



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SECURITYHOLDERS AND
MANAGEMENT INFORMATION CIRCULAR
OF
AWAKN LIFE SCIENCES CORP.
with respect to a proposed
PLAN OF ARRANGEMENT
involving
AWAKN LIFE SCIENCES CORP.
and
SOLVONIS THERAPEUTICS PLC (formerly, GRAFT POLYMER (UK) PLC)**

March 10, 2025

Vote Today

The Board of Directors of Awakn Life Sciences Corp. recommends that

Awakn Securityholders vote FOR the Arrangement Resolution

These materials are important and require your immediate attention. The securityholders of Awakn Life Sciences Corp. are required to make important decisions. If you have any doubt as to how to make such decisions, please contact your tax, financial, legal or other professional advisors. Securityholders that require further assistance may contact Awakn Life Sciences Corp.'s Chief Financial Officer, by email at: jonathanh@awaknlifesciences.com

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AWAKN LIFE SCIENCES CORP.

LETTER TO SHAREHOLDERS

March 10, 2025

Dear Awakn Voting Securityholders:

You are invited to attend a meeting (the "**Awakn Meeting**") of:

- (a) the holders (the "**Awakn Shareholders**") of common shares ("**Awakn Shares**") of Awakn Life Sciences Corp. ("**Awakn**");
- (b) the holders of warrants to acquire Awakn Shares (the "**Awakn Warrantholders**");
- (c) the holders of Awakn restricted stock units ("**Awakn RSU's**"); and
- (d) the holders of Awakn deferred stock units ("**Awakn DSU's**" and together with the Awakn RSUs, the "**Awakn Stock Units**")

(the Awakn Shareholders, the Awakn Warrantholders and the holders of Awakn Stock Units are collectively referred to herein as the "**Awakn Voting Securityholders**").

The Awakn Meeting will be held at 10:00 a.m. (Toronto time) on April 22, 2025, at the offices of Irwin Lowy LLP, 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2.

At the Awakn Meeting, you will be asked to consider and, if deemed advisable, pass, with or without variation, among other things, a special resolution (the "**Arrangement Resolution**") to approve the proposed business combination transaction (the "**Arrangement**") with Solvonis Therapeutics PLC (formerly, Graft Polymer (UK) Plc) ("**Solvonis**"), pursuant to a statutory plan of arrangement (the "**Plan of Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). Pursuant to the Arrangement, Solvonis will, among other things, acquire all of the issued and outstanding Awakn Shares and, upon completion of the Arrangement, Awakn will become a wholly-owned subsidiary of Solvonis. The Plan of Arrangement will be governed by and otherwise subject to the terms of the arrangement agreement dated February 22, 2025, between Awakn and Solvonis (the "**Arrangement Agreement**").

The Exchange Ratio

Solvonis has agreed to acquire all of the issued and outstanding Awakn Shares other than (i) Awakn Shares held by Awakn Shareholders who validly exercise dissent rights; and (ii) Awakn Shares held by Solvonis or a Subsidiary of Solvonis, in exchange for 46.67 (the "**Exchange Ratio**") ordinary shares of Solvonis having a nominal value of £0.001 each (each a "**Solvonis Consideration Share**") for each Awakn Share (the "**Consideration**"). Awakn Warrantholders who hold common share purchase warrants to purchase Awakn Shares ("**Awakn Warrants**") will receive replacement ordinary share purchase warrants of Solvonis ("**Solvonis Warrants**") entitling them to receive, on exercise, ordinary shares of Solvonis, subject to an adjustment to reflect the Exchange Ratio. Holders of Awakn Stock Units (collectively, the "**Awakn Stock Unit Holders**") will receive approximately 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for every one Awakn Stock Unit they hold, in consideration for the transfer of the Awakn Stock Unit Holders' entire interest in the Awakn Stock Units to Solvonis. All holders of outstanding stock options of Awakn ("**Awakn Options**") have agreed to the cancellation of such Awakn Options, which cancellation will occur immediately prior to the Effective Time for no consideration.

Immediately following completion of the Arrangement, but prior to the completion of the Solvonis Financing (defined below), former Awakn Shareholders together with Awakn Stock Unit Holders are anticipated to own approximately 47.47% of the issued and outstanding ordinary shares of Solvonis after giving effect to the Arrangement (the "**Combined Company**") and existing shareholders of Solvonis are anticipated to own approximately 52.53% of the *pro forma* Combined Company after completion of the Arrangement.

Benefits to Awakn Voting Securityholders

- **Premium.** Under the terms of the Arrangement Agreement, the Consideration implies a value of C\$0.146 per Awakn Share which represents a 53.52% premium to the closing share price of the Awakn Shares on the Canadian Securities Exchange ("CSE") on December 13, 2024, the last trading day prior to the date of the announcement of the Arrangement and the date on which the trading of the Awakn Shares was halted and a 37.59% premium to the volume weighted average trading price of Awakn Shares on the CSE over the 90 trading days ending on December 13, 2024.
- **Access to Capital.** The Arrangement will provide Awakn, through Solvonis' listing on the London Stock Exchange (the "LSE"), with direct access to the London international capital markets and to a broader range of investors, including a range of institutional investors.
- **Future Development.** The risks and potential rewards associated with Awakn continuing to execute its business and strategic plan as an independent entity, as an alternative to the Arrangement, and that the Combined Company will be better positioned to pursue a growth and value maximizing strategy as compared with Awakn on a standalone basis, as a result of the Combined Company's larger market capitalization, increased technical expertise, asset diversification, increased financial capacity and enhanced access to capital over the long term and the likelihood of increased investor interest and access to business development opportunities due to the Combined Company's larger market presence.

We believe that the business combination with Solvonis brings with it an exciting future for Awakn and our Awakn Voting Securityholders. For additional information with respect to these and other reasons for the Arrangement, see the section in the accompanying management information circular of Awakn (the "**Circular**") entitled "*Part II — The Arrangement — Reasons for Recommendation of the Board*".

Fairness Opinion

Evans & Evans, Inc. acted as financial advisor to Awakn and provided the special committee (the "**Special Committee**") of the board of directors of Awakn (the "**Board**") with its opinion (the "**Evans & Evans Fairness Opinion**") to the effect that, as of February 22, 2025, based upon and subject to the assumptions, limitations and qualifications set forth therein, the Arrangement is fair, from a financial point of view, to such Awakn Voting Securityholders. The full text of the Evans & Evans Fairness Opinion setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Evans & Evans Fairness Opinion is contained in appendix E to the Circular. Evans & Evans, Inc. provided its opinion for the internal purposes of the Special Committee which may share the Evans & Evans Fairness Opinion with the Board and management of Awakn and Solvonis in connection with their consideration of the Arrangement. The Evans & Evans Fairness Opinion is not an opinion or recommendation as to how any Awakn Voting Securityholder should vote or act in connection with the Arrangement or any other related matter or any other transactions.

Required Approval

The special resolution approving the Arrangement (the "**Arrangement Resolution**"), the full text of which is set out in appendix A to the Circular, must be approved by at least (i) 66⅔% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66⅔% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting. Completion of the Arrangement is subject to, among other things, the approval of the Arrangement Resolution by the Awakn Voting Securityholders at the Awakn Meeting in accordance with the interim order of the Supreme Court of British Columbia dated March 10, 2025 (the "**Interim Order**") and applicable law, the approval of the Supreme Court of British Columbia, the approval of the CSE for the delisting of the Awakn Shares from trading on the CSE and the Solvonis Consideration Shares having been admitted to the equity shares (transition) category of the FCA's Official List and to trading on the Main Market for listed securities of the LSE. **If the Arrangement Resolution is not approved at the Awakn Meeting, the Arrangement will not be completed.**

Voting Support Agreements

All of the officers and directors of Awakn as well as certain other Awakn Voting Securityholders, representing, in aggregate, approximately 50.69% of the issued and outstanding Awakn Shares, and 50.58% of the total number of Awakn Shares, Awakn Warrants, and Awakn Stock Units, support the Arrangement and have agreed to vote, or use best efforts to cause to be voted, all of the Awakn Shares, Awakn Warrants and Awakn Stock Units held or controlled by them in favour of the Arrangement Resolution. Of the aggregate Awakn Shares, Awakn Warrants and Awakn Stock Units held by Awakn Voting Securityholders, 24.41% of such securities are held by officers and/or directors of Awakn and 75.59% are held by Awakn Voting Securityholders who are neither officers nor directors of Awakn.

Solvonis Prospectus

Solvonis intends to complete a financing ("**Solvonis Financing**") upon (and contemporaneous with) the completion of the Arrangement. In relation to the new ordinary share being allotted and issued by Solvonis in connection with the Arrangement and the Solvonis Financing, Solvonis is required to have a prospectus approved by the Financial Conduct Authority following which it will be published (the "**Solvonis Prospectus**"). Following publication of the Solvonis Prospectus, Awakn intends to disseminate a press release to alert Awakn Voting Securityholders of the existence of the Solvonis Prospectus. After its publication, Awakn Voting Securityholders are encouraged to review the Solvonis Prospectus for additional information relating to Solvonis, the Solvonis Financing and the Combined Company. After publication, the Solvonis Prospectus will be able to be reviewed at <https://solvonis.com/investor-relations/shareholder-circulars>.

Information for United States Awakn Voting Securityholders

The securities to be issued pursuant to the Arrangement have not been and will not be registered under the United States *Securities Act of 1933* or any U.S. state securities laws and will be issued and subsequently distributed in reliance upon the exemption from the registration requirements of the the United States *Securities Act of 1933* on the basis of the approval of the Supreme Court of British Columbia.

THE ARRANGEMENT AND SECURITIES PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE IN THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Awakn Voting Securityholders who are resident in, or citizens of, the United States are urged to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the applicable laws of any other relevant foreign, state, local, or other taxing jurisdiction.

The Arrangement is currently anticipated to be completed on or about April 30, 2025.

Board Recommendation

The Board, based on its considerations and investigations, including a thorough review of the Arrangement Agreement, the Evans & Evans Fairness Opinion and other relevant matters, and taking into account the best interests of Awakn and its stakeholders, and after consultation with management and its financial and legal advisors and having received the unanimous recommendation of the Special Committee and its own deliberations has, with Mr. Tennyson, who is the Chief Executive Officer and a director of both Awakn and Solvonis, recusing himself from the vote, unanimously determined, that the Arrangement, and the entering into of the Arrangement Agreement, are in the best interests of Awakn, and unanimously approved the Arrangement and recommends that the Awakn Voting Securityholders vote FOR the Arrangement Resolution.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF AWAKN SHARES YOU OWN.

Whether or not you plan to attend the Awakn Meeting in person, we encourage you to vote promptly. Awakn Voting Securityholders are requested to read the enclosed Circular and are encouraged to promptly complete and submit the enclosed proxy form or voting instruction form ("**VIF**"), as applicable. Awakn Voting Securityholders may vote in person, by mail, online, by fax or by email. Pursuant to the Interim Order, proxies to be used at the Awakn Meeting must be received by Endeavor Trust Corporation, the registrar and transfer agent for the Awakn Shares, by no later than 10:00 a.m. (Toronto time) on April 17, 2025 (or, if the Awakn Meeting is adjourned or postponed, by the time that is 48 hours (excluding weekends and holidays in the Province of British Columbia) prior to the Awakn Meeting. See "*Part IV – General Proxy Matters*" in the Circular.

At the Awakn Meeting, you will have the opportunity to ask questions in real time and vote on Awakn Meeting matters. The Circular contains important information and detailed instructions about how to participate at the Awakn Meeting.

The Circular also contains a detailed description of the Arrangement, as well as detailed information regarding Awakn and Solvonis and certain other information concerning the Combined Company after giving effect to the Arrangement. It also includes certain risk factors relating to completion of the Arrangement and the potential consequences of an Awakn Voting Securityholder exchanging his, her or its Awakn Shares for Solvonis Consideration Shares, Awakn Warrants for Solvonis Warrants or Awakn Stock Unit for Solvonis Consideration Shares in connection with the Arrangement. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors.

On behalf of the Board, I would like to express our gratitude for your ongoing support as we prepare to take part in this transformative transaction for Awakn. We believe that this is a unique opportunity for Awakn Voting Securityholders to participate in the business of the Combined Company with enhanced financial flexibility and reflects our commitment to creating long-term value and unlocking growth potential for our Awakn Voting Securityholders.

We encourage all Awakn Voting Securityholders to exercise their right to vote at the Awakn Meeting and we look forward to seeing you at the Awakn Meeting.

Yours very truly,

"George Scorsis"

George Scorsis
Chairman

AWAKN LIFE SCIENCES CORP.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SECURITYHOLDERS
TO BE HELD ON APRIL 22, 2025**

NOTICE IS HEREBY GIVEN that, pursuant to an order dated March 10, 2025 (the "**Interim Order**") of the Supreme Court of British Columbia, an annual general and special meeting (the "**Awakn Meeting**") of

- (a) the holders (the "**Awakn Shareholders**") of common shares ("**Awakn Shares**") of Awakn Life Sciences Corp. ("**Awakn**");
- (b) the holders of warrants to acquire Awakn Shares (the "**Awakn Warrantholders**");
- (c) the holders of Awakn restricted stock units ("**Awakn RSU's**"); and
- (d) the holders of Awakn deferred stock units ("**Awakn DSU's**") and together with the Awakn RSUs, the "**Awakn Stock Units**")

(the Awakn Shareholders, the Awakn Warrantholders and the holders of Awakn Stock Units are collectively referred to herein as the "**Awakn Voting Securityholders**").

The Awakn Meeting will be held at the offices of Irwin Lowy LLP, 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at 10:00 a.m. (Toronto time) on April 22, 2025, for the following purposes:

- 1. the Awakn Shareholders to receive Awakn's audited financial statements for the year ended January 31, 2024, together with the auditors' report thereon (the "**Awakn Annual Financial Statements**");
- 2. the Awakn Shareholders to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution fixing the number of directors of Awakn at five;
- 3. the Awakn Shareholders to elect five directors of Awakn for the ensuing year;
- 4. the Awakn Shareholders to confirm the appointment by the directors of Awakn of, and to appoint, MNP LLP, as the auditors of Awakn and to authorize the directors of Awakn to fix their remuneration (collectively, items (1) through (4) are the "**Annual Matters**");
- 5. the Awakn Voting Securityholders to consider and, if deemed advisable, to pass, with or without variation, the special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in appendix A to the accompanying management information circular dated March 10, 2025 of Awakn (the "**Circular**"), to approve a plan of arrangement (the "**Arrangement**") under the provisions of Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) ("**BCBCA**") pursuant to which Solvonis Therapeutics PLC (formerly, Graft Polymer (UK) Plc) ("**Solvonis**") will acquire all of the issued and outstanding Awakn Shares; and
- 6. to transact such further and other business as may properly be brought before the Awakn Meeting or any adjourned or postponed Awakn Meeting.

Specific details of the matters to be put before the Awakn Meeting are set forth in the Circular.

If the Arrangement Resolution is not approved by the Awakn Voting Securityholders at the Awakn Meeting, the Arrangement will not be completed.

The board of directors of Awakn unanimously recommends that the Awakn Voting Securityholders vote FOR the Arrangement Resolution.

The record date (the "**Record Date**") for the determination of Awakn Voting Securityholders entitled to receive notice of and to vote at the Awakn Meeting is March 13, 2025. Only Awakn Voting Securityholders whose names have been entered in the register of holders of Awakn Shares ("**Registered Shareholders**"), in the register of Awakn

Warrantholders and in the register of holders of Awakn Stock Units (collectively the "**Awakn Stock Unit Holders**"), in each case at the close of business on the Record Date, will be entitled to receive notice of and to vote at the Awakn Meeting. This notice of the Awakn Meeting ("**Notice of Meeting**") is accompanied by the Circular, an applicable form of proxy or voting instruction form ("**VIF**") and the Annual Financial Statements (collectively the "**Meeting Materials**").

Each Awakn Share, each Awakn Warrant and each Awakn Stock Unit entitled to be voted at the Awakn Meeting will entitle the holder thereof to one vote at the Awakn Meeting. The Arrangement Resolution must be approved by at least (i) 66⅔% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66⅔% of the votes cast by all Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting.

Awakn Voting Securityholders may attend the Awakn Meeting in person or may be represented by proxy. Awakn Voting Securityholders that are unable to attend the Awakn Meeting or any adjourned or postponed Awakn Meeting in person are requested to date, sign and return the accompanying form of proxy for use at the Awakn Meeting or any adjourned or postponed Awakn Meeting. In order to be acted upon at the Awakn Meeting, validly completed instruments of proxy must be received by Endeavor Trust Corporation, the registrar and transfer agent for the Awakn Shares, no later than 10:00 a.m. (Toronto time) on April 17, 2025 or 48 hours (excluding weekends and holidays in the Province of British Columbia) prior to the time of any adjourned or postponed Awakn Meeting (i) by mail or delivery to Suite 702, 777 Hornby St., Vancouver, British Columbia V6Z 1S4; (ii) by fax at 604-559-8908; or (iii) by internet by following the voting link provided on the form of proxy. Notwithstanding the foregoing, the Chair of the Awakn Meeting has the discretion to accept proxies received after such deadline. The time limit for the deposit of proxies may be waived or extended by the Chair of the Awakn Meeting at his or her discretion, without notice.

For information regarding voting or appointing a proxyholder by internet or voting online or by email, see the form of proxy and/or the section of the Circular entitled "*Part IV — General Proxy Matters*".

Beneficial (non-registered) holders of Awakn Shares ("**Non-Registered Shareholders**") who receive these materials through their broker, bank, trust company or other intermediary or nominee (each an "**Intermediary**") should follow the instructions provided by such broker, bank, trust company or other intermediary or nominee.

If the Arrangement is effected, Awakn Shareholders and Awakn Stock Holders will be issued ordinary shares of Solvonis ("**Solvonis Consideration Shares**") and Awakn Warrantholders will be issued warrants to acquire ordinary shares of Solvonis ("**Solvonis Warrants**").

Non-Registered Shareholders who hold their Awakn Shares through an Intermediary are not required to take any action to receive their Consideration from Solvonis as the Consideration they are entitled to receive will be delivered to their Intermediary. Non-Registered Shareholders should contact their Intermediary if they have any questions regarding this process.

Registered Shareholders will not be required to deliver certificates representing their Awakn Shares, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. If a Registered Shareholder (other than a Dissenting Awakn Shareholder (as defined in the Circular)) is holding Awakn Shares in certificated form, the Solvonis Consideration Shares to be issued to such Registered Shareholder will be registered in the name and address of such Registered Shareholder as they appear in the register of Awakn Shareholders.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is in the UK, such Registered Shareholder is not required to take any action to receive the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement. The certificate(s) representing such Solvonis Consideration Shares will be delivered to the Registered Shareholder by the Solvonis UK Registrar by first class mail to such address.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is outside of the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement will be held by Share Registrars Limited, Solvonis' transfer agent (the "**Solvonis UK Registrar**") until delivery instructions for the certificates representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Registered Shareholder. **As soon as practical after the Effective Date, such**

Registered Shareholder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Registered Shareholder wants the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled to be delivered, which certificate(s) will thereafter be delivered to such Registered Shareholder by the Solvonis UK Registrar by first class mail.

Awakn Stock Unit Holders will not be required to deliver certificates representing their Awakn Stock Units, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. The Solvonis Consideration Shares to which the Awakn Stock Unit Holders are entitled will be registered in the name and address of the respective Awakn Stock Unit Holder as such Awakn Stock Unit Holder is registered in the register of Awakn Stock Unit Holders.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is in the UK, such Awakn Stock Unit Holder is not required to take any action to receive the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement. The certificate(s) representing such Awakn Stock Units will be delivered to the Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail to such address.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is outside the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement will be held by the Solvonis UK Registrar until delivery instructions for the certificates representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Solvonis UK Registrar. **As soon as practical after the Effective Date, such Awakn Stock Unit Holder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Awakn Stock Unit Holder wants the certificate representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled to be delivered, which certificate will thereafter be delivered to such Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail.**

Solvonis Consideration Shares issued in certificated form will not be available to trade on the London Stock Exchange until the Solvonis Consideration Shares are deposited into a CREST (as defined in the Circular) account or sold through a broker that offers a certificated dealing service. The following website lists brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

Awakn Warrantholders will not be required to deliver certificates representing their Awakn Warrants, or any other such evidence of ownership or letter of instruction, or take any other action, in order to receive the Solvonis Warrants to which they are entitled under the Arrangement. As soon as practical after the Effective Date, Solvonis will arrange for the delivery of the certificate(s) representing the Solvonis Warrants to which each Awakn Warrantholder is entitled by first class mail and such Solvonis Warrants will be registered in the name of, and delivered to the address of, each Awakn Warrantholder as such Awakn Warrantholder is registered in the register of Awakn Warrantholders.

Pursuant to the Interim Order, Registered Shareholders as of the Record Date have been granted the right to dissent in respect of the Arrangement Resolution and to be paid an amount equal to the fair value of their Awakn Shares as of the close of business on the business day before the Arrangement Resolution was approved, provided that they have strictly complied with the dissent procedures set forth in the BCBCA, as modified by the Plan of Arrangement and the Interim Order, and any other order of the Court. The dissent rights (the "**Dissent Rights**") and the dissent procedures ("**Dissent Procedures**") are described in the Circular. **Failure to comply strictly with the Dissent Procedures described in the Circular may result in the loss of any Dissent Rights.** An Awakn Shareholder considering exercising Dissent Rights should seek independent legal advice. See the section entitled "*Part II — The Arrangement — Right to Dissent*" and appendix J entitled "*Section 237 through Section 247 of the Business Corporations Act (British Columbia)*" in the Circular.

The proxyholder has discretion under the accompanying form of proxy or VIF with respect to any amendments or variations of the matter of business to be acted on at the Awakn Meeting or any other matters properly brought before the Awakn Meeting or any adjourned or postponed Awakn Meeting, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Awakn Meeting is routine and whether or not the amendment, variation or other matter that comes before the Awakn Meeting is contested. As of the date hereof, management of Awakn knows of no amendments, variations or other matters to come before the Awakn

Meeting other than the matter set forth in this Notice of Meeting. Awakn Voting Securityholders that are planning on returning the accompanying form of proxy or VIF are encouraged to review the Circular carefully before submitting the form of proxy or VIF.

NOTICE-AND-ACCESS

Notice is also hereby given that Awakn has decided to use the notice-and-access method of delivery of the Meeting Materials for the Awakn Meeting for Registered Shareholders, Non-Registered Shareholders, Awakn Warrantholders and Awakn Stock Unit Holders. The notice-and-access method of delivery of meeting materials allows Awakn to deliver the Meeting Materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, Registered Shareholders, Awakn Warrantholders and Awakn Stock Unit Holders will receive a form of proxy, and the Non-Registered Shareholders will receive a VIF enabling them to vote at the Awakn Meeting. However, instead of a paper copy of the Meeting Materials, Awakn Voting Securityholders receive a notification with information on how they may access the Meeting Materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing the Meeting Materials to Awakn Voting Securityholders. Awakn Voting Securityholders are reminded to view the Meeting Materials prior to voting. Awakn will not be adopting stratification procedures in relation to the use of notice-and access provisions.

Websites Where Meeting Materials Are Posted:

Meeting Materials can be viewed online under Awakn's profile at www.sedarplus.ca or on the website of Endeavor Trust Corporation, Awakn's transfer agent and registrar, at <http://www.eproxy.ca/AwaknLifeSciences/2025AGSM/>. The Meeting Materials will remain posted on Endeavor Trust Corporation's website at least until the date that is one year after the date the Meeting Materials were posted.

How to Obtain Paper Copies of the Meeting Materials

Awakn Voting Securityholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on Endeavor Trust Corporation's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning notice-and-access, please contact Endeavor Trust Corporation, by calling toll free at 1-888-787-0888, or by email at proxy@endeavortrust.com. **Requests should be received by 4:00 p.m. (Eastern time) on April 10, 2025, in order to receive the Meeting Materials in advance of the Awakn Meeting.**

At the Awakn Meeting, Awakn Voting Securityholders will have the opportunity to ask questions in real time and vote, in the case of the Awakn Shareholders, on all Awakn Meeting matters and, in the case of Awakn Warrantholders and Awakn Stock Unit Holders, on the Arrangement Resolution. The Circular contains important information and detailed instructions about how to participate at the Awakn Meeting.

Dated this 10th day of March 2025.

**BY ORDER OF THE BOARD OF
DIRECTORS OF AWAKN LIFE
SCIENCES CORP.**

"George Scorsis"

George Scorsis

Chairman

QUESTIONS AND ANSWERS RELATING TO THE MEETING AND ARRANGEMENT

The following are some questions that you, as an Awakn Voting Securityholder, may have relating to the Awakn Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Awakn Meeting or the matters to be considered at the Awakn Meeting and are qualified in their entirety by the more detailed information contained elsewhere in, or incorporated by reference into, this Circular. You are urged to read this Circular in its entirety before making a decision related to your Awakn Shares, Awakn Warrants and/or Awakn Stock Units. Capitalized terms used but not otherwise defined in this "Questions and Answers Relating to the Awakn Meeting and Arrangement" section have the meaning ascribed thereto under "Glossary of Terms" in the Circular.

The enclosed Circular is furnished in connection with the solicitation by or on behalf of management of Awakn Life Sciences Corp. ("**Awakn**") of proxies to be used at the annual general and special meeting (the "**Awakn Meeting**") of

- (a) the holders (the "**Awakn Shareholders**") of common shares of Awakn ("**Awakn Shares**");
- (b) the holders of warrants to acquire Awakn Shares (the "**Awakn Warrantholders**");
- (c) the holders of Awakn restricted stock units ("**Awakn RSU's**"); and
- (d) the holders of Awakn deferred stock units ("**Awakn DSU's**") and together with the Awakn RSUs, the "**Awakn Stock Units**")

(the Awakn Shareholders, the Awakn Warrantholders and the holders of Awakn Stock Units are collectively referred to herein as the "**Awakn Voting Securityholders**").

The Awakn Meeting will be held at the offices of Irwin Lowy LLP, 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at 10:00 a.m. (Toronto time) on April 22, 2025, for the purposes indicated in the Notice of Meeting.

The Record Date to determine the Awakn Voting Securityholders entitled to receive notice of and vote at the Awakn Meeting is March 13, 2025. Only Awakn Shareholders whose names have been entered in the register of Awakn Shareholders, Awakn Warrantholders whose names have been entered in the register of Awakn Warrants and holders of Awakn Stock Units (collectively the "**Awakn Stock Unit Holders**") whose names have been entered in the register of Awakn Stock Units, in each case on the close of business on the Record Date, will be entitled to receive notice of and to vote at the Awakn Meeting.

Your vote is very important, and you are encouraged to exercise your vote using any of the voting methods described in this Circular. Your completed form of proxy must be received by Endeavor by no later than 10:00 a.m. (Toronto time) on April 17, 2025, or 48 hours (excluding weekends and holidays in the Province of Ontario) prior to the time of any adjourned or postponed Awakn Meeting. The time limit for the deposit of proxies may be waived or extended by the Chair of the Awakn Meeting at his or her discretion, without notice.

This Circular does not contain a discussion of the Canadian or non-Canadian federal income tax considerations of the Arrangement for Awakn Voting Securityholders. Awakn Voting Securityholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the applicable Laws of any other relevant foreign, state, local, or other taxing jurisdiction, including any associated filing requirements.

In addition, Awakn Voting Securityholders should not construe the contents of this Circular as legal or financial advice and should consult with their own legal, financial and other professional advisors.

The following are questions that you as an Awakn Voting Securityholder may have regarding the proposed Arrangement under the provisions of Division 5 of Part 9 of the BCBCA involving Awakn and Solvonis, to be considered at the Awakn Meeting. You are urged to carefully read the remainder of this Circular as the information in this section does not provide all of the information that might be important to you with respect to the Arrangement.

Additional important information is also contained in the appendices to, and the documents incorporated by reference into, this Circular.

Questions Relating to the Arrangement

Q. What is the proposed transaction?

- A. On February 22, 2025, Awakn and Solvonis entered into the Arrangement Agreement, whereby Solvonis agreed to acquire all of the issued and outstanding Awakn Shares, Awakn Warrants and Awakn Stock Units pursuant to a court-approved plan of arrangement under the BCBCA. Upon completion of the Arrangement, Awakn will become a wholly-owned Subsidiary of Solvonis.

Solvonis is a biotechnology company incorporated in the UK with the Solvonis Shares listed on the London Stock Exchange under the symbol "SVNS". On completion of the Arrangement, it is expected that the Solvonis Consideration Shares will be trading on the London Stock Exchange and that the Awakn Shares will be delisted from the CSE.

Q. What will I receive in the Arrangement?

A. *Awakn Shareholders*

Awakn Shareholders (other than Solvonis, a Subsidiary of Solvonis and Dissenting Awakn Shareholders) will be entitled to receive the Consideration, which is equal to 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each in exchange for each Awakn Share held immediately prior to the Effective Time.

Awakn Warrantholders

Each Awakn Warrant outstanding immediately prior to the Effective Time will be transferred to Solvonis in exchange for a Solvonis Warrant to purchase from Solvonis such number of Solvonis Shares (rounded down to the nearest whole number) equal to (A) the Exchange Ratio, multiplied by (B) the number of Awakn Shares purchasable by such Awakn Warrant immediately prior to the Effective Time, at an exercise price per Solvonis Share (rounded up to the nearest whole cent) equal to (M) the exercise price per Awakn Share otherwise purchasable pursuant to such Awakn Warrant immediately prior to the Effective Time, divided by (N) the Exchange Ratio. Except as set out above, all other terms and conditions of the Solvonis Warrant, including the conditions to and manner of exercising, will be the same as the Awakn Warrant so exchanged, and shall be governed by the terms of the Solvonis Warrant Certificate.

Holders of Awakn RSUs and Awakn DSUs

Each holder of Awakn RSUs and Awakn DSUs will receive approximately 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for every one Awakn RSU and Awakn DSU held immediately prior to the Effective Time.

Awakn Optionholders

As a condition of closing the Arrangement, each Awakn Optionholder has agreed to the cancellation of such Awakn Optionholder's Awakn Options, which cancellation will occur immediately prior to the Effective Time for no consideration.

Q. How and when can I expect to receive my Consideration?

A. *Awakn Shareholders*

Upon completion of the Arrangement, each certificate representing Awakn Shares issued and outstanding immediately prior to the Effective Time, will be irrevocably cancelled and the holder of such Awakn Shares will no longer have any rights whatsoever to Awakn Shares other than the right to be issued Solvonis Consideration Shares.

Non-Registered Shareholders who hold their Awakn Shares through an Intermediary are not required to take any action to receive their Consideration from Solvonis as the Consideration they are entitled to receive will be delivered to their Intermediary. Non-Registered Shareholders should contact their Intermediary if they have any questions regarding this process.

Registered Shareholders will not be required to deliver certificates representing their Awakn Shares, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. If a Registered Shareholder (other than a Dissenting Awakn Shareholder (as defined in the Circular)) is holding Awakn Shares in certificated form, the Solvonis Consideration Shares to be issued to such Registered Shareholder will be registered in the name and address of such Registered Shareholder as they appear in the register of Awakn Shareholders.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is in the UK, such Registered Shareholder is not required to take any action to receive the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement. The certificate(s) representing such Solvonis Consideration Shares will be delivered to the Registered Shareholder by the Solvonis UK Registrar by first class mail to such address.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is outside of the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement will be held by the Solvonis UK Registrar until delivery instructions for the certificate(s) representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Registered Shareholder. **As soon as practical after the Effective Date, such Registered Shareholder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Registered Shareholder wants the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled to be delivered, which certificate(s) will thereafter be delivered to such Registered Shareholder by the Solvonis UK Registrar by first class mail.**

Solvonis Consideration Shares issued in certificated form will not be available to trade on the LSE until the Solvonis Consideration Shares are deposited into a CREST account or sold through a broker that offers a certificated dealing service. The following website lists brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

Awakn Warrantholders

Upon completion of the Arrangement, Awakn Warrantholders will not be required to deliver certificates representing their Awakn Warrants, or any other such evidence of ownership or letter of instruction, or take any other action, in order to receive the Solvonis Warrants to which they are entitled under the Arrangement. As soon as practical after the Effective Date, Solvonis will arrange for the delivery of the certificate(s) representing the Solvonis Warrants to which each Awakn Warrantholder is entitled by first class mail and such Solvonis Warrants will be registered in the name of, and delivered to the address of, each Awakn Warrantholder as such Awakn Warrantholder is registered in the register of Awakn Warrantholders. Upon receipt by an Awakn Warrantholder of a certificate representing the Solvonis Warrants to which such Awakn Warrantholder is entitled, the certificate formerly representing the Awakn Warrants of such Awakn Warrantholder will be irrevocably cancelled. Until such time as the certificates formerly representing Awakn Warrants are replaced with certificates representing Solvonis Warrants, each certificate formerly representing Awakn Warrants will be deemed to represent Solvonis Warrants.

Awakn Stock Unit Holders

Upon completion of the Arrangement, each certificate representing Awakn Stock Units issued and outstanding immediately prior to the Effective Time, will be irrevocably cancelled and the holder of such Awakn Stock Units will no longer have any rights whatsoever to Awakn Shares other than the right to be issued Solvonis Consideration Shares.

Awakn Stock Unit Holders will not be required to deliver certificates representing their Awakn Stock Units, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. The Solvonis Consideration Shares to which the Awakn Stock Unit Holders are entitled will be registered in the name and address of the respective Awakn Stock Unit Holder as such Awakn Stock Unit Holder is registered in the register of Awakn Stock Unit Holders.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is in the UK, such Awakn Stock Unit Holder is not required to take any action to receive the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement. The certificate(s) representing such Awakn Stock Units will be delivered to the Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail to such address.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is outside the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement will be held by the Solvonis UK Registrar until delivery instructions for the certificates representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Solvonis UK Registrar. **As soon as practical after the Effective Date, such Awakn Stock Unit Holder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Awakn Stock Unit Holder wants the certificate representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled to be delivered, which certificate will thereafter be delivered to such Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail.**

Solvonis Consideration Shares issued in certificated form will not be available to trade on the London Stock Exchange until the Solvonis Consideration Shares are deposited into a CREST account or sold through a broker that offers a certificated dealing service. The following website lists brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

For additional information regarding how to receive your Consideration, please see "*Part II – The Arrangement – Procedure for Exchange of Awakn Securities*".

Q. Can I exercise my Awakn Warrants prior to the Effective Date?

- A. Awakn Warrantholders who intend to exercise Awakn Warrants in advance of the Effective Date are encouraged to do so as soon as possible and, in any event, at least four Canadian Business Days prior to the Effective Date. Please see "*Part II – the Arrangement – Procedure for Exchange of Awakn Securities – Treatment of Awakn Warrants*".

Q. Has the Board unanimously approved the Arrangement?

- A. Yes. After taking into consideration, among other things, the unanimous recommendation of the Special Committee, the Evans & Evans Fairness Opinion, and taking into account the reasons described in this Circular under the heading "*Part II – The Arrangement – Reasons for Recommendation of the Board*", the Board, with Mr. Tennyson recusing himself from the vote, has unanimously determined that the Arrangement is in the best interests of Awakn and unanimously recommends that the Awakn Voting Securityholders vote **FOR** the Arrangement Resolution, the full text of which is set forth in appendix A to this Circular. As Mr. Tennyson is the Chief Executive Officer and a director of both Awakn and Solvonis, Mr. Tennyson recused himself from the vote.

Q. What percentage of the outstanding Solvonis Consideration Shares will existing Solvonis Shareholders and Former Awakn Shareholders own, respectively, following completion of the Arrangement?

- A. Upon completion of the Arrangement, existing Solvonis Shareholders and Former Awakn Shareholders, together with the former Awakn Stock Unit Holders, are expected to own approximately 52.53% and 47.74% of the issued and outstanding Solvonis Shares, respectively, based on the number of securities of Solvonis

and Awakn expected to be issued and outstanding as of the Record Date but prior to the completion of the Solvonis Financing.

Q. What is required for the Arrangement to become effective?

- A. The obligations of Awakn and Solvonis to consummate the Arrangement are subject to the satisfaction or waiver of a number of conditions as set out under "*Part II – The Arrangement – The Arrangement Agreement*".

Q. When do you expect the Arrangement to be completed?

- A. Awakn currently anticipates that the Arrangement will be completed on or about April 30, 2025. However, completion of the Arrangement is subject to a number of conditions, and it is possible that factors outside the control of Awakn and/or Solvonis could result in the Arrangement being completed at a later time, or not at all. Subject to certain limitations, each Party may terminate the Arrangement Agreement if the Arrangement is not consummated by May 15, 2025.

