

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from, if you are in the United Kingdom, your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 or, if you are not in the United Kingdom, an appropriately authorised independent financial adviser. If you have sold or transferred all your ordinary shares in Versarien plc, please pass this document to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.**

27 March 2024

Dear Shareholder,

### **2024 Annual General Meeting and Serious Loss of Capital**

The notice for this year's annual general meeting (the "**AGM**") of Versarien plc (the "**Company**") is set out at the end of the Company's Annual Report and Accounts for the year ended 30 September 2023 ("**Accounts**"). The Accounts are either enclosed with this letter (if you receive communications from the Company by post) or are available on the Company's website at [www.versarien.com](http://www.versarien.com) (if you have elected to receive electronic communications from the Company).

### **Serious Loss of Capital**

In conjunction with the audit of its accounts for the year ended 30 September 2023 the Company has been considering the value of some of its intangible assets and the need to impair them; the reduction in the market capitalisation since the year end has exacerbated the situation. Consequently, the Directors are of the opinion that the Company's net assets are now less than half of its called-up share capital which is deemed to be a "serious loss of capital" within the meaning of section 656 of the Companies Act ("**Act**"). In those circumstances, the Directors are required, under section 656 of the Act, to convene a general meeting of the Company to consider whether any, and if so what, steps should be taken to deal with the situation.

The Directors are continuing to implement a turnaround strategy for the Company and will keep shareholders updated as this progresses. In the meantime, however, the Directors would like to ensure that they address the matters arising under section 656 of the Act.

As the AGM was already set to be convened and the serious loss of capital can be considered at it, the Directors do not believe it necessary to convene a separate general meeting to consider the serious loss of capital. Neither do the Directors consider it necessary for specific resolutions to be proposed at the AGM in respect of the serious loss of capital. The Board does, however, welcome dialogue with shareholders on this point and the AGM will provide a forum for such discussions to take place. Shareholders will not be asked to vote on the serious loss of capital at the AGM.

The Board notes that the status of a "serious loss of capital" under section 656 of the 2006 Act imposes no immediate risk to the Company given the current solvency of its balance sheet and cash flow. The Board will continue to prudently manage the Company's cash reserves and minimise its operating expenses whilst it continues its turnaround strategy.

**Action to be taken**

Shareholders can complete the hard-copy proxy form which accompanies the Notice of Annual General Meeting or, in the case of CREST members, utilise the CREST proxy appointment service. Details of how to appoint a proxy are set out in the Notes to the Notice of Annual General Meeting on pages 66 and 67 of the Accounts.

**Please submit your proxy appointment, in accordance with the relevant instructions, so as to be received as soon as possible and by no later than 10.30 a.m. on Friday 26 April 2024. Further information on the various ways you can appoint a proxy is given in the Notes to the Notice of Annual General Meeting on pages 66 and 67 of the Accounts.**

We recommend that all shareholders appoint the Chairman of the meeting as their proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you might appoint are unable to attend in person.

**Recommendation**

The Board recommends that shareholders vote in favour of Resolutions 1 to 5 being proposed at the AGM, each of which they consider to be in the best interests of shareholders as a whole.

Yours sincerely

**Diane Savory OBE**

*Non-Executive Chair*