

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the General Meeting of Fusion Antibodies plc (“Fusion” or the “Company”) to be held on 8 June 2023. If you are in any doubt about the action you should take, you are recommended immediately to seek advice from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) who specialises in advising on the acquisition of shares and other securities, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

The Company and each of the Directors of Fusion, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

If you have sold or otherwise transferred all of your ordinary shares of 4p each in the capital of the Company (“**Ordinary Shares**”), please immediately forward this document 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 should not be distributed, forwarded or transmitted in or into the United States of America, Canada, Australia, New Zealand, Russia, the Republic of South Africa or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. **This document should be read in conjunction with the Notice of General Meeting as set out at the end of this document. The whole text of this document should be read.**

This document does not constitute an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), Ordinary Shares or an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), the Placing Shares, the Retail Offer Shares and the Subscription Shares. This document does not contain an offer of transferable securities within the meaning of section 102B of FSMA and does not constitute a prospectus within the meaning of section 85 of FSMA. This document has not been examined or approved by the Financial Conduct Authority or the London Stock Exchange or any other regulatory authority.

FUSION ANTIBODIES PLC

(Incorporated in Northern Ireland with registered number NI039740)

Proposed Placing, Subscription and Retail Offer of 33,438,768 new Ordinary Shares at a price of 5 pence per share (the “Fundraise”)

and

Notice of General Meeting



Nominated Adviser and Broker

Application has been made for the First Tranche Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange (“AIM”) (together “First Admission”). It is currently anticipated that First Admission will become effective and that dealings in the First Tranche Placing Shares will commence on AIM at 8.00 a.m. on or around 24 May 2023.

Conditional on, *inter alia*, First Admission and the passing of the Resolutions, application will be made for the Second Tranche Placing Shares, the Retail Offer Shares and the Subscription Shares to be admitted to trading on AIM (together “Second Admission”). It is currently expected that Second Admission will become effective and that dealings in the Second Tranche Placing Shares, the Retail Offer Shares and the Subscription Shares will commence on AIM at 8.00 a.m. on or around 12 June 2023. Any change to these times and/or dates will be announced by the Company.

The Placing Shares, the Retail Offer Shares and the Subscription Shares (the “New Ordinary Shares”) when issued and fully paid, will rank *pari passu* in all respects with the existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after First Admission and Second Admission. No application has been made or is currently intended to be made for the New Ordinary Shares to be admitted to trading or dealt on any other exchange.

Notice of a General Meeting of Fusion to be held at the offices of Fusion Antibodies plc at 1 Springbank Road, Springbank Industrial Est, Belfast, BT17 0QL at 10.00 a.m. on 8 June 2023 is set out at the end of this document. The enclosed form of proxy should, to be valid, be completed and returned in accordance with the instructions printed on it to **Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL (telephone number: +44 (0)371 664 0300)** so as to be received no later than 10.00 a.m. on 6 June 2023 or 48 hours (excluding any part of a day that is not a working day) before any adjourned meeting.

Allenby Capital Limited (“**Allenby Capital**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing and the proposed admission of the Placing Shares to trading on AIM and the proposals described in this document. It will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to the clients of Allenby Capital or for providing advice in relation to such proposals. Allenby Capital has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Allenby Capital for the accuracy of any information or opinions contained in this document or for the omission of any information. Allenby Capital as nominated adviser to the Company owes certain responsibilities to the London Stock Exchange which are not owed to the Company, the Directors, Shareholders or any other person.

The New Ordinary Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the requirements of the Securities Act. There will be no public offer of the New Ordinary Shares in the United States, the United Kingdom or elsewhere. The New Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of this offering. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the New Ordinary Shares in the United States or to a US Person may constitute a violation of US law or regulation.

The distribution of this document and the offering or sale of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Allenby Capital that would permit an offering of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material relating to the New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Company and Allenby Capital to inform themselves about and to observe any such restrictions.