Q. Are there any risks I should consider in connection with the Arrangement?

- A. Awakn Voting Securityholders should consider a number of risk factors relating to the Arrangement, Awakn, Solvonis and the Combined Company in evaluating whether to approve the Arrangement Resolution. In addition to the risk factors discussed in the Awakn AIF, which risk factors are specifically incorporated by reference into this Circular, "*Part I – The Arrangement – Risk Factors Related to the Arrangement*", "*Part II – The Arrangement – Risk Factors Related to the Operations of the Combined Company*" and appendix F, "*Information Concerning Awakn Life Sciences Corp. – Risk Factors*", appendix G, "*Information Concerning Solvonis Therapeutics PLC (formerly, Graft Polymer (UK) Plc) – Risk Factors*" and appendix H "*Information Concerning the Combined Company – Risk Factors*" appended to this Circular, the following is a list of certain additional and supplemental risk factors which Awakn Voting Securityholders should carefully consider before making a decision regarding approving the Arrangement Resolution:

- The Arrangement is subject to satisfaction or waiver of various conditions.
- Awakn Shareholders will receive a fixed number of Solvonis Consideration Shares.
- The Arrangement Agreement may be terminated in certain circumstances.
- While the Arrangement is pending, Awakn is restricted from pursuing alternatives to the Arrangement and taking certain other actions.
- Awakn will incur costs even if the Arrangement is not completed, including various expenses incurred in connection with the Arrangement, and may have to pay to Solvonis the Termination Fee.
- If the Arrangement is not consummated by the Outside Date, either Awakn or Solvonis may elect not to proceed with the Arrangement.
- The Termination Fee payable by Awakn to Solvonis under the Arrangement Agreement if the Arrangement is terminated in certain circumstances may discourage other parties from attempting to acquire Awakn.
- Awakn or Solvonis may be the targets of legal claims, securities class actions, derivative lawsuits and other claims, and any such claims may delay or prevent the Arrangement from being completed.
- Uncertainty surrounding the Arrangement could adversely affect Awakn's or Solvonis' retention of suppliers and personnel and could negatively impact future business and operations.
- The pending Arrangement may divert the attention of Awakn's management.

- Awakn directors and Senior Officers may have interests in the Arrangement different from, or in addition to, the interests of Awakn Voting Securityholders following completion of the Arrangement.
- The issue of a significant number of Solvonis Shares and a resulting "market overhang" could adversely affect the market price of the Solvonis Shares after completion of the Arrangement.
- Awakn has not verified the reliability of the information regarding Solvonis included in, or which may have been omitted from, this Circular.
- There are risks related to the integration of Awakn's and Solvonis' existing businesses.
- The trading price of the Solvonis Shares prior to the Effective Time and following the Effective Time may be volatile.
- The unaudited *pro forma* financial information of the Combined Company is presented for illustrative purposes only and may not be an indication of the Combined Company's financial condition or results of operations following the Arrangement.
- Following completion of the Arrangement, the Combined Company may issue additional equity securities.
- Failure by Awakn and Solvonis to comply with applicable Laws prior to the Arrangement could subject the Combined Company to penalties and other adverse consequences following completion of the Arrangement.
- Recent and potential tariffs imposed by the U.S. or a global trade war could increase operational costs.

Q. What will happen to Awakn if the Arrangement is completed?

- A. If the Arrangement is completed, Solvonis will acquire all of the Awakn Shares and Awakn will become a wholly-owned Subsidiary of Solvonis. Solvonis intends to have the Awakn Shares delisted from the CSE as promptly as possible following the Effective Date. In addition, subject to applicable Laws, Solvonis will apply to have Awakn cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer and accordingly will terminate Awakn's reporting obligations in Canada following completion of the Arrangement.

Q. What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?

- A. If the Arrangement Resolution is not approved or the Arrangement is not completed for any reason, the Arrangement Agreement may be terminated and Awakn will continue to operate independently. If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Awakn Shares may be materially adversely affected and Awakn's business, financial condition or results of operations could also be subject to various material adverse consequences, including that Awakn would remain liable for costs relating to the Arrangement.

Q. Why am I being asked to approve the Arrangement?

- A. Subject to any order of the Court, the BCBCA requires a corporation that wishes to undergo a court-approved arrangement to obtain, among other consents and approvals, the approval of its shareholders by special resolution passed by at least two-thirds of the votes cast by shareholders, present in person or represented by proxy and entitled to vote. If the requisite approval of the Awakn Voting Securityholders for the Arrangement Resolution is not obtained, the Arrangement will not be completed.

Q: Should I send in my proxy now?

A: Yes. Once you have carefully read and considered the information in this Circular, you should complete and submit the enclosed form of proxy or VIF. You are encouraged to vote well in advance of the proxy cut-off time at 10:00 a.m. (Toronto time) on April 17, 2025, to ensure your Awakn Shares and Awakn Warrants are voted at the Awakn Meeting. If the Awakn Meeting is adjourned or postponed, your proxy must be received not less than 48 hours (excluding weekends and holidays in the Province of British Columbia) prior to the time of the reconvened Awakn Meeting. Late proxies may be accepted or rejected by the Chair of the Awakn Meeting in his or her discretion. The Chair is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chair of the Awakn Meeting at his or her discretion, without notice.

Q. What approvals are required by Awakn Voting Securityholders to pass the Arrangement Resolution at the Awakn Meeting?

A. In order to be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least (i) 66⅔% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66⅔% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting.

Q. Are Awakn Shareholders entitled to Dissent Rights?

A. Yes. Under the Interim Order, Registered Shareholders as of the Record Date have been granted the right to dissent in respect of the Arrangement Resolution provided that they strictly follow the procedures specified in Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and any other order of the Court. Non-Registered Shareholders who wish to dissent should be aware that only Registered Shareholders are entitled to Dissent Rights. Accordingly, Non-Registered Shareholders desiring to exercise Dissent Rights must make arrangements for the Awakn Shares beneficially owned by such Non-Registered Shareholders to be registered in the Non-Registered Shareholder's name prior to the time the written objection to the Arrangement Resolution are required to be received by Awakn or, alternatively, make arrangements for the registered holder of such Awakn Shares to dissent on the Non-Registered Shareholder's behalf.

Q. What can I do with the Solvonis Consideration Shares I will receive as Consideration for my Awakn Shares and Awakn Stock Units?

A. In order to trade shares of LSE quoted companies, such as Solvonis, you will need to open an account with a retail stock broker which deals in securities of LSE quoted companies such as Solvonis. The following website lists retail brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

Q. Where can I find out more information about Solvonis and the Combined Company?

A. Information about Solvonis can be found in appendix G to this Circular and information about the Combined Company can be found in appendix H to this Circular. In addition, Solvonis intends to complete the Solvonis Financing upon (and contemporaneous with) completion of the Arrangement. Solvonis will publish the Solvonis Prospectus. Following such publication, Awakn intends to disseminate a press release to alert Awakn Voting Securityholders of the existence of the Solvonis Prospectus. After its publication, Awakn Voting Securityholders are encouraged to review the Solvonis Prospectus for additional information relating to Solvonis, the Solvonis Financing, and the Combined Company. After publication, the Solvonis Prospectus will be able to be reviewed at <https://solvonis.com/investor-relations/shareholder-circulars>.

General Questions Relating to the Awakn Meeting

Q. When and where is the Awakn Meeting?

A. The Awakn Meeting will be held at the offices of Irwin Lowy LLP located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at 10:00 a.m. (Toronto time) on April 22, 2025.

Q. Am I entitled to vote?

- A. You are entitled to vote if you were a holder of Awakn Shares, a holder of Awakn Warrants or a holder of Awakn Stock Units as of the close of business on March 13, 2025, the Record Date. Awakn Voting Securityholders will be entitled to one vote for each Awakn Share, each Awakn Warrant and each Awakn Stock Unit held. The Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least (i) 66⅔% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66⅔% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting. Only Awakn Shareholders may vote on the Annual Matters.

Q. What am I voting on at the Awakn Meeting?

- A. *Annual Matters:* At the Awakn Meeting, only Awakn Shareholders will be voting on the Annual Matters, being the election of directors and the appointment of auditors. Particulars of the subject matter of the Annual Matters are set out in "*Part I – Annual General Meeting Matters*" in this Circular.

Arrangement Resolution: At the Awakn Meeting, all Awakn Voting Securityholders will be voting on the Arrangement Resolution to approve the proposed Plan of Arrangement under the BCBCA involving Awakn and Solvonis pursuant to which Solvonis will acquire all of the issued and outstanding Awakn Shares in exchange for the Consideration. If the Arrangement Resolution is not approved by the Awakn Voting Securityholders at the Awakn Meeting, the Arrangement cannot be completed.

Q. What if amendments are made to these matters or if other matters of business are brought before the Awakn Meeting?

- A. If you attend the Awakn Meeting in person and are eligible to vote, you may vote on such matter as you choose. If you have completed and returned a form of proxy, the persons named in the form of proxy will have discretionary authority with respect to amendments or variations to the matter identified in the Notice of Meeting and to other matters that may properly come before the Awakn Meeting. As of the date of the Circular, Awakn management knows of no such amendment, variation or other matter expected to come before the Awakn Meeting. If any other matters properly come before the Awakn Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

Q. Who is soliciting my proxy?

- A. Management of Awakn is soliciting your proxy. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. Arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Meeting Materials to the beneficial owners of Awakn Shares held of record by such parties. Awakn may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by Awakn. Awakn may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Awakn Voting Securityholders in favour of the matters set forth in the Notice of Meeting.

Q. How do I receive the Meeting Materials

- A. Awakn has decided to use the Notice-and-Access rules provided under NI 54-101 for the delivery of the Meeting Materials to Awakn Voting Securityholders for the Awakn Meeting. The Notice-and-Access method of delivery of Meeting Materials allows Awakn to deliver the Meeting Materials over the internet in accordance with the Notice-and-Access rules adopted by the Ontario Securities Commission under NI 54-101.

Registered Shareholders, Awakn Warrantholders and Awakn Stock Unit Holders will receive a form of proxy and Non-Registered Holders will receive a VIF enabling them to vote at the Awakn Meeting. However, instead of a paper copy of the Meeting Materials, Awakn Voting Securityholders receive only a notice with information on the date, location and purpose of the Awakn Meeting, as well as information on how they

may access the Meeting Materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing the Meeting Materials to Awakn Voting Securityholders. Awakn Voting Securityholders are reminded to view the Meeting Materials prior to voting. Meeting Materials can be viewed online under Awakn's profile at www.sedarplus.ca or on the website of Endeavor, Awakn's transfer agent and registrar, at <http://www.eproxy.ca/AwaknLifeSciences/2025AGSM/>. The Meeting Materials will remain posted on Endeavor's website at least until the date that is one year after the date the Meeting Materials were posted. Awakn will not be adopting stratification procedures in relation to the use of notice-and access provisions.

Awakn Voting Securityholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on Endeavor's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please contact Endeavor, by calling toll free at 1-888-787-0888, or by email at proxy@endeavortrust.com. Requests should be received by 4:00 p.m. (Eastern time) on April 10, 2025, in order to receive the Meeting Materials in advance of the Awakn Meeting.

Q. How can I vote?

- A. If you are eligible to vote and your Awakn Shares and Awakn Warrants are registered in your name, you can vote your Awakn Shares and your Awakn Warrants: (i) in person at the Awakn Meeting; (ii) by completing, dating and signing the form of proxy and returning it to Endeavor Trust Corporation by mail or delivery to Suite 702, 777 Hornby St., Vancouver, British Columbia, V6Z 1S4; (iii) by e-mail at proxy@endeavortrust.com; (iv) by fax at 604-559-8908 or (v) by Internet by following the voting link provided on the form of proxy.

Q. How can a Non-Registered Shareholder of Awakn Shares vote?

- A. If your Awakn Shares are not registered in your name, but are held in the name of an Intermediary (usually a bank, trust company, securities dealers or brokers or other financial institution), your Intermediary is required to seek your instructions as to how to vote your Awakn Shares. Your Intermediary will have provided you with a package of information, including these Meeting Materials and either a form of proxy or a VIF. Carefully follow the instructions accompanying the form of proxy or VIF. Awakn Shares held by Intermediaries can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, the Intermediary is prohibited from voting Awakn Shares for their clients.

Q. How can a Non-Registered Shareholder vote in person at the Awakn Meeting?

- A. Only Registered Shareholders of record as at the close of business on the Record Date or their proxyholders are entitled to vote at the Awakn Meeting. If you are a Non-Registered Shareholder and wish to vote in person at the Awakn Meeting, insert your name in the space provided on the form of proxy or VIF sent to you by your Intermediary. In doing so you are instructing your Intermediary to appoint you as a proxyholder. Complete the form by following the return instructions provided by your Intermediary. You should report to a representative of Endeavor Trust Corporation upon arrival at the Awakn Meeting.

Q. Who votes my Awakn Shares, my Awakn Warrants or my Awakn Stock Units and how will they be voted if I return a form of proxy?

- A. By properly completing and returning a form of proxy, you are authorizing the persons named in the form of proxy to attend the Awakn Meeting and to vote your securities. You can use the enclosed form of proxy, or any other proper form of proxy permitted by Law, to appoint your proxyholder. The Awakn Shares, your Awakn Warrants or your Awakn Stock Units represented by your proxy must be voted according to your instructions in the proxy. If you properly complete and return your proxy but do not specify how you wish the votes be cast, your proxyholder will vote your Awakn securities as they see fit. Unless you provide contrary instructions, Awakn Shares, Awakn Warrants and Awakn Stock Units represented by proxies received by management will be voted **FOR** the Arrangement Resolution and the Annual Matters.

Q. Can I appoint someone other than the individuals named in the enclosed form of proxy to vote my Awakn securities?

- A. Yes, you have the right to appoint the person of your choice, who does not need to be an Awakn Securityholder, to attend and act on your behalf at the Awakn Meeting. If you wish to appoint a person other than the names that appear on the form of proxy, then strike out those printed names appearing on the form of proxy and insert the name of your chosen proxyholder in the space provided or submit another appropriate form of proxy permitted by Law, and in either case, send or deliver the completed proxy to Endeavor Trust Corporation before the above-mentioned deadline. You can also appoint the person of your choice via the internet by following the voting link provided on the form of proxy.

It is important to ensure that any other person you appoint is attending the Awakn Meeting and is aware that his or her appointment to vote your Awakn Shares, Awakn Warrants or Awakn Stock Units has been made.

Q. Can I revoke a proxy or voting instruction?

- A. Yes. If you are a Registered Shareholder, an Awakn Warrantholder or an Awakn Stock Unit Holder and have returned a form of proxy, you may revoke it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Awakn Voting Securityholder or by his or her attorney authorized in writing or, if the Registered Shareholder, Awakn Warrantholder or Awakn Stock Unit Holder is a corporation, by an authorized officer or attorney thereof, to (i) the head office of Awakn, located at Suite 301, 217 Queen Street West, Toronto, Ontario M5V 0R2, at any time prior to 4:00 p.m. (Toronto time) on the last Canadian Business day preceding the day of the Awakn Meeting or any adjournment thereof or (ii) with the Chairman of the Awakn Meeting on the day of the Awakn Meeting or any adjournment thereof, before any vote in respect of which the proxy has been given has been taken; or (b) in any other manner permitted by law.

If you are a Non-Registered Shareholder who has voted by proxy through your Intermediary and would like to change or revoke your vote, contact your Intermediary to discuss whether this is possible and what procedures you need to follow. The change or revocation of voting instructions by a Non-Registered Shareholder can take several days or longer to complete and, accordingly, any such action should be completed well in advance of the deadline given in the proxy or VIF by the Intermediary or its service company to ensure it is effective.

Q. What is the proposed timetable for the Arrangement?

- A. The anticipated timetable for the completion of the Arrangement and the key dates as proposed are as follows:

Expected Date of Publication of Solvonis Prospectus	To be determined
Deadline for Receipt of Proxies from Awakn Voting Securityholders	April 17, 2025
Awakn Meeting	April 22, 2025
Expected Date of Final Order	April 28, 2025
Expected Effective Date	April 30, 2025
Effective Time	12:01 a.m. (Vancouver time) on the Effective Date
Admission	8:00 a.m. (London time) on the Admission Date
Expected Date of Delisting of Awakn Shares from the CSE	On or after the Effective Date

The dates referred to above are subject to change pursuant to the terms of the Arrangement Agreement. Notice of the dates above which are indicated as "To be determined", as well as the date on which the Final Order is received and the Effective Date, will be announced through a news release.

Q. What do I need to do now?

- A. Carefully read and consider the information contained in, and incorporated by reference into, the Circular. You are required to make an important decision. **If you have any questions about deciding how to vote, you should contact your own legal, tax, financial or other professional advisor.** Your vote is important and you are encouraged to vote well in advance of the proxy cut-off time at 10:00 a.m. (Toronto time) on April 17, 2025, to ensure your Awakn Shares, Awakn Warrants or Awakn Stock Units are voted at the Awakn Meeting.

Q. What if I have other questions?

- A. Awakn Voting Securityholders that have questions regarding the Awakn Meeting, the Meeting Materials including this Circular, or the matters described herein or require further assistance are encouraged to contact Jonathan Held by email at jonathanh@awaknlifesciences.com.

AWAKN LIFE SCIENCES CORP.

MANAGEMENT INFORMATION CIRCULAR

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Awakn for use at the Awakn Meeting and any adjourned or postponed Awakn Meeting. No person has been authorized to give any information or make any representation in connection with the Arrangement other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by Awakn.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*".

Notice-and-Access

Awakn has decided to use the Notice-and-Access rules provided under NI 54-101 for the delivery of the Meeting Materials to Awakn Voting Securityholders for the Awakn Meeting. The Notice-and-Access method of delivery of Meeting Materials allows Awakn to deliver the Meeting Materials over the internet in accordance with the Notice-and-Access rules adopted by the Ontario Securities Commission under NI 54-101.

Registered Shareholders, Awakn Warrantholders and Awakn Stock Unit Holders will receive a form of proxy and Non-Registered Holders will receive a VIF enabling them to vote at the Awakn Meeting. However, instead of a paper copy of the Meeting Materials, Awakn Voting Securityholders receive only a notice with information on the date, location and purpose of the Awakn Meeting, as well as information on how they may access the Meeting Materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing the Meeting Materials to Awakn Voting Securityholders. Awakn Voting Securityholders are reminded to view the Meeting Materials prior to voting. Meeting Materials can be viewed online under Awakn's profile at www.sedarplus.ca or on the website of Endeavor, Awakn's transfer agent and registrar, at <http://www.eproxy.ca/AwaknLifeSciences/2025AGSM/>. The Meeting Materials will remain posted on Endeavor's website at least until the date that is one year after the date the Meeting Materials were posted. Awakn will not be adopting stratification procedures in relation to the use of Notice-and-Access provisions.

Awakn Voting Securityholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on Endeavor's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please contact Endeavor, by calling toll free at 1-888-787-0888, or by email at proxy@endeavortrust.com. **Requests should be received by 4:00 p.m. (Eastern time) on April 10, 2025, in order to receive the Meeting Materials in advance of the Awakn Meeting.**

Information Contained in this Circular

The information contained in this Circular is given as at March 10, 2025, except where otherwise noted. This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Awakn Voting Securityholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial and other professional advisors.

THIS CIRCULAR AND THE TRANSACTIONS CONTEMPLATED BY THE ARRANGEMENT AGREEMENT AND THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Descriptions in this Circular of the terms of the Arrangement Agreement, the Plan of Arrangement and the Solvonis Voting Agreements are summaries of the terms of those documents and are qualified in their entirety by such terms. Awakn Voting Securityholders should refer to the full text of the Arrangement Agreement, the Plan of Arrangement and the Solvonis Voting Agreements for complete details of those documents. The Arrangement Agreement and the form of Solvonis Voting Agreement have been filed by Awakn under its profile on SEDAR+ at www.sedarplus.ca. In addition, the Plan of Arrangement is attached as appendix D to this Circular.

Information Concerning Solvonis

The information concerning Solvonis and its Subsidiaries contained in this Circular has been provided by Solvonis for inclusion in this Circular and should be read together with, and is qualified by, the documents filed by or on behalf of Solvonis on its website at <https://solvonis.com/investor-relations/shareholder-circulars> and under its profile at UK Companies House that are incorporated by reference herein. In addition, following publication of the Solvonis Prospectus, Awakn intends to disseminate a press release to alert Awakn Voting Securityholders of the existence of the Solvonis Prospectus. After its publication, Awakn Voting Securityholders are encouraged to review the Solvonis Prospectus for additional information relating to Solvonis the Solvonis Financing and the Combined Company. After publication, the Solvonis Prospectus will be able to be reviewed at <https://solvonis.com/investor-relations/shareholder-circulars>.

Although Awakn has no knowledge that any statements contained herein taken from or based on such information provided by Solvonis are untrue or incomplete, Awakn assumes no responsibility for the accuracy of such information, or for any failure by Solvonis or any of its Subsidiaries or any of their respective representatives to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Solvonis. In accordance with the Arrangement Agreement, Solvonis provided Awakn with all necessary information concerning Solvonis that is required by applicable Laws to be included in this Circular and ensured that such information does not contain any misrepresentations.

Cautionary Notice Regarding Forward-Looking Statements and Information

This Circular, including documents incorporated by reference herein, contains forward-looking statements and information. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "potential" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this Circular contains forward-looking statements and information concerning: whether the Arrangement will be consummated, including the timing for completing the Arrangement, or whether conditions to the consummation of the Arrangement will be satisfied; the principal steps of the Arrangement; the expected completion date of the Arrangement and satisfaction of the conditions thereto, including obtaining approval of the Awakn Voting Securityholders, the Solvonis Consideration Shares and the Solvonis Financing Shares having been admitted to the equity shares (transition) category of the FCA's Official List and to trading on the Main Market for listed securities of the LSE; receipt of the Final Order; the expectations regarding the process and timing of delivery of the Consideration to the Awakn Voting Securityholders following the Effective Time; if a third party makes a Superior Proposal, the Arrangement may not be completed and Awakn may be required to pay to Solvonis the Termination Fee; the expected potential benefits and synergies of the Arrangement and the ability of the Combined Company to realize the anticipated benefits from the Arrangement, including cost savings, improved operating and capital efficiencies, and to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays; expectations regarding financial strength, free cash flow generation, trading liquidity, and capital markets profile; the availability of the exemption under the Section 3(a)(10) Exemption to the securities issuable pursuant to the Arrangement; the delisting of the Awakn Shares from the CSE following completion of the Arrangement; the expectation that subject to applicable Laws, Awakn will cease to be a public company following completion of the Arrangement; the performance characteristics of Awakn's business; certain combined operational and financial information of Awakn and Solvonis; the successful integration of the operations of Awakn and Solvonis following completion of the Arrangement; the ability of the Combined Company to realize the anticipated benefits from the Arrangement, including growth prospects, cost savings, improved operating and capital efficiencies and integration opportunities; change of control matters in respect of officers of Awakn; and other statements that are not historical facts.

Furthermore, the combined and/or *pro forma* information set forth in this Circular should not be interpreted as indicative of financial position or other results of operations had Awakn and Solvonis operated as the Combined Company as at or for the periods presented, and such information does not purport to project the Combined Company's

results of operations for any future period. As such, undue reliance should not be placed on such combined and/or pro forma information.

The forward-looking statements and information included and incorporated by reference in this Circular are based on certain key expectations and assumptions made by Awakn and Solvonis, including expectations and assumptions concerning: customer demand for the Combined Company's products following the Arrangement; interest and foreign exchange rates; planned synergies, capital efficiencies and cost-savings; prevailing regulatory, tax and environmental Laws and regulations; growth projects; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; the receipt, in a timely manner, of regulatory, Court and Awakn Shareholder and Awakn Voting Securityholder approvals and the satisfaction of other closing conditions in accordance with the Arrangement Agreement; the Combined Company's anticipated financial performance following the Arrangement; the success of Awakn and Solvonis' operations; future operating costs of Awakn's and Solvonis' assets; stock market volatility and market valuations; and that there will be no significant events occurring outside of the normal course of business of Awakn and Solvonis. Although Awakn and Solvonis believe that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Awakn and Solvonis can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the ability to consummate the Arrangement; the ability to obtain requisite Court, regulatory and securityholder approvals and the satisfaction of other conditions to the consummation of the Arrangement on the proposed terms and schedule; the ability of Solvonis and Awakn to successfully integrate their respective operations and employees and realize synergies and cost savings at the times, and to the extent, anticipated; the potential impact of the announcement or consummation of the Arrangement on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable Laws; compliance with extensive government regulation; changes in national and local government legislation, taxation, controls or regulations and/or change in the administration of Laws, policies and practices, expropriation or nationalization of property and political or economic developments in Canada, UK and other jurisdictions in which the Combined Company may carry on business in the future; and the diversion of management time on the Arrangement. This forward-looking information may be affected by risks and uncertainties in the business of Solvonis and Awakn and market conditions. This Circular also contains forward-looking statements and information concerning the anticipated timing for and completion of the Arrangement. Awakn and Solvonis have provided these anticipated times in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the timing of receipt of the necessary regulatory, Court and securityholder approvals and the time necessary to satisfy the conditions to the closing of the Arrangement. These dates may change for a number of reasons, including the inability to secure necessary regulatory, Court or securityholder approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Arrangement. None of the foregoing lists of important factors are exhaustive. As a result of the foregoing, readers should not place undue reliance on the forward-looking statements and information contained in this Circular.

The information contained in this Circular, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Combined Company following the Arrangement. Readers are urged to carefully consider those factors.

Readers are cautioned that the foregoing lists are not exhaustive. Readers should carefully review and consider the risk factors described under "*Part II — The Arrangement — Risk Factors Related to the Arrangement*", "*Part II — The Arrangement — Risk Factors Related to the Operations of the Combined Company*" and appendix F, "*Additional Information Concerning Awakn Life Sciences Corp. — Risk Factors*", appendix G, "*Information Concerning Solvonis Therapeutics PLC (formerly, Graft Polymer (UK) Plc) — Risk Factors*" and appendix H, "*Information Concerning the Combine Company — Risk Factors*" appended to this Circular and other risks described elsewhere in this Circular. Additional information on these and other factors that could affect the operations or financial results of the Combined Company following the Arrangement are included in reports on file with applicable Canadian Securities Regulators and may be accessed under Awakn's profile on the SEDAR+ website (www.sedarplus.ca) or, in the case of Awakn, at Awakn's website (<https://awaknlifesciences.com/>), and in the case of Solvonis, at Solvonis' website (<https://solvonis.com/>). Awakn's website and Solvonis' website, although referenced, do not form part of this Circular or part of any other report or document either party files with or furnishes to the Canadian Securities Regulators.

The forward-looking statements and information contained in this Circular are made as of the date hereof and neither Awakn nor Solvonis undertakes any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by applicable Securities Laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

Taxation Considerations

This Circular does not contain a discussion of the Canadian or non-Canadian federal income tax considerations of the Arrangement for Awakn Voting Securityholders. Awakn Voting Securityholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the applicable Laws of any other relevant foreign, state, local, or other taxing jurisdiction, including any associated filing requirements.

Information for United States Awakn Voting Securityholders

Each of (i) the Solvonis Consideration Shares to be issued pursuant to the Arrangement to Awakn Shareholders in exchange for their Awakn Shares and Awakn Stock Unit Holders in exchange for their Awakn Stock Units, and (ii) the Solvonis Warrants to be issued pursuant to the Arrangement in exchange for Awakn Warrants, have not been and will not be registered under the U.S. Securities Act or any other U.S. Securities Laws, and are being issued in reliance on the Section 3(a)(10) Exemption and similar exemptions from registration under applicable state securities laws. The Section 3(a)(10) Exemption exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, that is expressly authorized by Law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof.

The Solvonis Consideration Shares issuable to Awakn Shareholders and Awakn Stock Unit Holders pursuant to the Arrangement, upon completion of the Arrangement, will be freely transferrable under the U.S. Securities Act, except by persons who are "affiliates" (within the meaning of Rule 144 under the U.S. Securities Act) of Solvonis at such time or were affiliates of Solvonis within 90 days before such time. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that directly or indirectly control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as certain major shareholders of the issuer. Any resale of such Solvonis Consideration Shares by such an affiliate (or former affiliate) must be made pursuant to an effective registration statement or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act. See "*Part II — The Arrangement — Securities Law Matters — United States*".

The exemption pursuant to the Section 3(a)(10) Exemption will not be available for the issuance of any Solvonis Shares that are issuable upon exercise of the Solvonis Warrants. Therefore, Solvonis Shares issuable upon the exercise of the Solvonis Warrants may be issued only pursuant to (1) an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state U.S. Securities Laws (in which case they will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act), or (2) an effective registration statement under the U.S. Securities Act.

The solicitations of proxies for the Awakn Meeting are not subject to the requirements of the U.S. rules governing proxy statements and the solicitation of proxies in the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Circular are being made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Awakn Voting Securityholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

Information concerning the operations and business of each of Awakn and Solvonis contained herein have been prepared in accordance with the requirements of Canadian Securities Laws, which differ from the requirements of U.S. Securities Laws. The annual financial statements of each of Awakn and Solvonis included or incorporated by reference in this Circular were prepared in accordance with IFRS as issued by the International Accounting Standards

Board. The interim financial statements of each of Awakn and Solvonis included or incorporated by reference in this Circular were prepared in accordance with IFRS applicable to the preparation of interim financial statements including International Accounting Standard 34, Interim Financial Reporting.

This Circular does not contain a discussion of the United States federal income tax considerations of the Arrangement for Awakn Voting Securityholders who are resident in, or citizens of, the United States. Awakn Voting Securityholders who are resident in, or citizens of, the United States are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the applicable Laws of any other relevant foreign, state, local, or other taxing jurisdiction, including any associated filing requirements.

The enforcement by investors of civil liabilities under the U.S. Securities Laws may be affected adversely by the fact that Awakn and Solvonis are organized or incorporated under the Laws of Canada and the UK, respectively, that most of the officers and directors of Awakn and Solvonis are residents of countries other than the United States, that most or all of the experts named in this Circular are residents of countries other than the United States, and that substantial portions of the assets of Awakn and Solvonis are located outside the United States. As a result, it may be difficult or impossible for Awakn Securityholders to effect service of process within the United States upon Awakn, Solvonis and their respective officers or directors, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities Laws of the United States or "blue sky" Laws of any state within the United States. In addition, Awakn Securityholders should not assume that the courts of Canada (i) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities Laws of the United States or "blue sky" Laws of any state or other political subdivision of the United States or (ii) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities Laws of the United States or "blue sky" Laws of any state or other political subdivision of the United States.

No Intermediary, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by Awakn.

THE ARRANGEMENT AND THE SECURITIES CONTEMPLATED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED ON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Awakn Voting Securityholders who are resident in, or citizens of, the United States should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial and other professional advisors.

Currency Exchange Rates

Awakn publishes its consolidated financial statements in Canadian dollars and Solvonis publishes its consolidated financial statements in British pounds. In this Circular, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to "**dollars**", "**C\$**" or "**\$**" are to Canadian dollars, references to "**US\$**" are to United States dollars, references to "**£**" are to the British pound and references to "**€**" are to the Euro.

On February 21, 2025, the Canadian Business Day immediately prior to the announcement of the Arrangement Agreement, the average daily exchange rate as reported by the Bank of Canada was C\$1.00 = US\$0.7039, C\$1.00 = £0.5568 and C\$1.00 = €0.6727. On March 7, 2025, the Canadian Business Day immediately prior to the date of this Circular, the average daily exchange rate as reported by the Bank of Canada was C\$1.00 = US\$0.6958, C\$1.00 = £0.5388 and C\$1.00 = €0.6414.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular, including in the section entitled "*Summary Information*".

"Acquisition Proposal" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only Awakn and/or one or more of its wholly-owned Subsidiaries, any offer, proposal or inquiry (written or oral) from any person or group of persons other than Solvonis (and/or any affiliate of Solvonis), after the date of the Arrangement Agreement relating to: (a) any sale, disposition, alliance or joint venture (or any lease, long-term supply agreement or other arrangement having the same economic effect as the foregoing), direct or indirect, in a single transaction or a series of related transactions, of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of Awakn and its Subsidiaries or of 20% or more of the voting or equity securities of Awakn or any of its Subsidiaries (or rights or interests in such voting or equity securities); (b) any direct or indirect take-over bid, exchange offer, treasury issuance or other transaction that, if consummated, would result in such person or group of persons beneficially owning 20% or more of any class of voting, equity or other securities of Awakn or any of its Subsidiaries (including securities convertible or exercisable or exchangeable for voting, equity or other securities of Awakn or any of its Subsidiaries); (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving Awakn or any of its Subsidiaries; or (d) any other similar transaction or series of transactions involving Awakn or any of its Subsidiaries. .

"Admission" means the admission of the Solvonis Consideration Shares and the Solvonis Financing Shares to the equity shares (transition) category of the FCA's Official List and to trading on the Main Market for listed securities of the LSE.

"Admission Condition" means the Admission having occurred.

"Admission Date" means the third Business Day following the Effective Date or as soon as possible thereafter.

"affiliate" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

"ALOE" means ALOE Finance Inc., a company existing under the laws of the Province of Ontario, where Mr. Jonathan Held, the Co-founder, Chief Business Officer and Chief Financial Officer of Awakn, is a Partner.

"Annual Matters" has the meaning ascribed thereto in the Notice of Meeting.

"Arrangement" means the arrangement of Awakn under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of Awakn and Solvonis, each acting reasonably.

"Arrangement Agreement" means the arrangement agreement dated February 22, 2025, between Awakn and Solvonis, together with the schedules attached thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof.

"Arrangement Resolution" means the resolution of the Awakn Voting Securityholders approving the Plan of Arrangement, to be considered at the Awakn Meeting and substantially in the form set out in appendix A to this Circular.

"Authorization" has the meaning ascribed thereto in the Arrangement Agreement.

"AUD" means Alcohol Use Disorder.

"Awakn AIF" means the annual information form dated May 28, 2024, of Awakn.

"Awakn Annual Financial Statements" means the audited financial statements of Awakn as at, and for the year ended January 31, 2024, including the notes thereto.

"Awakn Annual MD&A" means the management's discussion and analysis of financial condition and results of operations of Awakn for the year ended January 31, 2024.

"Awakn Disclosure Letter" means the disclosure letter dated February 22, 2025, regarding certain matters in the Arrangement Agreement that was executed by Awakn and delivered to Solvonis concurrently with the execution of the Arrangement Agreement.

"Awakn DSUs" means the deferred share units issued under the Awakn LTIP.

"Awakn Interim Financial Statements" means the unaudited condensed interim financial statements of Awakn for the three and nine months ended October 31, 2024, including the notes thereto.

"Awakn Interim MD&A" means the management's discussion and analysis of financial condition and results of operations of Awakn for the three and nine months ended October 31, 2024.

"Awakn LTIP" means the omnibus long term incentive plan of Awakn adopted by Awakn on May 8, 2023, and approved by the Awakn Shareholders on June 27, 2023.

"Awakn Material Adverse Effect" has the meaning ascribed thereto in the Arrangement Agreement.

"Awakn Material Contract" has the meaning ascribed thereto in the Arrangement Agreement.

"Awakn Meeting" means the annual general and special meeting of the Awakn Voting Securityholder, including any adjourned or postponed Awakn Meeting, to be called and held: (i) in accordance with the Interim Order for the purpose of considering and, if deemed advisable, approving the Arrangement Resolutions; and to (ii) approve the Annual Matters.

"Awakn Option" means an option to acquire an Awakn Share granted pursuant to the Awakn LTIP which is outstanding and unexercised immediately prior to the Effective Time, whether or not vested.

"Awakn Optionholder" means a holder of one or more Awakn Options.

"Awakn DSUs" means the deferred share units issuable under the Awakn LTIP.

"Awakn PSUs" means the performance share units issuable under the Awakn LTIP.

"Awakn RSUs" means the restricted share units issuable under the Awakn LTIP.

"Awakn Securityholder Approval" means the affirmative vote for the Arrangement Resolution of at least (i) 66⅔% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66⅔% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting.

"Awakn Securityholders" means the Awakn Shareholders, the Awakn Warrantholders, the Awakn Stock Unit Holders and the Awakn Optionholders, collectively.

"Awakn Shareholder" means a holder of one or more Awakn Shares.

"Awakn Shares" means the common shares of Awakn.

"Awakn Stock Unit Holders" means the holders of Awakn Stock Units.

"Awakn Stock Units" means the issued Awakn RSUs and the issued Awakn DSUs collectively.

"Awakn Termination Fee Event" means the termination of the Arrangement Agreement: (a) by Solvonis, pursuant to section 7.2(1)(d)(ii) [*Company Change in Recommendation or Breach of Article 5*] of the Arrangement Agreement; (b) by Awakn, pursuant to Section 7.2(1)(c)(iv) [*Concurrent Financing Unsatisfactory to Company*] of the Arrangement Agreement; (c) by Awakn, pursuant to section 7.2(1)(c)(v) [*Company Superior Proposal*] of the

Arrangement Agreement; and (d) pursuant to any subsection of section 7.2 by Awakn if at such time Solvonis is entitled to terminate the Arrangement Agreement pursuant to section 7.2(1)(d)(ii) of the Arrangement Agreement.

