

15 June 2023

Dear Shareholder

General Meeting

1. INTRODUCTION

I am writing to inform you that a General Meeting of Versarien plc (“Company”) will be held on Tuesday 4 July 2023 at 10.00 a.m. at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT. The purpose of the General Meeting (“General Meeting” or “GM”) is to renew the Company’s share capital authorities. The formal notice of the General Meeting and full details of all resolutions to be proposed (“Resolutions”) are set out on pages 3 to 5 of this document.

2. BACKGROUND TO AND REASONS FOR THE RENEWAL OF SHARE CAPITAL AUTHORITIES

As detailed in the interim report released on 9 June 2023, as part of the turnaround strategy, the Company is marketing for sale both its mature businesses and the IP and assets acquired from Hanwha Aerospace in December 2020. If the estimated proceeds are received it will provide a sufficient cash runway for the Company’s anticipated needs over the next 24 months. However, the timing of the asset sales and the quantum of the funds that may be received is uncertain, so the Board considers it prudent to ask shareholders for new authorities at the General Meeting in order to provide the Company with the ability and flexibility to raise further funds through the issue of additional equity capital should it be required.

3. CURRENT TRADING

The interim results issued on 9 June 2023 provided an update on current trading.

4. GENERAL MEETING

Set out on page 3 of this document is a notice convening the General Meeting to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 10.00 a.m. on Tuesday 4 July 2023, at which the Resolutions will be proposed.

A summary and brief explanation of the Resolutions to be proposed at the General Meeting is set out below. Please note that this is not the full text of the Resolutions and you should read this paragraph in conjunction with the Resolutions contained in the Notice of General Meeting on page 3.

- **Resolution 1** – an ordinary resolution to grant the Directors authority to allot or grant rights to subscribe for ordinary shares of 1p each in the capital of the Company (“Ordinary Shares”) up to an aggregate nominal value of £1,328,898 (132,889,800 Ordinary Shares), being approximately 50 per cent. of the issued share capital of the Company as at 14 June 2023, the latest practicable date prior to the issue of this document. Unless previously revoked or varied, this authority will expire on the conclusion of the next Annual General Meeting of the Company.
- **Resolution 2** – a special resolution to disapply statutory preemption rights in respect of: (a) the allotment of equity securities which takes place in connection with a rights issue or other similar offer; and (b) the allotment or grant of rights to subscribe for Ordinary Shares up to an aggregate nominal value of £1,328,898 (132,889,800 Ordinary Shares) being approximately 50 per cent. of the issued

share capital as at 14 June 2023, the latest practicable date prior to publication of this document. This Resolution is conditional upon the passing of Resolution 1. Section 561 of the Act requires that a company issuing shares for cash must first offer them to existing shareholders following a statutory procedure which, in the case of a rights issue, may prove to be both costly and cumbersome. This resolution excludes that statutory procedure as far as rights issues are concerned. It also enables the Directors to allot shares up to 132,889,800 Ordinary Shares. The Directors believe that the powers provided by this resolution will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next Annual General Meeting of the Company.

Resolution 1 is being proposed as an ordinary resolution and requires approval by a simple majority of those votes cast (by persons present in person or by proxy) at the General Meeting for the resolution to be passed. Resolution 2 is being proposed as a special resolution and requires approval by not less than three quarters of the votes cast (by persons present in person or by proxy) at the General Meeting for the resolution to be passed.

5. ACTION TO BE TAKEN

The Company values shareholder participation and the votes of shareholders, so it encourages all shareholders to exercise their voting rights by completing and submitting a proxy form as soon as possible.

A Form of Proxy for use at the General Meeting accompanies this document. You are asked to complete the Form of Proxy and return it to the Company's registrars, Neville Registrars at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD so as to be received by no later than 10.00 a.m. on 30 June 2023 (or, in the case of an adjournment of the General Meeting, not less than 48 hours (excluding any part of a day that is not a Business Day) before the time and date fixed for the holding of the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes to the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the Company's agent, Neville Registrars (CREST Participant ID 7RA11), by no later than 10.00 a.m. on 30 June 2023 (or if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time and date fixed for the adjourned meeting).

Shareholders are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Neville Registrars, as soon as possible but in any event no later than 10.00 a.m. on 30 June 2023.