This document is directed only at members of the Company falling within the meaning of Article 43(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as “**Relevant Persons**”). This document must not be acted on or relied on by persons who are not Relevant Persons. This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

FORWARD LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

Copies of this document are available free of charge on the Company’s website: www.fusionantibodies.com.

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DIRECTORS AND ADVISERS

Directors

Simon Douglas (*Non-Executive Chairman*)
Adrian Kinkaid (*Chief Executive Officer*)
Richard Buick (*Chief Scientific Officer*)
James Fair (*Chief Financial Officer*)
Sonya Ferguson (*Non-Executive Director*)
Colin Walsh (*Non-Executive Director*)
Matthew Baker (*Non-Executive Director*)

Registered Office

1 Springbank Rd
Springbank Industrial Estate
Dunmurry
Belfast
BT17 0QL

Company Secretary

James Fair

Nominated adviser and broker

Allenby Capital Limited
5 St. Helen's Place
London
EC3A 6AB

Legal advisers to the Company

DLA Piper UK LLP
160 Aldersgate Street
London
EC1A 4HT

Legal advisers to the nominated adviser and broker

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Registrars

Link Market Services Limited
Central Square
29 Wellington Street
Leeds
LS1 4DL

DEFINITIONS

“2022 AGM”	the 2022 annual general meeting of the Company held on 23 September 2022;
“Act”	the Companies Act 2006 (as amended);
“Admission”	together (or separately) First Admission and/or Second Admission, as the context requires;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
“Allenby Capital”	Allenby Capital Limited, the Company’s nominated adviser and broker pursuant to the AIM Rules;
“Articles”	the existing articles of association of the Company as at the date of this Circular;
“Business Day”	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London, UK;
“Circular”	this document;
“Company” or “Fusion”	Fusion Antibodies plc, a company incorporated in Northern Ireland with company number NI039740;
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & International in accordance with the CREST Regulations;
“CREST member”	a person who has been admitted by Euroclear UK & International as a system-member (as defined in the CREST Regulations);
“Directors” or “Board”	the directors of the Company;
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Second Admission;
“Euroclear UK & International”	Euroclear UK & International Limited, the operator of CREST;
“Existing Ordinary Shares” or “Existing Share Capital”	the existing Ordinary Shares prior to First Admission;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“First Admission”	the admission of the First Tranche Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“First Announcement”	the announcement setting out the details of the Fundraise, the GM, the Circular, First Admission and Second Admission;
“First Placing”	the placing of the First Tranche Placing Shares at the Issue Price in accordance with the terms of the Placing;
“First Tranche Placing Shares”	the placing of the 2,601,494 Placing Shares at the Issue Price, by Allenby Capital with institutional and other investors in accordance with the terms of the Placing, subject to First Admission;

“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Fundraise”	together, the Placing, the Retail Offer and the Subscription;
“General Meeting” or “GM”	the general meeting of Shareholders to be held at the offices of Fusion Antibodies at 1 Springbank Road, Springbank Industrial Estate, Dunmurry, Belfast BT17 0QL at 10.00 a.m. on 8 June 2023;
“ISIN”	International Securities Identification Number;
“Issue Price”	5 pence per New Ordinary Share;
“Link” or “Link Group”	a trading name of Link Group;
“London Stock Exchange”	London Stock Exchange plc;
“Notice of General Meeting”	the notice of General Meeting set out at the end of this Circular;
“New Ordinary Shares”	together the Placing Shares, the Retail Offer Shares and the Subscription Shares;
“Ordinary Shares”	the ordinary shares of 4p each in the capital of the Company;
“Placing”	the placing by Allenby Capital of the Placing Shares on the terms and subject to the conditions of the Placing Agreement;
“Placing Agreement”	the conditional agreement dated 19 May 2023 between the Company and Allenby Capital relating to the Placing;
“Placing Shares”	together, the First Tranche Placing Shares and the Second Tranche Placing Shares to be issued by the Company in relation to the Placing;
“Registrars”	Link Market Services Limited;
“Resolutions”	the resolutions numbered 1 and 2 set out in the Notice of General Meeting to be proposed at the General Meeting;
“Retail Offer”	the retail offer to the Company’s Shareholders run by REX;
“Retail Offer Shares”	the issue of new Ordinary Shares through a facility with REX;
“REX”	the Peel Hunt LLP Retail Capital Markets REX portal;
“REX Retail Platform”	A platform operated by REX;
“Second Admission”	the admission of the Second Tranche Placing Shares, the Retail Offer Shares and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“Second Announcement”	the announcement confirming the passing of the Resolutions and Second Admission;
“Second Placing”	the placing of the Second Tranche Placing Shares at the Issue Price in accordance with the terms of the Placing;
“Second Tranche Placing Shares”	the 25,830,252 New Ordinary Shares which have been conditionally placed by Allenby Capital with institutional and other investors pursuant to the Second Placing;
“Shareholder(s)”	holder(s) of Existing Ordinary Shares;