"Awakn Voting Securityholders" means the Awakn Shareholders, the Awakn Warrantholders and the Awakn Stock Unit Holders, collectively.

"Awakn Warrantholders" means a holder of one or more Awakn Warrants.

"Awakn Warrants" means the common share purchase warrants of Awakn.

"Awards" means the Awakn Options, the Awakn RSUs, the Awakn DSUs and the Awakn PSUs issuable under the Awakn LTIP collectively.

"BCBCA" means the *Business Corporations Act* (British Columbia) S.B.C. 2002, c. 57, including all regulations made thereunder, as promulgated or amended from time to time.

"Board" means the board of directors of Awakn as constituted from time to time.

"Board Recommendation" means the unanimous determination of the Board, after consultation with legal and financial advisors, receipt of the unanimous recommendation from the Special Committee and review of the Evans & Evans Fairness Opinion, that the Arrangement and the entering of the Arrangement Agreement are in the best interests of Awakn and the unanimous recommendation of the Board to Awakn Voting Securityholders that they vote in favour of the Arrangement Resolution.

"Business Day" means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in London, United Kingdom, Toronto, Ontario or in Vancouver, British Columbia are authorized or required by applicable Law to be closed;

"Canadian Business Day" means a day other than a Saturday, Sunday or statutory holiday in British Columbia, Canada.

"Canadian Securities Laws" means the Securities Act and all other applicable Canadian provincial and territorial securities Laws.

"Canadian Securities Regulators" means the securities commissions or similar securities regulatory authorities in each of the provinces and territories of Canada.

"CDS" means CDS Clearing and Depository Services Inc.

"Change in Recommendation" means where, prior to Awakn having obtained the Awakn Securityholder Approval, the Board (A) fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes to withdraw, amend, modify or qualify, the Board Recommendation, (B) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend or takes no position or a neutral position, in each case with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Awakn Meeting, if sooner), (C) accepts, approves, endorses, recommends or executes or enters into (other than a confidentiality agreement permitted by and in accordance with section 5.3 of the Arrangement Agreement) or publicly proposes to accept, approve, endorse, recommend or execute or enter into, any agreement, letter of intent, understanding or arrangement relating to an Acquisition Proposal or any proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; (D) fails to publicly reaffirm the Board Recommendation (without qualification) within five Business Days after having been requested in writing by Solvonis to do so.

"Circular" means the Notice of Meeting and this management information circular dated March 10, 2025, of Awakn (including all schedules, appendices and exhibits hereto, and information incorporated by reference herein), to be sent to the Awakn Voting Securityholders in connection with the Awakn Meeting, including any amendments or supplements hereto.

"Collective Agreement" means a collective bargaining agreement, memorandum of understanding or other or agreement with any trade union, employee association or similar organization.

"Combined Company" means Solvonis after giving effect to the Arrangement.

"Consideration" means the consideration to be received by the Awakn Voting Securityholders pursuant to the Plan of Arrangement as consideration for their Awakn Shares, Awakn Warrants and Awakn Stock Units, being: (a) for each Awakn Share that is issued and outstanding immediately prior to the Effective Time, 46.67 Solvonis Shares. (b) for each Awakn Warrant that is outstanding immediately prior to the Effective Time, 46.67 Solvonis Warrants and (c) for each Awakn Stock Unit that is outstanding immediately prior to the Effective Time, 46.67 Solvonis Consideration Shares.

"Constating Documents" means the notice of articles or articles of incorporation, amalgamation, or continuation, as applicable, and articles or by-laws, as applicable, and all amendments to such notice of articles, articles or by-laws.

"Contract" means any legally binding agreement, commitment, engagement, contract, franchise, licence, obligation or undertaking (written or oral) to which a Party or any of its respective Subsidiaries is a party or by which it or any of its respective Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

"Court" means the Supreme Court of British Columbia.

"CREST" means the system enabling title to securities trading on the LSE to be evidenced and transferred in dematerialised form and operated by Euroclear UK & Ireland Limited.

"CSE" means the Canadian Securities Exchange.

"CSE Approval" means any required approvals of the CSE.

"David Nutt Shares" means the 260,000 Awakn Shares issued to Professor Davit Nutt, the Chief Research Officer of Awakn, on March 6, 2025, at a deemed price of \$0.16 per Awakn Share in satisfaction of obligations under an intellectual property transfer agreement dated March 8, 2021, as amended April 23, 2021, between Awakn and Professor Nutt.

"Dissent Procedures" means the dissent procedures set out in Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, as described under *"Part II — The Arrangement — Right to Dissent"*.

"Dissent Rights" means the rights of dissent granted to Registered Shareholders as of the Record Date in respect of the Arrangement Resolutions as set out in Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court.

"Dissenting Awakn Shareholder" means a Registered Shareholder as of the Record Date who (i) has duly and validly exercised their Dissent Rights in strict compliance with the Dissent Procedures, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, and (ii) has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights.

"Dissenting Shares" means Awakn Shares held by a Dissenting Awakn Shareholder and in respect of which the Dissenting Awakn Shareholder has duly and validly exercised Dissent Rights in strict compliance with the Plan of Arrangement and the Interim Order.

"Evans & Evans" means Evans & Evans, Inc., the financial advisor to Awakn in respect of the Arrangement.

"Evans & Evans Fairness Opinion" means the opinion dated February 22, 2025 of Evans & Evans, a copy of which is attached as appendix E to this Circular, to the Special Committee to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Arrangement is fair, from a financial point of view, to the Awakn Voting Securityholders.

"Effective Date" means the date on which the Arrangement becomes effective, as set out in section 1.01 (aa) of the Plan of Arrangement.

"Effective Time" means 12:01 a.m. (Vancouver time) on the Effective Date, or such other time as Awakn and Solvonis may agree upon in writing.

"Employee Plans" means all health, welfare, supplemental unemployment benefit, change of control, retention, bonus, profit sharing, option, insurance, compensation, incentive, incentive compensation, deferred compensation, share purchase, share compensation, disability, pension, vacation, notice of termination, severance or termination pay, retirement or retirement savings plans, or other employee benefit plans, policies, trusts, funds, agreements, or arrangements for the benefit of any employee, former employee, independent contractor, former independent contractor, officer, former officer, director or former director of a Party or any of its Subsidiaries or any of the spouses, beneficiaries or dependents of any such persons, which are maintained by or binding upon the Party or any of its Subsidiaries or in respect of which the Party or any of its Subsidiaries has an actual or contingent liability, excluding all obligations for severance and termination pursuant to a statute.

"Endeavor" means Endeavor Trust Corporation.

"Exchange Ratio" means 46.67.

"FCA" means the Financial Conduct Authority.

"Final Order" means the final order of the Court made pursuant to Section 291 of the BCBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, in a form acceptable to Awakn and Solvonis, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both Awakn and Solvonis, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both Awakn and Solvonis, each acting reasonably) on appeal.

"Former Awakn Shareholders" means, at and following the Effective Time, the holders of Awakn Shares immediately prior to the Effective Time.

"Governmental Entity" (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision, agent or authority of any of the foregoing, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (iv) any stock exchange, including the LSE and the CSE.

"Held Agreement" has the meaning ascribed thereto in appendix F, *"Additional Information Concerning Awakn Life Sciences Corp. – Statement of Executive Compensation – Employment, Consulting and Management Agreements"*.

"Held Change of Control Payment" has the meaning ascribed thereto in the section entitled *"Part II – The Arrangement – Interests of Certain Persons in the Arrangement – Change of Control Provisions"*.

"holder", when used with reference to any securities of Awakn, means the holder of such securities shown from time to time in the central securities register maintained by or on behalf of Awakn in respect of such securities.

"IFRS" means generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

"Intellectual Property" means any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright

registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs (including industrial designs), design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, service marks, brands, certification marks, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing; (vii) software; and (viii) all other intellectual or industrial property and proprietary rights, and all causes of action and rights to sue, recover and retain damages, or seek and obtain other remedies arising from or relating to any of the foregoing, including for any past, present or future infringement, misuse, misappropriation, dilution or violation anywhere in the world.

"Interim Order" means the interim order of the Court contemplated by section 2.2 of the Arrangement Agreement and made pursuant to Section 291 of the BCBCA, in a form acceptable to Awakn and Solvonis, each acting reasonably, providing for, among other things, the calling and holding of the Awakn Meeting, as such order may be amended by the Court with the consent of Awakn and Solvonis, each acting reasonably.

"Intermediary" has the meaning ascribed thereto in *"Part IV – General Proxy Matters"*.

"Issue Price" means the issue price of the Solvonis Financing Shares.

"Key Regulatory Approvals" means (i) the UK Regulatory Approval; and (ii) the CSE Approval in connection with the consummation of the Arrangement.

"Law" or **"Laws"** means, with respect to any person, any and all applicable law (statutory, common law, civil law or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended.

"Lien" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third-party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"LOI" has the meaning given to it in *"Part II – The Arrangement – Background to the Arrangement"*.

"LSE" means the London Stock Exchange plc.

"LSE RTO" has the meaning ascribed thereto in *"Part II – The Arrangement – The Arrangement Agreement – Conditions Precedent – Additional Conditions Precedent to the Obligations of Solvonis"*.

"LSE Rules" means the Rules for Companies listed on the LSE published by the LSE from time to time which govern the rules and responsibilities of companies whose shares are admitted to trading on the LSE.

"Meeting Materials" has the meaning ascribed thereto in the Notice of Meeting.

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators.

"misrepresentation" has the meaning attributed to such term under the Securities Act.

"MORE-KARE" means the Multicentre Investigation of Ketamine for Reduction of Alcohol Relapse which is co-funded by a partnership between the UK's Medical Research Council (MRC), the National Institute for Health and Care Research (NIHR), and Awakn.

"NI 54-101" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

"**Non-Registered Shareholders**" means holders of Awakn Shares who do not appear on the records maintained by Awakn's registrar and transfer agent as a registered holder of Awakn Shares and whose Awakn Shares are held through an Intermediary.

"**Notice-and-Access**" means the notice-and-access rules provided under NI 54-101 for the delivery of the Meeting Materials to Awakn Voting Securityholders.

"**Notice of Articles**" means the notice of articles to be filed in accordance with the BCBCA evidencing the Arrangement.

"**Notice of Dissent**" has the meaning ascribed thereto in "*Part II — The Arrangement — Right to Dissent*".

"**Notice of Meeting**" means the notice of the annual general and special meeting of Awakn Voting Securityholders to be held April 22, 2025, which accompanies this Circular.

"**Notice Shares**" has the meaning ascribed thereto in "*Part II — The Arrangement — Right to Dissent*".

"**ordinary course**" means, with respect to an action taken by a Party or any Subsidiary, that such action is consistent with the past practices of such Party or such Subsidiary and is taken in the ordinary course of the normal day-to-day operations of the business of such Party or such Subsidiary when considered in the context of the provisions of the Arrangement Agreement.

"**OSC**" means the Ontario Securities Commission.

"**Outside Date**" means May 15, 2025 or such later date as may be agreed to in writing by the Parties, subject to the right of any Party to extend the Outside Date to a date that is ten Business Days following the Awakn Meeting if the Awakn Meeting is postponed or adjourned in accordance with the terms of the Arrangement Agreement; provided that notwithstanding the foregoing, no Party shall be permitted to extend the Outside Date if the failure of the applicable condition to be satisfied is primarily the result of such Party's failure to comply with its covenants in the Arrangement Agreement.

"**Parties**" means Awakn and Solvonis, and "**Party**" means any of them.

"**Permitted Lien**" has the meaning ascribed thereto in the Arrangement Agreement.

"**person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Personal Data**" means any information that, alone or in combination with other information, allows the identification of a natural person, including name, street address, telephone number, e-mail address, photograph, social security number, driver's license number, passport number or customer or account number, IP address, biometric information, and any persistent identifier or any other information that is otherwise considered personal information, personal data, protected health information, or other personally identifiable information under applicable Law.

"**Plan of Arrangement**" means the plan of arrangement substantially in the form and content set out in appendix D to this Circular, including any appendices thereto, and any amendments, modifications or supplements thereto made from time to time in accordance with the terms thereof, the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order, with the prior written consent of Awakn and Solvonis, each acting reasonably.

"**Process**" or "**Processing**" means the collection, use, storage, processing, distribution, transfer, import, export, protection (including security measures), disposal or disclosure or other activity regarding data, including Personal Data (whether electronically or in any other form or medium).

"**Record Date**" means March 13, 2025.

"Registered Shareholder" means a holder of Awakn Shares who appears on the records maintained by Awakn's registrar and transfer agent as a registered holder of Awakn Shares.

"Regulation S" means Regulation S under the U.S. Securities Act.

"Regulatory Approval" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case in connection with the Arrangement, and includes the Key Regulatory Approvals.

"Representatives" has the meaning ascribed thereto under the heading *"Part II – The Arrangement – Details of the Arrangement – The Arrangement Agreement – Acquisition Proposal – Non-Solicitation"*.

"Response to Petition" has the meaning given to it in *"Summary Information – Court Approval"*.

"RTO" has the meaning ascribed thereto in appendix F, *"Additional Information Concerning Awakn Life Sciences Corp. – Overview"*.

"Rule 144" means Rule 144 under the U.S. Securities Act.

"SEC" means the United States Securities and Exchange Commission.

"Section 3(a)(10) Exemption" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof.

"Securities Act" means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder.

"Securities Laws" means the Securities Act and all other applicable Canadian provincial and territorial securities Laws, including the rules and policies of the CSE, the U.S. Securities Laws and the UK Securities Laws.

"Senior Officer" has the meaning ascribed thereto in MI 61-101.

"Solvonis Annual Financial Statements" means the audited consolidated financial statements of Solvonis as at, and for the years ended December 31, 2023, 2022 and 2021 including the notes thereto.

"Solvonis Annual MD&A" means the management's discussion and analysis of financial condition and results of operations of Solvonis for the year ended December 31, 2023.

"Solvonis Board" means the board of directors of Solvonis.

"Solvonis Consideration Shares" means 46.67 Solvonis Shares having a nominal value of £0.001 each to be issued to Awakn Shareholders under the Arrangement for each Awakn Share held by the Awakn Shareholders and to Awakn Stock Unit Holders for each Awakn Stock Unit held by the Awakn Stock Unit Holders, subject to the terms of the Plan of Arrangement.

"Solvonis Disclosure Letter" means the disclosure letter dated February 22, 2025, regarding certain matters in the Arrangement Agreement that was executed by Solvonis and delivered to Awakn concurrently with the execution of the Arrangement Agreement.

"Solvonis Financing" means an equity financing conducted by Solvonis to raise sufficient working capital to fund its operations for a period of 12 months following the Effective Date.

"Solvonis Financing Shares" means the new Solvonis Shares proposed to be issued in the capital of Solvonis pursuant to the Solvonis Financing.

"Solvonis Interim Financial Statements" means the unaudited interim financial statements of Solvonis for the interim period ending September 30, 2024.

"Solvonis Interim MD&A" means the management's discussion and analysis of financial condition and results of operations of Solvonis for the interim period ending September 30, 2024.

"Solvonis Material Adverse Effect" has the meaning ascribed thereto in the Arrangement Agreement.

"Solvonis Material Contract" has the meaning ascribed thereto in the Arrangement Agreement.

"Solvonis Prospectus" means the prospectus required to be published by Solvonis in relation to Admission.

"Solvonis Shareholders" means, at any time, the holders of Solvonis Shares.

"Solvonis Shares" means the ordinary shares in the capital of Solvonis.

"Solvonis Termination Fee Event" means the termination of the Arrangement Agreement: (a) by Awakn pursuant to section 7.2(1)(c)(iii) [*Failure to Obtain Binding Commitments for Concurrent Financing*] of the Arrangement Agreement; (b) by Solvonis or Awakn pursuant to section 7.2(1)(b)(iv) [*Arrangement Determined to be an RTO*] of the Arrangement Agreement or pursuant to any subsection of section 7.2 of the Arrangement Agreement if at such time Solvonis or Awakn are entitled to terminate the Arrangement Agreement pursuant to section 7.2(1)(b)(iv) thereof; or (c) by Solvonis pursuant to section 7.2(1)(d)(v) [*Arrangement Determined to be an RTO*] of the Arrangement Agreement.

"Solvonis UK Registrar" means Share Registrars Limited, a company incorporated in England, being the registrar (transfer agent) appointed by Solvonis to hold its register of shareholders and process transfers of shares and issues of new shares, from time-to-time.

"Solvonis Voting Agreements" means the support and voting agreements (including all amendments thereto) between Solvonis and certain of the Awakn Voting Securityholders as set forth in the Arrangement Agreement.

"Solvonis Warrants" means the warrants to purchase Solvonis Shares issuable to Awakn Warrantholders under the Arrangement, subject to the terms of the Plan of Arrangement.

"Solvonis Warrant Certificates" means the certificate representing the Solvonis Warrants.

"Special Committee" means the special committee established by the Board in connection with the transactions contemplated by the Arrangement Agreement.

"SEDAR+" means the System for Electronic Document Analysis and Retrieval.

"Subsidiary" has the meaning specified in *National Instrument 45-106 – Prospectus Exemptions* of the Canadian Securities Administrators.

"Superior Proposal" means any bona fide written Acquisition Proposal from a person or persons who are an arm's length third party or parties, made after the date of the Arrangement Agreement, that: (a) complies with Securities Laws in all material respects and did not result from or involve a breach of article 5 of the Arrangement Agreement or any confidentiality or other agreement between the person making the Acquisition Proposal and Awakn or any of its Subsidiaries; (b) is reasonably capable of being completed without undue delay, taking into account, all financial, legal, regulatory and other aspects of such proposal and the person making such proposal; (c) is not subject to any financing contingency and in respect of which adequate arrangements have been made to ensure that the required consideration will be available to effect payment in full for all of the Awakn Shares or assets, as the case may be; (d) is not subject to any due diligence or access condition; (e) the Board determines, in its good faith judgment, after receiving the advice of its outside legal and financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the party making such Acquisition Proposal, would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to the Awakn Shareholders, than the Arrangement; and (f) in the event that Awakn does not have the financial resources to pay the Termination Fee, the terms of such Acquisition Proposal provide that the person making such Superior Proposal shall advance or otherwise provide Awakn the cash required for Awakn to pay the Termination Fee and such amount shall be advanced or provided on or before the date such Termination Fee becomes payable.

"Superior Proposal Notice" has the meaning ascribed thereto under the heading "*Part II – The Arrangement – Details of the Arrangement – The Arrangement Agreement – Acquisition Proposal – Responding to and Accepting an Acquisition Proposal*".

"Supporting Awakn Securityholders" has the meaning ascribed thereto under the heading "*Part II – The Arrangement – Details of the Arrangement – Solvonis Voting Agreements*".

"Tax" or "Taxes" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments in the nature of a tax imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, provincial sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, unclaimed property, escheat, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii).

"Tax Act" means the *Income Tax Act* (Canada), as amended, and the regulations promulgated thereunder.

"Tax Returns" means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes.

"Tennyson Agreement" has the meaning ascribed thereto appendix F, "*Additional Information Concerning Awakn Life Sciences Corp. – Statement of Executive Compensation – Employment, Consulting and Management Agreements*".

"Tennyson Change of Control Payment" has the meaning ascribed thereto in the section entitled "*Part II – The Arrangement – Interests of Certain Persons in the Arrangement – Change of Control Provisions*".

"Termination Fee" means \$1,000,000.

"UK" means United Kingdom.

"UK Regulatory Approvals" means approval of the FCA of a prospectus required to be published by Solvonis in relation to Admission.

"UK Securities Laws" means the LSE Rules, the UK Criminal Justice Act 1993, the UK Companies Act 2006, the Disclosure Guidance and Transparency Rules produced by the FCA and forming part of the FCA's Handbook of rules and guidance, as amended or reissued from time to time, the UK Financial Services Act 2021, the UK Financial Services and Markets Act 2000, as amended, the UK City Code on Takeovers and Mergers (as amended from time to time) and all other applicable UK securities laws and regulations (including market rules) which are applicable to Solvonis.

"United States" or "U.S." means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"U.S. Exchange Act" means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder.

"U.S. person" has the meaning ascribed to such term in Rule 902(k) of Regulation S under the U.S. Securities Act.

"U.S. Securities Act" means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

"U.S. Securities Laws" means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

"VIF" means a voting instruction form.

"VWAP" means volume weighted average trading price.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Circular, including the appendices attached hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular or in the appendices attached hereto. Capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the "*Glossary of Terms*".

The Awakn Meeting

The Awakn Meeting will be held at the offices of Irwin Lowy LLP located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at 10:00 a.m. (Toronto time) on April 22, 2025, for the purposes indicated in the Notice of Meeting. At the Awakn Meeting, the Awakn Voting Securityholders will be asked to consider and, if deemed advisable, to pass, with or without variation, among other things, the Arrangement Resolution. See "*Part I – Annual General Meeting Matters*" and "*Part II – The Arrangement*", respectively.

Annual General Meeting Matters

At the Awakn Meeting, Awakn Shareholders will vote on the Annual Matters, being the appointment of auditors and the authorization of the directors to fix their remuneration, to fix the number of directors of Awakn at five and to elect the directors of Awakn.

The Arrangement

At the Awakn Meeting, Awakn Voting Securityholders will vote to approve the Arrangement.

Recommendation of the Board

The Board, based on its considerations and investigations, including a thorough review of the Arrangement Agreement, the Evans & Evans Fairness Opinion and other relevant matters, taking into account the best interests of Awakn and its stakeholders, and after consultation with management and its financial and legal advisors and having received the unanimous recommendation of the Special Committee and its own deliberations taking into account the reasons described in the section entitled "*Part II – The Arrangement – Reasons for Recommendation of the Board*", has, with Mr. Tennyson, who is the Chief Executive Officer and a director of both Awakn and Solvonis, recusing himself from the vote, unanimously determined, that the Arrangement, and the entering into of the Arrangement Agreement, are in the best interests of Awakn. **Accordingly, the Board, with Mr. Tennyson recusing himself from the vote, unanimously recommends that the Awakn Voting Securityholders vote FOR the Arrangement Resolution to approve the Arrangement.**

Reasons for Recommendation

In the course of their evaluation, the Board and the Special Committee carefully considered a variety of factors with respect to the Arrangement including, among others, the following:

- **Premium.** Under the terms of the Arrangement Agreement, the Consideration implies a value of C\$0.146 per Awakn Share which represents a 53.52% premium to the closing share price of the Awakn Shares on the CSE on December 13, 2024, the last trading day prior to the date of the announcement of the Arrangement and the date on which the trading of the Awakn Shares was halted and a 37.59% premium to the VWAP of Awakn Shares on the CSE over the 90 trading days ending on December 13, 2024.
- **Access to Capital.** The Arrangement will provide Awakn, through Solvonis listing on the LSE, with direct access to the London international capital markets and to a broader range of investors, including a range of institutional investors.
- **Fairness Opinion.** The Evans & Evans Fairness Opinion states that as of the date of the Arrangement Agreement, and subject to and based on the assumptions, limitations and qualifications described therein, the Arrangement is fair, from a financial point of view, to the Awakn Voting Securityholders. See "*Part II – The Arrangement – Evans & Evans Fairness Opinion*" in this Circular.

- **Supporting Awakn Securityholders.** The fact that each of the directors and officers of Awakn, in addition to certain other Awakn Voting Securityholders, representing, in aggregate, approximately 50.69% of the issued and outstanding Awakn Shares, and 50.58% of the total number of Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs, support the Arrangement and have agreed to vote, or use best efforts to cause to be voted, all of the Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs held or controlled by them in favour of the Arrangement Resolution. Of the Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs held by such Awakn Voting Securityholders, 24.41% of such securities are held by officers and/or directors of Awakn and 75.59% are held by Awakn Voting Securityholders who are neither officers nor directors of Awakn.
- **Future Development.** The risks and potential rewards associated with Awakn continuing to execute its business and strategic plan as an independent entity, as an alternative to the Arrangement, and that the Combined Company will be better positioned to pursue a growth and value maximizing strategy as compared with Awakn on a standalone basis, as a result of the Combined Company's larger market capitalization, increased technical expertise, asset diversification, increased financial capacity and enhanced access to capital over the long term and the likelihood of increased investor interest and access to business development opportunities due to the Combined Company's larger market presence.
- **Preferred Strategic Alternative.** The Board and the Special Committee considered a number of alternative strategic courses of action. As part of its regular review of strategic alternatives, Awakn, along with its financial and legal advisors, considered potential transactions with other strategic parties and reviewed a number of potential project financing alternatives. Ultimately, the Arrangement was determined to be the most favourable transaction for maximizing Awakn Securityholders' value.
- **Negotiated Transaction.** The Arrangement Agreement is the result of a comprehensive arm's length negotiation process, overseen by the Special Committee, with respect to the key elements of the Arrangement Agreement and the Plan of Arrangement, which includes terms and conditions that are reasonable in the judgment of the Special Committee.
- **Ability to Respond to Unsolicited Superior Proposals.** Subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited bona fide written proposal that, having regard to all of its terms and conditions, if consummated in accordance with its terms, could reasonably be expected to lead to a Superior Proposal. The amount of the Termination Fee payable in certain circumstances, being C\$1,000,000, would not, in the view of the Special Committee, preclude a third party from potentially making a Superior Proposal.
- **Fairness of the Conditions.** The Arrangement Agreement provides for certain conditions to completion of the Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied in the judgment of the Special Committee and the Board.
- **Due Diligence.** Awakn's due diligence review and investigations of the business, operations, financial condition, products, strategy and future prospects of Solvonis.
- **Impact on Stakeholders.** The impact of the Arrangement on all stakeholders in Awakn, including Awakn Securityholders, employees and the long-term interests of Awakn.
- **Securityholder Approval.** The Arrangement Resolution must be approved by at least (i) 66 2/3% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66 2/3% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting.
- **Court Approval.** The Arrangement must be approved by the Court, which will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement to the Awakn Voting Securityholders.

- **Dissent Rights.** The terms of the Plan of Arrangement provide that Registered Shareholders as at the close of business on the Record Date have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Awakn Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Plan of Arrangement and the Final Order (as described in the Plan of Arrangement). The Dissent Rights with respect to the Arrangement must be strictly complied with in order for Registered Shareholders to receive cash representing the fair value of their Awakn Shares held.

The Board and the Special Committee also considered a number of other factors and risks relating to the Arrangement including:

- The challenges inherent in combining the Parties' businesses.
- The risk that expected benefits to the Combined Company are not realized.
- The risk that changes in Law or regulation could adversely impact the expected benefits of the Arrangement to Awakn, Awakn Securityholders and other stakeholders.
- The risk that the Solvonis Consideration Shares to be issued as consideration are based on a fixed exchange ratio and will not be adjusted based on fluctuations in the market value of Awakn Shares or Solvonis Shares.
- The potential risk of diverting management's attention and resources from the operation of Awakn's business, including other strategic opportunities and operational matters, while working toward the completion of the Arrangement.
- The potential negative effect of the pendency of the Arrangement on Awakn's business, including its relationships with employees, suppliers and customers.
- The potential adverse impact that business uncertainty pending the completion of the Arrangement could have on Awakn's ability to attract, retain and motivate key personnel until the completion of the Arrangement.
- The risk that the Arrangement may not be completed despite the Parties' efforts or that completion of the Arrangement may be unduly delayed, even if Awakn Securityholder Approval is obtained, including the possibility that other conditions to the Parties' obligations to complete the Arrangement may not be satisfied, and the potential resulting negative impact this could have upon Awakn's business.
- The limitations contained in the Arrangement Agreement on Awakn's ability to solicit additional interest from third parties, given the nature of the deal protections and "fiduciary out" in the Arrangement Agreement.
- The fact that if the Arrangement Agreement is terminated and the Board decides to seek another transaction or business combination, it may be unable to find a party willing to pay greater or equivalent value compared to the Consideration payable to the Awakn Securityholders under the Arrangement.
- The restrictions on the conduct of Awakn's business prior to the completion of the Arrangement, which could delay or prevent Awakn from undertaking business opportunities that may arise pending completion of the Arrangement.
- The fact that Awakn has incurred and will continue to incur significant transaction costs and expenses in connection with the Arrangement, regardless of whether the Arrangement is completed.
- The fact that Awakn may have to pay Solvonis the Termination Fee if the Arrangement is not completed in certain circumstances.

The Board and the Special Committee also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the headings "*Part II — The Arrangement — Risk Factors*

Related to the Arrangement" and *"Part II — The Arrangement — Risk Factors Related to the Operations of the Combined Company"*. The Board and the Special Committee believed that overall, the anticipated benefits of the Arrangement to Awakn outweighed these risks and negative factors.

The information and factors described above and considered by the Board and the Special Committee in reaching their determinations are not intended to be exhaustive but include material factors considered by the Board and the Special Committee. In view of the wide variety of factors considered in connection with the evaluation of the Arrangement and the complexity of these matters, the Board and the Special Committee did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, individual members of the Board and the Special Committee may have given different weight to different factors.

See *"Part II — The Arrangement — Reasons for Recommendation of the Board"*.

Fairness Opinion of Evans & Evans

Awakn engaged Evans & Evans to act as a financial advisor in connection with the Arrangement. In connection with Evans & Evans' engagement, Evans & Evans was requested to provide the Special Committee with an opinion as to the fairness to the Awakn Voting Securityholders, from a financial point of view, of the Arrangement. In connection with this mandate, Evans & Evans has prepared the Evans & Evans Fairness Opinion. The Evans & Evans Fairness Opinion states that, based upon and subject to the assumptions, limitations and qualifications set forth therein, Evans & Evans is of the opinion that, as of February 22, 2025, the Arrangement is fair, from a financial point of view, to the Awakn Voting Securityholders. The full text of the Evans & Evans Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Evans & Evans Fairness Opinion, is attached as appendix E to this Circular. Awakn Voting Securityholders are urged to, and should, read the Evans & Evans Fairness Opinion in its entirety. The summary of the Evans & Evans Fairness Opinion in this Circular is qualified in its entirety by reference to the full text of the Evans & Evans Fairness Opinion. The Evans & Evans Fairness Opinion is not a recommendation as to whether or not Awakn Voting Securityholders should vote in favour of the Arrangement Resolution. See *"Part II — The Arrangement — Opinion of Evans & Evans "* and appendix E, *"Opinion of Evans & Evans, Inc."*.

Effect of the Arrangement

On completion of the Arrangement, Solvonis will hold all Awakn Shares and Awakn will be a wholly-owned Subsidiary of Solvonis.

Effect on Awakn Shares

If completed, the Arrangement will result in the issue, at the Effective Time, of the Consideration for each Awakn Share held by Awakn Shareholders at the Effective Time (excluding Dissenting Awakn Shareholders and Solvonis and its affiliates). As at the close of business on March 10, 2025, there were 42,922,623 Awakn Shares outstanding (on a non-diluted basis) and, as at the close of business on the Record Date, it is expected that there will be 42,922,623 Awakn Shares outstanding (on a non-diluted basis) which, in connection with the completion of the Arrangement, will be exchanged for approximately 2,074,378,592 Solvonis Consideration Shares (assuming that there are no Dissenting Awakn Shareholders and assuming no Awakn Shares are issued pursuant to the exercise of Awakn Options or Awakn Warrants prior to the Effective Time).

Assuming that there are no Dissenting Awakn Shareholders and assuming no Awakn Shares are issued pursuant to the exercise of Awakn Options or Awakn Warrants prior to the Effective Time, there will be, immediately following the completion of the Arrangement, but prior to the issue of the Solvonis Financing Shares, approximately 4,370,309,225 Solvonis Shares issued and outstanding. Immediately following completion of the Arrangement, but prior to the issue of the Solvonis Financing Shares: (i) Former Awakn Shareholders together with Awakn Stock Unit Holders are expected to hold approximately 2,074,378, 592 Solvonis Shares, representing approximately 47.47% of the issued and outstanding Solvonis Shares; and (ii) existing Solvonis Shareholders are expected to hold approximately 2,295,930,633 Solvonis Shares, representing approximately 52.53% of the issued and outstanding Solvonis Shares, in each case on a non-diluted basis based on the number of securities of Solvonis and Awakn issued and outstanding as of the date of this Circular.

See "*Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn Shares*", "*Part II — The Arrangement — Details of the Arrangement — Arrangement Steps*", and "*Part II — The Arrangement — Certain Canadian Federal Income Tax Considerations*".

Effect on Awakn Warrants

Pursuant to the terms of the Arrangement Agreement, if the Arrangement Resolution is approved at the Awakn Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to completion of the Arrangement are satisfied or waived, then, commencing and effective as at the Effective Time, in the order of the sequence of events and transactions set out in the Plan of Arrangement, each Awakn Warrant outstanding immediately prior to the Effective Time will be transferred to Solvonis in exchange for a Solvonis Warrant to purchase from Solvonis such number of Solvonis Shares (rounded down to the nearest whole number) equal to (A) the Exchange Ratio, multiplied by (B) the number of Awakn Shares purchasable by such Awakn Warrant immediately prior to the Effective Time, at an exercise price per Solvonis Share (rounded up to the nearest whole cent) equal to (M) the exercise price per Awakn Share otherwise purchasable pursuant to such Awakn Warrant immediately prior to the Effective Time, divided by (N) the Exchange Ratio. Except as set out above, all other terms and conditions of the Solvonis Warrant, including the conditions to and manner of exercising, will be the same as the Awakn Warrant so exchanged, and shall be governed by the terms of the Solvonis Warrant Certificate.

As at the close of business on March 10, 2025, there were 15,073,178 Awakn Warrants outstanding and, as at the close of business on the Record Date, it is expected that there will be 15,073,178 Awakn Warrants outstanding which, in connection with the completion of the Arrangement, will be cancelled in exchange for the issue to the Awakn Warrantholders of 703,465,217 Solvonis Warrants.

See "*Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn Warrants*".

Effect on Awakn RSUs and Awakn DSUs

Pursuant to the terms of the Arrangement Agreement, each Awakn Stock Unit Holder will receive, upon the closing of the Arrangement, approximately 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for every one Awakn Stock Unit in consideration for the transfer of the Awakn Stock Unit Holders' entire interest in the Awakn Stock Units to Solvonis.

As at the close of business on March 10, 2025, there were 998,300 Awakn RSUs outstanding and, as at the close of business on the Record Date, it is expected that there will be 998,300 Awakn RSUs outstanding which, in connection with the completion of the Arrangement, will be cancelled in exchange for the issue to the Awakn RSU Holders of 46,590,661 Solvonis Consideration Shares.

As at the close of business on March 10, 2025, there were 526,872 Awakn DSUs outstanding and, as at the close of business on the Record Date, it is expected that there will be 526,872 Awakn DSUs outstanding which, in connection with the completion of the Arrangement, will be cancelled in exchange for the issue to the Awakn DSU Holders of 24,589,116 Solvonis Consideration Shares.

See "*Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn RSUs and Awakn DSUs*".

Effect on Awakn Options

As a condition of closing the Arrangement, each Awakn Optionholder has agreed to the cancellation of such Awakn Optionholder's Awakn Options, which cancellation will occur immediately prior to the Effective Time for no consideration.

As at the close of business on March 10, 2025, there were 1,784,828 Awakn Options outstanding and, as at the close of business on the Record Date, it is expected that there will be 1,784,828 Awakn Options outstanding which, in connection with the completion of the Arrangement, will be cancelled for no consideration.

See "*Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn Options*".

Details of the Arrangement

General

On February 22, 2025, Solvonis and Awakn entered into the Arrangement Agreement pursuant to which, among other things, Solvonis has agreed to acquire all of the issued and outstanding Awakn Shares, Awakn Warrants and Awakn Stock Units. The Arrangement will be effected pursuant to a court-approved Plan of Arrangement under the BCBCA. The Parties intend to rely upon the Section 3(a)(10) Exemption with respect to the issue of the Solvonis Consideration Shares and the Solvonis Warrants pursuant to the Arrangement.

If completed, the Arrangement will result in Solvonis acquiring all of the issued and outstanding Awakn Shares, Awakn Warrants and Awakn Stock Units on the Effective Date. Pursuant to the Plan of Arrangement, at the Effective Time, Awakn Shareholders (excluding Solvonis, Subsidiaries of Solvonis and Dissenting Awakn Shareholders) will receive 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for each Awakn Share held at the Effective Time, each Awakn Warrantholder will receive one Solvonis Warrant for each Awakn Warrant held having the same attributes as the Awakn Warrants and each Awakn Stock Unit Holder will receive 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for each Awakn Stock Unit held.

For further information in respect of the Combined Company, see appendix H to this Circular, "*Information Concerning the Combined Company*" and appendix I to this Circular, "*Combined Company Unaudited Pro Forma Financial Statements*".

Arrangement Steps

If the Arrangement Resolution is approved at the Awakn Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing and effective as at the Effective Time.

The Arrangement involves a number of steps, which will be deemed to occur sequentially commencing at the Effective Time without any further act or formality except as expressly provided in the Plan of Arrangement. See "*Part II — The Arrangement — Details of the Arrangement — Arrangement Steps*". The full text of the Plan of Arrangement is attached as appendix D to this Circular.

