

**Q. Why Versarien chose a Sharing Agreement with Lanstead?**

A: The sharing agreement with Lanstead allows Versarien to further benefit from positive share price performance over the next 24 months and the funding supports Versarien's activities over that period. We see a number of positive catalysts for Versarien over the coming months, in particular as we execute our graphene commercialisation strategy, which should be positive for the share price as these are announced.

**Q: Is Lanstead entitled to invest monthly at a fixed discount to the prevailing Versarien share price from month to month?**

A: No. Lanstead will be issued and will immediately pay for the 15,000,000 shares it subscribes for at 40p per share. The number of shares issued to Lanstead is fixed and does not change. However, the amount from Lanstead due to the Company under the sharing agreement is adjustable upwards or downwards at each of the 24 monthly settlements that follow. For example; the approximate amount in any particular month will be 10% more than £250,000 if the share price is 10% higher than the 53.33p benchmark price ("BMP") or 10% less than £250,000 if the share price is 10% lower than the BMP.

**Q: Can Lanstead benefit by the share price being lower than the 53.33p BMP, rather than going higher than 53.33p?**

A: No. Lanstead makes more money the higher the share price is. Through the sharing agreement Lanstead shares some, but not all, of the upside when the share price appreciates with Versarien. The sharing agreement is an incentive for Versarien to perform, thereby benefitting all shareholders including Lanstead.

If the share price over 24 months averages double the BMP (i.e. 106.66p) then the Company will receive double the initial Lanstead subscription of £6 million (i.e. £12 million instead of £6 million). If the share price over 24 months averages half the BMP (i.e. 26.66p) then the Company will ultimately receive half the initial Lanstead subscription (i.e. £3 million instead of £6 million).

The projected outcome for Versarien is contractually clear and the value of Lanstead's investment is greater if the company's share price is higher.

It is important to note that Lanstead participates in the majority, but not all of the upside in any future Versarien share price appreciation. The bottom line is that Lanstead makes more money as the share price rises and does not derive any advantage from a decline in the share price.

**Q: Can Lanstead trade its Versarien shares?**

A: Lanstead has a demonstrable track record of being a longer-term supportive shareholder to its investee companies. Like any institutional investor Lanstead only invests in companies where it can see strong potential for share price appreciation.

Lanstead is free to buy and sell shares just like any other shareholder and it is required to disclose movements of >1% as a significant disclosable shareholder. Unlike other shareholders, Lanstead has an uncapped commitment through the sharing agreement to remit amounts each month to Versarien based on the prevailing share price. Therefore whilst Lanstead may take a profit along the way (like any shareholder) and cover its downside risk on the investment (just like any shareholder), Lanstead also has an incentive (unlike other shareholders) to maintain a significant on-going shareholding because of its uncapped exposure on the amounts due to Versarien over the 24 months of the sharing agreement should the Versarien shares appreciate.