“Subscribers”	the persons entering into the Subscription Agreements;
“Subscription”	the conditional subscription for the Subscription Shares at the Issue Price by the Subscribers pursuant to the Subscription Agreements;
“Subscription Agreements”	the agreements dated on or around the dated 19 May 2023 between the Company and each Subscriber pursuant to which each such Subscriber has agreed to subscribe for Subscription Shares;
“Subscription Shares”	the 2,740,000 Ordinary Shares to be allotted and issued pursuant to the Subscription Agreements;
“sterling”, “pounds sterling”, “£”, “pence” or “p”	the lawful currency of the United Kingdom;
“US Person”	a US person as defined in Regulation S promulgated under the US Securities Act; and
“US Securities Act”	the United States Securities Act of 1933 (as amended).

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular published and sent to Shareholders	23 May 2023
First Admission and commencement of dealings in the First Tranche Placing Shares on AIM	8.00 a.m. on 24 May 2023
CREST member accounts expected to be credited for the First Tranche Placing Shares in uncertificated form (where applicable)	24 May 2023
Latest time and date for receipt of completed Forms of Proxy	10.00 a.m. on 6 June 2023
General Meeting	10.00 a.m. on 8 June 2023
Results of the GM announced	10.30 a.m. on 8 June 2023
Second Admission and commencement of dealings in the Second Tranche Placing Shares, Retail Offer Shares and Subscription Shares on AIM*	8.00 a.m. on 12 June 2023
CREST member accounts expected to be credited for the Second Tranche Placing Shares, Retail Offer Shares and Subscription Shares in uncertificated form (where applicable)*	12 June 2023
Dispatch of definitive share certificates for Placing Shares, Retail Offer Shares and Subscription Shares in certificated form (where applicable)	Within 10 working days of the relevant Admission

**subject to the passing of the Resolutions*

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company. References to times in this Circular are to London time except when 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.

FUNDRAISE STATISTICS

Issue Price	5 pence
Number of Existing Ordinary Shares	26,014,946
<i>Placing and Subscription</i>	
Number of First Tranche Placing Shares	2,601,494
Gross proceeds of the First Placing	£130,074.70
Number of Second Tranche Placing Shares and Subscription Shares	28,570,252
Gross proceeds of the Second Placing and Subscription	£1,428,512.60
Total number of Placing Shares and Subscription Shares	31,171,746
Gross proceeds of Placing and Subscription	£1,558,587.30
Percentage of the Enlarged Share Capital comprised by the Placing Shares and Subscription Shares	52.4%
<i>Retail Offer</i>	
Number of Retail Offer Shares to be issued	2,267,022
Percentage of the Enlarged Share Capital comprised by the Retail Offer Shares only	3.8%
Gross proceeds of the Retail Offer	£113,351.10
Gross proceeds of the Fundraise	£1,671,938.40
Total number of New Ordinary Shares	33,438,768
Enlarged Share Capital	59,453,714
Percentage of the Enlarged Share Capital comprised by the New Ordinary Shares	56.2%
ISIN	GB00BDQZGK16
SEDOL	BDQZGK1
LEI	213800KBAYRC9VOQ9V39