Solvonis Voting Agreements

In connection with the Arrangement, Solvonis sought a Solvonis Voting Agreement from certain Awakn Voting Securityholders. As at the close of business on February 22, 2025, the Supporting Awakn Securityholders who entered into Solvonis Voting Agreements collectively owned, directly or indirectly, or exercised control or direction over, an aggregate of 21,758,034 Awakn Shares issued or issuable prior to the Record Date, an aggregate of 7,020,099 Awakn Warrants issued and an aggregate of 1,325,172 Awakn Stock Units issued. As at the close of business on February 22, 2025, there were 42,922,623 Awakn Shares issued or issuable prior to the Record Date, 1,784,828 Awakn Warrants issued and expected to be outstanding as of the Record Date and 1,525,172 Awakn Stock Units issued and expected to be outstanding as of the Record Date. Accordingly, Awakn Shareholders holding 50.69% of the Awakn Shares, issued or issuable prior to the Record Date, on a non-diluted basis and Awakn Voting Securityholders holding 50.58% of the Awakn Shares, issued or issuable prior to the Record Date, Awakn Warrants issued and expected to be outstanding as of the Record Date and Awakn Stock Units issued and expected to be outstanding as of the Record Date entered into Solvonis Voting Agreements.

Pursuant to the Solvonis Voting Agreements, such supporting Awakn Voting Securityholders have agreed to, among other things, vote or to cause to be voted all Awakn Shares, Awakn Warrants and Awakn Stock Units beneficially owned by such supporting Awakn Voting Securityholders, and any other Awakn Shares, Awakn Warrants and Awakn Stock Units directly or indirectly issued to or otherwise acquired by such supporting Awakn Voting Securityholders after the date of the Arrangement Agreement (including, without limitation, any Awakn Shares issued upon further exercise of Awakn Warrants or other rights to purchase such Awakn Shares) at the Awakn Meeting (or any adjourned or postponed Awakn Meeting) in favour of the Arrangement including, without limitation, the Arrangement Resolution, and any other matter necessary for the consummation of the Arrangement.

See "*Part II — The Arrangement — Solvonis Voting Agreements*".

Approval of Awakn Voting Securityholders Required for the Arrangement

Pursuant to the Interim Order, the number of votes required to pass the Arrangement Resolution shall be at least (i) 66⅔% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66⅔% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Awakn Voting Securityholders, to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Arrangement. If the Arrangement Resolution is not approved by the Awakn Voting Securityholders, the Arrangement cannot be completed. See appendix A to this Circular for the full text of the Arrangement Resolution.

See "*Part II — The Arrangement — Approval of Shareholders Required for the Arrangement*" and "*Part I – General Proxy Matters*".

Court Approval

On March 10, 2025, the Court granted the Interim Order providing for the calling and holding of the Awakn Meeting and other procedural matters. The Interim Order is attached as appendix B to this Circular.

Subject to the terms of the Arrangement Agreement and, if the Arrangement Resolution is approved at the Awakn Meeting, Awakn anticipates applying to the Court for the Final Order on April 28, 2025 at approximately 9:45 a.m. (Vancouver time) at the Supreme Court of British Columbia, 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct. At the hearing, any Awakn Voting Securityholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon Awakn on or before 4:00 p.m. (Vancouver time) on April 26, 2025, a notice of his, her or its intention to appear ("**Response to Petition**"), in the form proscribed by the Supreme Court of British Columbia Civil Rules, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. The Response to Petition and supporting materials must be delivered, within the time specified, to WT BCA LLP, 2400 – 200 Granville St., Vancouver, British Columbia V6C 1S4, Attention: Nicole Chang.

For further information regarding the Court hearing for the application for the Final Order and the rights of Awakn Voting Securityholders in connection with the Court hearing for the application for Final Order, see the Interim Order attached as appendix B to this Circular and the filed Notice of Hearing of Petition for Final Order attached as appendix C to this Circular. The Notice of Hearing of Petition for Final Order constitutes notice of the Court hearing of the application for the Final Order and is the only such notice of that proceeding.

See "*Part II — The Arrangement — Procedure for the Arrangement Becoming Effective*" and "*Part II — The Arrangement — Court Approvals*".

Stock Exchange Listing Approvals and Delisting Matters

Subject to applicable Laws, Solvonis will, as promptly as possible following completion of the Arrangement, apply to the applicable Canadian Securities Regulators to have Awakn cease to be a reporting issuer. Awakn will also use commercially reasonable efforts to delist from the CSE as soon as possible following the Effective Date.

It is a mutual condition to the completion of the Arrangement that the Solvonis Consideration Shares and the Solvonis Financing Shares be admitted to the equity shares (transition) category of the FCA's Official List and to trading on the Main Market for listed securities of the LSE. Accordingly, Solvonis has agreed to use commercially reasonable efforts to obtain approval of the listing of such Solvonis Consideration Shares and Solvonis Financing Shares for trading on the LSE, subject only to the satisfaction by Solvonis of customary listing conditions of the LSE.

See "*Part II — The Arrangement — Stock Exchange Listing Approvals and Delisting Matters*".

Timing

If the Awakn Meeting is held as scheduled and is not adjourned and/or postponed, and the Awakn Securityholder Approval is obtained, it is expected that Awakn will apply for the Final Order approving the Arrangement on April 28, 2025. If the Final Order is obtained in a form and substance satisfactory to Awakn and Solvonis, and all other conditions set forth in the Arrangement Agreement are satisfied or waived by the applicable Party, Awakn expects the Effective Date to occur on or about April 30, 2025, following the receipt of all requisite consents. However, it is not possible at this time to state with certainty when the Effective Date will occur as completion of the Arrangement may be delayed beyond this time if the conditions to completion of the Arrangement cannot be met on a timely basis. Subject to certain limitations, each Party may terminate the Arrangement Agreement if the Arrangement is not consummated by the Outside Date, which date can be extended by mutual agreement of the Parties.

See "*Part II — The Arrangement — Timing*".

Procedure for Exchange of Awakn Securities

Awakn Shares

Upon completion of the Arrangement, each certificate representing Awakn Shares issued and outstanding immediately prior to the Effective Time, will be irrevocably cancelled and the holder of such Awakn Shares will no longer have any rights whatsoever to Awakn Shares other than the right to be issued Solvonis Consideration Shares.

Non-Registered Shareholders who hold their Awakn Shares through an Intermediary are not required to take any action to receive their Consideration from Solvonis as the Consideration they are entitled to receive will be delivered to their Intermediary. Non-Registered Shareholders should contact their Intermediary if they have any questions regarding this process.

Registered Shareholders will not be required to deliver certificates representing their Awakn Shares, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. If a Registered Shareholder (other than a Dissenting Awakn Shareholder (as defined in the Circular)) is holding Awakn Shares in certificated form, the Solvonis Consideration Shares to be issued to such Registered Shareholder will be registered in the name and address of such Registered Shareholder as they appear in the register of Awakn Shareholders.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is in the UK, such Registered Shareholder is not required to take any action to receive the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement. The certificate(s) representing such Solvonis Consideration Shares will be delivered to the Registered Shareholder by the Solvonis UK Registrar by first class mail to such address.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is outside of the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement will be held by the Solvonis UK Registrar until delivery instructions for the certificate(s) representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Registered Shareholder. **As soon as practical after the Effective Date, such Registered Shareholder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Registered Shareholder wants the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled to be delivered, which certificate(s) will thereafter be delivered to such Registered Shareholder by the Solvonis UK Registrar by first class mail.**

Solvonis Consideration Shares issued in certificated form will not be available to trade on the LSE until the Solvonis Consideration Shares are deposited into a CREST account or sold through a broker that offers a certificated dealing service. The following website lists brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

See "*Part II – The Arrangement – Procedure for Exchange of Awakn Securities*".

Awakn Warrants

Awakn Warrantholders will not be required to deliver certificates representing their Awakn Warrants, or any other such evidence of ownership or letter of instruction, or take any other action, in order to receive the Solvonis Warrants to which they are entitled under the Arrangement. As soon as practical after the Effective Date, Solvonis will arrange for the delivery of the certificate(s) representing the Solvonis Warrants to which each Awakn Warrantholder is entitled by first class mail and such Solvonis Warrants will be registered in the name of, and delivered to the address of, each Awakn Warrantholder as such Awakn Warrantholder is registered in the register of Awakn Warrantholders. Upon receipt by an Awakn Warrantholder of a certificate representing the Solvonis Warrants to which such Awakn Warrantholder is entitled, the certificate formerly representing the Awakn Warrants of such Awakn Warrantholder will be irrevocably cancelled. Until such time as the certificates formerly representing Awakn Warrants are replaced with certificates representing Solvonis Warrants, each certificate formerly representing Awakn Warrants will be deemed to represent Solvonis Warrants.

See "*Part II – The Arrangement – Procedure for Exchange of Awakn Securities*".

Awakn Stock Units

Upon completion of the Arrangement, each certificate representing Awakn Stock Units issued and outstanding immediately prior to the Effective Time, will be irrevocably cancelled and the holder of such Awakn Stock Units will no longer have any rights whatsoever to Awakn Shares other than the right to be issued Solvonis Consideration Shares.

Awakn Stock Unit Holders will not be required to deliver certificates representing their Awakn Stock Units, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. The Solvonis Consideration Shares to which the Awakn Stock Unit Holders are entitled will be registered in the name and address of the respective Awakn Stock Unit Holder as such Awakn Stock Unit Holder is registered in the register of Awakn Stock Unit Holders.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is in the UK, such Awakn Stock Unit Holder is not required to take any action to receive the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement. The certificate(s) representing such Awakn Stock Units will be delivered to the Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail to such address.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is outside the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement will be held by the Solvonis UK Registrar until delivery instructions for the certificates representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Solvonis UK Registrar. **As soon as practical after the Effective Date, such Awakn Stock Unit Holder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Awakn Stock Unit Holder wants the certificate representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled to be delivered, which certificate will thereafter be delivered to such Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail.**

Solvonis Consideration Shares issued in certificated form will not be available to trade on the London Stock Exchange until the Solvonis Consideration Shares are deposited into a CREST account or sold through a broker that offers a certificated dealing service. The following website lists brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

See "*Part II – The Arrangement – Procedure for Exchange of Awakn Securities*".

Treatment of Fractional Solvonis Consideration Shares

In no event shall any holder of Awakn Shares or Awakn Stock Units be entitled to a fractional Solvonis Consideration Share and no certificates representing fractional Solvonis Consideration Shares shall be issued upon the surrender for exchange of certificates by Awakn Voting Securityholders pursuant to the Plan of Arrangement. Where the aggregate number of Solvonis Consideration Shares to be issued to an Awakn Shareholder or Awakn Stock Unit Holder as

consideration under or as a result of the Arrangement would result in a fraction of a Solvonis Consideration Share being issuable, the number of Solvonis Consideration Shares to be received by such Awakn Voting Securityholder shall be rounded down to the nearest whole Solvonis Consideration Share and no Former Awakn Shareholder or Awakn Stock Unit Holder will be entitled to any compensation in respect of a fractional Solvonis Consideration Share.

See "*Part II — The Arrangement — Treatment of Fractional Solvonis Consideration Shares*".

Interests of Certain Persons in the Arrangement

The directors and Senior Officers of Awakn may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of the Awakn Voting Securityholders. The Board and the Special Committee were aware of these interests and considered them, among other matters, when recommending approval of the Arrangement by the Awakn Voting Securityholders.

See "*Part II — The Arrangement — Interests of Certain Persons in the Arrangement*".

Right to Dissent

The Interim Order provides Registered Shareholders with Dissent Rights in respect of the Arrangement Resolution, pursuant to and in the manner set forth in Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and any other order of the Court. Any Registered Shareholder who dissents from the Arrangement Resolution in compliance with the Dissent Procedures, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, will be entitled, in the event the Arrangement becomes effective, to be paid by Solvonis the fair value of the Awakn Shares held by such Dissenting Awakn Shareholder determined immediately before the passing by the Awakn Shareholders of the Arrangement Resolution and shall be paid only an amount in cash equal to such fair value of the Awakn Shares. Awakn Shareholders are cautioned that fair value could be determined to be less than the value of the Consideration granted pursuant to the terms of the Arrangement and that the proceeds of disposition received by a Dissenting Awakn Shareholder may be treated in a different, and potentially more adverse, manner under Canadian and U.S. federal income tax Laws than had such Awakn Shareholder exchanged his, her or its Awakn Shares for Solvonis Consideration Shares pursuant to the Arrangement and that an investment banking opinion as to the fairness, from a financial point of view, of the consideration granted in a sale transaction, such as the Arrangement, is not an opinion as to, and does not otherwise address, "fair value" under Section 237 through Section 247 of the BCBCA. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Awakn Shareholder of consideration for such Dissenting Awakn Shareholder's Dissenting Shares.

The Dissent Procedures require that a Registered Shareholder who wishes to dissent send a written notice of objection to the Arrangement Resolution to Awakn (i) c/o Irwin Lowy LLP, Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 (Attention: Steven Agnew) and (ii) with a copy by email to sagnew@irwinlowy.com to be received by no later than 4:00 p.m. (Vancouver time) on April 17, 2025 or, in the case of any adjourned or postponed Awakn Meeting, by no later than 4:00 p.m. (Vancouver time) on the Canadian Business Day that is two Canadian Business Days prior to the new date of the Awakn Meeting, and must otherwise strictly comply with the Dissent Procedures described in this Circular. **Failure to strictly comply with the Dissent Procedures may result in loss of the Dissent Right. The Dissent Rights are set out in their entirety in appendix J to this Circular, as modified by the Plan of Arrangement, set out in appendix D to this Circular, the Interim Order, set out in appendix B to this Circular, and any other order of the Court. An Awakn Shareholder considering exercising Dissent Rights should seek independent legal advice.**

A Non-Registered Shareholder will not be entitled to exercise its Dissent Rights directly (unless the Awakn Shares are re-registered in the Non-Registered Shareholder's name). A Non-Registered Shareholder that wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Shareholder deals in respect of his, her or its Awakn Shares and either: (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered Shareholder's behalf (which, if the Awakn Shares are registered in the name of CDS or other clearing agency, may require that such Awakn Shares first be re-registered in the name of the Intermediary); or (ii) instruct the Intermediary to re-register such Awakn Shares in the name of the Non-Registered Shareholder, in which case the Non-Registered Shareholder would be able to exercise the Dissent Rights directly. In addition, pursuant to Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, a Dissenting Awakn Shareholder may not exercise Dissent Rights in respect of only a portion of such

Dissenting Awakn Shareholder's Awakn Shares but may dissent only with respect to all Awakn Shares held by such Dissenting Awakn Shareholder.

The Arrangement Agreement provides that it is a condition to the obligations of Solvonis that holders of such number of Awakn Shares shall not have exercised Dissent Rights, or have instituted proceedings to exercise Dissent Rights, in connection with the Arrangement (other than Awakn Shareholders representing not more than 5% of the Awakn Shares then outstanding).

See "Part II — The Arrangement — The Arrangement Agreement — Conditions to the Arrangement Becoming Effective" and "Part II — The Arrangement — Right to Dissent".

Awakn Shareholders that are considering exercising Dissent Rights should consult their own legal and financial advisors.

Selected Pro Forma Financial Information

The unaudited *pro forma* consolidated financial information included in this Circular is reported in the British Pound and gives effect to the Arrangement and certain related adjustments described in the notes accompanying such financial information. The unaudited *pro forma* consolidated statement of financial position as at September 30, 2024, gives effect to the Arrangement as if it had closed on September 30, 2024.

See appendix I to this Circular, "*Combined Company Unaudited Pro Forma Financial Statements*".

Expected Timetable

The anticipated timetable for the completion of the Arrangement and the key dates as proposed are as follows:

Expected Date of Publication of Solvonis Prospectus	To be determined
Deadline for Receipt of Proxies from Awakn Voting Securityholders	April 17, 2025
Awakn Meeting	April 22, 2025
Expected Date of Final Order	April 28, 2025
Expected Effective Date	April 30, 2025
Effective Time	12:01 am (Vancouver time) on the Effective Date
Admission	8:00 am (London time) on the Admission Date
Expected Date of Delisting of Awakn Shares from the CSE	On or after the Effective Date

The dates referred to above are subject to change pursuant to the terms of the Arrangement Agreement. Notice of the dates above which are indicated as "To be determined", as well as the date on which the Final Order is received and the Effective Date, will be announced through a news release.

Risk Factors

Awakn Voting Securityholders should consider a number of risk factors relating to the Arrangement and Awakn in evaluating whether to approve the Arrangement Resolution. In addition to the risk factors discussed in the Awakn AIF, which risk factors are specifically incorporated by reference into this Circular, "*Part I – The Arrangement – Risk Factors Related to the Arrangement*", "*Part II – The Arrangement – Risk Factors Related to the Operations of the Combined Company*" and appendix F, "*Information Concerning Awakn Life Sciences Corp. – Risk Factors*", appendix G, "*Information Concerning Solvonis Therapeutics PLC (formerly, Graft Polymer (UK) Plc) – Risk Factors*" and appendix H "*Information Concerning the Combined Company – Risk Factors*" appended to this Circular, the following is a list of certain additional and supplemental risk factors which Awakn Voting Securityholders should carefully consider before making a decision regarding approving the Arrangement Resolution:

- The Arrangement is subject to satisfaction or waiver of various conditions.

- Awakn Shareholders will receive a fixed number of Solvonis Consideration Shares.
- The Arrangement Agreement may be terminated in certain circumstances.
- While the Arrangement is pending, Awakn is restricted from pursuing alternatives to the Arrangement and taking certain other actions.
- Awakn will incur costs even if the Arrangement is not completed, including various expenses incurred in connection with the Arrangement, and may have to pay to Solvonis the Termination Fee.
- If the Arrangement is not consummated by the Outside Date, either Awakn or Solvonis may elect not to proceed with the Arrangement.
- The Termination Fee payable by Awakn to Solvonis under the Arrangement Agreement if the Arrangement is terminated in certain circumstances may discourage other parties from attempting to acquire Awakn.
- Awakn and Solvonis may be the targets of legal claims, securities class actions, derivative lawsuits and other claims, and any such claims may delay or prevent the Arrangement from being completed.
- Uncertainty surrounding the Arrangement could adversely affect Awakn's or Solvonis' retention of suppliers and personnel and could negatively impact future business and operations.
- The pending Arrangement may divert the attention of Awakn's management.
- Awakn directors and officers may have interests in the Arrangement different from the interests of Awakn Securityholders following completion of the Arrangement.
- The issue of a significant number of Solvonis Shares and a resulting "market overhang" could adversely affect the market price of the Solvonis Shares after completion of the Arrangement.
- Awakn has not verified the reliability of the information regarding Solvonis included in, or which may have been omitted from this Circular.
- There are risks related to the integration of Awakn's and Solvonis' existing businesses.
- The trading price of the Solvonis Shares prior to the Effective Time and following the Effective Time may be volatile.
- The unaudited *pro forma* financial information of the Combined Company is presented for illustrative purposes only and may not be an indication of the Combined Company's financial condition or results of operations following the Arrangement.
- Following completion of the Arrangement, the Combined Company may issue additional equity securities.
- Failure by Awakn and Solvonis to comply with applicable Laws prior to the Arrangement could subject the Combined Company to penalties and other adverse consequences following completion of the Arrangement.
- Recent and potential tariffs imposed by the U.S. or a global trade war could increase operational costs.

The risk factors identified above are a summary of certain of the risk factors contained elsewhere or incorporated by reference in this Circular. Awakn Voting Securityholders should carefully consider all such risk factors.

PART I. – ANNUAL GENERAL MEETING MATTERS

Capitalized terms used but not otherwise defined herein have the meanings ascribed thereto under "*Glossary of Terms*".

Receipt of Financial Statements

The audited consolidated financial statements of Awakn for the financial year ended January 31, 2024, together with the auditor's report on those statements and the management's discussion and analysis, will be presented to the Awakn Shareholders at the Awakn Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning Awakn are available on SEDAR+ under Awakn's profile at www.sedarplus.ca.

Fixing the Number of Directors

The size of the Board is currently set at five. The Board proposes that the number of directors remain at five. At the Awakn Meeting the Awakn Shareholders will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors at five. The number of directors will be approved if the affirmative vote of the holders of at least a majority of Awakn Shares present or represented by proxy at the Awakn Meeting and entitled to vote are voted in favour to set the number of directors at five.

Election of Directors

The term of office of each of the current directors will end at the conclusion of the Awakn Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual general meeting of the Awakn Shareholders, or if no director is then elected, until a successor is elected.

Management of Awakn proposes to nominate the persons listed below for election as directors of Awakn to serve until their successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table states the names of the persons nominated by management for election as directors at the Awakn Meeting, any offices with Awakn currently held by them, their principal occupations or employment, the period or periods of service as directors of Awakn and the approximate number of voting securities of Awakn beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, Province or State and Country of Residence and Present Office Held	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years	Served as Director Since	Number of Awakn Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised⁽¹⁾
Anthony Tennyson President, CEO and Director Ireland	CEO and President of Awakn	June 16, 2021	2,022,706 ⁽²⁾
Stephen Page ⁽³⁾⁽⁴⁾ Director United Kingdom	Health, social care and education industry consultant	June 16, 2021	318,000
George Scorsis ⁽³⁾⁽⁴⁾ Director Ontario, Canada	Executive Chairman and CEO of Entourage Health Corp., a cannabis company	June 16, 2021	1,380,725 ⁽⁵⁾
John Papastergiou ⁽³⁾⁽⁴⁾ Director Ontario, Canada	Research Scientist and Pharmacist	June 16, 2021	289,250 ⁽⁶⁾

Name, Province or State and Country of Residence and Present Office Held	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years	Served as Director Since	Number of Awakn Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised ⁽¹⁾
Paul Carter Director United Kingdom	Director and advisor for various companies in the life sciences industry.	December 14, 2021	250,000

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of Awakn, has been furnished by the respective nominees individually.
- (2) 1,510,706 Awakn Shares are held by Alpha Tango Ltd., a corporation controlled by Mr. Tennyson, and 512,000 Awakn Shares are held directly by Mr. Tennyson.
- (3) Member of the Audit Committee.
- (4) Member of the Corporate Governance, Nominating and Compensation Committee.
- (5) 600,000 Awakn Shares are held by Buyup Holdco Inc., a corporation controlled by Mr. Scorsis, and 780,725 Awakn Shares are held directly by Mr. Scorsis.
- (6) 31,250 Awakn Shares are held by John Papastergiou Pharmacy Limited., a corporation controlled by Mr. Papastergiou, and 258,000 Awakn Shares are held directly by Mr. Papastergiou.

The term of office of each director will be from the date of the annual meeting of the shareholders of Awakn at which he is elected until the next annual meeting of the Awakn Shareholders, or until his successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE AWAKN SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS AWAKN SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE AWAKN SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

Corporate Cease Trade Orders or Bankruptcies

None of the proposed directors of Awakn, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an "Order") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as noted below, no proposed director of Awakn, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Scorsis is a director of Entourage Health Corp. ("**Entourage**"), which was subject to a management cease trade order resulting from a failure to file financial statements for the financial year ended December 31, 2021, as issued on May 3, 2021, by the OSC. The cease trade order was revoked on July 2, 2021.

Personal Bankruptcies

None of the proposed directors of Awakn have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the proposed directors of Awakn have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Appointment of Auditor

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF MNP LLP AS AUDITOR OF AWAKN TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE AWAKN SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS VOTING SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MNP LLP, Chartered Professional Accountants were first appointed as the auditors of Awakn on June 11, 2021.

PART II –THE ARRANGEMENT

Background to the Arrangement

The Arrangement Agreement is a result of arm's length negotiations among representatives of Awakn, the Special Committee and Solvonis and their respective financial and legal advisors. During the course of their consideration of the Arrangement and Arrangement Agreement, the Board and the Special Committee conducted formal meetings and held informal discussions amongst the Awakn directors, senior management team and their financial and legal advisors. The following is a summary of the material events, meetings, negotiations and discussions among the parties that preceded the public announcement of the execution of the Arrangement Agreement on February 22, 2025.

Senior management of Awakn regularly considers and investigates opportunities to enhance value for Awakn Securityholders. Those opportunities have often included the possibility of strategic transactions and business combinations.

In July, 2024, it was brought to the attention of the Board that a company of which Anthony Tennyson acted as part time Chief Executive Officer in the UK, Solvonis (then Graft Polymer (UK) PLC), might be interested in a business relationship with Awakn. Anthony Tennyson declared his interest in Solvonis to the Board, and, acknowledging the potential conflict of interest, the Board established a special committee of the independent directors (the "**Special Committee**") on July 8, 2024 comprised of George Scorsis as the Chair of the Special Committee, and Steve Page, John Papastergiou and Paul Carter as members, and adopted a mandate to oversee any negotiations with Solvonis for a potential collaboration.

Over the next week the Special Committee negotiated with Solvonis on a collaboration agreement pursuant to which the Parties focused on developing Awakn's aminoidane new chemical entity series programme. On July 17, 2024, the Special Committee recommended that the Board approve entering into such collaboration agreement, which the Board approved (with Mr. Tennyson recusing himself from the vote after declaring his interest in the matter) also on July 17, 2024. A collaboration agreement with Solvonis was entered into on July 17, 2024.

In early October, 2024, representatives of Awakn and Solvonis discussed the potential for a business combination transaction whereby Awakn would be acquired by Solvonis. These discussions continued over the next month and, on December 4, 2024, the Board (with Mr. Tennyson recusing himself from the vote after declaring his interest in the matter) resolved to broaden the mandate of the Special Committee to apply not only to a collaboration but to a potential business combination transaction as well.

During the following week, Awakn's Chief Financial Officer negotiated with representatives of Solvonis, all overseen by the Special Committee, with a view to entering into a letter of intent with respect to a potential acquisition of Awakn by Solvonis (the "**LOI**").

On December 11, 2024, the Special Committee met with management of Awakn and Awakn's legal advisors to review the proposed binding terms of the LOI, including a detailed description of Solvonis' business, team, prospects and future outlook, the potential *pro forma* working capital model, a review of financial metrics, and the specific terms of the proposed LOI. The Special Committee also discussed Awakn's alternatives and challenges in obtaining sufficient financing.

On December 11, 2024, the Special Committee formally engaged Evans & Evans to act as exclusive financial advisor to Awakn in relation to a potential business combination between Awakn and Solvonis, and to prepare and deliver to the Special Committee a fairness opinion regarding the fairness, from a financial point of view, of any such business combination to the Awakn Voting Securityholders.

On December 13, 2024, the Special Committee met again, and, after a thorough review of the proposed binding LOI, and after considering a number of factors including the premium to be received by Awakn Securityholders, the opportunities for the business of Awakn following an acquisition by Solvonis, the limited alternatives available to Awakn, and the conditionality of a transaction with Solvonis pursuant to the LOI, unanimously resolved to recommend that the Board approve the execution of the LOI.

On December 13, 2024, the Board met to, among other things, consider the final terms of the LOI. Mr. Tennyson declared his interest in the matter. The Board then heard a report from the Special Committee, and, based on the

recommendation of the Special Committee, the Board unanimously (with Mr. Tennyson recusing himself from the vote) authorized and directed Awakn to enter into the LOI.

On December 15, 2024, the binding LOI, which contains appropriate confidentiality provisions, was executed.

During the period from December 15, 2024, to January 29, 2025, the Parties and their advisors conducted reciprocal due diligence through the exchange of written materials via electronic data rooms and various due diligence calls with representatives from Awakn and Solvonis and legal advisors.

On January 17, 2025, the Special Committee met to discuss, among other things, the progress of the proposed transaction, the ongoing due diligence on Solvonis and to discuss the Solvonis Voting Agreements.

On January 27, 2025, the Special Committee met to, among other things, review and discuss the due diligence report on Solvonis in advance of the due diligence deadline of January 29, 2025, pursuant to the terms of the LOI. After a review of the due diligence report and discussion on Awakn's termination rights under the LOI, the Special Committee determined to proceed with the transaction and not to recommend terminating the LOI based on due diligence.

On February 3, 2025, the Special Committee met to, among other things, receive an update on the progress of the transaction and to receive the preliminary analysis from Awakn's legal advisors on the applicability of MI 61-101 to the Arrangement.

On February 10, 2025, the Special Committee met to, among other things, review the terms of the draft Arrangement Agreement, and to discuss holding the Awakn Meeting.

On February 19, 2025, the Special Committee met with the Awakn executive team, Evans & Evans, and legal counsel. At this meeting, Evans & Evans presented its financial analysis of the proposed transaction and orally delivered the Evans & Evans Fairness Opinion (subsequently confirmed in writing effective February 22, 2025) that as of the date of the Evans & Evans Fairness Opinion, and based upon and subject to the assumptions, limitations and qualifications described to the Special Committee, the Arrangement is fair, from a financial point of view, to Awakn Voting Securityholders. The Special Committee also reviewed the potential benefits and risks relating to the Arrangement, reviewed the material terms and conditions of the Arrangement Agreement with Awakn's legal advisors, and discussed the Arrangement with management of Awakn, and the executive team presented its views of the proposed transaction to the meeting.

After discussion and careful deliberation and consultation with its legal and financial advisors, during which the Special Committee considered both the benefits and risks of the potential transaction, the Special Committee completed its deliberations in camera and unanimously determined by written resolution dated February 21, 2025 that the Arrangement is in the best interests of Awakn and is fair to Awakn Voting Securityholders, and unanimously determined to recommend that the Board approve the Arrangement and the Arrangement Agreement and recommend that Awakn Voting Securityholders vote their Awakn securities in favour of the Arrangement Resolution.

On February 21, 2025, the Board received the recommendation from the Special Committee and an update from the Awakn executive team, and legal counsel, and Mr. Tennyson declared his interest in the matter. After careful deliberation and consultation with its legal and financial advisors, and consideration of the unanimous recommendation of the Special Committee as well as both the potential benefits and risks of the Arrangement, the Board, with Mr. Tennyson recusing himself from the vote, unanimously determined by way of written resolution that the Arrangement is in the best interests of Awakn and is fair to Awakn Voting Securityholders and unanimously approved the Arrangement and the Arrangement Agreement and resolved to recommend that Awakn Voting Securityholders vote their securities of Awakn in favour of the Arrangement Resolution.

On February 22, 2025, Awakn and Solvonis executed the Arrangement Agreement. A press release announcing the Arrangement was disseminated by Awakn prior to the opening of trading on the CSE on February 27, 2025.

Recommendation of the Special Committee

Having thoroughly reviewed and carefully considered the proposed Arrangement and alternatives to the Arrangement, including the potential for a more favourable transaction with a third party and the prospect of proceeding independently to pursue Awakn's current business plan, and having consulted with its financial and legal advisors,

and having received and considered the Evans & Evans Fairness Opinion, the Special Committee unanimously determined that the Arrangement is in the best interests of Awakn. **The Special Committee unanimously recommended that the Board approve the Arrangement Agreement and that the Board recommend that Awakn Voting Securityholders vote FOR the Arrangement Resolution to approve the Arrangement.**

Recommendation of the Board

Based on its considerations and investigations, including consultation with its financial and legal advisors, the unanimous recommendation of the Special Committee, the Evans & Evans Fairness Opinion and its own deliberations, the Board, with Mr. Tennyson, who is the Chief Executive Officer and a director of both Awakn and Solvonis, recusing himself from the vote, has unanimously determined that the Arrangement is in the best interests of Awakn. **Accordingly, the Board, with Mr. Tennyson recusing himself from the vote, unanimously approved the Arrangement and the Arrangement Agreement and unanimously recommends that the Awakn Voting Securityholders vote FOR the Arrangement Resolution to approve the Arrangement.** Each director and officer of Awakn intends to vote all of such director's and officer's Awakn Shares, Awakn Warrants and Awakn Stock Units for the Arrangement Resolution.

In forming its recommendation, the Special Committee and the Board considered a number of factors, including, without limitation, the factors listed below under "*Reasons for Recommendation of the Board*". The Board based its recommendation upon the totality of the information presented to and considered by it in light of the knowledge of the Board members of the business, financial condition and prospects of Awakn and after taking into account the unanimous recommendation of the Special Committee, the Evans & Evans Fairness Opinion and the advice of Awakn's legal and other advisors and the advice and input of management of Awakn.

Reasons for Recommendation

At a meeting of the Board held on February 19, 2025, the Board evaluated the Arrangement in the context of Awakn's available strategic alternatives and, based on a thorough review of these alternatives, the Board, with Mr. Tennyson, who is the Chief Executive Officer and a director of both Awakn and Solvonis, recusing himself from the vote, unanimously:

- determined that the Arrangement is in the best interests of Awakn;
- resolved to recommend that Awakn Voting Securityholders vote **FOR** the Arrangement Resolution; and
- approved the Arrangement Agreement and the Arrangement.

In evaluating the Arrangement and in making its recommendations, the Board and the Special Committee gave careful consideration to the current and expected future position of the business of Awakn and all terms of the Arrangement Agreement, including the conditions precedent, representations and warranties and deal protections. The Board and the Special Committee considered a number of factors including, among others, the following:

- **Premium.** Under the terms of the Arrangement Agreement, the Consideration implies a value of C\$0.146 per Awakn Share which represents a 53.52% premium to the closing share price of the Awakn Shares on the CSE on December 13, 2024, the last trading day prior to the date of the announcement of the Arrangement and the date on which the trading of the Awakn Shares was halted and a 37.59% premium to the VWAP of Awakn Shares on the CSE over the 90 trading days ending on December 13, 2024.
- **Access to Capital.** The Arrangement will provide Awakn, through Solvonis' listing on LSE, with direct access to the London international capital markets and to a broader range of investors, including a range of institutional investors.
- **Fairness Opinion.** The Evans & Evans Fairness Opinion states that as of the date of the Arrangement Agreement, and subject to and based on the assumptions, limitations and qualifications described therein, the Arrangement is fair, from a financial point of view, to the Awakn Voting Securityholders. See "*Part II – The Arrangement – Evans & Evans Fairness Opinion*" in this Circular.

- **Supporting Awakn Securityholders.** The fact that each of the directors and officers of Awakn, in addition to certain other Awakn Voting Securityholders, representing, in aggregate, approximately 50.69% of the issued and outstanding Awakn Shares, and 50.58% of the total number of Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs, support the Arrangement and have agreed to vote, or use best efforts to cause to be voted, all of the Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs held or controlled by them in favour of the Arrangement Resolution. Of the Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs held by such Awakn Voting Securityholders, 24.41% of such securities are held by officers and/or directors of Awakn and 75.59% are held by Awakn Voting Securityholders who are neither officers nor directors of Awakn.
- **Future Development.** The risks and potential rewards associated with Awakn continuing to execute its business and strategic plan as an independent entity, as an alternative to the Arrangement, and that the Combined Company will be better positioned to pursue a growth and value maximizing strategy as compared with Awakn on a standalone basis, as a result of the Combined Company's larger market capitalization, increased technical expertise, asset diversification, increased financial capacity and enhanced access to capital over the long term and the likelihood of increased investor interest and access to business development opportunities due to the Combined Company's larger market presence.
- **Preferred Strategic Alternative.** The Board and the Special Committee considered a number of alternative strategic courses of action. As part of its regular review of strategic alternatives, Awakn, along with its financial and legal advisors, considered potential transactions with other strategic parties and reviewed a number of potential project financing alternatives. Ultimately, the Arrangement was determined to be the most favourable transaction for maximizing Awakn Securityholder value.
- **Negotiated Transaction.** The Arrangement Agreement is the result of a comprehensive arm's length negotiation process, overseen by the Special Committee, with respect to the key elements of the Arrangement Agreement and the Plan of Arrangement, which includes terms and conditions that are reasonable in the judgment of the Special Committee.
- **Ability to Respond to Unsolicited Superior Proposals.** Subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited bona fide written proposal that, having regard to all of its terms and conditions, if consummated in accordance with its terms, could reasonably be expected to lead to a Superior Proposal. The amount of the Termination Fee payable in certain circumstances, being C\$1,000,000, would not, in the view of the Special Committee, preclude a third party from potentially making a Superior Proposal.
- **Fairness of the Conditions.** The Arrangement Agreement provides for certain conditions to completion of the Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied in the judgment of the Special Committee and the Board.
- **Due Diligence.** Awakn's due diligence review and investigations of the business, operations, financial condition, products, strategy and future prospects of Solvonis.
- **Impact on Stakeholders.** The impact of the Arrangement on all stakeholders in Awakn, including Awakn Securityholders, employees and the long-term interests of Awakn.
- **Securityholder Approval.** The Arrangement Resolution must be approved by at least (i) 66 2/3% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66 2/3% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting.
- **Court Approval.** The Arrangement must be approved by the Court, which will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement to the Awakn Voting Securityholders.

- **Dissent Rights.** The terms of the Plan of Arrangement provide that Registered Shareholders as at the close of business on the Record Date have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Awakn Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Plan of Arrangement and the Final Order (as described in the Plan of Arrangement). The Dissent Rights with respect to the Arrangement must be strictly complied with in order for Registered Shareholders to receive cash representing the fair value of their Awakn Shares held.

