

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank, solicitor, accountant or other appropriate independent professional adviser.

If you have sold or otherwise transferred all of your shares in Fusion Antibodies plc ("**Company**"), please pass this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Fusion Antibodies plc  
Registered No. NI039740  
C/O Tughans Solicitors  
Marlborough House  
30 Victoria Street  
Belfast  
BT1 3GG

21 August 2019

*To ordinary shareholders*

Dear Shareholder

### **Annual General Meeting 2019**

I am pleased to send you details of our 2019 annual general meeting ("**AGM**"), which will be held at Riddel Hall, Queens University Belfast, 185 Stranmillis Road, Belfast, BT9 5EE on 20 September 2019 at 11.00 a.m. I hope that you will be able to attend.

The formal notice of the AGM, which is set out on pages 5 to 8 of this document ("**Notice**"), sets out the business to be considered at the AGM. The purpose of this letter is to provide you with further details about those items of business.

This year, shareholders will be asked to approve 8 resolutions. Resolutions 1 to 6 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than 50 per cent. of the votes cast must be in favour of the resolution.

Resolutions 7 and 8 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least 75 per cent. of the votes cast must be in favour of the resolution.

### **Resolution 1: Annual report and accounts**

The directors must present the Company's annual accounts and the strategic, directors' and auditor's reports to shareholders at a general meeting. Those to be presented at the AGM are in respect of the year ended 31 March 2019, and are called the Annual Report 2019.

The Annual Report 2019 is available on the Company's website ([www.fusionantibodies.com](http://www.fusionantibodies.com)). If you have elected to receive correspondence in hard copy, then a copy of the Annual Report 2019 will accompany this document. Should you wish to change your election at any time, or if you wish to request a hard copy of the Annual Report 2019, you can do so by contacting the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

### **Resolutions 2 and 3: Reappointment of directors**

Resolutions 2 and 3 propose the reappointments of Dr Simon Douglas and Dr Richard Buick as directors. This is in accordance with the Company's articles of association, which require that one third of the directors (or the number nearest to but not exceeding one third) retire by rotation at each AGM, with each director

also being subject to reappointment at intervals of not more than three years. Biographies of each of these directors are set out below:

***Dr Simon Douglas – Non-executive Chairman***

Simon, 60, was appointed Non-executive Chairman in September 2011 having previously been CEO. He has over 30 years' experience in the biotech industry, including 10 years working for Amersham International, ICI and Zeneca (now Astra Zeneca), in a variety of commercial and technical positions, and over five years with Tepnel Life Sciences plc (now Hologic Inc), a London Stock Exchange listed diagnostic company where he was Chief Executive. He has been the CEO/Executive Chairman on three other venture capital backed Life Science companies, and headed up the trade sale of two of these. He is currently a non-executive director on C-Major Medical, a venture capital backed Medical Device Company.

***Dr Richard Buick – Chief Technical Officer***

Richard, 42, was appointed director and Chief Technical Officer in September 2011 having worked in the company since 2002 where he was responsible for overseeing contract research services. He previously had four year's experience discovering novel antibodies from synthetic libraries for diagnostic purposes. Richard has been appointed as a legal expert witness in a number of drug patent dispute cases. In 2018 he was made Honorary Senior Lecturer in Queens University Belfast.

**Resolutions 4 and 5: Reappointment and remuneration of auditors**

The Company is required to appoint auditors at each general meeting at which its annual accounts and reports are presented to shareholders. Therefore, resolution 4 proposes the reappointment of PricewaterhouseCoopers LLP as auditors (to hold office until the next such meeting).

In accordance with normal practice, resolution 5 authorises the Audit Committee to determine the auditors' remuneration.

**Resolution 6: Authority to allot shares**

Generally, the directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

Resolution 6 is in two parts.

In line with guidance issued by the Investment Association, if passed, part (a) of resolution 6 will authorise the directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £294,549.22. This amount represents approximately one third of the issued ordinary share capital of the Company as at 16th August 2019, being the last practicable date before the publication of this document.

In addition, if passed, part (b) of resolution 6 will authorise the directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company) in connection with a rights issue only up to a further aggregate nominal amount of £294,549.22. This amount represents approximately one third of the issued ordinary share capital of the Company as at 16th August 2019, being the last practicable date before the publication of this document.

If given, these authorities will expire at the conclusion of the Company's next AGM. It is the directors' intention to renew the allotment authority each year.

As at the date of this document, no ordinary shares are held by the Company in treasury.

The directors have no current intention to exercise either of the authorities sought under resolution 6. However, the directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional shareholder guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise.

### **Resolution 7: Disapplication of pre-emption rights**

Generally, if the directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Act) for cash, then under the Act they must first offer such shares or securities to ordinary shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disapplied by shareholders.

Resolution 7, which will be proposed as a special resolution, if passed, will enable the directors to allot equity securities for cash without having to comply with statutory pre-emption rights.

