the disapplication of statutory pre-emption rights in respect of such number of Ordinary Shares as are necessary for the Subscription. These authorities are in addition to the authorities that were obtained at the Company's last annual general meeting.

6. Action to be taken

You will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Whether or not you intend to attend the General Meeting in person you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD as soon as possible and in any event by no later than 12.30 p.m. on 25 April 2024. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person

should they so wish.

7. Recommendations

The Directors consider that the Subscription and the Cancellation are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the Resolutions at the General Meeting as they intend to do in respect of their entire holdings which amount to interests in 52,735,562 Ordinary Shares, representing approximately 9.0 per cent. of the Existing Ordinary Shares.

Professor Trevor Jones CBE

Independent Non-Executive Chairman

PART II
NOTICE OF GENERAL MEETING

e-therapeutics plc

(incorporated in England and Wales with registered number 04304473)

Notice is hereby given that a General Meeting of the Company will be held at 12.30 p.m. on 29 April 2024 at Unit 4B, Floor 4, 4 Kingdom Street, Paddington Central, London, W2 6BD to consider and, if thought fit, pass the following resolutions which in the case of Resolution 1 will be proposed as an ordinary resolution, and in the case of Resolutions 2 and 3 will be proposed as special resolutions.

ORDINARY RESOLUTION

1. **THAT**, in addition to any existing authority, the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the “Act”) to exercise all powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any equity securities (within the meaning of Section 560 of the Act) into shares in the Company in connection with the Subscription, as defined in the shareholder circular dated 10 April 2024 containing the notice of this meeting (the “Circular”), up to a maximum aggregate nominal amount of £192,666.67, **PROVIDED** that this authority shall expire on the earlier of 10 April 2025 or the conclusion of the Company’s next annual general meeting unless revoked, varied or renewed before such date save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the Directors may allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired. This resolution is in addition to all unexercised authorities previously granted to the Directors to allot shares and grant rights to subscribe for or convert any securities into shares in the Company and without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

2. **THAT**, subject to and conditional upon the passing of Resolution 1 above and in addition to any existing authority, the Directors be and are hereby generally and unconditionally empowered pursuant to Section 570 of the Act to exercise all powers of the Company to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the general authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities in respect of the allotment of equity securities in connection with the Subscription up to a maximum nominal amount of £192,666.67, **PROVIDED** that this authority shall expire on the earlier of 10 April 2025 or the conclusion of the Company’s next annual general meeting unless revoked, varied, or renewed before such date save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred hereby has expired. This resolution is in addition to all unexercised authorities previously granted to the Directors to allot equity securities (within the meaning of Section 560 of the Act) for cash as if Section 561(1) of the Act did not apply to any such allotment.

3. **THAT**, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM (the market of that name operated by London Stock Exchange plc) of the ordinary shares of 0.1p each in the capital of the Company be and is hereby approved, and the directors of the Company be and are hereby authorised to take all action reasonable or necessary to effect such cancellation.

Dated: 10 April 2024

Registered Office:
4 Kingdom Street
London
W2 6BD

By Order of the Board

Tim Bretherton
Company Secretary

Notes:

1. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote in their place. A proxy need not be a shareholder of the Company.
2. Shareholders may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. Shareholders may not appoint more than one proxy to exercise rights attached to any one share. Shareholders should contact the Company's Registrars, Neville Registrars Limited, if they wish to appoint more than one proxy or they should photocopy the Form of Proxy.
3. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on the resolution. However, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the votes "For" and "Against" such resolution.
4. A Form of Proxy is enclosed with this Circular, and members who wish to use it should see that it is deposited, duly completed, with the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD by no later than 48 hours before the time fixed for the meeting (or any adjournment thereof) weekends and bank holidays excluded. Completing and posting of the Form of Proxy will not preclude the appointing shareholder from attending and voting in person at the General Meeting should they wish to do so.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 25 April 2024 shall be entitled to attend or vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on 25 April 2024 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST members and CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action for them.

To complete a valid proxy appointment or instruction using the CREST service, the CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted and received by Neville Registrars Limited (Participant ID 7RA11) by no later than 48 hours before the time fixed for the meeting (or any adjournment thereof) weekends and bank holidays excluded. The time of receipt of the instruction will be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Neville Registrars Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply 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(s) to ensure that his CREST sponsor or voting service provider(s) take(s) the necessary action to ensure that a message is transmitted by means of the CREST system by a particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid as set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. As at 6.00 p.m. on the date immediately prior to this notice, the Company's issued share capital comprised 584,335,487 ordinary shares. Each ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at 6.00 p.m. on the date immediately prior to this notice is 584,335,487.