The Board and the Special Committee also considered a number of other factors and risks relating to the Arrangement including:

- The challenges inherent in combining the Parties' businesses.
- The risk that expected benefits to the Combined Company are not realized.
- The risk that changes in Law or regulation could adversely impact the expected benefits of the Arrangement to Awakn, Awakn Securityholders and other stakeholders.
- The risk that the Solvonis Consideration Shares to be issued as consideration are based on a fixed exchange ratio and will not be adjusted based on fluctuations in the market value of Awakn Shares or Solvonis Consideration Shares.
- The potential risk of diverting management's attention and resources from the operation of Awakn's business, including other strategic opportunities and operational matters, while working toward the completion of the Arrangement.
- The potential negative effect of the pendency of the Arrangement on Awakn's business, including its relationships with employees, suppliers, customers and communities in which it operates.
- The potential adverse impact that business uncertainty pending the completion of the Arrangement could have on Awakn's ability to attract, retain and motivate key personnel until the completion of the Arrangement.
- The risk that the Arrangement may not be completed despite the Parties' efforts or that completion of the Arrangement may be unduly delayed, even if Awakn Securityholder Approval is obtained, including the possibility that other conditions to the Parties' obligations to complete the Arrangement may not be satisfied, and the potential resulting negative impact this could have upon Solvonis' business.
- The limitations contained in the Arrangement Agreement on Awakn's ability to solicit additional interest from third parties, given the nature of the deal protections and "fiduciary out" in the Arrangement Agreement.
- The fact that if the Arrangement Agreement is terminated and the Board decides to seek another transaction or business combination, it may be unable to find a party willing to pay greater or equivalent value compared to the Consideration payable to the Awakn Securityholders under the Arrangement.
- The restrictions on the conduct of Awakn's business prior to the completion of the Arrangement, which could delay or prevent Awakn from undertaking business opportunities that may arise pending completion of the Arrangement.
- The fact that Awakn has incurred and will continue to incur significant transaction costs and expenses in connection with the Arrangement, regardless of whether the Arrangement is completed.
- The fact that Awakn may have to pay Solvonis the Termination Fee if the Arrangement is not completed in certain circumstances.

The Board and the Special Committee also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the headings "*Part II — The Arrangement — Risk Factors Related to the Arrangement*" and "*Part II — The Arrangement — Risk Factors Related to the Operations of the Combined Company*". The Board and the Special Committee believed that overall, the anticipated benefits of the Arrangement to Awakn outweighed these risks and negative factors.

The above discussion of the information and factors considered by the Board and the Special Committee is not intended to be exhaustive, but is believed by the Board and the Special Committee to include the material factors considered by the Board and the Special Committee in its respective assessment of the Arrangement. In view of the wide variety of factors considered by the Board and the Special Committee in connection with its assessment of the Arrangement and the complexity of such matters, the Board and the Special Committee did not consider it practical, nor did it attempt, to quantify, rank or otherwise assign relative weights to the foregoing factors that it considered in reaching its decision. In addition, in considering the factors described above, individual members of the Board and the Special Committee may have given different weights to various factors and may have applied different analyses to each of the material factors considered by the Board and the Special Committee.

Fairness Opinion

Evans & Evans Opinion

Awakn engaged Evans & Evans to act as a financial advisor in connection with the Arrangement. In connection with Evans & Evans' engagement, Evans & Evans was requested to provide the Special Committee with an opinion as to the fairness to the Awakn Voting Securityholders, from a financial point of view, of the Arrangement. In connection with this mandate, Evans & Evans has prepared the Evans & Evans Fairness Opinion. The Evans & Evans Fairness Opinion states that, based upon and subject to the assumptions, limitations and qualifications set forth therein, Evans & Evans is of the opinion that, as of February 22, 2025, the Arrangement is fair, from a financial point of view, to the Awakn Voting Securityholders. The Evans & Evans Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety. The full text of the Evans & Evans Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Evans & Evans Fairness Opinion, is attached as appendix E to this Circular.

Awakn Voting Securityholders are urged to, and should, read the Evans & Evans Fairness Opinion in its entirety. The summary of the Evans & Evans Fairness Opinion in this Circular is qualified in its entirety by reference to the full text of the Evans & Evans Fairness Opinion. The Evans & Evans Fairness Opinion is not an opinion or recommendation as to how any Awakn Voting Securityholder should vote or act in connection with the Arrangement or any other related matter or any other transactions.

The Evans & Evans Fairness Opinion is necessarily based on economic, market and other conditions as of the date of the Evans & Evans Fairness Opinion, and the written and oral information made available to Evans & Evans until the date of the Evans & Evans Fairness Opinion. Although subsequent developments may affect the conclusions of the Evans & Evans Fairness Opinion, Evans & Evans has no obligation to update, revise or reaffirm the Evans & Evans Fairness Opinion.

The Evans & Evans Fairness Opinion was only one of many factors taken into consideration by the Board and the Special Committee in their evaluation of the Arrangement and should not be viewed as determinative of the views of the Board, the Special Committee's or Awakn's management with respect to the Arrangement or the Consideration provided for pursuant to the Arrangement.

Neither Evans & Evans nor any of its affiliates or associates is an insider, associate or affiliate (as such terms are defined in the applicable Canadian Securities Laws) of Awakn or Solvonis or any of their respective associates or affiliates.

For its financial advisory services to the Special Committee in connection with the Arrangement, Awakn has agreed to pay to Evans & Evans a flat fee for the Evans & Evans Fairness Opinion which was not contingent upon the conclusions presented in the Evans & Evans Fairness Opinion. In addition, Awakn has agreed to reimburse Evans & Evans for its reasonable out-of-pocket expenses in connection with the Evans & Evans Fairness Opinion.

The Board urges Awakn Voting Securityholders to read the Evans & Evans Fairness Opinion in its entirety. See appendix E to this Circular, "*Opinion of Evans & Evans, Inc.*".

Risk Factors Related to the Arrangement

The completion of the Arrangement involves risks. In addition to the risk factors discussed throughout the Awakn AIF, which risk factors are specifically incorporated by reference into this Circular, and the risk factors described in appendix F, "*Additional Information Concerning Awakn Life Sciences Corp. — Risk Factors*", appendix G, "*Information Concerning Solvonis Therapeutics PLC (formerly, Graft Polymer (UK) Plc) — Risk Factors*" and appendix H, "*Information Concerning the Combined Company — Risk Factors*" appended to this Circular, the following are additional and supplemental risk factors which Awakn Voting Securityholders should carefully consider before making a decision regarding approving the Arrangement Resolution. Readers are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to Awakn or Solvonis, may also adversely affect Awakn or Solvonis prior to completion of the Arrangement, or the Combined Company.

The Arrangement is subject to satisfaction or waiver of various conditions

Completion of the Arrangement is subject to, among other things, the approval of the Court and Awakn Securityholder Approval, all of which may be outside the control of both Awakn and Solvonis. There can be no assurance that these conditions will be satisfied or that the Arrangement will be completed as currently contemplated or at all. If, for any reason, the Arrangement is not completed or its completion is substantially delayed, the market price of Awakn Shares or Solvonis Shares may be materially adversely affected. In such events, Awakn's or Solvonis' business, financial condition or results of operations could also be subject to material adverse consequences.

It is also a condition of closing the Arrangement that the Solvonis Consideration Shares be admitted to the equity shares (transition) category of the FCA's Official List and to trading on the Main Market for listed securities of the LSE.

Awakn Shareholders will receive a fixed number of Solvonis Consideration Shares

Awakn Shareholders will receive a fixed number of Solvonis Consideration Shares under the Arrangement, rather than a variable number of Solvonis Consideration Shares with a fixed relative market value. As the number of Solvonis Consideration Shares to be received in respect of each Awakn Share under the Arrangement will not be adjusted to reflect any change in the relative market value of Solvonis Shares, the number of Solvonis Consideration Shares received by Awakn Shareholders under the Arrangement may vary significantly from the relative market value of Solvonis Shares expressed at the dates referenced in this Circular. There can be no assurance that the relative market price of Solvonis Shares on the Effective Date will be the same or similar to the relative market price of such Solvonis Shares on the date of the Awakn Meeting. The underlying cause of any such change in relative market price may not constitute a Solvonis Material Adverse Effect or an Awakn Material Adverse Effect, the occurrence of which in respect of a Party could entitle the other Party to terminate the Arrangement Agreement, or otherwise entitle either Party to terminate the Arrangement Agreement. Many of the factors that affect the market price of the Solvonis Shares are beyond the control of Awakn or Solvonis. These factors include fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations. There can also be no assurance that the trading price of the Solvonis Shares will not decline following the completion of the Arrangement.

The Arrangement Agreement may be terminated in certain circumstances

Each of Awakn and Solvonis has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can either of Awakn or Solvonis provide any assurance, that the Arrangement will not be terminated by either Awakn or Solvonis before the completion of the Arrangement. For instance, Awakn has the right, in certain circumstances, to terminate the Arrangement Agreement if there is a Solvonis Material Adverse Effect. Conversely, Solvonis has the right, in certain circumstances, to terminate the Arrangement Agreement if there is an Awakn Material Adverse Effect. There is no assurance that an Awakn Material Adverse Effect will not occur before the Effective Date, in which case Solvonis could elect to terminate the Arrangement Agreement and the Arrangement would not proceed. The Arrangement Agreement also contemplates the Termination Fee payable to Solvonis by Awakn if the Arrangement Agreement is terminated in certain circumstances. Failure to complete the

Arrangement could negatively impact the trading price of the Awakn Shares or otherwise adversely affect the business of Awakn.

While the Arrangement is pending, Awakn is restricted from pursuing alternatives to the Arrangement and taking certain other actions

Under the Arrangement Agreement, Awakn is restricted, subject to certain limited exceptions, from making, initiating, soliciting or knowingly encouraging or facilitating (including by way of furnishing or affording access to confidential information or any site visit), any inquiry, proposal or offer with respect to an Acquisition Proposal or that could reasonably be expected to constitute or lead to an Acquisition Proposal. In addition, the Arrangement Agreement restricts Awakn from taking specified actions until the Arrangement is completed without the consent of Solvonis which may adversely affect the ability of Awakn to execute certain business strategies, including, but not limited to, the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. These restrictions may prevent Awakn from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement. If the Arrangement is not completed for any reason, the announcement of the Arrangement, the dedication of Awakn's resources to the completion thereof and the restrictions that were imposed on Awakn under the Arrangement Agreement may have an adverse effect on the current future operations, financial condition and prospects of Awakn as a standalone entity.

Awakn will incur costs even if the Arrangement is not completed, including various expenses incurred in connection with the Arrangement, and may have to pay to Solvonis the Termination Fee

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Awakn even if the Arrangement is not completed. Awakn is liable for its own costs incurred in connection with the Arrangement. Awakn and Solvonis have also incurred and expect to incur additional material non-recurring expenses in connection with the Arrangement and completion of the transactions contemplated by the Arrangement Agreement, including costs related to obtaining required shareholder and court approvals. In addition, if the Arrangement is not completed, Awakn may be required to pay Solvonis the Termination Fee in certain circumstances.

If the Arrangement is not consummated by the Outside Date, either Awakn or Solvonis may elect not to proceed with the Arrangement

If the Arrangement has not been completed by the Outside Date and the Parties do not mutually agree to extend the Outside Date, the Party that is not the principal cause of the delay has the right to terminate the Arrangement Agreement.

The Termination Fee payable by Awakn to Solvonis under the Arrangement Agreement if the Arrangement is terminated in certain circumstances may discourage other parties from attempting to acquire Awakn

Under the Arrangement Agreement, Awakn would be required to pay a Termination Fee of C\$1,000,000 if the Arrangement Agreement is terminated in certain circumstances. This Termination Fee may discourage other parties from attempting to make an Acquisition Proposal to Awakn, even if those parties would otherwise be willing to offer greater value to Awakn Voting Securityholders than that offered by Solvonis under the Arrangement.

Awakn and Solvonis may be the targets of legal claims, securities class actions, derivative lawsuits and other claims and any such claims may delay or prevent the Arrangement from being completed

Awakn and Solvonis may be the target of securities class actions and derivative lawsuits which could result in substantial costs and may delay or prevent the Arrangement from being completed. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into an agreement to acquire a public company or to be acquired. Third parties may also attempt to bring claims against Awakn and Solvonis seeking to restrain the Arrangement or seeking monetary compensation or other remedies. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Arrangement, then that injunction may delay or prevent the Arrangement from being completed.

Uncertainty surrounding the Arrangement could adversely affect Awakn's or Solvonis' retention of suppliers and personnel and could negatively impact future business and operations

The Arrangement is dependent upon satisfaction of various conditions, and as a result its completion is subject to uncertainty. In response to this uncertainty, Awakn's suppliers may delay or defer decisions concerning Awakn. Any change, delay or deferral of those decisions by suppliers could negatively impact the business, operations and prospects of Awakn, regardless of whether the Arrangement is ultimately completed, or of Solvonis if the Arrangement is completed. Similarly, current and prospective employees of Awakn may experience uncertainty about their future roles with Solvonis until Solvonis' strategies with respect to such employees are determined and announced. This may adversely affect Awakn's ability to attract or retain key employees in the period until the Arrangement is completed or thereafter.

The pending Arrangement may divert the attention of Awakn's management

The pendency of the Arrangement could cause the attention of Awakn's management to be diverted from the day-to-day operations and suppliers may seek to modify or terminate their business relationships with either party. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of Awakn regardless of whether the Arrangement is ultimately completed, or of Solvonis if the Arrangement is completed.

Awakn directors and officers may have interests in the Arrangement different from the interests of Awakn Securityholders following completion of the Arrangement

Certain of the directors and Senior Officers of Awakn negotiated the terms of the Arrangement Agreement, and the Board, with Mr. Tennyson recusing himself from the vote, has unanimously recommended that Awakn Voting Securityholders vote in favour of the Arrangement. These directors and Senior Officers may have interests in the Arrangement that are different from, or in addition to, those of Awakn Voting Securityholders generally. Awakn Voting Securityholders should be aware of these interests when they consider the Board's unanimous recommendation to the Awakn Voting Securityholders. The Board and the Special Committee were aware of, and considered, these interests when it made its unanimous recommendation to the Awakn Voting Securityholders.

The issue of a significant number of Solvonis Shares and a resulting "market overhang" could adversely affect the market price of the Solvonis Shares after completion of the Arrangement

On completion of the Arrangement, a significant number of additional Solvonis Shares will be issued and available for trading in the public market. The increase in the number of Solvonis Shares may lead to sales of such Solvonis Shares or the perception that such sales may occur (commonly referred to as "market overhang"), either of which may adversely affect the market for, and the market price of, the Solvonis Shares.

Awakn has not verified the reliability of the information regarding Solvonis included in, or which may have been omitted from this Circular

Unless otherwise indicated, all historical information regarding Solvonis contained in this Circular, including all Solvonis financial information, has been derived from Solvonis' publicly disclosed information or provided by Solvonis. Although Awakn has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in Solvonis' publicly disclosed information, including the information about or relating to Solvonis contained in this Circular, could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect our operational and development plans and our results of operations and financial condition.

Risk Factors Related to the Operations of the Combined Company

There are risks related to the integration of Awakn's and Solvonis' existing businesses

The ability to realize the benefits of the Arrangement will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on Solvonis' ability to realize the anticipated growth opportunities, capital funding opportunities and operating synergies from integrating Awakn's and Solvonis' businesses following completion of the Arrangement. Many operational and strategic decisions

and certain staffing decisions with respect to the Combined Company have not yet been made. These decisions and the integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities of the Combined Company, and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect the ability of Solvonis, following completion of the Arrangement, to achieve the anticipated benefits of the Arrangement.

The consummation of the Arrangement may pose special risks, including one-time write-offs, restructuring charges and unanticipated costs. Although Awakn, Solvonis and their respective advisors have conducted due diligence on the various operations, there can be no guarantee that the Combined Company will be aware of any and all liabilities of Awakn or the Arrangement. As a result of these factors, it is possible that certain benefits expected from the combination of Awakn and Solvonis may not be realized. Any inability of management to successfully integrate the operations could have an adverse effect on the business, financial condition and results of operations of the Combined Company.

The trading price of the Solvonis Shares prior to the Effective Time and following the Effective Time may be volatile

The trading price of the Solvonis Shares has been and, following completion of the Arrangement, may be subject to, material fluctuations and may increase or decrease in response to a number of events and factors, including:

- current events affecting the economic situation in Canada, the UK and internationally;
- regulatory and/or government actions, rulings or policies;
- changes in financial estimates and recommendations by securities analysts or rating agencies;
- acquisitions and financings;
- the economics of current and future operations of Awakn and Solvonis;
- quarterly variations in operating results;
- the operating and share price performance of other companies, including those that investors may deem comparable;
- the issuance of additional equity securities by Awakn or Solvonis, as applicable, or the perception that such issuance may occur; and
- purchases or sales of blocks of Solvonis Shares.

The unaudited pro forma financial information of the Combined Company is presented for illustrative purposes only and may not be an indication of the Combined Company's financial condition or results of operations following the Arrangement

The unaudited *pro forma* financial information contained in this Circular is presented for illustrative purposes only as of its respective dates and may not be an indication of the financial condition or results of operations of the Combined Company for several reasons. The unaudited *pro forma* financial information has been derived from the respective historical financial statements of Awakn and Solvonis, and certain adjustments and assumptions made as of the dates indicated therein have been made to give effect to the Arrangement. The information upon which these adjustments and assumptions have been made is preliminary and these kinds of adjustments and assumptions are difficult to make with complete accuracy. See "Management Information Circular — Cautionary Notice Regarding Forward-Looking Statements and Information". Moreover, the unaudited *pro forma* financial information does not include, among other things, estimated cost or synergies, adjustments related to restructuring or integration activities, future acquisitions or disposals not yet known or probable, or impacts of Arrangement-related change of control provisions that are currently not factually supportable and/or probable of occurring. Therefore, the *pro forma* financial information is presented for informational purposes only and is not necessarily indicative of what the Combined Company's actual financial

condition or results of operations would have been had the Arrangement been completed on the date indicated. Accordingly, the combined business, assets, results of operations and financial condition may differ significantly from those indicated in the unaudited *pro forma* financial information, attached as appendix I, "*Combined Company Unaudited Pro Forma Financial Statements*" to this Circular.

Following completion of the Arrangement, the Combined Company may issue additional equity securities

Following completion of the Arrangement, the Combined Company may issue equity securities to finance its activities, including in order to finance acquisitions. If the Combined Company were to issue equity securities, a holder of Solvonis Consideration Shares may experience dilution in their shareholding in the Combined Company. Moreover, as the Combined Company's intention to issue additional equity securities becomes publicly known, the Combined Company's price may be materially adversely affected.

Failure by Awakn and Solvonis to comply with applicable Laws prior to the Arrangement could subject the Combined Company to penalties and other adverse consequences following completion of the Arrangement

Awakn is subject to various UK, U.S., Canadian and foreign anti-corruption laws and regulations including, but not limited to, the *Corruption of Foreign Public Officials Act* (Canada) and the *United States Foreign Corrupt Practices Act*. Solvonis is subject to various U.S., UK and foreign anti-corruption laws and regulations such as the UK *Bribery Act 2010* and the *United States Foreign Corrupt Practices Act*. Such Laws prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. In addition, such Laws require the maintenance of records relating to transactions and an adequate system of internal controls over accounting. There can be no assurance that either Party's internal control policies and procedures, compliance mechanisms or monitoring programs will protect it from recklessness, fraudulent behavior, dishonesty or other inappropriate acts or adequately prevent or detect possible violations under applicable anti-bribery and anti-corruption legislation. A failure by Solvonis or Awakn to comply with anti-bribery and anti-corruption legislation could result in severe criminal or civil sanctions, and may subject Solvonis to other liabilities, including fines, prosecution, potential debarment from public procurement and reputational damage, all of which could have an adverse effect on the business, consolidated results of operations and consolidated financial condition of Solvonis following completion of the Arrangement. Investigations by governmental authorities could have an adverse effect on the business, consolidated results of operations and consolidated financial condition of the Combined Company following completion of the Arrangement.

Awakn cannot predict the nature, scope, or effect of future regulatory requirements to which the Combined Company's operations might be subject to or the manner in which existing laws might be administered or interpreted. Failure by the Combined Company to comply with the applicable legislation and other similar foreign laws could expose it and its senior management to civil or criminal penalties, other sanctions, and remedial measures, legal expenses, and reputational damage, all of which could materially and adversely affect the business, financial condition, and results of operations of the Combined Company. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the business, financial condition, and results of operations of the Combined Company.

Solvonis and Awakn are also subject to a wide variety of Laws relating to the environment, health and safety, taxes, employment, labor standards, money laundering, terrorist financing and other matters in the jurisdictions in which they operate. A failure by either of Solvonis or Awakn to comply with any such Laws prior to the Arrangement could result in severe criminal or civil sanctions, and may subject Solvonis and Awakn to other liabilities, including fines, prosecution and reputational damage, all of which could have an adverse effect on the business, consolidated results of operations and consolidated financial condition of the Combined Company following completion of the Arrangement. The compliance mechanisms and monitoring programs adopted and implemented by either of Solvonis or Awakn prior to the Arrangement may not adequately prevent or detect possible violations of such applicable Laws. Investigations by governmental authorities could also have an adverse effect on the business, consolidated results of operations and consolidated financial condition of the Combined Company following completion of the Arrangement.

Recent and potential tariffs imposed by the U.S. or a global trade war could increase operational costs

The U.S. government has and continues to make significant changes in U.S. economic and trade policy and has taken certain actions that could negatively impact U.S. trade, including imposing tariffs on certain imported goods and prohibiting certain imports into the United States. There is a concern that the imposition of tariffs by the United States could result in the adoption of tariffs by other countries in retaliation leading to a global trade war. As of the date

hereof, tariffs have not had a material impact on Awakn's business or Solvonis' business. However, we cannot predict whether sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the United States and its trading partners, could result in a global economic slowdown. Any alterations to the business strategy of the Combined Company or operations made in order to adapt to or comply with any such global economic changes would be time-consuming and expensive which may have an adverse effect on the business and financial condition of the Combined Company.

Effect of the Arrangement

Effect on Awakn Shares

If completed, the Arrangement will result in the issue, at the Effective Time, of the Solvonis Consideration Shares for the Awakn Shares held by Awakn Shareholders at the Effective Time (excluding Solvonis, any Subsidiary of Solvonis and Dissenting Awakn Shareholders). As at the close of business on March 10, 2025, there were 42,922,623 Awakn Shares outstanding (on a non-diluted basis) and, as of the close of business on the Record Date it is expected that there will be 42,922,623 Awakn Shares outstanding (on a non-diluted basis) which, in connection with the completion of the Arrangement, will be exchanged for 2,074,378,592 Consideration Shares (assuming that there are no Dissenting Awakn Shareholders and assuming no Awakn Shares are issued pursuant to the exercise of Awakn Options or Awakn Warrants prior to the Effective Time).

If completed, the Arrangement will result in Solvonis becoming the owner of all of the Awakn Shares on the Effective Date and Awakn becoming a wholly-owned Subsidiary of Solvonis.

Assuming that there are no Dissenting Awakn Shareholders and assuming no Awakn Shares are issued pursuant to the exercise of Awakn Options or Awakn Warrants prior to the Effective Time, there will be, immediately following the completion of the Arrangement, but prior to the issue of the Solvonis Financing Shares, approximately 4,370,309,225 Solvonis Shares issued and outstanding. Immediately following completion of the Arrangement, but prior to the issue of the Solvonis Financing Shares: (i) Former Awakn Shareholders together with Awakn Stock Unit Holders are expected to hold approximately 2,074,378,592 Solvonis Shares, representing approximately 47.47% of the issued and outstanding Solvonis Shares; and (ii) existing Solvonis Shareholders are expected to hold approximately 2,295,930,633 Solvonis Shares, representing approximately 52.53% of the issued and outstanding Solvonis Shares, in each case on a non-diluted basis based on the number of securities of Solvonis and Awakn issued and outstanding as of the date of this Circular.

Effect on Awakn Warrants

Pursuant to the terms of the Arrangement Agreement, if the Arrangement Resolution is approved at the Awakn Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to completion of the Arrangement are satisfied or waived, then, commencing and effective as at the Effective Time, in the order of the sequence of events and transactions set out in the Plan of Arrangement, each Awakn Warrant outstanding immediately prior to the Effective Time will be transferred to Solvonis in exchange for a Solvonis Warrant to purchase from Solvonis such number of Solvonis Shares (rounded down to the nearest whole number) equal to (A) the Exchange Ratio, multiplied by (B) the number of Awakn Shares purchasable by such Awakn Warrant immediately prior to the Effective Time, at an exercise price per Solvonis Share (rounded up to the nearest whole cent) equal to (M) the exercise price per Awakn Share otherwise purchasable pursuant to such Awakn Warrant immediately prior to the Effective Time, divided by (N) the Exchange Ratio. Except as set out above, all other terms and conditions of the Solvonis Warrant, including the conditions to and manner of exercising, will be the same as the Awakn Warrant so exchanged, and shall be governed by the terms of the Solvonis Warrant Certificate.

As at the close of business on March 10, 2025, there were 15,073,178 Awakn Warrants outstanding and, as of the close of business on the Record Date, it is expected that there will be 15,073,178 Awakn Warrants outstanding which, in connection with the completion of the Arrangement, will be cancelled in exchange for the issue to the Awakn Warrantholders of 703,465,217 Solvonis Warrants.

Effect on Awakn RSUs and Awakn DSUs

Pursuant to the terms of the Arrangement Agreement, each Awakn Stock Unit Holder will receive, upon the closing of the Arrangement, approximately 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for

every one Awakn Stock Unit in consideration for the transfer of the Awakn Stock Unit Holders' entire interest in the Awakn Stock Units to Solvonis.

As at the close of business on March 10, 2025, there were 998,300 Awakn RSUs outstanding and, as of the close of business on the Record Date, it is expected that there will be 998,300 Awakn RSUs outstanding which, in connection with the completion of the Arrangement, will be cancelled in exchange for the issue to the Awakn RSU Holders of 46,590,661 Consideration Shares.

As at the close of business on March 10, 2025, there were 526,872 Awakn DSUs outstanding and, as of the close of business on the Record Date, it is expected that there will be 526,872 Awakn DSUs outstanding which, in connection with the completion of the Arrangement, will be cancelled in exchange for the issue to the Awakn DSU Holders of 24,589,116 Consideration Shares.

Effect on Awakn Options

As a condition of closing the Arrangement, each Awakn Optionholder has agreed to the cancellation of such Awakn Optionholder's Awakn Options, which cancellation will occur immediately prior to the Effective Time for no consideration.

As at the close of business on March 10, 2025, there were 1,784,828 Awakn Options outstanding and, as of the close of business on the Record Date, it is expected that there will be 1,784,828 Awakn Options outstanding which, in connection with the completion of the Arrangement, will be cancelled for no consideration.

Change of Control Provisions

The Arrangement will constitute a change of control for the purposes of certain consulting agreements entered into by Awakn with their executive officers pursuant to which those officers may receive change of control payments or other benefits. All of the officers of Awakn who have employment or consulting agreements that provide for change of control payments in the event of termination of their roles under certain circumstances have waived their right to such payments in connection with the Arrangement. See appendix F, "*Additional Information Concerning Awakn Life Sciences Corp. – Statement of Executive Compensation – Employment, Consulting and Management Agreements*" and "*Part II – The Arrangement – Interests of Certain Persons in the Arrangement – Change of Control Provisions*" in this Circular for further information.

Corporate Structure

Upon completion of the Arrangement, Solvonis will continue to be a corporation incorporated under and governed by the laws of England and Wales and will own all of the Awakn Shares. Pursuant to the Plan of Arrangement, Awakn Shareholders (other than Solvonis, any Subsidiary of Solvonis and Dissenting Awakn Shareholders) will receive Solvonis Consideration Shares in exchange for their Awakn Shares and will become shareholders of Solvonis and Awakn will become a wholly-owned Subsidiary of Solvonis.

The rights of Awakn Shareholders are currently governed by the BCBCA and by the articles of Awakn and the Notice of Articles. Upon completion of the Arrangement, the rights of the Former Awakn Shareholders, as shareholders of Solvonis, will be governed by the laws of England and Wales.

This summary is not intended to be exhaustive and Awakn Voting Securityholders should consult their legal advisors regarding all of the implications of the effects of the Arrangement on such Awakn Voting Securityholders' rights.

For further information regarding Solvonis after the completion of the Arrangement, being the Combined Company, please see appendix H to this Circular, "*Information Concerning the Combined Company*".

Details of the Arrangement

General

On February 22, 2025, Solvonis and Awakn entered into the Arrangement Agreement pursuant to which, among other things, Solvonis has agreed to acquire all of the issued and outstanding Awakn Shares, Awakn Warrants and Awakn

Stock Units. The Arrangement will be effected pursuant to a court-approved Plan of Arrangement under the BCBCA. The Parties intend to rely upon the Section 3(a)(10) Exemption with respect to the issue of the Solvonis Consideration Shares and the Solvonis Warrants pursuant to the Arrangement.

If completed, the Arrangement will result in Solvonis acquiring all of the issued and outstanding Awakn Shares, Awakn Warrants and Awakn Stock Units on the Effective Date. Pursuant to the Plan of Arrangement, at the Effective Time, Awakn Shareholders (excluding Solvonis, Subsidiaries of Solvonis and Dissenting Awakn Shareholders) will receive 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for each Awakn Share held at the Effective Time, each Awakn Warrantholder will receive one Solvonis Warrant for each Awakn Warrant held having the same attributes as the Awakn Warrants and each Awakn Stock Unit Holder will receive 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for each Awakn Stock Unit held.

For further information in respect of the Combined Company, see Appendix H to this Circular, "*Information Concerning the Combined Company*".

Arrangement Steps

If the Arrangement Resolution is approved at the Awakn Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing and effective as at the Effective Time.

The Arrangement involves a number of steps, which will be deemed to occur sequentially commencing at the Effective Time without any further act or formality except as expressly provided in the Plan of Arrangement. The following description of the steps of the Plan of Arrangement is qualified in its entirety by the full text of the Plan of Arrangement which is attached as appendix D to this Circular.

In particular, commencing at the Effective Time on the Effective Date, each of the events set out below shall occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality of or by Awakn or Solvonis or any other person:

- (a) each Awakn Share held by a Dissenting Awakn Shareholder in respect of which Dissent Rights have been validly exercised shall be, and shall be deemed to be, transferred by the holder thereof, free and clear of all Liens, to Solvonis for the amount therefor determined under article 4 of the Plan of Arrangement, and: (i) the name of such Dissenting Awakn Shareholder shall be removed from the register of the Awakn Shareholders maintained by or on behalf of Awakn and each such Awakn Share shall be cancelled and cease to be outstanding; (ii) such Dissenting Awakn Shareholder shall cease to be the holder of each such Awakn Share or to have any rights as an Awakn Shareholder other than the right to be paid the fair value for each such Awakn Share as set out in article 4 of the Plan of Arrangement; and (iii) Solvonis shall be, and shall be deemed to be, the transferee of such Awakn Shares, free and clear of all Liens, and shall be entered in the register of the Awakn Shareholders maintained by or on behalf of Awakn as the holder of such Awakn Shares;
- (b) each Awakn Share, (other than any Awakn Share held by a Dissenting Awakn Shareholder who has validly exercised their Dissent Right) shall be, and shall be deemed to be transferred by the holder thereof, free and clear of all Liens, to Solvonis and, in consideration therefor, Solvonis shall issue and pay the Solvonis Consideration Shares for each Awakn Share, subject to section 3.03 of the Plan of Arrangement and article 5 of the Plan of Arrangement, and: (i) the holders of such Awakn Shares shall cease to be the holders of such Awakn Shares and to have any rights as holders of such Awakn Shares, other than the right to be issued the Solvonis Consideration Shares by Solvonis in accordance with the Plan of Arrangement; (ii) such holders' names shall be removed from the register of the Awakn Shareholders maintained by or on behalf of Awakn; and (iii) Solvonis shall be, and shall be deemed to be, the transferee of such Awakn Shares, free and clear of all Liens, and shall be entered in the register of the Awakn Shareholders maintained by or on behalf of the Awakn as the holder of such Awakn Shares;
- (c) each Awakn RSU outstanding immediately prior to the Effective Time, whether vested or unvested, shall be cancelled and, in consideration therefor, Solvonis shall issue and pay the Solvonis Consideration Shares for each Awakn RSU, subject to section 3.03 of the Plan of Arrangement and

article 5 of the Plan of Arrangement, and the holders Awakn RSU shall cease to be the holders of such Awakn RSUs and to have any rights as holders of such Awakn RSUs, other than the right to be issued the Solvonis Consideration Shares by Solvonis in accordance with the Plan of Arrangement;

- (d) each Awakn DSU outstanding immediately prior to the Effective Time, whether vested or unvested, shall be cancelled and, in consideration therefor, Solvonis shall issue and pay the Solvonis Consideration Shares for each Awakn DSU, subject to section 3.03 and article 5 of the Plan of Arrangement, and the holders of Awakn DSUs shall cease to be the holders of such Awakn DSUs and to have any rights as holders of such Awakn DSUs, other than the right to be issued the Solvonis Consideration Shares by Solvonis in accordance with the Plan of Arrangement; and
- (e) each Awakn Warrant outstanding immediately prior to the Effective Time, shall be transferred to Solvonis in exchange for a Solvonis Warrant to purchase from Solvonis such number of Solvonis Shares (rounded down to the nearest whole number) equal to: (A) the Exchange Ratio, multiplied by (B) the number of Awakn Shares purchasable by such Awakn Warrant immediately prior to the Effective Time, at an exercise price per Purchaser Share (rounded up to the nearest whole cent) equal to (M) the exercise price per Awakn Share otherwise purchasable pursuant to such Awakn Warrant immediately prior to the Effective Time, divided by (N) the Exchange Ratio. Except as set out above, all other terms and conditions of the Solvonis Warrant, including the conditions to and manner of exercising, will be the same as the Awakn Warrant so exchanged, and shall be governed by the terms of the Solvonis Warrant Certificate.

The exchanges, transfers and cancellations provided for in paragraphs (a) to (e) above will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

For full particulars in respect of all of the events which will occur pursuant to the Plan of Arrangement, see the full text of the Plan of Arrangement which is attached as appendix D to this Circular.

Solvonis Voting Agreement

The following summarizes material provisions of the Solvonis Voting Agreements. This summary may not contain all information about the Solvonis Voting Agreements that is important to Awakn Voting Securityholders. The rights and obligations of the parties thereto are governed by the express terms and conditions of the Solvonis Voting Agreements and not by this summary or any other information contained in this Circular. Awakn Voting Securityholders are urged to read the form of Solvonis Voting Agreement carefully in their entirety, as well as this Circular, before making any decisions regarding the Arrangement. This summary is qualified in its entirety by reference to the form of the Solvonis Voting Agreement, which has been filed by Awakn on its SEDAR+ profile at www.sedarplus.ca.

On February 22, 2025, each of the directors and officers of Awakn and certain other Awakn Voting Securityholders (collectively, the "**Supporting Awakn Securityholders**" and each, a "**Supporting Awakn Securityholders**") entered into a Solvonis Voting Agreement with Solvonis. As at the close of business on February 22, 2025, the Supporting Awakn Securityholders who entered into Solvonis Voting Agreements collectively owned, directly or indirectly, or exercised control or direction over, an aggregate of 21,758,034 Awakn Shares issued or issuable prior to the Record Date, an aggregate of 7,020,099 Awakn Warrants issued and an aggregate of 1,325,172 Awakn Stock Units issued. As at the close of business on February 22, 2025, there were 42,922,623 Awakn Shares issued or issuable prior to the Record Date, 1,784,828 Awakn Warrants issued and expected to be outstanding as of the Record Date and 1,525,172 Awakn Stock Units issued and expected to be outstanding as of the Record Date. Accordingly, Awakn Shareholders holding 50.69% of the Awakn Shares, issued or issuable prior to the Record Date, on a non-diluted basis and Awakn Voting Securityholders holding 50.58% of the Awakn Shares, issued or issuable prior to the Record Date, Awakn Warrants issued and expected to be outstanding as of the Record Date and Awakn Stock Units issued and expected to be outstanding as of the Record Date entered into Solvonis Voting Agreements.