FUSION ANTIBODIES PLC

(Incorporated and registered in Northern Ireland with registration number NI039740)

Simon Douglas (*Non-Executive Chairman*)
Adrian Kinkaid (*Chief Executive Officer*)
Richard Buick (*Chief Scientific Officer*)
James Fair (*Chief Financial Officer*)
Sonya Ferguson (*Non-Executive Director*)
Colin Walsh (*Non-Executive Director*)
Matthew Baker (*Non-Executive Director*)

1 Springbank Road
Springbank Industrial Estate
Dunmurry
Belfast
BT17 0QL

23 May 2023

To the holders of Ordinary Shares, holders of options and those with information rights

Conditional Placing, Subscription and Retail Offer

and

Notice of General Meeting

Introduction

On 19 May 2023, the Company announced that it has conditionally raised c. £1.56 million (before expenses) by way of the Placing and Subscription of a total of 31,171,746 new Ordinary Shares at 5 pence per share. The Placing is comprised of 28,431,746 Placing Shares at the Issue Price which will be conducted in two tranches as to (i) 2,601,494 Placing Shares (the “**First Tranche Placing Shares**”); and ii) 25,830,252 Placing Shares, subject to the passing of the Resolutions at the General Meeting (the “**Second Tranche Placing Shares**”). The Subscription is comprised of 2,740,000 Subscription Shares at the Issue Price.

In addition to the Placing and the Subscription, the Company is further pleased to confirm that it has conditionally raised £113,531.10 (before expenses) via a REX retail offer to Shareholders at the Issue Price (the “**Retail Offer**”, and together with the Placing and the Subscription, the “**Fundraise**”). This is to provide existing UK retail shareholders in the Company an opportunity to participate in the Fundraise. Those investors who subscribe for new Ordinary Shares pursuant to the Retail Offer (the “**Retail Offer Shares**”) have done so pursuant to the terms and conditions of the Retail Offer which have separately been announced by the Company on 19 May 2023. The Retail Offer will be conditional on completion of the Placing and Subscription.

The First Tranche Placing Shares will be allotted and issued utilising the Company's existing authorities granted at the 2022 AGM. The issue and allotment of the Second Tranche Placing Shares, the Retail Offer Shares and the Subscription Shares is conditional, *inter alia*, upon the Company obtaining approval of Shareholders of the Resolutions to be proposed at the General Meeting, to provide sufficient authority to enable allotment of the Second Tranche Placing Shares, the Retail Offer Shares, the Subscription Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the Second Tranche Placing Shares, Retail Offer Shares and Subscription Shares.

The purpose of this document is, amongst other things, to explain the background to and reasons for the Fundraise and to explain why the Directors believe that the Fundraise will promote the growth and success of the Company for the benefit of the Shareholders as a whole, and seek Shareholders' approval to the passing of the Resolution at the General Meeting. This document also contains the Directors' recommendation that Shareholders vote in favour of the Resolutions.

Background to and reasons for the Fundraise

Fusion has specialized in protein engineering for therapeutic antibodies. Having built up a range of individual services, the Company announced in its half yearly report that it was introducing an integrated approach to its service offering to better service the Company's clients in their therapeutic antibody discovery. The Company has begun offering this end-to-end package as an Integrated Therapeutic Antibody Service

(“**ITAS**”). ITAS will bring together the various service offerings currently provided by the Company into a continuous project, managed by Fusion. The Directors believe that it will provide its customers with a number of benefits including the reduction in process timelines and reduction in risk. The Directors believe that it will also provide Fusion with the ability to retain customers for more of the overall development process which will provide an increased opportunity to negotiate success milestones and royalties into future contracts.

