

Letter from the Chair of the Company

PHARMA C INVESTMENTS PLC

(Incorporated in England & Wales with company number 11540119)
Registered Office: First Floor, 85 Great Portland Street, London W1W 7LT

Directors:

Sharon Segal
Gavin Sathianathan
Toby Shillito

Dear Shareholder,

**NOTICE OF ANNUAL GENERAL MEETING
Proposed Share Capital Reorganisation
Renewal of Directors' Share Capital Authorities
Amendments to the Articles of Association
Section 656 of the Companies Act 2006 – Consideration of Serious Loss of Capital**

Introduction

As Chair of the Company, I am writing to invite shareholders to the Annual General Meeting (the "AGM") of the Company to be held at the offices of Hill Dickinson, Broadgate Tower, 20 Primrose Street, London EC2A 2EW at **11.00 a.m. on Tuesday 20 December 2022.**

The purpose of this letter is to give formal notice of the AGM (attached), and to explain the business of, and seek the approval of Shareholders of the Company of the Resolutions to be proposed as Special Business at the AGM.

Share Capital Reorganisation

The issue of new ordinary shares in the Company at a price which is less than the current nominal value of the existing ordinary shares of £0.0025 each in the capital of the Company ("Existing Ordinary Shares") is prohibited by the Companies Act. The Board, therefore, considers it prudent to seek the approval of the shareholders of the Company to a sub-division and conversion of each Existing Ordinary Share into one new ordinary share of £0.00025 each (a "New Ordinary Share") and one deferred share of £0.00225 each (a "Deferred Share") (each such Deferred Share having no voting or dividend rights and effectively being worthless) in order that the nominal value of the New Ordinary Share is less than the current market price of a New Ordinary Share, therefore allowing the Company to raise funds in the future by issuing further shares, should the Directors elect to do so. Resolution 6.1 seeking the approval of the shareholders to the Share Capital Reorganisation (and the amendment to the Articles of Association to refer to the new nominal value (£0.00025) of a New Ordinary Share) will therefore be proposed as a Special at the special business of the AGM.

The New Ordinary shares will have the same rights (including rights as to voting, dividends and return of capital) as the Existing Ordinary Shares. New Ordinary Shares will be admitted to listing and trading on the Aquis Stock Exchange market in the same way as the Existing Ordinary Shares, with the exception of the difference in nominal value.

The full attaching to the Deferred Shares can be found under Resolution 6.1 (a) – (f) Notice of the General Meeting. The Deferred shares will be effectively valueless as they will not carry any rights to vote or dividend rights. In addition, holders of Deferred Shares will only be entitled to payment on a return of capital or on a winding up of the Company after each of the holders of New Ordinary Shares have received a payment of £10,000,000 on each such New Ordinary Share.

The New Deferred Shares will not be listed on the Aquis Stock Exchange market nor will any application be made for them to be so listed or traded. Further the Deferred Shares will not be transferable without the prior written consent of the Company. No share certificates will be issued in respect of the Deferred Shares. The Board may further appoint any person to act on behalf of all the holders of the Deferred Shares to transfer all such shares to the Company in the terms of the Companies Act.

By effecting the share reorganisation this way, the Company's issued share capital remains the same.

Renewal of Directors' share capital authorities

Subject again to Shareholders passing Resolution 6.1 to approve the Share Capital Reorganisation, Resolutions 6.2 and 6.3 are being proposed in order to renew the share capital authorities given to the Directors by the Shareholders at the Annual General Meeting of the Company held on 12 May 2021. The Resolutions are as follows:-

Resolution 6.2 to give authority to the Directors to allot shares up to an aggregate amount of £250,000.

Resolution 6.3 to give power to the Directors to disapply pre-emption rights when allotting shares for cash.

In each case the authority or power will (subject to exceptions) expire at the conclusion of the next Annual General Meeting of the Company.

Section 656 of the Companies Act – Serious Loss of Capital

It has recently come to the attention of the Board that the value of the Company's net assets is less than half of its called up share capital and that is deemed to be a "serious loss of capital" within the meaning of section 656 of the Companies Act.

In such circumstances, the Directors are required, pursuant to section 656(1) of the Companies Act to call a general meeting to consider whether any, and if so, what steps, should be taken to deal with the situation. Accordingly, the business to be conducted at the AGM will also include consideration of what, if any, such steps should be taken.

The Board does not consider it necessary to propose any specific resolution in relation to the "serious loss of capital" position at the AGM, but it does, however, invite shareholders of the Company to discuss the position generally at that time.

Shareholders should note that they will not be asked to vote on the "serious loss of capital" position which is for discussion only.

Recommendation

The Directors of the Company consider that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolutions.



Sharon Segal
Chair