The Solvonis Voting Agreements set forth, among other things, the agreement of the Supporting Awakn Securityholders:

- (a) to vote or to cause to be voted all voting rights attaching to the Awakn Shares, the Awakn Warrants and Awakn Stock Units held by such Supporting Awakn Securityholder (collectively the "**Subject Securities**") in favour of the Arrangement and any other matter necessary or advisable for the consummation of the Arrangement or otherwise to promote the success thereof, at any meeting of securityholders of Awakn held to consider the Arrangement or any adjournment or postponement thereof, including in connection with any combined or separate vote of any sub-group of securityholders of Awakn that may be required to be held and of which sub-group the Awakn Securityholder forms part (each an "**Awakn Meeting**");
- (b) to vote or cause to be voted all voting rights attaching to the Subject Securities against any resolution proposed at any meeting of securityholders of Awakn (including any adjournment or postponement thereof) that is in support of any Acquisition Proposal, or any action, agreement, transaction or proposal that might otherwise reasonably be expected to frustrate or impede the consummation of the Arrangement in accordance with the terms of the Arrangement Agreement, or that would result in a breach of any representation, warranty, covenant, agreement or other obligation of the Supporting Awakn Securityholder in the Solvonis Voting Agreement;
- (c) as soon as practicable and at least ten days prior to the deadline for the delivery of proxies in relation to any Awakn Meeting, to deliver or to cause to be delivered to Awakn (with a copy to Solvonis), a duly executed proxy or proxies directing the holder of such proxy or proxies to vote in favour of the Arrangement, or other similar arrangements to the extent the Subject Securities are held through a broker or other intermediary, and not to amend or revoke such proxy or proxies;
- (d) to revoke any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the matters set forth in the Solvonis Voting Agreement;
- (e) not to exercise any Dissent Rights in connection with the Arrangement;
- (f) not to intentionally take any action that may reasonably be expected to in any way adversely affect, or delay or interfere with, the successful completion of the Arrangement;
- (g) not to, directly or indirectly, (i) make or participate in or take any action that may reasonably be expected to result in an Acquisition Proposal, or (ii) engage in any discussion, negotiation or inquiries relating thereto, or accept, assist or otherwise further the successful completion of any Acquisition Proposal;
- (h) not to, directly or indirectly, sell, transfer, gift, pledge, encumber, grant any option over, assign or otherwise dispose of, or agree to sell, transfer, gift, pledge, encumber, grant any option over or assign any of the Subject Securities or any interest therein, without the prior written consent of Solvonis;
- (i) not to grant any proxies or power of attorney, deposit any of its Subject Securities into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to its Subject Securities, other than pursuant to the Solvonis Voting Agreement, or agree to take any of such actions; and
- (j) not, directly or indirectly, or, if applicable, through any officer, director, employee, representative or agent of the Supporting Awakn Securityholder: (a) solicit, assist, initiate, encourage or facilitate (including, without limitation, by way of furnishing non-public information, entering into any form of written or oral agreement, arrangement or understanding or soliciting proxies) any inquiries, proposals or offers regarding an Acquisition Proposal; (b) engage in or facilitate any discussions or negotiations regarding, or provide any confidential information with respect to, any Acquisition Proposal; (c) approve or recommend, or propose publicly to approve or recommend, any Acquisition

Proposal; (d) tender or cause to be tendered any of its Subject Securities to any Acquisition Proposal; (e) withdraw support, or propose publicly to withdraw support, from the transactions contemplated by the Arrangement Agreement; (f) subject to section 8 of the Solvonis Voting Agreement, influence the Board to withdraw or modify in a manner adverse to Awakn or Solvonis its approval of the transactions contemplated in the Arrangement Agreement; (g) knowingly make any public comments or statements, written or verbal, in its capacity as an Awakn Securityholder, that are inconsistent with the obligations of the Supporting Awakn Securityholder under the Solvonis Voting Agreement; (h) enter, or propose publicly to enter, into any agreement related to any Acquisition Proposal; or (i) join in the requisition of any meeting of the securityholders of Awakn for the purpose of considering any resolution related to any Acquisition Proposal and/or any matter that could reasonably be expected to delay, prevent or frustrate the successful completion of the Arrangement or any of the transactions contemplated by the Arrangement Agreement.

Notwithstanding the above, pursuant to the Solvonis Voting Agreements, the Supporting Awakn Securityholder or a shareholder, officer or director of the Supporting Awakn Securityholder that is a director or officer of Awakn shall not be limited or restricted in any way whatsoever in the exercise of his or her fiduciary duties as a director or officer of Awakn, including, without limitation, in responding in his or her capacity as a director of Awakn to an Acquisition Proposal in the manner contemplated by the Arrangement Agreement, or that is otherwise permitted by, and done in compliance with, the terms of the Arrangement Agreement. Solvonis acknowledged and agreed under the Solvonis Voting Agreement that the Supporting Awakn Securityholder is not making any agreement or understanding under the Solvonis Voting Agreement in any capacity other than its capacity as an Awakn Securityholder.

The Solvonis Voting Agreements may terminate upon the earliest of: (a) the mutual written agreement of the parties to the Solvonis Voting Agreement, (b) the termination of the Arrangement Agreement in accordance with its terms, (c) any amendment of the Arrangement Agreement which would reduce the amount of or the form of the Consideration payable to the Supporting Awakn Securityholder under the Arrangement Agreement without the Supporting Awakn Securityholder's prior written consent, (d) the Effective Time, (e) the Outside Date, or (f) Solvonis terminating the Solvonis Voting Agreement by providing notice to the Shareholder if (i) any of the representations and warranties of the Supporting Awakn Securityholder in the Solvonis Voting Agreement shall not be true and correct in all material respects; or (ii) the Supporting Awakn Securityholder shall not have complied with its covenants to Solvonis contained in the Solvonis Voting Agreement.

The Arrangement Agreement

The following summarizes the material provisions of the Arrangement Agreement. This summary may not contain all of the information about the Arrangement Agreement that is important to Awakn Voting Securityholders. The rights and obligations of the Parties are governed by the express terms and conditions of the Arrangement Agreement and not by this summary or any other information contained in this Circular. This summary is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by Awakn on its SEDAR+ profile at www.sedarplus.ca. Capitalized terms not expressly defined herein have the meanings ascribed thereto in the Arrangement Agreement.

In reviewing the Arrangement Agreement and this summary, please remember that this summary has been included to provide Awakn Voting Securityholders with information regarding the terms of the Arrangement Agreement and is not intended to provide any other factual information about Awakn, Solvonis or any of their Subsidiaries or affiliates. The Arrangement Agreement contains representations and warranties and covenants by each of the Parties to the Arrangement Agreement, which are summarized below. These representations and warranties have been made solely for the benefit of the other Parties to the Arrangement Agreement and:

- were not intended as statements of fact, but rather as a way of allocating the risk to one of the Parties if those statements prove to be inaccurate;
- have been qualified by certain confidential disclosures that were made to the other Party in connection with the negotiation of the Arrangement Agreement, which disclosures are not reflected in the Arrangement Agreement; and

- may apply standards of materiality in a way that is different from what may be viewed as material by Awakn Securityholders or other investors or are qualified by reference to a Material Adverse Effect, or in the case of Awakn, by the Awakn Disclosure Letter, and in the case of Solvonis, by the Solvonis Disclosure Letter.

Moreover, information concerning the subject matter of the representations and warranties in the Arrangement Agreement and described below may have changed since February 22, 2025, the date of the Arrangement Agreement, and subsequent developments or new information may have been included in this Circular. Accordingly, the representations and warranties and other provisions of the Arrangement Agreement should not be read alone, but instead should be read together with the information provided elsewhere in this Circular and in the documents incorporated by reference into this Circular.

Representations and Warranties

Representations and Warranties of Awakn

The Arrangement Agreement contains representations and warranties made by Awakn to Solvonis which relate to, among other things: (a) directors' approvals relating to the Arrangement; (b) organization and qualification; (c) authority to enter into the Arrangement Agreement and perform Awakn's obligations thereunder; (d) except as disclosed in the Awakn Disclosure Letter, the execution and delivery of the Arrangement Agreement, the completion of the transactions contemplated by the Arrangement Agreement and the performance by Awakn of its obligations thereunder not (i) resulting in certain violations, conflicts or breaches, (ii) requiring any third party consent or approval to be obtained or notice to be given, or (iii) giving rise to any third party termination cancellation, suspension, acceleration, penalty or payment obligation; (e) regulatory approvals and consents; (f) capitalization; (g) ownership of Subsidiaries; (h) reporting issuer status, compliance with filing requirements in accordance with all applicable Securities Laws and absence of cease trade orders; (i) financial statements; (j) the accuracy of the books, records and accounts; (k) auditors; (l) minute books; (m) absence of undisclosed liabilities; (n) absence of certain material changes or events since October 31, 2024; (o) absence of any claims, actions, suits, grievances, complaints, proceedings, arbitrations, charges, audits, indictments or investigations; (p) tax related matters; (q) data privacy and security; (r) property matters; (s) sufficiency of assets; (t) enforceability, the performance of all obligations and absence of breaches under Awakn Material Contracts; (u) Authorizations and legal compliance; (v) compliance with Laws; (w) employment and labour matters; (x) intellectual property rights; (y) absence of related party transactions, other than as disclosed to Solvonis; (z) absence of brokerage fees in connection with the Arrangement; and (aa) insurance matters.

Representations and Warranties of Solvonis

The Arrangement Agreement contains certain representations and warranties made by Solvonis to Awakn which relate to, among other things: (a) directors' approvals relating to the Arrangement; (b) organization and qualification; (c) authority to enter into the Arrangement Agreement and perform Solvonis' obligations thereunder, including the issue of the Solvonis Consideration Shares and the Solvonis Shares issuable upon the exercise of the Solvonis Warrants; (d) the execution and delivery of the Arrangement Agreement, the completion of the transactions contemplated by the Arrangement Agreement and the performance by Solvonis of its obligations thereunder not (i) resulting in certain violations, conflicts or breaches, (ii) requiring any third party consent or approval to be obtained or notice to be given, or (iii) giving rise to any third party termination cancellation, suspension, acceleration, penalty or payment obligation; (e) regulatory approvals and consents; (f) capitalization; (g) the authorization for the issue of the Solvonis Consideration Shares and the Solvonis Shares issuable upon the exercise of the Solvonis Warrants and the listing thereof on the LSE; (h) ownership of Subsidiaries; (i) reporting issuer status, compliance with filing requirements in accordance with all applicable Securities Laws and absence of cease trade orders; (j) financial statements; (k) the accuracy of the books, records and accounts; (l) auditors; (m) minute books; (n) absence of undisclosed liabilities; (o) absence of certain material changes or events since December 31, 2023; (p) absence of any claims, actions, suits, grievances, complaints, proceedings, arbitrations, charges, audits, indictments or investigations; (q) tax related matters; (r) data privacy and security; (s) property matters; (t) sufficiency of assets; (u) enforceability, the performance of all obligations and absence of breaches under Solvonis Material Contracts; (v) Authorizations and legal compliance; (w) compliance with Laws; (x) employment and labour matters; (y) intellectual property rights; (z) no holdings of Awakn Shares; (aa) absence of brokerage fees in connection with the Arrangement except as disclosed in the Solvonis Disclosure Letter; and (bb) insurance matters.

Covenants

Solvonis and Awakn have agreed to certain covenants that will be in force between the date of the Arrangement Agreement and the Effective Time. Set forth below is a brief summary of certain of those covenants.

Conduct of Business of Awakn

Awakn covenanted and agreed that, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Agreement is terminated in accordance with its terms, except: (i) with the prior written consent of Solvonis not to be unreasonably withheld; (ii) as required or expressly permitted by the Arrangement Agreement or the Plan of Arrangement; (iii) as required by applicable Law; or (iv) as expressly contemplated by the Awakn Disclosure Letter, Awakn shall, and shall cause each of its Subsidiaries to, conduct its business in the ordinary course and in accordance with Laws, and Awakn shall use commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business organization, properties, employees, independent contractors, goodwill and business relationships with customers, suppliers, partners and other persons with which Awakn or any of its Subsidiaries has material business relations.

Without limiting the generality of the foregoing, Awakn covenanted and agreed that, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, except: (i) with the prior written consent of Solvonis not to be unreasonably withheld; (ii) as required or expressly permitted by the Arrangement Agreement or the Plan of Arrangement; (iii) as required by applicable Law; or (iv) as expressly contemplated in the correspondingly numbered paragraph in the Awakn Disclosure Letter, Awakn shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

- (a) amend or propose to amend its Constatng Documents, or, in the case of any Subsidiary which is not a corporation, its similar organizational documents, in any manner;
- (b) split, combine or reclassify any shares of its authorized share structure or declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) or amend any term of any outstanding debt security;
- (c) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares of its authorized share structure or the capital stock of its Subsidiaries;
- (d) issue, deliver, sell, pledge or otherwise encumber, or authorize the issuance, delivery, sale, pledge or other encumbrance of any shares of its authorized share structure or other equity or voting interests, including the capital stock of its Subsidiaries, or any options, warrants or similar rights exercisable or exchangeable for or convertible into such authorized share structure or other equity or voting interests, or other rights that are linked to the price or the value of Awakn Shares or other share capital of Awakn or any Subsidiary except for (i) the issuance of 1,000,000 Awakn Shares to the members of Awakn Board who have acted on the Special Committee in connection with the Arrangement (ii) the issuance of the David Nutt Shares; and (iii) the issuance of Awakn Shares issuable in connection with the exercise or settlement, as applicable, of any of the outstanding Awakn Options, Awakn RSUs, Awakn DSUs or Awakn Warrants;
- (e) amend, modify or waive the terms of any of its securities;
- (f) acquire or agree to acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, assets, securities, properties, interests or businesses or make any investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other person, or acquire any license rights;
- (g) sell, pledge, lease, transfer, license, mortgage, encumber or otherwise transfer or dispose of any of its assets or any interest in any such assets;
- (h) enter into any joint venture or similar agreement, arrangement or relationship;

- (i) make any capital expenditure or commitment to do so in excess of \$100,000;
- (j) prepay any obligation outside of the ordinary course or prepay long-term indebtedness before its scheduled maturity or increase, create, incur, assume or otherwise become liable for any indebtedness for borrowed money or guarantees thereof; excluding, however, routine advances to directors or officers of Awakn for expenses incurred in the ordinary course of business Awakn may receive additional funds under the previously executed promissory grid note;
- (k) make any loan or advance to, or any capital contribution or investment in, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of, any person other than a wholly-owned Subsidiary of Awakn in the ordinary course;
- (l) reduce the stated capital of any of its securities;
- (m) reorganize, amalgamate or merge Awakn or any Subsidiary or adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Awakn or any of its Subsidiaries;
- (n) grant any Lien (other than Permitted Liens) on any assets of Awakn or its Subsidiaries;
- (o) (i) make or rescind any material Tax election, amend, in any manner adverse to Awakn, any Tax Return, settle or compromise any material liability for Taxes or change or revoke any of its methods of Tax accounting, or (ii) take any action with respect to the computation of Taxes or the preparation of Tax Returns that is in any material respect inconsistent with past practice;
- (p) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or similar financial instruments;
- (q) make any bonus or profit-sharing distribution or similar payment of any kind;
- (r) make any change in Awakn's accounting methods, principles or practices, except as required by concurrent changes in IFRS or as required by a Governmental Entity;
- (s) grant any increase in the rate of wages, salaries, bonuses, fees or other remuneration, of any employee, director, officer or independent contractor of Awakn or any of its Subsidiaries, or accelerate the vesting of any securities of Awakn or any of its Subsidiaries;
- (t) (i) grant, increase or amend any notice of termination, severance, termination pay, change of control, retention, benefit or other entitlement to or of any current or former employee, director, officer or independent contractor of Awakn or any of its Subsidiaries; (ii) enter into any new agreement or arrangement with, or amend the terms of any existing agreement or arrangement with, any current or former employee, director, officer or independent contractor of Awakn or any of its Subsidiaries; (iii) adopt any new Employee Plan or any amendment or modification of an existing Employee Plan; (iv) increase any funding obligation or accelerate the timing of any funding contribution under any Employee Plan; (v) grant any equity, equity-based or similar awards; (vi) reduce or increase Awakn's or any of its Subsidiaries' work force except in the case of this clause (vi) in the ordinary course; or (vii) enter into any agreement or arrangement that limits or otherwise restricts in any material respect Awakn or any of its Subsidiaries or any successor thereto, or that would, after the Effective Time, limit or restrict in any material respect Awakn or any of its affiliates from competing in any manner;
- (u) enter into or amend any Contract with any broker, finder or investment banker;
- (v) cancel, waive, release, assign, settle or compromise any material claims or rights of Awakn or its Subsidiaries;
- (w) compromise or settle any litigation, proceeding or governmental investigation relating to the assets or the business of Awakn;

- (x) except in the ordinary course, amend or modify, or terminate or waive any right under, any Awakn Material Contract or enter into any contract or agreement that would be an Awakn Material Contract if in effect on the date hereof;
- (y) knowingly take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of rights under, any material Authorizations necessary to conduct its businesses as now conducted or as proposed to be conducted, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for material Authorizations;
- (z) enter into any Collective Agreement;
- (aa) except as contemplated in section 4.8 [Indemnification] of the Arrangement Agreement amend, modify or terminate any material insurance policy of Awakn or any Subsidiary in effect on the date of the Arrangement Agreement;
- (bb) abandon or fail to diligently pursue any ongoing application for any material licences, permits, Authorizations or registrations;
- (cc) grant or commit to grant an exclusive licence or otherwise transfer any Intellectual Property or exclusive rights in or in respect thereto that is material to Awakn and its Subsidiaries taken as a whole, other than in the ordinary course or to wholly-owned Subsidiaries;
- (dd) materially change its business or regulatory strategy;
- (ee) knowingly take any action or knowingly enter into any transaction (other than a transaction undertaken in the ordinary course of business or a transaction contemplated by the Arrangement Agreement that could reasonably be expected to have the effect of materially reducing or eliminating the amount of the Tax cost "bump" pursuant to paragraphs 88(1)(c) and 88(1)(d) of the Tax Act in respect of the securities of any affiliates or Subsidiaries and other non-depreciable capital property owned by Awakn or any of its Subsidiaries on the date hereof, upon an amalgamation or winding-up of Awakn or any of its Subsidiaries (or any of their respective successors); or
- (ff) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

Prior to the Effective Date, Awakn shall use its commercially reasonable efforts to cause its current insurance (or re-insurance) policies maintained by Awakn or any of its Subsidiaries not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, neither Awakn nor any of its Subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.

Conduct of Business of Solvonis

Solvonis covenanted and agreed that, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, Solvonis shall, and shall cause each of its Subsidiaries to, conduct its business in the ordinary course and in accordance with Laws, and Solvonis shall use commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business organization, properties, employees, independent contractors, goodwill and business relationships with customers, suppliers, partners and other persons with which Solvonis or any of its Subsidiaries has material business relations.

Without limiting the generality of the foregoing, Solvonis covenants and agrees that, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement

is terminated in accordance with its terms, except: (i) with the prior written consent of Awakn not to be unreasonably withheld; (ii) as required or expressly permitted by the Arrangement Agreement or the Plan of Arrangement; (iii) as required by applicable Law; or (iv) as expressly contemplated in the correspondingly numbered paragraph in the Solvonis Disclosure Letter, Solvonis shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

- (a) amend or propose to amend its Constatng Documents, or, in the case of any Subsidiary which is not a corporation, its similar organizational documents, in any manner;
- (b) split, combine or reclassify any shares of its authorized share structure or declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) or amend any term of any outstanding debt security;
- (c) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares of its authorized share structure or the capital stock of its Subsidiaries;
- (d) issue, deliver or sell, or authorize the issuance, delivery or sale, of any shares of its authorized share structure or other equity or voting interests, other than (i) the issuance of Solvonis Shares issuable in connection with the exercise or settlement, as applicable, of outstanding convertible securities of Solvonis in accordance with the terms thereof and (ii) the issuance of securities of Solvonis pursuant to the Solvonis Financing;
- (e) reorganize, amalgamate or merge Solvonis or any Subsidiary or adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Solvonis or any of its Subsidiaries;
- (f) make any change in Solvonis' accounting methods, principles or practices, except as required by concurrent changes in IFRS or as required by a Governmental Entity;
- (g) materially change its business in any manner adverse to the Awakn Shareholders;
- (h) take any action that would result in the need for shareholder approval of Solvonis of the transactions contemplated by the Arrangement Agreement; or
- (i) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

Solvonis shall use its commercially reasonable efforts to cause its current insurance (or re-insurance) policies maintained by Solvonis or any of its Subsidiaries not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, neither Solvonis nor any of its Subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.

Covenants Regarding the Arrangement

Subject to section 4.4 of the Arrangement Agreement, each of Awakn and Solvonis shall, respectively, use commercially reasonable efforts to take, or cause to be taken, all actions and to do or cause to be done all things required or advisable under Law to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the Arrangement Agreement, including:

- (a) to satisfy, or cause the satisfaction of, all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law on it or its Subsidiaries with respect to the Arrangement Agreement or the Arrangement;
- (b) to obtain, as soon as practicable following execution of the Arrangement Agreement, and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are (i) necessary to be obtained under the Awakn Material Contracts in connection with

the Arrangement or the Arrangement Agreement, (ii) required in order to maintain the Awakn Material Contracts in full force and effect following completion of the Arrangement, in each case, on terms that are reasonably satisfactory to Solvonis;

- (c) to oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or the Arrangement Agreement; and
- (d) not taking any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement.

Under the terms of the Arrangement Agreement, Solvonis shall use its commercially reasonable efforts to obtain and maintain in force the UK Regulatory Approval. In additions, Solvonis shall on or before the Effective Date reserve a sufficient number of Solvonis Consideration Shares to be issued upon completion of the Arrangement and Solvonis Shares for issuance upon the exercise of Solvonis Warrants from time to time.

Solvonis shall promptly notify Awakn of:

- (a) any Solvonis Material Adverse Effect;
- (b) any notice or other communication from any Governmental Entity in connection with the Arrangement Agreement (and Solvonis shall contemporaneously provide a copy of any such written notice or communication to Awakn); and
- (c) any filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting Solvonis or any of its Subsidiaries.

Under the terms of the Arrangement Agreement, Awakn shall promptly notify Solvonis of:

- (d) any Awakn Material Adverse Effect;
- (e) any notice or other communication from any person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such person is required in connection with the Arrangement Agreement or the Arrangement;
- (f) any notice or other communication from any person to the effect that such person is terminating or otherwise materially adversely modifying its relationship with Awakn or any of its Subsidiaries as a result of the Arrangement Agreement or the Arrangement;
- (g) any notice or other communication from any Governmental Entity in connection with the Arrangement Agreement (and Awakn shall contemporaneously provide a copy of any such written notice or communication to Solvonis); or
- (h) any filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting Awakn or any of its Subsidiaries.

Awakn will, in all material respects, conduct itself so as to keep Solvonis fully informed as to the material decisions required to be made or material actions required to be taken with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of confidentiality obligation owed to a third party for which Awakn has used commercially reasonable efforts to obtain a waiver and such waiver could not be obtained.

Key Regulatory Approvals

As soon as reasonably practicable after the date of the Arrangement Agreement, each Party, or where appropriate, both Parties jointly, shall make all notifications, filings, applications and submissions with Governmental Entities required or advisable, and shall use commercially reasonable efforts to obtain and maintain, the Key Regulatory

Approvals and such other Regulatory Approvals, if any, reasonably deemed by either of the Parties to be necessary to discharge their respective obligations under the Arrangement Agreement or otherwise advisable under Laws in connection with the Arrangement and the Arrangement Agreement. In addition, the Parties shall cooperate with one another in connection with obtaining the Regulatory Approvals required or desirable in connection with the Arrangement including by providing or submitting on a timely basis all documentation and information that is required, or in the opinion of Solvonis or Awakn, each acting reasonably, advisable, in connection with obtaining the Regulatory Approvals and using their commercially reasonable efforts to ensure that such information does not contain a misrepresentation.

Indemnification

Solvonis shall, from and after the Effective Time, honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of Awakn and its Subsidiaries to the extent that they are contained in the Constatting Documents of Awakn or disclosed in the Awakn Disclosure Letter, and acknowledges that such rights, to the extent that they have been made available to Solvonis, shall survive unamended the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

Such indemnification shall survive the consummation of the Arrangement and is intended to be for the benefit of, and shall be enforceable by, the present and former employees, officers and directors of Awakn, its Subsidiaries and their respective heirs, executors, administrators and personal representatives and shall be binding on Solvonis, Awakn, its Subsidiaries and their respective successors and assigns. For such purpose, Awakn confirmed that it is acting, under the Arrangement Agreement, as agent and trustee on behalf of the present and former employees, officers and directors of Awakn, its Subsidiaries and their respective heirs, executors, administrators and personal representatives.

Acquisition Proposal

Non-Solicitation

Except as expressly provided in article 5 of the Arrangement Agreement, Awakn and its Subsidiaries shall not, directly or indirectly, through any officer, director, employee, representative (including any financial or other adviser) or agent of Awakn or of any of its Subsidiaries (collectively "**Representatives**" which for greater certainty does not include a shareholder of Awakn who is not otherwise an officer, director, employee, representative (including any financial or other advisor) or an agent of Awakn or any of its Subsidiaries), and shall not permit any such person to:

- (a) solicit, assist, initiate, encourage or otherwise facilitate, (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of Awakn or any Subsidiary or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
- (b) enter into or otherwise engage or participate in any discussions or negotiations with any person (other than Solvonis or any of its affiliates) regarding any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to, an Acquisition Proposal, it being acknowledged and agreed in the Arrangement Agreement that Awakn may communicate with any person for purposes of advising such person of the restrictions in the Arrangement Agreement and, also advising such person that their Acquisition Proposal does not constitute a Superior Proposal or is not reasonably expected to constitute or lead to a Superior Proposal; or
- (c) make a Change in Recommendation, other than in respect of a Superior Proposal.

Awakn shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced on or prior to the date of the Arrangement Agreement with any person (other than Solvonis) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith Awakn shall:

- (a) discontinue access to and disclosure of all information and any confidential information, properties, facilities, books and records of Awakn or any Subsidiary of Awakn; and
- (b) within two Business Days after the date of the Arrangement Agreement, to the extent it is permitted to do so, request, and exercise all rights it has to require (i) the return or destruction of all copies of any confidential information regarding Awakn or any Subsidiary provided to any such person other than Solvonis; and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding Awakn or any Subsidiary, to the extent that such information has not previously been returned or destroyed, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

Awakn represented and warranted in the Arrangement Agreement that, in the 12 months prior to the date thereof, Awakn had not waived any confidentiality, standstill, non-disclosure, use, business purposes or similar agreement or restriction to which Awakn or any Subsidiary was a party relating to an Acquisition Proposal, and covenanted and agreed that (i) Awakn shall take all necessary action to enforce each confidentiality, standstill, non-disclosure, use, business purpose or similar agreement or restriction to which Awakn or any Subsidiary is a party in connection with a potential or actual Acquisition Proposal, and (ii) neither Awakn, nor any Subsidiary nor any of their respective Representatives will, without the prior written consent of Solvonis (which may be withheld or delayed in the Solvonis' sole and absolute discretion), release any person from, or waive, amend, suspend or otherwise modify such person's obligations respecting Awakn, or any of its Subsidiaries, under any confidentiality, standstill, non-disclosure, use, business purpose or similar agreement or restriction to which Awakn or any Subsidiary is a party in connection with a potential or actual Acquisition Proposal, it being acknowledged and agreed that the automatic termination of any standstill provisions of any such agreement or restriction as a result of entering into and announcement of the Arrangement Agreement by Awakn pursuant to the express terms of any such agreement or restriction, shall not be a violation of the Arrangement Agreement and that Awakn shall not be prohibited from considering a Superior Proposal from a party whose obligations so terminated automatically upon the entering into and announcement of the Arrangement Agreement.

Notification of Acquisition Proposals

If after the date of the Arrangement Agreement, Awakn or any of its Subsidiaries or any of their respective Representatives, receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to Awakn or any Subsidiary, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of Awakn or any Subsidiary, Awakn (a) shall promptly notify Solvonis, at first orally, and then, and in any event within 24 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all persons making the Acquisition Proposal, inquiry, proposal, offer or request, and shall provide Solvonis with copies of all documents, correspondence or other material received in respect of, from or on behalf of any such person and such other details of such Acquisition Proposal, inquiry, proposal, offer or request as Solvonis may reasonably request in writing; and (b) may contact the person making such Acquisition Proposal, inquiry, proposal, offer or request and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal, inquiry, proposal, offer or request so as to determine whether such Acquisition Proposal, inquiry, proposal, offer or request is, or would reasonably be expected to lead to, a Superior Proposal.

Under the Arrangement Agreement, Awakn is required to keep Solvonis reasonably informed on a current basis of the status of developments and negotiations with respect to any Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to Solvonis copies of all material or substantive correspondence and documents if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence and documents sent or communicated to Awakn by or on behalf of any person making such Acquisition Proposal, inquiry, proposal, offer or request, including providing the identity of the person making such Acquisition Proposal, inquiry, proposal or offer and the material terms and conditions thereof and copies of all material or substantive documents received in respect of, from or on behalf of any such person.

Responding to and Accepting an Acquisition Proposal

If at any time, prior to obtaining the Awakn Securityholder Approval, Awakn receives an unsolicited written Acquisition Proposal, Awakn may engage in or participate in discussions or negotiations with such person regarding such Acquisition Proposal and may provide copies of, access to or disclosure of confidential information, properties, facilities, books or records of Awakn or its Subsidiaries, and may ultimately accept a Superior Proposal that might be made by such person, if and only if:

- (a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal (disregarding for such determination any due diligence or access condition), and, after consultation with its outside legal counsel, that the failure to engage in such discussions or negotiations would be inconsistent with its fiduciary duties;
- (b) such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar agreement or restriction with Awakn or its Subsidiaries;
- (c) the Acquisition Proposal did not arise, directly or indirectly, as a result of a violation by Awakn of article 5 of the Arrangement Agreement;
- (d) Awakn enters into a confidentiality and standstill agreement with such person on customary terms, provided that such confidentiality and standstill agreement may allow such person to make an Acquisition Proposal confidentially to the Board that constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal; and
- (e) Awakn promptly provides Solvonis with:
 - (i) written notice stating Awakn's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure;
 - (ii) prior to providing any such copies, access or disclosure, a true, complete and final executed copy of the confidentiality and standstill agreement referred to in section 5.3(1)(d) of the Arrangement Agreement;
 - (iii) any non-public information concerning Awakn and its Subsidiaries provided to such other person which was not previously provided to Solvonis;
 - (iv) written notice of any determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**") together with all documentation related to and detailing the Superior Proposal; and
 - (v) Awakn or its Representatives has provided Solvonis a copy of the proposed definitive agreement for the Superior Proposal; and
- (f) prior to making any Change in Recommendation or approving or recommending any Acquisition Proposal that constitutes a Superior Proposal, the Board shall have determined, in good faith, after consultation with Awakn's outside legal counsel that it is necessary for the Board to enter into a definitive agreement with respect to such Superior Proposal in order to satisfy their fiduciary duties to Awakn.

If Awakn provides a Superior Proposal Notice to Solvonis after a date that is less than ten Business Days before the Awakn Meeting, Awakn shall either proceed with or shall postpone or adjourn the Awakn Meeting to a date acceptable to both Parties (acting reasonably) that is not more than ten Business Days after the scheduled date of the Awakn Meeting, but in any event to a date that is not less than five Business Days prior to the Outside Date.

Nothing contained in the Arrangement Agreement shall prevent Awakn from: (a) complying with Section 2.17 of *National Instrument 62-104 – Takeover Bids and Issuer Bids* of the Canadian Securities Administrators and similar provisions under Securities Laws relating to the provision of a directors' circular in respect of an Acquisition Proposal; or (b) calling and/or holding a meeting of shareholders requisitioned by Awakn Shareholders in accordance with applicable Laws or taking any other action with respect to an Acquisition Proposal to the extent ordered by a court of competent jurisdiction in accordance with applicable Laws.

Conditions Precedent

Mutual Conditions

Other than in respect of the Admission Condition, the Parties are not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

- (a) *Arrangement Resolution.* The Awakn Securityholder Approval of the Awakn Arrangement Resolution at the Awakn Meeting has been obtained in accordance with the Interim Order and applicable Law.
- (b) *Interim and Final Order.* The Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement, and have not been set aside or modified in a manner unacceptable to either Awakn or Solvonis, each acting reasonably, on appeal or otherwise.
- (c) *Key Regulatory Approvals.* Each of the Key Regulatory Approvals has been made, given or obtained on terms acceptable to Solvonis and Awakn, each acting reasonably, and each such Key Regulatory Approval is in force and has not been modified or rescinded.
- (d) *Solvonis Financing.* Solvonis shall have received binding commitments for the Solvonis Financing (with the only conditions to closing of the Solvonis Financing being the satisfaction of the UK Regulatory Approvals and the Admission Condition).
- (e) *Illegality.* No Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Awakn or Solvonis from consummating the Arrangement.
- (f) *Securities Laws.* The distribution of the Solvonis Consideration Shares pursuant to the Arrangement shall be exempt from the prospectus requirements of applicable Securities Laws in Canada either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under applicable Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of *National Instrument 45-102 – Resale of Securities* of the Canadian Securities Administrators).
- (g) *U.S. Securities Exemption.* The issuance of the Solvonis Consideration Shares to the Awakn Shareholders, the Awakn Stock Unit Holders, and the issuance of Solvonis Shares upon the exercise of Solvonis Warrants from time to time, shall be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption.
- (h) *Change of Control.* All officers of Awakn will have waived any change of control or severance entitlements under existing employment or consulting agreements with Awakn, that would otherwise have been triggered as a consequence of the Arrangement.
- (i) *Cancellation of Awakn Options.* All of the Awakn Options shall have been voluntarily cancelled by Awakn and the Awakn Optionholders.
- (j) *Admission Condition.* Admission having occurred.

Additional Conditions Precedent to the Obligations of Solvonis

Solvonis is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of Solvonis and may only be waived, in whole or in part, by Solvonis in its sole discretion:

- (a) *Representations and Warranties.* The representations and warranties of Awakn set forth in Schedule C of the Arrangement Agreement in the following sections: section (b) [*Organization and Qualification*], section (c) [*Authority Relative to this Agreement*], section (f) [*Capitalization*] and section (u) [*Authorizations and Legal Compliance*] were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time other than for *de minimis* inaccuracies, and all other representations and warranties of Awakn set forth in the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time in all respects, except where any failure or failures of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to have an Awakn Material Adverse Effect (disregarding any materiality or "Awakn Material Adverse Effect" qualification contained in any such representation and warranty for the purpose of determining whether any such failure or failures would not, individually or in the aggregate, reasonably be expected to result in such an Awakn Material Adverse Effect), in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and Awakn has delivered a certificate confirming same to Solvonis, executed by one senior officer of Awakn (without personal liability) addressed to Solvonis and dated the Effective Date.
- (b) *Performance of Covenants.* Awakn has fulfilled or complied in all material respects with each of the covenants of Awakn contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to Solvonis, executed by one senior officer of Awakn (without personal liability) addressed to Solvonis and dated the Effective Date.
- (c) *No Legal Action.* There is no action or proceeding (whether, for greater certainty, by a Governmental Entity or any other person other than Solvonis or its Subsidiaries) pending or threatened in any jurisdiction to: (a) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, Solvonis' ability to acquire, hold, or exercise full rights of ownership over, any Awakn Shares, including the right to vote the Awakn Shares; (b) prohibit or restrict the Arrangement, or the ownership or operation by Solvonis or its Subsidiaries of a material portion of the business or assets of Solvonis and its Subsidiaries, Awakn or any of its Subsidiaries, or compel Solvonis or its Subsidiaries to dispose of or hold separate any material portion of the business or assets of Solvonis and its Subsidiaries, Awakn or any of its Subsidiaries as a result of the Arrangement or the transactions contemplated by the Arrangement Agreement; or (c) or materially delay the consummation of the Arrangement, or if the Arrangement is consummated, have an Awakn Material Adverse Effect or a material and adverse effect on Solvonis.
- (d) *Dissent Rights.* Dissent Rights have not been exercised (excluding any dissent rights that have been exercised and subsequently withdrawn) with respect to more than 5% of the issued and outstanding Awakn Shares.
- (e) *Awakn Material Adverse Effect.* Since the date of the Arrangement Agreement, there shall have not occurred or have been disclosed to the public (if previously undisclosed to the public) an Awakn Material Adverse Effect.
- (f) *Solvonis Voting Agreements.* Solvonis shall have entered into Solvonis Voting Agreements with Awakn Voting Securityholders holding at least 40% of the issued and outstanding Awakn Shares.
- (g) *No Reverse Takeover.* The Solvonis' professional advisors shall be satisfied that the Arrangement will not be regarded, pursuant to UK Listing Rules, as a "reverse takeover" or any analogous event that would result in Solvonis being required to cancel its listing or change its listing category, or being unable to comply with its continuing obligations (each, an "LSE RTO").