6. RECOMMENDATION

The Board considers that the renewal of the share authorities and the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly recommends that Shareholders vote in favour of the Resolutions.

If the Resolutions are approved at the General Meeting, there is no certainty that the Company will be able to raise funding at a suitable valuation or at all.

If the Resolutions are not approved at the General Meeting and the Company does not receive sufficient proceeds from asset sales in a timely manner and no alternative funding can be raised, the Company's ability to operate as a going concern will be put at risk.

Yours sincerely,

Diane Savory
Chair

Notice of General Meeting

Notice is hereby given that a General Meeting (“GM”) of Versarien plc (the “Company”) will be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT, on Tuesday 4 July 2023 at 10.00 a.m. to consider and, if thought fit, pass the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

1. THAT, in substitution for all existing and unexercised authorities and powers, the Directors of the Company be and are hereby generally and unconditionally authorised for the purpose of Section 551 of the Act to exercise all or any of the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”) up to an aggregate nominal value of £1,328,898 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the Articles of Association of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the Company’s next Annual General Meeting, save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted or Rights to be granted (as the case may be) after the expiry of such period and the Directors of the Company may allot shares or grant Rights (as the case may be) in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
2. THAT, subject to and conditional upon the passing of the resolution numbered 1 in the notice convening the meeting at which this resolution was proposed and in substitution for all existing and unexercised authorities and powers, the Directors of the Company be and are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred upon them by resolution 1 as if Section 561 of the Act did not apply to any such allotment, provided that this authority and power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue or similar offer in favour of Ordinary shareholders where the equity securities respectively attributable to the interest of all Ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £1,328,898

PROVIDED THAT this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the Company’s next Annual General Meeting, 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 such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Christopher Leigh
Company Secretary

15 June 2023

NOTES TO THE NOTICE OF GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours prior to the date and time of the GM, or, in the event that the GM is adjourned, 48 hours prior to the adjourned meeting, shall be entitled to attend and vote at the GM in respect of the number of shares registered in their name at that time.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1, above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the GM and you should have received a proxy form with this Notice of GM. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please photocopy the proxy form.
3. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
4. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the "Nominated persons" section (note 13).
5. A proxy does not need to be a member of the Company but must attend the GM to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

If you wish your proxy to speak on your behalf at the GM, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

6. To direct your proxy how to vote on the resolutions, mark the appropriate box on your proxy form with an "X". To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the GM.

Appointment of proxy using hard-copy proxy form

7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To be valid, the proxy form, and any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority), must be duly completed, executed and deposited with the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, or by scan and email to Neville Registrars Limited at info@nevilleregistrars.co.uk and in each case not less than 48 hours (excluding non-working days) before the time appointed for the GM (or any adjourned meeting). In the case of a member which is a corporation, the proxy form must be executed under its common seal or signed on its behalf by an officer, attorney or other person duly authorised by the corporation.

Appointment of proxies through CREST

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the GM and any adjournment(s) thereof by utilising 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(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the issuer's agent, Neville Registrars Limited (CREST participant ID: 7RA11), by no later than 48 hours (excluding non-working days) before the time appointed for the GM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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 procure that his CREST sponsor or voting service provider(s) take(s)) 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 sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

Changing proxy instructions

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

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited (address in note 7).

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

Termination of proxy appointments

11. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited (address in note 7). In the case of a member which is a corporation, the revocation notice must be executed under its common seal or signed on its behalf by an officer, attorney or other person authorised to sign the same. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Neville Registrars Limited no later than 48 hours (excluding non-working days) before the time appointed for holding the GM.

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

Appointment of a proxy does not preclude you from attending the GM and voting in person. If you have appointed a proxy and attend the GM in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

12. As at close of business on 14 June 2023 (being the latest practicable date prior to the publication of this document), the Company's issued share capital comprised 265,779,690 Ordinary shares of 1 pence each. Each Ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business on 14 June 2023 is 265,779,690.

Nominated persons

13. If you are a person who has been nominated under Section 146 of the Act to enjoy information rights:
 - you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (the "Relevant Member") to be appointed or to have someone else appointed as a proxy for the GM;
 - if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
 - your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Communication

14. You may not use any electronic address provided either in:
 - this Notice of General Meeting; or
 - any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