In parallel with the launch of ITAS, the Company has been pursuing its research programme to develop a novel therapeutic antibody discovery platform, OptiMAL®. This comprises a novel DNA library of antibody sequences and a Mammalian Display platform to enable the library to be expressed on the surface of mammalian cells as fully intact IgG antibodies. The OptiMAL® discovery platform has a number of benefits and the Directors remain optimistic about its likely reception by the market, including large pharma. It is expected that the output from OptiMAL® will be capable of being incorporated into the ITAS offering to enhance customer outcomes.

The Company has also commenced the development of two further discovery platforms based on the component parts from OptiMAL® that, the Directors believe, have the ability to further broaden the Company’s integrated service offering. These are:

- OptiPhage™, a phage display based version of the same DNA library. OptiPhage™ uses the same DNA sequences as OptiMAL® but packages them into a more commonly used Phage display format. Only smaller antibody fragments can be screened in this way, compared to whole antibodies via OptiMAL®, but it can be run at a lower price point for the customer. The Directors believe that the provision of OptiPhage™ provides the Company with an ability to protect the premium pricing of the OptiMAL® programme whilst meeting budgetary constraints of its customers. It may also be the platform of choice for those wanting antibody fragments as their end product; and
- AI/ML-Ab (pronounced AIM Lab), a service combining Mammalian Display with artificial intelligence (“**AI**”) and/or machine learning (“**ML**”) algorithms which will be provided by AI/ML expert collaborators. The AI/ML algorithms typically produce libraries of sequences which are an excellent match with the Company’s Mammalian Display platform. Two such collaborators have already signed Memoranda of Understanding with the Company.

The net proceeds of the Fundraise will support the delivery of ITAS, to position Fusion as a leading provider of therapeutic antibody discovery with a suite of proprietary and cutting edge discovery engines to drive the commercial success of the business. Initially, the Company will target customer funded projects for the commercialisation of AI/ML-Ab, while any investments in OptiPhage™ will be subject to customer appetite for the proposition.

Current trading and outlook

On 6 March 2023, the Company provided an update on unaudited trading for the year ended 31 March 2023 (“**FY2023**”). Due to delays to a number of contracts and continued uncertainty of timescales to win contracts and to recognise the revenues from those contracts, the Company expects that revenues for FY2023 are expected to be significantly reduced on the prior year, and not less than £2.8 million. The Company has been carefully managing costs until revenues return to growth. In particular, headcount has been reduced during FY2023 from that in the financial year ended 31 March 2022 (“**FY2022**”). Additional steps taken, such as cross training of staff from different laboratories, has had the combined benefit of minimising impact on capacity or capability to deliver customer and R&D projects and preparing for the ITAS projects.

While trading in the second half of FY2023 was particularly challenging, the Company has responded with the announcement of ITAS and a Mammalian Display service to be provided to companies with AI/ML discovery platforms. Negotiations are progressing with two AI/ML companies and Memoranda of Understanding have been signed with both.

Whilst there remains a significant amount of uncertainty over the timing and implementation of future contract wins due to the reduced investment in the broader biotech sector, the Company expects trading to recover incrementally over the short to medium term both in respect of existing services and the new services coming on stream.

In light of the macro-economic headwinds which the Company and its customers are facing, the Board has identified up to a further £2.2 million of annualized costs savings that can be implemented in the near-term.

This cost saving includes a significant reduction in headcount across all levels of the Company, including the Company's non-executive directors having agreed to forgo all remuneration that they are entitled to and the Company's executive directors having agreed to changes in their remuneration (which may include taking shares in place of cash remuneration) to further conserve cash until such time that the Company's trading has recovered to an appropriate level. The Directors believe that, notwithstanding these cost reductions, the Company will still be able to progress the launch of ITAS. Where possible, the Company will seek client contributions for further collaborative trials with a view to full commercialization of OptiMAL® and the initial AI/ML-Ab and OptiPhage™ projects.

Use of proceeds

The net proceeds receivable by the Company pursuant to the Placing and Subscription are approximately £1.42 million. The Company intends to use the proceeds, along with the proceeds from the Retail Offer, to provide near-term working capital, as well as fund non-recurring restructuring costs associated with the cost savings of approximately £0.1 million. The Company will focus on revenue generating commercial projects over R&D projects, whilst still progressing the continued delivery of the OptiMAL® programme, with the support of third parties where possible.