Additional Conditions Precedent to the Obligations of Awakn

Awakn is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of Awakn and may only be waived, in whole or in part, by Awakn in its sole discretion:

- (a) *Representations and Warranties.* The representations and warranties of the Solvonis set forth in Schedule D of the Arrangement Agreement in the following sections: section (b) *[Organization and Qualification]*, section (c) *[Authority Relative to this Agreement]*, section (f) *[Capitalization]* and section (v) *[Authorizations and Legal Compliance]* were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time other than for *de minimis* inaccuracies, and all other representations and warranties of Solvonis set forth in the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time in all respects, except where any failure or failures of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to have a Solvonis Material Adverse Effect (disregarding any materiality or "Solvonis Material Adverse Effect" qualification contained in any such representation and warranty for the purpose of determining whether any such failure or failures would not, individually or in the aggregate, reasonably be expected to result in such a Solvonis Material Adverse Effect), in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and Solvonis has delivered a certificate confirming same to Solvonis, executed by two senior officers of Solvonis (in each case without personal liability) addressed to Awakn and dated the Effective Date.
- (b) *Performance of Covenants.* Solvonis has fulfilled or complied in all material respects with each of the covenants of Solvonis contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to Awakn, executed by two senior officers of Solvonis (in each case without personal liability) addressed to Awakn and dated the Effective Date.
- (c) *No Legal Action.* There is no action or proceeding pending by a Governmental Entity in any jurisdiction that is reasonably likely to: (a) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, Solvonis' ability to issue the Solvonis Consideration Shares or the Solvonis Shares to be issued upon the exercise from time to time of the Solvonis Warrants; or (b) if the Arrangement is consummated, have or be reasonably expected to have a Solvonis Material Adverse Effect.
- (d) *Solvonis Material Adverse Effect.* Since the date of the Arrangement Agreement, there shall have not occurred or have been disclosed to the public (if previously undisclosed to the public) a Solvonis Material Adverse Effect.
- (e) *Deposit of Consideration.* Subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained in the Arrangement Agreement in its favour (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), Solvonis has deposited or caused to be deposited with the Solvonis UK Registrar in escrow, an irrevocable direction for the issuance of the aggregate Consideration to be paid pursuant to the Arrangement.

Termination

The Arrangement Agreement may be terminated prior to the Effective Time in certain circumstances, including by:

- (a) mutual written agreement of Solvonis and Awakn;
- (b) either Solvonis or Awakn, if:
 - (i) if the Awakn Securityholder Approval is not obtained at the Awakn Meeting in accordance with the Interim Order; provided that a Party may not terminate the Arrangement Agreement pursuant to section 7.2(1)(b)(i) of the Arrangement Agreement if the failure to obtain the Awakn Securityholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations

or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;

- (ii) if, after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins Awakn or Solvonis from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate the Arrangement Agreement pursuant to section 7.2(1)(b)(ii) of the Arrangement Agreement has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement;
 - (iii) if the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate the Arrangement Agreement pursuant to section 7.2(1)(b)(ii) of the Arrangement Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or
 - (iv) if the Solvonis' professional advisors determine that the Arrangement, if consummated, would be deemed to be an LSE RTO under the UK Listing Rules;
- (c) Awakn, if:
- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Solvonis under the Arrangement Agreement occurs that would cause any condition in section 6.3(1) [*Solvonis Reps and Warranties Condition*] or section 6.3(2) [*Solvonis Covenants Condition*] of the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date in accordance with the terms of section 4.7(3) of the Arrangement Agreement; provided that Awakn is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in section 6.2(1) [*Awakn Reps and Warranties Condition*] or section 6.2(2) [*Awakn Covenants Condition*] of the Arrangement Agreement not to be satisfied; or
 - (ii) since the date of the Arrangement Agreement, there has occurred and is continuing a Solvonis Material Adverse Effect, which is incapable of being cured on or prior to the Outside Date; or
 - (iii) binding commitments for the Solvonis Financing have not been received on or before the Outside Date (with the only conditions to closing of the Solvonis Financing being the satisfaction of the UK Regulatory Approvals and the Admission Condition); or
 - (iv) Awakn determines, in its sole discretion, that the terms of the Solvonis Financing are unsatisfactory; or
 - (v) Awakn wishes to enter into a definitive written agreement with respect to a Superior Proposal, subject to compliance with article 5 of the Arrangement Agreement;
- (d) Solvonis, if:
- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Awakn under the Arrangement Agreement occurs that would cause any condition in section 6.2(1) [*Awakn Reps and Warranties Condition*] or section 6.2(2) [*Awakn Covenants Condition*] of the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of section 4.7(3) of the Arrangement Agreement; provided that Solvonis is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any condition in section 6.3(1) [*Solvonis Reps and Warranties Condition*] or section 6.3(2) [*Solvonis Covenants Condition*] of the Arrangement Agreement not to be satisfied; or

- (ii) the Board or any committee of the Board (A) fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes to withdraw, amend, modify or qualify, the Board Recommendation, (B) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend or takes no position or a neutral position, in each case with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Awakn Meeting, if sooner), (C) accepts, approves, endorses, recommends or executes or enters into (other than a confidentiality agreement permitted by and in accordance with section 5.3 of the Arrangement Agreement) or publicly proposes to accept, approve, endorse, recommend or execute or enter into, any agreement, letter of intent, understanding or arrangement relating to an Acquisition Proposal or any proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; (D) fails to publicly reaffirm the Board Recommendation (without qualification) within five Business Days after having been requested in writing by Solvonis to do so, or (E) Awakn breaches article 5 of the Arrangement Agreement in any material respect; or
- (iii) any event occurs as a result of which the condition set forth in section 6.2(4) [*Dissent Rights Condition*] of the Arrangement Agreement is not capable of being satisfied by the Outside Date; or
- (iv) since the date of the Arrangement Agreement, there has occurred and is continuing an Awakn Material Adverse Effect, which is incapable of being cured on or prior to the Outside Date; or
- (v) the Solvonis' professional advisors are satisfied that the Arrangement will be regarded, pursuant to UK Listing Rules, as an LSE RTO.

Termination Fee

Despite any other provision in the Arrangement Agreement relating to the payment of fees and expenses, including the payment of brokerage fees:

- (a) if an Awakn Termination Fee Event occurs, Awakn shall pay Solvonis the Termination Fee in accordance with section 7.4(3) of the Arrangement Agreement; and
- (b) if a Solvonis Termination Fee Event occurs, Solvonis shall pay Awakn the Termination Fee in accordance with section 7.4(4) of the Arrangement Agreement.

Amendments

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Awakn Meeting but not later than the Effective Time, be amended, subject to the Plan of Arrangement, the Interim Order, the Final Order and applicable Law, by mutual written agreement of the Parties, and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;
- (c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or
- (d) waive compliance with or modify any mutual conditions contained in the Arrangement Agreement.

Procedure for the Arrangement Becoming Effective

The Arrangement is proposed to be carried out pursuant to the provisions of Division 5 of Part 9 of the BCBCA. The following procedural steps must be taken for the Arrangement to become effective:

- (a) the Arrangement Resolution must be approved by the Awakn Voting Securityholders at the Awakn Meeting either in person or by proxy in the manner required by the Interim Order and applicable Laws;
- (b) the Arrangement must be approved by the Court pursuant to the Final Order; and
- (c) all conditions precedent to the Arrangement set forth in the Arrangement Agreement must be satisfied or waived by the appropriate Party.

Approval of Securityholders Required for the Arrangement

Pursuant to the Interim Order, the number of votes required to pass the Arrangement Resolution shall be at least (i) 66⅔% of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and (ii) 66⅔% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Awakn Voting Securityholders, to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Arrangement. If the Arrangement Resolution is not approved by the Awakn Voting Securityholders, the Arrangement cannot be completed. See appendix A to this Circular for the full text of the Arrangement Resolution. See also "*Part I – General Proxy Matters*".

Court Approvals

Interim Order

The Arrangement requires approval by the Court under Section 291 of the BCBCA. Prior to the mailing of this Circular, Awakn obtained the Interim Order attached as appendix B to this Circular, authorizing and directing Awakn to call, hold and conduct the Awakn Meeting, submit the Arrangement to the Awakn Voting Securityholders for approval, and other procedural matters, including, but not limited to: (a) the required Awakn Securityholder Approval of the Arrangement Resolution; (b) the Dissent Rights for Registered Shareholders; (c) the notice requirements with respect to the Court hearing of the application for the Final Order; (d) the ability of Awakn to adjourn or postpone the Awakn Meeting from time to time in accordance with the terms of the Arrangement Agreement without the need for additional approval of the Court; and (e) the Record Date for the Awakn Voting Securityholders entitled to notice of and to vote at the Awakn Meeting.

Final Order

The BCBCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by the Awakn Voting Securityholders at the Awakn Meeting in the manner required by the Interim Order, Awakn will apply to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for April 28, 2025, at 9:45 a.m. (Vancouver time) at the Supreme Court of British Columbia, 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct. At the hearing, any Awakn Voting Securityholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon Awakn on or before 4:00 p.m. (Vancouver time) on April 26, 2025, a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. The Response to Petition and supporting materials must be delivered, within the time specified, to WT BCA LLP, 2400 – 200 Granville St., Vancouver, British Columbia V6C 1S4, Attention: Nicole Chang. See appendix C, "*Notice of Hearing of Petition for Final Order*". In the event that the hearing is postponed, adjourned or rescheduled then, subject to further direction of the Court, only those persons having previously served a Response to Petition in compliance with the Interim Order will be given notice of the new date.

Participation in the Court hearing of the application for the Final Order, including who may participate and present evidence or argument and the procedure for doing so, is subject to the terms of the Interim Order and any subsequent direction of the Court.

For further information regarding the Court hearing for the application for the Final Order and the rights of Awakn Voting Securityholders in connection with the Court hearing for the application for Final Order, see the Interim Order attached as appendix B to this Circular and the filed Notice of Hearing of Petition for Final Order attached as appendix C to this Circular. The Notice of Hearing of Petition for Final Order constitutes notice of the Court hearing of the application for the Final Order and is the only such notice of that proceeding.

Each of the (i) Solvonis Consideration Shares to be issued pursuant to the Arrangement to Awakn Shareholders in exchange for their Awakn Shares and to Awakn Stock Unit Holders in exchange for their Awakn Stock Units; and (ii) Solvonis Warrants to be issued pursuant to the Arrangement in exchange for Awakn Warrants have not been and will not be registered under the U.S. Securities Act or any U.S. Securities Laws, and are being issued in reliance on the Section 3(a)(10) Exemption. The issuance of the foregoing securities shall be exempt from, or not subject to, registration or qualification under U.S. state securities, or "blue sky", laws. The Court has been advised that if the terms and conditions of the Arrangement and such issuance of Solvonis Consideration Shares and Solvonis Warrants are approved by the Court, Awakn and Solvonis intend to rely upon the Final Order of the Court approving the Arrangement and such issuance of Solvonis Consideration Shares and Solvonis Warrants as a basis for the exemption from registration under the U.S. Securities Act of the issuance pursuant to the Arrangement of the Solvonis Consideration Shares and the Solvonis Warrants. Therefore, subject to the additional requirements of the Section 3(a)(10) Exemption, should the Court make a Final Order approving the Arrangement and such issuance of the Solvonis Consideration Shares and the Solvonis Warrants, such Solvonis Consideration Shares and Solvonis Warrants issued pursuant to the Arrangement will be exempt from registration under the U.S. Securities Act.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement. The Court, in hearing the application for the Final Order, will consider, among other things, the procedural and substantive fairness and the reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, Awakn and/or Solvonis may determine not to proceed with the Arrangement, in which case the Solvonis Consideration Shares and the Solvonis Warrants will not be issued.

Stock Exchange Listing Approvals and Delisting Matters

Awakn is a reporting issuer under the Canadian Securities Laws in the provinces of British Columbia, Alberta and Ontario and is a foreign private issuer under U.S. Securities Laws. The Awakn Shares are listed and posted for trading on the CSE under the trading symbol "AWKN". On December 13, 2025, the last trading day prior to the date of the announcement of the Arrangement and the date on which the trading of the Awakn Shares was halted, the closing price of the Awakn Shares on the CSE was C\$0.095.

Solvonis is a biotechnology company incorporated in the UK with the Solvonis Shares listed on the LSE under the symbol "SVNS".

The Awakn Shares will be delisted from the CSE as promptly as possible following completion of the Arrangement. Subject to applicable Laws, Solvonis will, as promptly as possible following completion of the Arrangement, apply to the applicable Canadian Securities Regulators to have Awakn cease to be a reporting issuer. For information with respect to the trading history of the Awakn Shares, see appendix F, "*Additional Information Concerning Awakn Life Sciences Corp.*".

It is a mutual condition to completion of the Arrangement that the FCA shall have conditionally accepted the listing of the Solvonis Consideration Shares issuable pursuant to the Arrangement.

Timing

If the Awakn Meeting is held as scheduled and is not adjourned and/or postponed, and the Awakn Securityholder Approval is obtained, it is expected that Awakn will apply for the Final Order approving the Arrangement on April 28, 2025. If the Final Order is obtained in a form and substance satisfactory to Awakn and Solvonis, and all other

conditions set forth in the Arrangement Agreement are satisfied or waived by the applicable Party, Awakn expects the Effective Date to occur on or about April 30, 2025, following the receipt of all requisite consents. However, it is not possible at this time to state with certainty when the Effective Date will occur as completion of the Arrangement may be delayed beyond this time if the conditions to completion of the Arrangement cannot be met on a timely basis. Subject to certain limitations, each Party may terminate the Arrangement Agreement if the Arrangement is not consummated by the Outside Date, which date can be extended by mutual agreement of the Parties.

The Arrangement will become effective as of the Effective Time.

Although Awakn's and Solvonis' objective is to have the Effective Date occur as soon as reasonably practicable after the Awakn Meeting, the Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order. Awakn and/or Solvonis may determine not to complete the Arrangement without prior notice to or action on the part of Awakn Voting Securityholders.

Procedure for Exchange of Awakn Securities

Treatment of Awakn Shares

Awakn Shareholders (other than Solvonis, a Subsidiary of Solvonis and Dissenting Awakn Shareholders) will be entitled to receive the Consideration, which is equal to 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each in exchange for each Awakn Share held immediately prior to the Effective Time.

Upon completion of the Arrangement, each certificate representing Awakn Shares issued and outstanding immediately prior to the Effective Time, will be irrevocably cancelled and the holder of such Awakn Shares will no longer have any rights whatsoever to Awakn Shares other than the right to be issued Solvonis Consideration Shares.

Non-Registered Shareholders who hold their Awakn Shares through an Intermediary are not required to take any action to receive their Consideration from Solvonis as the Consideration they are entitled to receive will be delivered to their Intermediary. Non-Registered Shareholders should contact their Intermediary if they have any questions regarding this process.

Registered Shareholders will not be required to deliver certificates representing their Awakn Shares, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. If a Registered Shareholder (other than a Dissenting Awakn Shareholder (as defined in the Circular)) is holding Awakn Shares in certificated form, the Solvonis Consideration Shares to be issued to such Registered Shareholder will be registered in the name and address of such Registered Shareholder as they appear in the register of Awakn Shareholders.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is in the UK, such Registered Shareholder is not required to take any action to receive the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement. The certificate(s) representing such Solvonis Consideration Shares will be delivered to the Registered Shareholder by the Solvonis UK Registrar by first class mail to such address.

If a Registered Shareholder's address as it appears in the register of Awakn Shareholders is outside of the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled under the Arrangement will be held by the Solvonis UK Registrar until delivery instructions for the certificate(s) representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Registered Shareholder. **As soon as practical after the Effective Date, such Registered Shareholder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Registered Shareholder wants the certificate(s) representing the Solvonis Consideration Shares to which such Registered Shareholder is entitled to be delivered, which certificate(s) will thereafter be delivered to such Registered Shareholder by the Solvonis UK Registrar by first class mail.**

Solvonis Consideration Shares issued in certificated form will not be available to trade on the LSE until the Solvonis Consideration Shares are deposited into a CREST account or sold through a broker that offers a certificated dealing service. The following website lists brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

Treatment of Awakn Warrants

Each Awakn Warrant outstanding immediately prior to the Effective Time will be transferred to Solvonis in exchange for a Solvonis Warrant to purchase from Solvonis such number of Solvonis Shares (rounded down to the nearest whole number) equal to (A) the Exchange Ratio, multiplied by (B) the number of Awakn Shares purchasable by such Awakn Warrant immediately prior to the Effective Time, at an exercise price per Solvonis Share (rounded up to the nearest whole cent) equal to (M) the exercise price per Awakn Share otherwise purchasable pursuant to such Awakn Warrant immediately prior to the Effective Time, divided by (N) the Exchange Ratio. Except as set out above, all other terms and conditions of the Solvonis Warrant, including the conditions to and manner of exercising, will be the same as the Awakn Warrant so exchanged, and shall be governed by the terms of the Solvonis Warrant Certificate.

Awakn Warrantholders will not be required to deliver certificates representing their Awakn Warrants, or any other such evidence of ownership or letter of instruction, or take any other action, in order to receive the Solvonis Warrants to which they are entitled under the Arrangement. As soon as practical after the Effective Date, Solvonis will arrange for the delivery of the certificate(s) representing the Solvonis Warrants to which each Awakn Warrantholder is entitled by first class mail and such Solvonis Warrants will be registered in the name of, and delivered to the address of, each Awakn Warrantholder as such Awakn Warrantholder is registered in the register of Awakn Warrantholders. Upon receipt by an Awakn Warrantholder of a certificate representing the Solvonis Warrants to which such Awakn Warrantholder is entitled, the certificate formerly representing the Awakn Warrants of such Awakn Warrantholder will be irrevocably cancelled. Until such time as the certificates formerly representing Awakn Warrants are replaced with certificates representing Solvonis Warrants, each certificate formerly representing Awakn Warrants will be deemed to represent Solvonis Warrants.

Awakn Warrantholders who intend to exercise Awakn Warrants in advance of the Effective Date are encouraged to do so as soon as possible and, in any event, at least four Canadian Business Days prior to the Effective Date.

Treatment of Awakn Stock Units

Each holder of Awakn RSUs and Awakn DSUs will receive approximately 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for every one Awakn RSU and Awakn DSU held immediately prior to the Effective Time.

Upon completion of the Arrangement, each certificate representing Awakn Stock Units issued and outstanding immediately prior to the Effective Time, will be irrevocably cancelled and the holder of such Awakn Stock Units will no longer have any rights whatsoever to Awakn Shares other than the right to be issued Solvonis Consideration Shares.

Awakn Stock Unit Holders will not be required to deliver certificates representing their Awakn Stock Units, or any other such evidence of ownership or letter of instruction, in order to receive the Solvonis Consideration Shares to which they are entitled under the Arrangement. The Solvonis Consideration Shares to which the Awakn Stock Unit Holders are entitled will be registered in the name and address of the respective Awakn Stock Unit Holder as such Awakn Stock Unit Holder is registered in the register of Awakn Stock Unit Holders.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is in the UK, such Awakn Stock Unit Holder is not required to take any action to receive the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement. The certificate(s) representing such Awakn Stock Units will be delivered to the Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail to such address.

If an Awakn Stock Unit Holder's address as it appears in the register of the respective Awakn Stock Units is outside the UK, the certificate(s) representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled under the Arrangement will be held by the Solvonis UK Registrar until delivery instructions for the certificates representing such Solvonis Consideration Shares are obtained by the Solvonis UK Registrar from the Solvonis UK Registrar. **As soon as practical after the Effective Date, such Awakn Stock Unit Holder is required to contact the Solvonis UK Registrar by email at enquiries@shareregistrars.uk.com or by telephone at +44 (0)1252 821390 to provide instructions on where such Awakn Stock Unit Holder wants the certificate representing the Solvonis Consideration Shares to which such Awakn Stock Unit Holder is entitled to be delivered, which certificate will thereafter be delivered to such Awakn Stock Unit Holder by the Solvonis UK Registrar by first class mail.**

Solvonis Consideration Shares issued in certificated form will not be available to trade on the London Stock Exchange until the Solvonis Consideration Shares are deposited into a CREST (as defined in the Circular) account or sold through a broker that offers a certificated dealing service. The following website lists brokers that currently deal in securities of LSE quoted companies: <https://www.londonstockexchange.com/personal-investing/member-firm-broker-directory>.

Treatment of Fractional Solvonis Consideration Shares

In no event shall any holder of Awakn Shares or Awakn Stock Units be entitled to a fractional Solvonis Consideration Share and no certificates representing fractional Solvonis Consideration Shares will be issued upon the surrender for exchange of certificates by Awakn Voting Securityholders pursuant to the Plan of Arrangement. Where the aggregate number of Solvonis Consideration Shares to be issued to an Awakn Shareholder or an Awakn Stock Unit Holder as consideration under or as a result of the Arrangement would result in a fraction of a Solvonis Consideration Share being issuable, the number of Solvonis Consideration Shares to be received by such Awakn Voting Securityholder shall be rounded down to the nearest whole Solvonis Consideration Share and no Former Awakn Shareholder or former Awakn Stock Unit Holder will be entitled to any compensation in respect of a fractional Solvonis Consideration Share.

Withholding Rights

Awakn, Solvonis, and any other person, as applicable, will be entitled to deduct or withhold or direct any other person to deduct and withhold on their behalf, from any consideration otherwise payable, issuable or otherwise deliverable to any Awakn Voting Securityholder or any other securityholder of Awakn under the Plan of Arrangement (including any payment to Dissenting Awakn Shareholders, Awakn RSU Holders, Awakn DSU Holders or Awakn Warrant holders) such amounts as Awakn, Solvonis, or any other person, as the case may be, is required to deduct or withhold from such payment under any provision of the Tax Act, and the rules and regulations promulgated thereunder, or any provision of any federal, provincial, territorial, state, local or foreign tax law as is required to be so deducted or withheld by Awakn, Solvonis, or any other person, as the case may be. For all purposes under the Plan of Arrangement, all such deducted or withheld amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person thereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of Awakn, Solvonis, or any other person, as the case may be. Each of Awakn, Solvonis, or any other person that makes a payment under the Plan of Arrangement, as applicable, is authorized under the Plan of Arrangement to sell or otherwise dispose, on behalf of a person, such portion of Awakn Shares, Solvonis Shares or other security otherwise deliverable to such person under the Plan of Arrangement, as is necessary to provide sufficient funds (after deducting commissions payable and other costs and expenses) to Awakn, Solvonis, or such other person, as the case may be, to enable it to comply with any deduction or withholding permitted or required under section 5.02 of the Plan of Arrangement, and shall remit the applicable portion of the net proceeds of such sale to the appropriate Governmental Authority and any amount remaining following the sale, deduction or withholding and remittance shall be paid to the person entitled thereto as soon as reasonably practicable. None of Awakn, Solvonis, or any other person will be liable for any loss arising out of any sale under section 5.02 of the Plan of Arrangement.

Adjustment of Exchange Ratio

Notwithstanding any restriction or any other matter in the Arrangement Agreement to the contrary, if, between the date of the Arrangement Agreement and the Effective Time, the issued and outstanding Solvonis Shares are changed into a different number of shares or a different class by reason of any split, consolidation, reclassification, redenomination or stock dividend of the issued and outstanding Solvonis Shares or similar event, provided such action is permitted by section 4.2 of the Arrangement Agreement, then the Consideration to be paid per Awakn Share, Awakn Warrant, Awakn RSU and Awakn DSU shall be appropriately adjusted to provide to Awakn Voting Securityholders the same economic effect as contemplated by the Arrangement Agreement and the Plan of Arrangement prior to such action and as so adjusted will, from and after the date of such event, be the Consideration to be paid per Awakn Share, Awakn Warrant, Awakn RSU and Awakn DSU, subject to further adjustment in accordance with the Arrangement Agreement.

Right to Dissent

The following is only a summary of the Dissent Rights and the provisions of the BCBCA relating to a Registered Shareholder as of the Record Date's dissent and appraisal rights in respect of the Arrangement Resolution (as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court as described below). Such summary is not a comprehensive statement of the procedures to be followed by a Registered Shareholder as of the Record Date who seeks payment of the fair value of his, her or its Awakn Shares and is qualified in its entirety by reference to the full text of Section 237 through Section 247 of the BCBCA which is attached as appendix J to this Circular (as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court). The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing. It is recommended that any Registered Shareholder wishing to avail himself, herself or itself of the Dissent Rights seek legal advice, as failure to strictly comply with the provisions of the BCBCA (as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court) may prejudice his, her or its Dissent Rights and result in the loss of all rights thereunder.

The statutory provisions dealing with the right of dissent are technical and complex. Any Registered Shareholders as of the Record Date considering exercising Dissent Rights should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, may result in the loss of all Dissent Rights.

Section 237 through Section 247 of the BCBCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes. The Interim Order expressly provides Registered Shareholders as of the Record Date with Dissent Rights in respect of the Arrangement Resolution, pursuant to Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court. Any Registered Shareholder as of the Record Date who dissents from the Arrangement Resolution in compliance with Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, will be entitled, in the event the Arrangement becomes effective, to be paid by Solvonis the fair value of the Awakn Shares held by such Dissenting Awakn Shareholder determined as of the close of business on the day before the Arrangement Resolution is adopted. Awakn Shareholders are cautioned that fair value could be determined to be less than the value of the Consideration payable pursuant to the terms of the Arrangement and that the proceeds of disposition received by a Dissenting Awakn Shareholder may be treated in a different, and potentially more adverse, manner under Canadian and U.S. federal income tax Laws than had such Awakn Shareholder exchanged his, her or its Awakn Shares for the Consideration pursuant to the Arrangement and that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the Arrangement, is not an opinion as to, and does not otherwise address, "fair value" under Section 237 through Section 247 of the BCBCA. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Awakn Shareholder of consideration for such Dissenting Awakn Shareholder's Dissenting Shares.

In many cases, Awakn Shares beneficially owned by a Non-Registered Shareholder are registered either: (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the Awakn Shares; or (b) in the name of a depository (such as CDS) of which the Intermediary is a participant. Accordingly, a Non-Registered Shareholder will not be entitled to exercise its Dissent Rights directly (unless the Awakn Shares are re-registered in the Non-Registered Shareholder's name). A Non-Registered Shareholder that wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Shareholder deals in respect of its Awakn Shares and either (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered Shareholder's behalf (which, if the Awakn Shares are registered in the name of CDS or other clearing agency, may require that such Awakn Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such Awakn Shares in the name of the Non-Registered Shareholder, in which case the Non-Registered Shareholder would be able to exercise the Dissent Rights directly. In addition, pursuant to Section 237 through Section 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, or any other order of the Court, a Dissenting Awakn Shareholder may not exercise Dissent Rights in respect of only a portion of such Dissenting Awakn Shareholder's Awakn Shares but may dissent only with respect to all Awakn Shares of which it is the registered and beneficial owner.

The Dissent Procedures require that a Registered Shareholder as of the Record Date who wishes to dissent with respect to all Awakn Shares held must send a written notice of objection to the Arrangement Resolution (the "**Notice of Dissent**") to Awakn (i) c/o Irwin Lowy LLP, Suite 401, 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 (Attention: Steven Agnew) and (ii) with a copy by email to sagnew@irwinlowy.com to be received by no later than 4:00 p.m. (Vancouver time) on April 17, 2025 or, in the case of any adjourned or postponed Awakn Meeting, by no later than 4:00 p.m. (Vancouver time) on the Canadian Business Day that is two Canadian Business Days prior to the new date of the Awakn Meeting, and must otherwise strictly comply with the Dissent Procedures described in this Circular.

A Registered Shareholder who wishes to dissent must deliver a written Notice of Dissent to Awakn as set forth above and such Notice of Dissent must strictly comply with the requirements of Section 242 of the BCBCA. Non-Registered Shareholders who wish to exercise Dissent Rights must cause each Awakn Shareholder holding their Awakn Shares to deliver the Notice of Dissent, or, alternatively, make arrangements to become an Awakn Shareholder.

A Registered Shareholder must prepare a separate Notice of Dissent for himself, herself or itself, if dissenting on his, her or its own behalf, and for each other Non-Registered Shareholder who beneficially owns Awakn Shares registered in the Awakn Shareholder's name and on whose behalf the Awakn Shareholder is dissenting, and must dissent with respect to all of the Awakn Shares registered in his, her or its name or if dissenting on behalf of a Non-Registered Shareholder, with respect to all of the Awakn Shares registered in his, her or its name and beneficially owned by the Non-Registered Shareholder on whose behalf the Awakn Shareholder is dissenting. The Notice of Dissent must set out the number of Awakn Shares in respect of which the Dissent Rights are being exercised (the "**Notice Shares**") and: (a) if such Awakn Shares constitute all of the Awakn Shares of which the Awakn Shareholder is the registered and beneficial owner and the Awakn Shareholder owns no other Awakn Shares beneficially, a statement to that effect; (b) if such Awakn Shares constitute all of the Awakn Shares of which the Awakn Shareholder is both the registered and beneficial owner, but the Awakn Shareholder owns additional Awakn Shares beneficially, a statement to that effect and the names of the Awakn Shareholders, the number of Awakn Shares held by each such Awakn Shareholder and a statement that written notices of dissent are being or have been sent with respect to such other Awakn Shares; or (c) if the Dissent Rights are being exercised by an Awakn Shareholder who is not the beneficial owner of such Awakn Shares, a statement to that effect and the name of the Non-Registered Shareholder and a statement that the Awakn Shareholder is dissenting with respect to all Awakn Shares of the Non-Registered Shareholder registered in such registered holder's name.

Any failure by an Awakn Shareholder to fully comply with the provisions of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, may result in the loss of that holder's Dissent Rights. The Dissent Rights are set out in their entirety in the Interim Order, the text of which is set out in appendix B to this Circular. A Registered Shareholder considering exercising Dissent Rights should seek independent legal advice.

If the Arrangement Resolution is approved by the Awakn Voting Securityholders, and Awakn notifies a registered holder of Notice Shares of Awakn's intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, in order to exercise Dissent Rights, such Registered Shareholder must, within one month after Awakn gives such notice, send to Awakn a written notice that such holder requires the purchase of all of the Notice Shares in respect of which such holder has given Notice of Dissent. Such written notice must be accompanied by the certificate or certificates representing those Notice Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the Registered Shareholder on behalf of a Non-Registered Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Registered Shareholder becomes a Dissenting Awakn Shareholder, and is bound to sell and Solvonis is bound to purchase those Awakn Shares. Such Dissenting Awakn Shareholder may not vote, or exercise or assert any rights of an Awakn Shareholder in respect of such Notice Shares, other than the rights set forth in Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court.

Registered Shareholders as at the Record Date who duly exercise such Dissent Rights and who:

- (a) are ultimately determined to be entitled to be paid fair value for the Dissenting Shares will be deemed to have irrevocably transferred such Dissenting Shares to Solvonis pursuant to section 3.01(a) of the Plan of Arrangement in consideration of such fair value; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for the Dissenting Shares will be deemed to have participated in the Arrangement on the same basis as an Awakn Shareholder who

has not exercised Dissent Rights and be entitled to receive only the consideration set forth in section 3.01(b) of the Plan of Arrangement.

In no case will Awakn, Solvonis or any other person be required to recognize such holders as Awakn Shareholders after the completion of the steps set forth in section 3.01 of the Plan of Arrangement, and each Dissenting Awakn Shareholder will cease to be entitled to the rights of an Awakn Shareholder in respect of the Awakn Shares to which such Dissenting Awakn Shareholder has exercised Dissent Rights and the central securities register of Awakn will be amended to reflect that such former holder is no longer the holder of such Awakn Shares as and from the completion of the steps in section 3.01 of the Plan of Arrangement.

If a Registered Shareholder as at the Record Date is ultimately entitled to be paid by Solvonis for their Dissenting Shares, such Dissenting Awakn Shareholder may enter into an agreement with Solvonis for the fair value of such Dissenting Shares. If such Dissenting Awakn Shareholder does not reach an agreement with Solvonis, such Dissenting Awakn Shareholder, or Solvonis, may apply to the Court, and the Court may determine the payout value of the Dissenting Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on Solvonis to make an application to the Court. The Dissenting Awakn Shareholder will be entitled to receive the fair value that the Awakn Shares had as of the close of business on the day before the Effective Date. After a determination of the fair value of the Dissenting Shares, Solvonis must then promptly pay that amount to the Dissenting Awakn Shareholder. If an Awakn Shareholder dissents there can be no assurance that the amount such Awakn Shareholder receives as fair value for its Awakn Shares will be more than or equal to the Consideration under the Arrangement.

In no circumstances will Awakn, Solvonis or any other person be required to recognize a person as a Dissenting Awakn Shareholder: (a) unless such person is the registered holder of the Awakn Shares as of the Record Date in respect of which Dissent Rights are purported to be exercised immediately prior to the Effective Time; (b) if such person has voted or instructed a proxy holder to vote such Dissenting Shares in favour of the Arrangement Resolution; or (c) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in Section 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, and does not withdraw such Notice of Dissent prior to the Effective Time. Awakn Warrantholders will not be entitled to exercise Dissent Rights in respect of Awakn Warrants.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Awakn Shareholder if, before full payment is made for the Notice Shares, the Arrangement in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, a court permanently enjoins or sets aside the corporate action approved by the Arrangement Resolution, or the Dissenting Awakn Shareholder withdraws the Notice of Dissent with Awakn's written consent. If any of these events occur, Awakn must return the share certificate(s) representing the Awakn Shares to the Dissenting Awakn Shareholder and the Dissenting Awakn Shareholder regains the ability to vote and exercise its rights as an Awakn Shareholder.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. An Awakn Shareholder who intends to exercise Dissent Rights must strictly adhere to the procedures established in Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and any other order of the Court, and failure to do so may result in the loss of all Dissent Rights. If a Registered Shareholder as of the Record Date chooses to exercise their Dissent Rights, there can be no assurance that the amount such Registered Shareholder as of the Record Date receives as fair value for its Awakn Shares will be more than or equal to the Consideration under the Arrangement.

Each Awakn Shareholder wishing to avail himself, herself or itself of the Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA and the Interim Order, which are attached to this Circular as appendix B and K, respectively, and seek his, her or its own legal advice.

The Arrangement Agreement provides that it is a condition to the obligations of Solvonis that holders of such number of Awakn Shares shall not have exercised Dissent Rights, or have instituted proceedings to exercise Dissent Rights, in connection with the Arrangement (other than holders of Awakn Shares representing not more than 5% of the Awakn Shares then outstanding). See "*The Arrangement Agreement — Conditions to the Arrangement Becoming Effective*" above.

Effects of the Arrangement on Shareholders' Rights

Awakn Shareholders receiving Solvonis Consideration Shares under the Arrangement will become shareholders of Solvonis. Solvonis is a biotechnology company incorporated in the UK with the Solvonis Shares listed on the LSE under the symbol "SVNS".

Interests of Certain Persons in the Arrangement

The directors and Senior Officers of Awakn may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of the Awakn Securityholders. These interests include those described below. The Board was aware of these interests and considered them, among other matters, when recommending approval of the Arrangement by the Awakn Voting Securityholders.

Positions with Awakn and Solvonis

Anthony Tennyson is the Chief Executive Officer and a director of both Awakn and Solvonis. Mr. Tennyson has agreed to recuse himself from voting on any decision to be taken by Awakn or Solvonis in connection with the Arrangement.

Securities Held by Directors and Senior Officers of Awakn

The table below sets out for each director and Senior Officer of Awakn the number of Awakn Shares, Awakn Warrants, Awakn Options, Awakn RSUs and Awakn DSUs beneficially owned or controlled or directed by each of them and their Associates and affiliates:

Name, Province and Country of Residence, and Position with Awakn	Number of Awakn Shares and % of Class⁽¹⁾	Number of Awakn Warrants and % of Class⁽²⁾	Number of Awakn RSUs and % of Class⁽³⁾	Number of Awakn DSUs and % of Class⁽⁴⁾	Number of Awakn Options and % of Class⁽⁵⁾
Anthony Tennyson President, Chief Executive Officer and a Director Dublin, Ireland	2,022,706 ⁽⁶⁾ 4.71%	nil 0%	201,000 20.13%	99,000 18.79%	425,000 23.81%
Jonathan Held Chief Business Officer, Interim Chief Financial Officer and Secretary Ontario, Canada	914,154 ⁽⁷⁾ 2.08%	25,000 0.17%	201,000 20.13%	99,000 18.79%	375,000 21.01%
Paul Carter Director Wiltshire, United Kingdom	250,000 0.58%	nil	73,700 7.38%	71,472 13.57%	99,828 5.59%
George Scorsis Chair of the Board and a Director Ontario, Canada	1,380,725 ⁽⁸⁾ 3.22%	0%	100,500 10.07%	49,500 9.40%	200,000 11.21%
Stephen Page Director London, United Kingdom	318,000 0.74%	nil	73,700 7.38%	36,300 6.89%	135,000 7.56%
John Papastergiou Director Ontario, Canada	289,250 ⁽⁹⁾ 0.67%	0%	73,700 7.38%	36,300 6.89%	135,000 7.56%
Professor David Nutt Chief Research Officer Bristol, United Kingdom	651,250 ⁽¹⁰⁾ 1.52%	195,750 1.30%	107,200 10.74%	52,800 10.02%	120,000 6.72%

Notes:

(1) Based on 42,922,623 Awakn Shares issued and outstanding as at the date hereof and expected to be issued and outstanding as at the Record Date. Unless otherwise indicated, all securities are held directly.