The powers proposed under resolution 7 will be limited to allotments:

- (a) up to an aggregate nominal amount of (i) £589,098.44 in connection with a rights issue or (ii) £294,549.22 in connection with an open offer or other pre-emptive offer, in each case to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the directors consider necessary; and
- (b) in any other case, up to an aggregate nominal amount of £88,364.76 (which represents approximately ten per cent. of the issued ordinary share capital of the Company as at 16th August 2019, being the last practicable date before the publication of this document).

If given, this power will expire at the conclusion of the Company's next AGM. It is the directors' intention to renew this power each year.

### **Resolution 8: Purchase by the Company of its own shares**

Resolution 8, which will be proposed as a special resolution, if passed, will allow the Company to purchase up to 2,209,119 ordinary shares in the market (which represents approximately 10 per cent. of the issued ordinary share capital of the Company as at 16th August 2019, being the last practicable date before the publication of this document). The minimum and maximum prices for such a purchase are set out in the resolution. If given, this authority will expire at the conclusion of the Company's next AGM. It is the directors' intention to renew this authority each year.

The directors have no current intention to exercise the authority sought under resolution 8 to make market purchases, but consider the authority desirable to provide maximum flexibility in the management of the Company's capital base. If passed, the directors will only exercise this authority if they believe that to do so would be a prudent use of the Company's cash resources and would result in an increase in earnings per share and would be in the best interests of the Company and of its shareholders generally.

### **Recommendation**

The directors consider that all the resolutions set out in the Notice are in the best interests of the Company and its shareholders as a whole. The directors who hold shares will be voting in favour of all of the resolutions, and unanimously recommend that you do so as well.

### **Action to be taken**

If you would like to vote on the resolutions set out in the Notice but cannot come to the AGM, please appoint a proxy or proxies by completing the Proxy Form sent to you with this document, and returning it to our registrars.

Your proxy appointment must be received by **11.00 a.m. on 18 September 2019**. Further details relating to voting by proxy are set out in the notes to the Notice on pages 5 to 8 of this document and in the Proxy Form.

Yours sincerely

**Dr Simon Douglas**  
*Chairman*

## FUSION ANTIBODIES PLC

### NOTICE OF ANNUAL GENERAL MEETING

**Notice is given** that the annual general meeting of Fusion Antibodies plc (“**Company**”) will be held at Riddel Hall, Queens University Belfast, 185 Stranmillis Road, Belfast, BT9 5EE on 20 September 2019 at 11.00 a.m. for the following purposes:

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

1. To receive the Company’s annual accounts and the strategic, directors’ and auditor’s reports for the year ended 31 March 2019.
2. To reappoint Dr Simon Douglas, who retires by rotation, as a director of the Company.
3. To reappoint Dr Richard Buick, who retires by rotation, as a director of the Company.
4. To reappoint PricewaterhouseCoopers LLP as auditors of the Company.
5. To authorise the Audit Committee to determine the remuneration of the auditors.
6. That, pursuant to section 551 of the Companies Act 2006 (“**Act**”), the directors be generally and unconditionally authorised to allot Relevant Securities:
  - 6.1 up to an aggregate nominal amount of £294,549.22; and
  - 6.2 comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £294,549.22 in connection with an offer by way of a rights issue:
    - 6.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
    - 6.2.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, “**Relevant Securities**” means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in addition to all existing authorities under section 551 of the Act.

**To consider and, if thought fit, to pass the following resolutions as special resolutions:**

7. That, subject to the passing of resolution 6 and pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 6 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - 7.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by

paragraph 6.1 of resolution 6, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):

- 7.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
  - 7.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- 7.2 otherwise than pursuant to paragraph 7.1 of this resolution, up to an aggregate nominal amount of £88,364.76, and this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in addition to all existing powers under section 570 of the Act.

8. That, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.04 each in the capital of the Company ("**Shares**"), provided that:
- 8.1 the maximum aggregate number of Shares which may be purchased is 2,209,119;
  - 8.2 the minimum price (excluding expenses) which may be paid for a Share is £0.04;
  - 8.3 the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent. of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made, and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the board

**James Fair**  
Company Secretary  
21 August 2019

*Registered office*

C/O Tughans Solicitors  
Marlborough House  
30 Victoria Street  
Belfast  
BT1 3GG

**Registered in Northern Ireland No. NI039740**

## Notes

### *Entitlement to attend and vote*

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on 18 September 2019 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

### *Proxies*

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in note 3 and the notes to the proxy form.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 0871 664 0300 or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 11.00 a.m. on 18 September 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

### *Corporate representatives*

4. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

### *Documents available for inspection*

5. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.
  - 5.1 Copies of the service contracts of the executive directors.
  - 5.2 Copies of the letters of appointment of the non executive directors.
6. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out in the accompanying letter from the Company's chairman.