Based on the Company's conservative internal estimations for FY2024 and the identified cost savings set out above, the net proceeds of the Fundraise are expected to provide a cash runway of at least 18 months. A key strategic focus for the Company will be seeking to achieve cash neutrality during that timeframe. The Company will continue to seek to take advantage of all grant funding made available to it, which is anticipated to enhance the ability to achieve the runway.

The net proceeds of the Retail Offer will be deployed for the same purposes as outlined above.

Director change

The Company has been informed by James Fair that he will be stepping down from the Board as Chief Financial Officer, effective 31 May 2023. A further announcement will be made in due course in respect of the appointment of a new CFO. The Board would like to thank James for his significant contribution to the Company over the past 14 years and wish him well in his future endeavours.

Details of the Placing and Subscription

The Placing will result in the issue of a total of 28,431,746 Placing Shares and the Subscription will result in the issue of 2,740,000 Subscription Shares, in each case at the Issue Price. Together the Placing and the Subscription has conditionally raised £1,558,587.30 before expenses for the Company.

The First Tranche Placing Shares will be issued on a non-pre-emptive basis pursuant to the authorities granted to the Board at the Company's 2022 AGM. The Second Tranche Placing Shares and the Subscription Shares will be issued conditional, *inter alia*, on the passing of the Resolutions at the General Meeting.

The Placing Shares and the Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing Ordinary Shares in issue and therefore will rank equally for all dividends or other distributions declared, made or paid after the issue of the Placing Shares and the Subscription Shares.

Allenby Capital has entered into the Placing Agreement with the Company pursuant to which Allenby Capital has, on the terms and subject to the conditions set out therein (including the occurrence of First Admission and Second Admission), undertaken to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing Agreement contains certain warranties and indemnities from the Company in favour of Allenby Capital. The Placing is not being underwritten by Allenby Capital or any other person.

The Placing is conditional, *inter alia*, upon First Admission in respect of the First Tranche Placing Shares and upon the passing of the Resolutions and Second Admission in respect of the Second Tranche Placing Shares and the Placing Agreement not being terminated prior to First Admission or Second Admission. The Subscription is conditional, *inter alia*, upon the completion of the Placing.

The First Placing is not conditional on the Second Placing, the Subscription or the Retail Offer. Should the Resolutions not be passed at the General Meeting, the Second Placing, the Subscription

and the Retail Offer will not proceed. The First Placing will not be affected by any or all of the Second Placing, the Subscription and Retail Offer failing to complete for any reason.

Completion of the Retail Offer is conditional upon, *inter alia*, completion of the Placing and the Subscription. However, completion of the Placing and the Subscription is not conditional on the completion of the Retail Offer and there is no minimum fundraising for the Retail Offer. The Retail Offer is available only to Shareholders of the Company resident in the United Kingdom.

Director and PDMR participation

The following Directors and their closely associated persons (as defined in UK MAR) have conditionally subscribed for a total of 2,740,000 new Ordinary Shares at the Issue Price in the Subscription:

	<i>Existing beneficial shareholding</i>	<i>Subscription Shares subscribed for</i>	<i>Beneficial shareholding on completion of the Fundraise</i>	<i>Percentage of enlarged issued share capital</i>
<i>Director/PDMR/PCA</i>				
Simon Douglas	255,800	200,000 ¹	455,800	0.77%
Adrian Kinkaid	4,000	140,000	144,000	0.24%
Sonya Ferguson	102,587	400,000	502,587	0.85%
Colin Walsh ²	-	600,000 ³	600,000	1.01%
Hamniv (GP) Limited ⁴	-	1,400,000	1,400,000	2.35%

¹ Subscription Shares applied for by relatives of Simon Douglas

² Colin Walsh is the Chief Executive and founder of Crescent Capital NI Limited ("Crescent Capital"), which is the fund manager for Crescent Capital III LP which holds 613,382 Ordinary Shares.

³ Subscription shares applied for by Walsh Strategic Management Limited, a company controlled by Colin Walsh

⁴ Hamniv (GP) Limited is a subsidiary of Crescent Capital.

Details of the Retail Offer

Conditional upon, *inter alia*, completion of the Placing, the Subscription and the passing of the Resolutions, 2,267,022 Retail Offer Shares will be issued through the Retail Offer at the Issue Price to raise gross proceeds of £113,351.10 (before expenses).

Pursuant to the terms of the Retail Offer, the Company has made the Retail Offer to holders of Existing Ordinary Shares resident in the United Kingdom and only through financial intermediaries via the REX Retail Platform. Those investors who subscribe for new Ordinary Shares pursuant to the Retail Offer will do so pursuant to the terms and conditions of the Retail Offer contained in the announcement released by the Company on 19 May 2023. The Retail Offer is not subject to any minimum fundraising. The Retail Offer will be conditional on completion of the Placing and Subscription.

The Retail Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, the Placing Shares and the Subscription Shares.

Admission to trading on AIM

Application has been made to the London Stock Exchange plc for the First Tranche Placing Shares to be admitted to trading on AIM ("**First Admission**"). It is currently anticipated that First Admission will become effective and that dealings in the First Tranche Placing Shares will commence on AIM at 8.00 a.m. on or around 24 May 2023.

Subject to, *inter alia*, the approval of the Resolutions, application will be made to the London Stock Exchange plc for the Second Tranche Placing Shares, the Subscription Shares and the Retail Offer Shares to be admitted to trading on AIM ("**Second Admission**"). Assuming the Resolutions are passed at the General Meeting, it is anticipated that that Second Admission will become effective and that dealings in the Second Tranche Placing Shares, the Retail Offer Shares and the Subscription Shares will commence on AIM at 8.00 a.m. on or around 12 June 2023.

Notice of General Meeting

A notice convening a General Meeting of the Company, to be held at the Company's offices at 1 Springbank Road, Springbank Industrial Estate, Dunmurry, Belfast BT17 0QL at 10.00 a.m. on 8 June 2023 is set out at the end of this Circular. At the General Meeting, Shareholders will be asked to consider resolutions which, if approved, will provide the Directors with the authority and power to allot and disapply statutory pre-emption rights in relation to each of the Second Tranche Placing Shares, the Retail Offer Shares and the Subscription Shares.

Action to be taken by Shareholders

You can submit your proxy electronically through the website of our registrar, Link Group, at www.signalshares.com. The electronic submission of proxy must be received at least 48 hours before the time of the General Meeting. To vote online you will need to log in to your share portal account or register for the share portal if you have not already done so and you will require your investor code. Once registered, you will be able to vote immediately. **Further information regarding the appointment of proxies and online voting can be found in the notes to the Notice of General Meeting.**

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10:00am on 6 June 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Instructions for voting by proxy through CREST are set out in paragraph 8 of the notes to the notice of General Meeting.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

In order for Second Admission to proceed, Shareholders will need to approve both Resolutions set out in the Notice of General Meeting. If the Resolutions to be proposed at the General Meeting are not approved by Shareholders, the Second Tranche Placing Shares, the Retail Offer Shares and the Subscription Shares will not be able to be allotted and consequently the Company will receive significantly less money than anticipated from the Fundraise. In such circumstances, the Company will have to materially adapt its business plans, strategy and cost base accordingly and it is highly likely that the Company's performance, financial position and prospects will be adversely affected. In the absence of availability of any alternative funding solutions, the Directors consider that it is highly likely that the Company would be required to appoint an administrator in that instance in order to protect the interest of creditors.

Accordingly, the Directors consider that it is very important that Shareholders vote in favour of the Resolutions, in order that Second Admission can proceed.

Directors' Recommendation

The Board of Fusion considers the Fundraise to be in the best interests of the Company and its Shareholders as a whole.

The Second Placing, the Subscription and the Retail Offer are conditional, inter alia, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Second Placing, the Subscription and Retail Offer will not proceed. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Company will require additional near-term funding to satisfy its liabilities as they fall due, which may not be available on terms that are favourable to the Company or at all.

In this instance, the Company may need to take steps to protect the interest of its creditors.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own interests in the Company of, in aggregate, 993,637 Ordinary Shares (representing approximately 3.82 per cent. of the Company's existing issued share capital).

Yours faithfully,

Simon Douglas
Non-Executive Chairman

FUSION ANTIBODIES PLC

(Incorporated and registered in Northern Ireland with registration number NI039740)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Fusion Antibodies plc (“**Fusion**” or the “**Company**”) will be held at the offices of Fusion Antibodies plc, at 1 Springbank Road, Springbank Industrial Estate, Dunmurry, Belfast BT17 0QL at 10.00 a.m. on 8 June 2023 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.

Resolution 1 – ordinary resolution

That the directors be and they are generally and unconditionally authorised in accordance with section 551 of the Companies 2006 Act (the “**CA 2006**”) to exercise all powers of the Company to allot ordinary shares of 4p each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate nominal amount of £1,352,398.40 provided that (unless previously revoked, varied or renewed) this authority shall expire on 8 June 2024, but the Company may make an offer or agreement before this authority expires which would or might require Ordinary Shares to be allotted after this authority expires and the directors may allot Ordinary Shares pursuant to any such offer or agreement as if this authority had not expired.

This authority is in addition to all existing authorities previously granted to the directors under section 551 of the CA 2006.

Resolution 2 – special resolution

That, conditional on the passing of Resolution 1 above, the directors be and they are generally empowered pursuant to section 570 of the CA 2006 to allot equity securities (within the meaning of section 560 of the CA 2006) for cash pursuant to the authority granted by Resolution 1 above as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of Ordinary Shares up to an aggregate nominal amount of £1,352,398.40 and (unless previously revoked, varied or renewed) this power shall expire on 8 June 2024, but 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 CA 2006.

By order of the Board of Directors,

James Fair
Company Secretary
23 May 2023

Registered Office

1 Springbank Road
Springbank Industrial Estate
Dunmurry
Belfast
BT17 0QL

Notes to the notice of General Meeting

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

1. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 6 June 2023. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
2. A member who is entitled to attend and vote at the General Meeting is entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. Shareholders are encouraged to appoint the Chair of the General Meeting as his or her proxy, irrespective of whether or not they propose to attend the General Meeting in person. If a Shareholder appoints the Chair of the General Meeting as his or her proxy, the Chair will vote in accordance with the Shareholders instructions. Appointing a proxy will not prevent a member from attending and voting in person. A proxy need not be a shareholder of the Company.
3. 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).
4. 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 General Meeting.
5. You can vote either:
 - a) by logging on to www.signalshares.com and following the instructions.
 - b) If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10:00am on 6 June 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
 - c) you may request a hard copy form of proxy directly from the Company's Registrars, Link Group on Tel.: +44 (0)371 664 0300 s; Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 a.m. - 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales).or
 - d) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
6. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
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 (and any adjournment of the General Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate 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 must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 6 June 2023. For this purpose, the time of receipt will be taken to mean 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. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. 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(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 system 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.
10. Any corporation which is a shareholder may authorise such person as it thinks fit to act as its representative at this meeting. Any person so authorised shall be entitled to exercise on behalf of the corporation which he/ she represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual shareholder (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of the same shares, they vote the shares in the same way). To be able to attend and vote at the General Meeting, corporate representatives will be required to produce prior to their entry to the Meeting evidence satisfactory to the Company of their appointment.
11. As at 22 May 2023 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 26,014,946 ordinary shares, carrying one vote each. The Company holds no ordinary shares in treasury. Therefore, the total voting rights in the Company as at 22 May 2023 are 26,014,946.

- 12 You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice can be found on the Company's website at www.fusionantibodies.com.