- (2) Based on 15,073,178 Awakn Warrants issued and outstanding as at the date hereof and expected to be issued and outstanding as at the Record Date. Unless otherwise indicated, all securities are held directly.
- (3) Based on 998,300 Awakn RSUs issued and outstanding as at the date hereof and expected to be issued and outstanding as at the Record Date. Unless otherwise indicated, all securities are held directly.
- (4) Based on 526,872 Awakn DSUs issued and outstanding as at the date hereof and expected to be issued and outstanding as at the Record Date. Unless otherwise indicated, all securities are held directly.
- (5) Based on 1,784,828 Awakn Options issued and outstanding as at the date hereof and expected to be issued and outstanding as at the Record Date. Unless otherwise indicated, all securities are held directly.
- (6) 1,510,706 Awakn Shares are held by Alpha Tango Ltd, a corporation beneficially owned by Mr. Tennyson, and 512,000 Awakn Shares are held directly by Mr. Tennyson.
- (7) 375,000 Awakn Shares are held by 2472199 Ontario Ltd, a corporation beneficially owned by Mr. Held, and 539,154 Awakn Shares are held directly by Mr. Held.
- (8) 600,000 Awakn Shares are held by Buyup Holdco Inc., a corporation beneficially owned by Mr. Scorsis, and 780,725 Awakn Shares are held directly by Mr. Scorsis.
- (9) 31,250 Awakn Shares are held by John Papastergiou Pharmacy Limited, a corporation beneficially owned by Mr. Papastergiou, and 258,000 Awakn Shares are held directly by Mr. Papastergiou.
- (10) 651,250 Awakn Shares are held by Equasy Enterprises Ltd., a corporation beneficially owned by Professor Nutt.

As at the close of business on February 27, 2025, to the knowledge of Awakn, the directors and executive officers of Awakn and their associates and affiliates, as a group, did not own, directly or indirectly, any securities of Solvonis.

Awakn Shares

As of the date hereof, the directors and Senior Officers of Awakn beneficially own, control or direct, directly or indirectly, an aggregate of 5,804,985 Awakn Shares representing approximately 13.52% of the issued and outstanding number of Awakn Shares as of the date hereof or of the expected issued and outstanding number of Awakn Shares as of the Record Date. All of the Awakn Shares owned or controlled by such directors and Senior Officers of Awakn will be treated in the same manner under the Arrangement as Awakn Shares held by any other Awakn Shareholder.

As a result of the Arrangement, Awakn Shareholders will receive 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for each Awakn Share. If the Arrangement is completed, the directors and Senior Officers of Awakn will receive, as a group, in exchange for such Awakn Shares held at the Effective Time, an aggregate of approximately 270,918,648 Solvonis Consideration Shares.

Awakn Warrants

As of the date hereof, the directors and Senior Officers of Awakn beneficially own, control or direct, directly or indirectly, an aggregate of 220,750 Awakn Warrants representing approximately 1.46% of the issued and outstanding number of Awakn Warrants as of the date hereof or of the expected issued and outstanding number of Awakn Warrants as of the Record Date. All of the Awakn Warrants owned or controlled by such directors and Senior Officers of Awakn will be treated in the same manner under the Arrangement as Awakn Warrants held by any other Awakn Warrantholders.

As a result of the Arrangement, the Awakn Warrants will be exchanged for Solvonis Warrants to purchase Solvonis Shares, with the exercise price and the number of underlying shares adjusted by the Exchange Ratio and will be exercisable until the current expiry date of the Awakn Warrants. If the Arrangement is completed, the directors and Senior Officers of Awakn will receive as a group, in exchange for such Awakn Warrants held at the Effective Time, an aggregate of approximately 10,302,402 Solvonis Warrants.

See "Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn Warrants".

Awakn RSUs

As of the date hereof, the directors and Senior Officers of Awakn beneficially own, control or direct, directly or indirectly, an aggregate of 830,800 Awakn RSUs representing approximately 83.22% of the issued and outstanding number of Awakn RSUs as of the date hereof or of the expected issued and outstanding number of Awakn RSUs as of the Record Date. All of the Awakn RSUs will be treated in the same manner under the Arrangement.

As a result of the Arrangement, each holder of an Awakn RSU will receive, upon the closing of the Arrangement, approximately 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for every one Awakn RSU in consideration for the transfer of the Awakn Stock Unit Holder's entire interest in the Awakn RSUs held by such

holder to Solvonis. If the Arrangement is completed, the directors and Senior Officers of Awakn will receive as a group, in exchange for such Awakn RSUs held at the Effective Time, an aggregate of approximately 38,773,436 Solvonis Consideration Shares. See *"Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn RSUs and Awakn DSUs"*.

Awakn DSUs

As of the date hereof, the directors and Senior Officers of Awakn beneficially own, control or direct, directly or indirectly, an aggregate of 444,372 Awakn DSUs representing approximately 84.34% of the issued and outstanding number of Awakn DSUs as of the date hereof or of the expected issued and outstanding number of Awakn DSUs as of the Record Date. All of the Awakn DSUs will be treated in the same manner under the Arrangement.

As a result of the Arrangement, each holder of an Awakn DSU will receive, upon the closing of the Arrangement, approximately 46.67 Solvonis Consideration Shares having a nominal value of £0.001 each for every one Awakn DSU in consideration for the transfer of the Awakn Stock Unit Holder's entire interest in the Awakn DSUs held by such holder to Solvonis. If the Arrangement is completed, the directors and Senior Officers of Awakn will receive as a group, in exchange for such Awakn DSUs held at the Effective Time, an aggregate of approximately 20,738,841 Solvonis Consideration Shares. See *"Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn DSUs and Awakn Options"*.

Awakn Options

As of the date hereof, the directors and Senior Officers of Awakn beneficially own, control or direct, directly or indirectly, an aggregate of 1,260,000 Awakn Options representing approximately 83.47% of the issued and outstanding number of Awakn Options as of the date hereof or of the expected issued and outstanding number of Options as of the Record Date. All of the Awakn Options will be treated in the same manner under the Arrangement.

As a condition to the Arrangement, all Awakn Options will be cancelled. See *"Part II — The Arrangement — Effect of the Arrangement — Effect on Awakn Options"*.

Change of Control Provisions

Awakn is a party to the following employment agreements with certain Senior Officers currently employed by Awakn which provide for termination payments in the event there is a "change of control" of Awakn:

The Tennyson Agreement

Under the terms of the Tennyson Agreement, if Mr. Tennyson, the Chief Executive Officer of Awakn, is terminated upon a change of control of Awakn, Mr. Tennyson is entitled to a sum equal to two and a half times his annual remuneration and all vested and unvested equity compensation vest immediately and become exercisable (the **"Tennyson Change of Control Payment"**). Mr. Tennyson has waived his right to the Tennyson Change of Control Payment in connection with the Arrangement.

The Held Agreement

Under the terms of the Held Agreement, if Mr. Held, the Chief Business Officer and Interim Chief Financial Officer of Awakn, is terminated upon a change of control of Awakn, ALOE is entitled to an amount equal to 12 months of his annual remuneration in effect at the time of the change of control plus an average of any bonuses awarded during the two financial years preceding the date of the change of control (the **"Held Change of Control Payment"**). Mr. Held has waived his right to the Held Change of Control Payment in connection with the Arrangement.

See appendix F, *"Additional Information Concerning Awakn Life Sciences Corp. — Statement of Executive Compensation — Employment, Consulting and Management Agreements"*.

Insurance and Indemnification

Under the Arrangement Agreement, Solvonis agreed to, from and after the Effective Time, honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of Awakn and its Subsidiaries to the extent that they are contained in the Constatting Documents of Awakn or disclosed in the Awakn Disclosure Letter, and acknowledged that such rights, to the extent that they have been made available to Solvonis, shall survive unamended the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

Such indemnification shall survive the consummation of the Arrangement and is intended to be for the benefit of, and shall be enforceable by, the present and former employees, officers and directors of Awakn, its Subsidiaries and their respective heirs, executors, administrators and personal representatives and shall be binding on Solvonis, Awakn, its Subsidiaries and their respective successors and assigns. For such purpose, Awakn confirmed that it is acting, under the Arrangement Agreement, as agent and trustee on behalf of the present and former employees, officers and directors of Awakn, its Subsidiaries and their respective heirs, executors, administrators and personal representatives.

See "*Part II – The Arrangement – The Arrangement Agreement – Covenants - Indemnification*".

No person who has been a director or an officer of Awakn at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Awakn Meeting, except as disclosed in this Circular.

Expenses of the Arrangement

Pursuant to the Arrangement Agreement, all costs and expenses of the Parties incurred in connection with the Arrangement are to be paid by the Party incurring such expenses, whether or not the Arrangement is completed.

Securities Law Matters

Canada

The Solvonis Consideration Shares to be issued under the Arrangement to Awakn Shareholders will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian Securities Laws and, following completion of the Arrangement, the Solvonis Consideration Shares will generally be "freely tradeable" (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under applicable Canadian Securities Laws. Each Awakn Shareholder is urged to consult such Awakn Shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Solvonis Consideration Shares issued pursuant to the Arrangement.

The Awakn Shares are listed and posted for trading on the CSE and the policies of the CSE require compliance with the requirements of MI 61-101 for CSE-listed issuers. MI 61-101 regulates insider bids, issuer bids, business combinations and related party transactions to ensure equality of treatment among Awakn securityholders, generally by requiring enhanced disclosure, approval by a majority of Awakn securityholders, excluding interested parties or related parties and their respective joint actors, and in certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors.

As previously described in this Circular, all of the issued and outstanding Awakn Shares will be exchanged for Solvonis Consideration Shares under the terms of the Plan of Arrangement. Unless certain exceptions apply, the Arrangement would be considered a "business combination" in respect of Awakn pursuant to MI 61-101 since the interest of a holder of an Awakn Share may be terminated without the holder's consent. Accordingly, unless no related party of Awakn is entitled to receive a "collateral benefit" in connection with the Arrangement, the transaction would be considered a "business combination" and subject to minority approval requirements at the Awakn Meeting (each as defined in MI 61-101).

If "minority approval" is required, MI 61-101 would require that, in addition to the approval of the Arrangement Resolution by at least 66⅔% of the votes cast by Awakn Shareholders present in person or represented by proxy at the Awakn Meeting, the Arrangement Resolution would also require the approval of a simple majority of the votes

cast by Awakn Shareholders present in person or represented by proxy and entitled to vote, excluding votes cast in respect of Awakn Shares held by "related parties" who receive a "collateral benefit" (as such terms are defined in MI 61-101) as a consequence of the transaction.

A "collateral benefit" (as defined in MI 61-101) includes any benefit that a "related party" of Awakn (which includes the directors and Senior Officers of Awakn, as well as any securityholder having beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the voting securities of Awakn) is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of Awakn or of another person, regardless of the existence of any offsetting costs to the related party or whether the benefit is provided, or agreed to, by Awakn or Solvonis.

However, MI 61-101 expressly excludes from the meaning of "collateral benefit" the following: (a) a payment or distribution per Awakn Share that is identical in amount and form to the entitlement of the general body of holders in Canada of Awakn Shares; (b) an enhancement of employee benefits resulting from participation by the related party in a group plan, other than an incentive plan, for employees of a successor to the business of Awakn, if the benefits provided by the group plan are generally provided to employees of the successor to the business of Awakn who hold positions of a similar nature to the position held by the related party; or (c) a benefit, not described in (b), that is received solely in connection with the related party's services as an employee, director or consultant of Awakn, of an affiliated entity of Awakn or of a successor to the business of Awakn, if: (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the Arrangement; (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the Arrangement in any manner; (iii) full particulars of the benefit are disclosed in this Circular for the Arrangement; and (iv) (A) at the time the Arrangement was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than 1% of the outstanding Awakn Shares; or (B) for business combinations: (I) the related party discloses to an independent committee of Awakn the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the transaction, in exchange for the Awakn Shares beneficially owned by the related party; (II) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in clause (I); and (III) the independent committee's determination is disclosed in the disclosure document for the transaction.

Mr. Anthony Tennyson, the President and Chief Executive Officer and a director of Awakn, is a "related party" under MI 61-101 and, as described above, in certain circumstances, the Tennyson Change of Control Payment may be required under the Tennyson Agreement. However, Mr. Tennyson has waived the Tennyson Change of Control Payment in connection with the Arrangement, and, accordingly, there is no "collateral benefit" due to Mr. Tennyson in connection with the Arrangement.

Mr. Jonathan Held, the Chief Business Officer and Interim Chief Financial Officer of Awakn, is a "related party" under MI 61-101 and, as described above, in certain circumstances, the Held Change of Control Payment may be required under the Held Agreement. However, Mr. Held has waived the Held Change of Control Payment in connection with the Arrangement, and, accordingly, there is no "collateral benefit" due to Mr. Held in connection with the Arrangement.

The Board, with Mr. Tennyson recusing himself, approved on December 13, 2024, a cash bonus payable to Mr. Tennyson in the amount of \$450,000 and a cash bonus payable to Mr. Held in the amount of \$450,000 (collectively the "**Executives Bonuses**"), as compensation for the significant time and energy devoted by each of Mr. Tennyson and Mr. Held to Awakn since its inception, having never received bonuses in the past, and for deferring significant amounts of their compensation over their years of service. The Special Committee and the Board, with Mr. Tennyson recusing himself, have considered if the Executives Bonuses constitute collateral benefits for the purposes of MI 61-101 and have concluded that the Executives Bonuses do not as the Executives Bonuses (i) were not consideration in respect of the Arrangement, (ii) were not contingent on the Arrangement being completed, (iii) were not conferred for the purpose of increasing the value of the consideration paid for securities relinquished under the Arrangement, and (iv) were not conditional on Mr. Tennyson or Mr. Held supporting the Arrangement in any manner.

To the knowledge of Awakn, no related party of Awakn will receive a "collateral benefit" in connection with the Arrangement for the purposes of MI 61-101. Accordingly, as the Arrangement is not a "business combination" under MI 61-101, the requirements under MI 61-101 do not apply to the Arrangement.

See "*Part II — The Arrangement — Interests of Certain Persons in the Arrangement*".

Judicial Developments

The Plan of Arrangement will be implemented pursuant to Division 5 of Part 9 of the BCBCA, which provides that, where it is not practicable for a corporation to effect a fundamental change in the nature of an arrangement under any other provisions of the BCBCA, a corporation may apply to the Court for an order approving the arrangement proposed by such corporation. Pursuant to this part of the BCBCA, such an application will be made by Awakn for approval of the Arrangement. See "*Part II — The Arrangement — Court Approvals — Final Order*" above. Although there have been a number of judicial decisions considering this section of the BCBCA and applications to various arrangements, there have not been, to the knowledge of Awakn, any recent significant decisions which would apply in this instance. **Awakn Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement.**

United States

Each of the (i) Solvonis Consideration Shares to be issued pursuant to the Arrangement to Awakn Shareholders in exchange for their Awakn Shares, and (ii) Solvonis Warrants to be issued pursuant to the Arrangement in exchange for Awakn Warrants, have not been and will not be registered under the U.S. Securities Act or any other U.S. Securities Laws, and are being issued in reliance upon the Section 3(a)(10) Exemption. The issuance of the foregoing securities shall be exempt from, or not subject to, registration or qualification under state securities, or "blue sky", laws. The Section 3(a)(10) Exemption exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, that is expressly authorized by Law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which, among other matters, the substantive and procedural fairness of the terms and conditions of the Arrangement and such issuance of Solvonis Consideration Shares and Solvonis Warrants will be considered. The Court has been advised that if the terms and conditions of the Arrangement and such issuance of Solvonis Consideration Shares and Solvonis Warrants are approved by the Court, Awakn and Solvonis intend to rely upon the Final Order of the Court approving the Arrangement and such issuance of Solvonis Consideration Shares and Solvonis Warrants as a basis for the exemption from registration under the U.S. Securities Act of the Solvonis Consideration Shares and Solvonis Warrants to be issued pursuant to the Arrangement. Therefore, subject to the additional requirements of the Section 3(a)(10) Exemption, should the Court make a Final Order approving the Arrangement and such issuance of Solvonis Consideration Shares and Solvonis Warrants, such Solvonis Consideration Shares and Solvonis Warrants issued pursuant to the Arrangement will be exempt from registration under the U.S. Securities Act. The Court granted the Interim Order on March 10, 2025, and, subject to the approval of the Arrangement by Awakn Voting Securityholders and satisfaction of certain other conditions, a hearing in respect of the Final Order is expected to be held on April 28, 2025, by the Court. See "*Court Approvals*".

The exemption pursuant to the Section 3(a)(10) Exemption will not be available for the issuance of any Solvonis Consideration Shares that are issuable upon exercise of the Solvonis Warrants. Therefore, Solvonis Consideration Shares issuable upon the exercise of the Solvonis Warrants may be issued only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities or "blue sky" laws (in which case they will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act), or following registration under such laws. Solvonis has no present intention to file a registration statement under the U.S. Securities Act relating to the issuance of the Solvonis Consideration Shares issuable upon exercise of the Solvonis Warrants and no assurance can be made that Solvonis will file, or has taken effective steps to file, such registration statement in the future.

The Solvonis Consideration Shares issuable to Awakn Shareholders pursuant to the Arrangement, upon completion of the Arrangement, will be freely transferrable under the U.S. Securities Act, except by persons who are "affiliates" (within the meaning of Rule 144) of Solvonis at such time or were affiliates of Solvonis within 90 days before such time. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that directly or indirectly control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as certain major shareholders of the issuer.

Any resale of such Solvonis Consideration Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption or exclusion therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell Solvonis Consideration Shares outside the United States without registration under the U.S. Securities Act pursuant to and in compliance with Rule 904 of Regulation S under the U.S. Securities Act. If available, such affiliates (and former affiliates) may also resell such Solvonis Consideration Shares pursuant to, and in accordance with, Rule 144 under the U.S. Securities Act.

Affiliates — Rule 144

In general, under Rule 144 under the U.S. Securities Act, persons who are affiliates of Solvonis after the Effective Date (or were affiliates of Solvonis within 90 days prior to the Effective Date) will be entitled to sell, during any three-month period, the Solvonis Consideration Shares that they receive in connection with the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then-outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale, filing requirements, aggregation rules and the availability of current public information about Solvonis. Persons who are affiliates of Solvonis after the Effective Date (or were affiliates of Solvonis within 90 days prior thereto) will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of Solvonis and for 90 days thereafter.

Affiliates — Regulation S

In general, under Regulation S under the U.S. Securities Act, persons who are affiliates of Solvonis following the Effective Date (or were affiliates of Solvonis within 90 days prior to the Effective Date) solely by virtue of their status as an officer or director of Solvonis may sell their Solvonis Consideration Shares issued pursuant to the Arrangement outside the United States in an "offshore transaction" (within the meaning of Rule 902(h) of Regulation S) if neither the seller, an affiliate nor any person acting on its behalf engages in "directed selling efforts" in the United States and provided that no selling commission, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered". Also, under Regulation S, subject to certain exceptions contained in Regulation S, an "offshore transaction" is a transaction in which the offer of the applicable securities is not made to a person in the United States, and either (a) at the time the buy order is originated, the buyer is outside the United States or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction, which has not been pre-arranged with a buyer in the United States, is executed in, on or through the facilities of a designated offshore securities market.

The foregoing discussion is only a general overview of certain requirements of United States federal securities laws applicable to the resale of Solvonis Consideration Shares received upon completion of the Arrangement.

No legal opinion from US legal counsel has been requested, or is expected to be obtained, regarding the federal United States securities laws described herein. Such summary is for general information only and is not intended to be, nor should it be construed to be, legal advice to any Awakn Voting Shareholder. All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

PART III – OTHER INFORMATION

Other Matters

The management of Awakn knows of no other matters to come before the Awakn Meeting other than as set forth in the Notice of Meeting. However, if other matters which are not known to management should properly come before the Awakn Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

Experts

The Awakn Annual Financial Statements incorporated by reference in this Circular have been audited by MNP LLP, as stated in their reports which are also incorporated herein by reference. MNP LLP is independent with respect to Awakn within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The Solvonis Annual Financial Statements included in Appendix G to this Circular have been audited by Kreston Reeves LLP, as stated in their reports which are also included in Appendix G to this Circular. Kreston Reeves LLP is independent with respect to Solvonis within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Evans & Evans, Inc. is named as having prepared or certified a report, statement or opinion in this Circular, specifically the Evans & Evans Fairness Opinion. See "*Part II — The Arrangement — Opinion of Evans & Evans*". Except for the fees to be paid to Evans & Evans that are not contingent upon the completion of the Arrangement or the opinions presented in the Evans & Evans Fairness Opinion, Evans & Evans has not received and will not receive any direct or indirect interests in the property of Awakn or any of its associates or affiliates. Evans & Evans owns approximately 0% of the outstanding Awakn Shares as of March 10, 2025, and, to the knowledge of Awakn, the designated professionals of Evans & Evans, beneficially own, directly or indirectly, less than 1% of the outstanding securities of Awakn or any of its associates or affiliates, and are not expected to be elected, appointed or employed as a director, officer or employee of Awakn or any associate or affiliate thereof.

Additional Information

Additional information relating to Awakn is available on under Awakn's profile on SEDAR+ and upon request from Awakn at Suite 301, 217 Queen Street West, Toronto, Ontario M5V 0R2 telephone no.: 416-270-9566 or email: jonathanh@awaknlifesciences.com. Copies of documents referred to above will be provided, upon request, free of charge to security holders of Awakn. Awakn may require the payment of a reasonable charge from any person or company who is not a security holder of Awakn, who requests a copy of any such document.

PART IV – GENERAL PROXY MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of Awakn to be used at the Awakn Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with NI 54-101, arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Meeting Materials to the beneficial owners of Awakn Shares held of record by such parties. Awakn may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by Awakn. Awakn may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Awakn Voting Securityholders in favour of the matters set forth in the Notice of Meeting.

Record Date

The Record Date for determination of Awakn Voting Securityholders entitled to receive notice of and to vote at the Awakn Meeting is March 13, 2025. Awakn Shareholders whose names have been entered in the register of Awakn Shareholders, Awakn Warrantholders whose names have been entered in the register of Awakn Warrantholders and Awakn Stock Unit Holders whose names have been entered in the register of Awakn Stock Unit Holders, in each case on the close of business on the Record Date will be entitled to receive notice of and to vote at the Awakn Meeting.

Appointment and Revocation of Proxies

A Registered Shareholder, an Awakn Warrantholder and an Awakn Stock Unit Holder may vote in person at the Awakn Meeting or may appoint another person to represent such Registered Shareholder, Awakn Warrantholder or Awakn Stock Unit Holder as proxy and to vote the Awakn Shares of such Registered Shareholder, the Awakn Warrants of such Awakn Warrantholder and the Awakn Stock Units of such Awakn Stock Unit Holder at the Awakn Meeting.

In order to appoint another person as proxy, a Registered Shareholder, an Awakn Warrantholder or an Awakn Stock Unit Holder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the Registered Shareholder's, the Awakn Warrantholder's or the Awakn Stock Unit Holder's behalf in accordance with the instructions given by such Awakn Voting Securityholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of Awakn. **A REGISTERED SHAREHOLDER, AN AWAKN WARRNTHOLDER OR AN AWAKN STOCK UNIT HOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE AN AWAKN SECURITYHOLDER, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder, an Awakn Warrantholder or an Awakn Stock Unit Holder wishing to be represented by proxy at the Awakn Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with Endeavor not later than 10:00 a.m. (Toronto time) on April 17, 2025 or, if the Awakn Meeting is adjourned, not later than 48 hours (excluding weekends and holidays in the Province of British Columbia) preceding the time of such adjourned Awakn Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder, the Awakn Warrantholder or the Awakn Stock Unit Holder or his or her attorney duly authorized in writing or, if the Registered Shareholder, the Awakn Warrantholder or the Awakn Stock Unit Holder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with Endeavor using one of the following methods:

By Mail or Hand Delivery:	Endeavor Trust Corporation 702-777 Hornby Street Vancouver, BC V6Z 1S4
By E-mail:	proxy@endeavortrust.com
By Fax:	604-559-8908
By Internet:	For the registered holders: eproxy.ca For beneficial holders: proxyvote.com (you will need to provide your 12-digit control number located on the form of proxy accompanying this management information circular)

A Registered Shareholder, an Awakn Warrantholder or an Awakn Stock Unit Holder attending the Awakn Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Awakn Meeting and any subsequent matters thereafter to be voted upon at the Awakn Meeting or any adjournment thereof.

A Registered Shareholder, an Awakn Warrantholder or an Awakn Stock Unit Holder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder, Awakn Warrantholder or Awakn Stock Unit Holder or by his or her attorney authorized in writing or, if the Registered Shareholder, the Awakn Warrantholder or the Awakn Stock Unit Holder is a corporation, by an authorized officer or attorney thereof, to (i) the head office of Awakn, located at Suite 301, 217 Queen Street West, Toronto, Ontario M5V 0R2, at any time prior to 4:00 p.m. (Toronto time) on the last Canadian Business day preceding the day of the Awakn Meeting or any adjournment thereof or (ii) with the Chairman of the Awakn Meeting on the day of the Awakn Meeting or any adjournment thereof, before any vote in respect of which the proxy has been given has been taken; or (b) in any other manner permitted by law.

Exercise of Discretion of Proxy

The Awakn Shares, Awakn Warrants and Awakn Stock Units represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder, the Awakn Warrantholder or the Awakn Stock Unit Holder on any ballot that may be called for and, if a Registered Shareholder, an Awakn Warrantholder or an Awakn Stock Unit Holder specifies a choice with respect to any matter to be acted upon at the Awakn Meeting, the Awakn Shares, the Awakn Warrants or the Awakn Stock Units represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority

and will be voted for the Annual Matters, in the case of the Registered Shareholder, and the Arrangement Resolution, in the case of the Registered Shareholder, the Awakn Warrantholder or the Awakn Stock Unit Holder.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Awakn Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of Awakn knows of no such amendments, variations or other matters to come before the Awakn Meeting.

Advice to Non-Registered Shareholders

The information set forth in this section is of significant importance to many Awakn Shareholders, as a substantial number of Awakn Shareholders do not hold Awakn Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Awakn Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Awakn Meeting. Awakn Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an **"Intermediary"**) with whom the Non-Registered Shareholder deals in respect of the Awakn Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS) (a **"Clearing Agency"**) of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by Endeavor. Non-Registered Shareholders do not appear on the list of the Registered Shareholders maintained by Endeavor.

Distribution of Awakn Meeting Materials to Non-Registered Shareholders

In accordance with the requirements of NI 54-101, Awakn has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Shareholders as well as directly to NOBOs (as defined below).

Non-Registered Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (**"OBOs"**) and those who do not object to their identity being made known to the issuers of the securities which they own (**"NOBOs"**). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and Awakn or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Awakn Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Awakn Shares on your behalf.

Awakn's OBOs can expect to be contacted by their Intermediary. Awakn does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

Voting by Non-Registered Shareholders

The Awakn Shares held by Non-Registered Shareholders can only be voted or withheld from voting at the direction of the Non-Registered Shareholder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Awakn Shares on behalf of Non-Registered Shareholders. Therefore, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Awakn Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Shareholders, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Awakn Shares are voted at the Awakn Meeting.

Non-Registered Shareholders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Shareholders to direct the voting of the Awakn Shares they beneficially own. Non-Registered Shareholders should follow the procedures set out below, depending on which type of form they receive.

Voting Instruction Form. In most cases, a Non-Registered Shareholder will receive, as part of the Awakn Meeting Materials, a voting instruction form (a "VIF"). If the Non-Registered Shareholder does not wish to attend and vote at the Awakn Meeting in person (or have another person attend and vote on the Non-Registered Shareholder's behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

Form of Proxy. Less frequently, a Non-Registered Shareholder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Awakn Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. If the Non-Registered Shareholder does not wish to attend and vote at the Awakn Meeting in person (or have another person attend and vote on the Non-Registered Shareholder's behalf), the Non-Registered Shareholder must complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Shareholders at the Awakn Meeting

Although a Non-Registered Shareholder may not be recognized directly at the Awakn Meeting for the purposes of voting Awakn Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Shareholder may attend the Awakn Meeting as proxyholder for the Registered Shareholder who holds Awakn Shares beneficially owned by such Non-Registered Shareholder and vote such Awakn Shares as a proxyholder. A Non-Registered Shareholder who wishes to attend the Awakn Meeting and to vote their Awakn Shares as proxyholder for the Registered Shareholder who holds Awakn Shares beneficially owned by such Non-Registered Shareholder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of Awakn as maintained by Endeavor, unless specifically stated otherwise

Voting Securities and Principal Holders Thereof

As at the close of business on March 10, 2025, there were 42,922,623 Awakn Shares issued and outstanding and it is expected that as at the close of business on the Record Date there will be 42,922,623 Awakn Shares issued and outstanding.

To the knowledge of the directors and officers of Awakn, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Awakn Shares carrying more than 10% of the voting rights attached to the outstanding Awakn Shares.

Procedure and Votes Required

The Interim Order provides that each Awakn Voting Securityholder at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Awakn Meeting.

Pursuant to the Interim Order:

- (a) each Awakn Share entitled to be voted at the Awakn Meeting will entitle the holder to one vote at the Awakn Meeting in respect of the Arrangement Resolution;
- (b) each Awakn Warrant entitled to be voted at the Awakn Meeting will entitle the holder to one vote at the Awakn Meeting in respect of the Arrangement Resolution;
- (c) each Awakn Stock Unit entitled to be voted at the Awakn Meeting will entitle the holder to one vote at the Awakn Meeting in respect of the Arrangement Resolution;
- (d) the number of votes required to pass the Arrangement Resolution shall be at least (i) 66 $\frac{2}{3}$ % of the votes cast by all Awakn Shareholders present in person or represented by proxy and entitled to vote at the Awakn

Meeting; and (ii) 66 $\frac{2}{3}$ % of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting; and

(e) the quorum at the Awakn Meeting shall be one or more Awakn Shareholders, present in person or by proxy.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Awakn Voting Securityholders, to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Arrangement. See appendix A to this Circular for the full text of the Arrangement Resolution.

Each Awakn Shareholder at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Awakn Meeting on the Annual Matters.

PART V – APPROVALS

Board of Directors' Approval

The contents and the sending of this Circular have been approved by the Board.

"George Scorsis"

George Scorsis

Chairman

March 10, 2025

PART VI – CONSENT OF FAIRNESS OPINION AUTHOR

Consent of Evans & Evans, Inc.

We hereby consent to the references to our firm name and our opinion letter dated February 22, 2025, to the Special Committee of the board of directors of Awakn Life Sciences Corp. contained in the Letter to Awakn Voting Securityholders, under the headings "*Glossary of Terms*", "*Summary Information — Reasons for Recommendation of the Board*", "*Summary Information — Opinion of Evans & Evans*", "*Part II — The Arrangement — Background to the Arrangement*", "*Part II — The Arrangement — Reasons for Recommendation of the Board*", "*Part II — The Arrangement — Opinion of Evans & Evans*", "*Part III — Other Information — Experts*" and to the inclusion of the text of our opinion letter in appendix E to the notice of meeting and management information circular concerning the plan of arrangement involving Awakn Life Sciences Corp. and Solvonis Therapeutics PLC (formerly, Graft Polymer (UK) Plc) dated March 10, 2025. Our opinion letter was given as at February 22, 2025, subject to the assumptions, limitations and qualifications contained therein. In providing such consent, we do not intend that any person other than the board of directors of Awakn Life Sciences Corp. and the special committee of the board of directors of Awakn Life Sciences Corp. shall be entitled to rely upon our opinion.

(signed)

March 10, 2025

APPENDIX A

ARRANGEMENT RESOLUTION

The text of the Arrangement Resolution which the Awakn Voting Securityholders will be asked to pass at the Awakn Meeting is as follows:

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

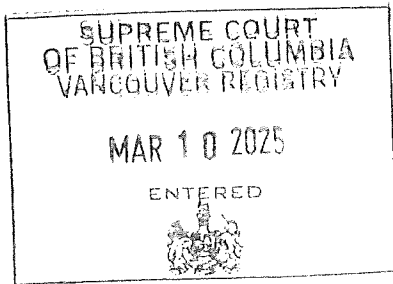
1. The arrangement (the "**Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") of Awakn Life Sciences Corp. (the "**Company**"), as more particularly described and set forth in the management proxy circular (the "**Circular**") dated March 10, 2025 of the Company accompanying the notice of the meeting of the securityholders of the Company to be held on April 22, 2025 (as the Arrangement may be amended, modified or supplemented in accordance with the arrangement agreement (as it may be amended, the "**Arrangement Agreement**") made as of February 22, 2025 between the Company and Solvonis Therapeutics Plc) is hereby authorized, approved and adopted.
2. The plan of arrangement of the Company (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the "**Plan of Arrangement**")), the full text of which is set out in appendix D to the Circular, is hereby authorized, approved and adopted.
3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.
4. The Company is hereby authorized to apply for a final order from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the securityholders of the Company or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the securityholders of the Company, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted thereby and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver such documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such documents.
7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

B-1

APPENDIX B

INTERIM ORDER

(see attached)



No. S-251721
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA), S.B.C.
2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
AWAKN LIFE SCIENCES CORP.
AND SOLVONIS THERAPEUTICS PLC

AWAKN LIFE SCIENCES CORP.

PETITIONER

ORDER MADE AFTER APPLICATION
(INTERIM ORDER)

BEFORE

ASSOCIATE JUDGE HANER

10/March/2025

ON THE APPLICATION of the Petitioner, Awakn Life Sciences Corp. ("**Awakn**") for an Interim Order under section 291 of the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with an arrangement involving Awakn, Solvonis Therapeutics Plc ("**Solvonis**"), the holders (the "**Awakn Shareholders**") of Awakn common shares (the "**Awakn Shares**"), the holders (the "**Awakn RSU Holders**") of Awakn restricted share units (the "**Awakn RSUs**"), the holders (the "**Awakn DSU Holders**") of Awakn deferred share units (the "**Awakn DSUs**") and the holders (the "**Awakn Warrantholders**") and together with the Awakn Shareholders, the Awakn RSU Holders and the Awakn DSU Holders, the "**Awakn Voting Securityholders**") of warrants to purchase Awakn Shares (the "**Awakn Warrants**") under section 288 of the BCBCA

- ☒ without notice coming on for hearing at 800 ^{SALTHE} ~~Smith~~ Street, Vancouver, British Columbia on March 10, 2025 and on hearing Sam Macdonald, counsel for Awakn, and upon reading the Petition filed herein and the Affidavit No. 1 of Jonathan Held made March 5, 2025 (the "**Affidavit**") and filed herein;

THIS COURT ORDERS that:

ANNUAL GENERAL AND SPECIAL MEETING

1. Pursuant to sections 186, 288, 289(1)(a)(i) and (e), 290 and 291(2)(b)(i) of the BCBCA, Awakn is authorized and directed to call, hold and conduct an annual general and special meeting (the "**Meeting**") of the Awakn Voting Securityholders on April 22, 2025 at 10:00 a.m. (Toronto time) at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2:
 - a. to consider and, if deemed advisable, to pass, with or without variation, among other things, a special resolution (the "**Arrangement Resolution**") of the Awakn Voting Securityholders authorizing and approving an arrangement (the "**Arrangement**") under Division 5 of Part 9 of the BCBCA; and
 - b. to transact such other business, as may properly be brought before the Meeting, or any adjournment or postponement thereof.
2. The Meeting shall be called, held and conducted in accordance with the BCBCA, the notice of annual general and special meeting of the Awakn Voting Securityholders (the "**Notice**"), the management information circular, which is attached as Exhibit "A" to the Affidavit (the "**Information Circular**"), the articles of Awakn and applicable securities laws, subject to the terms of this Interim Order and any further Order of this Court, as well as the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency this Interim Order shall govern or, if not specified in the Interim Order, the Information Circular shall govern.

AMENDMENTS

3. Awakn is authorized to make, in the manner contemplated by and subject to the arrangement agreement between Awakn and Solvonis dated February 22, 2025 (the "**Arrangement Agreement**"), such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as it may determine without any additional notice to or authorization of the Awakn Voting Securityholders or further orders of this Court. The Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as so amended, modified or supplemented, shall be the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular to be submitted to Awakn Voting Securityholders at the Meeting, as applicable, and the subject of the Arrangement Resolution.

ADJOURNMENTS AND POSTPONEMENTS

4. Notwithstanding the provisions of the BCBCA and the articles of Awakn, and subject to the terms of the Arrangement Agreement, the board of directors of Awakn (the "**Awakn Board**") shall be entitled to adjourn or postpone the Meeting by resolution on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Awakn Voting Securityholders respecting such adjournment or postponement and without the need for approval of this Court. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or notice sent to the Awakn Voting Securityholders by one of the methods specified in paragraph 8 of this Interim Order, as

determined to be the most appropriate method of communication by the Awakn Board, subject to the terms of the Arrangement Agreement.

5. The Record Date (as defined below) shall remain the same despite any adjournments or postponements of the Meeting.

RECORD DATE

6. The record date for determining Awakn Voting Securityholders entitled to receive the Notice, the Information Circular (which shall include, amongst other things, a copy of the Petition, the Notice of Hearing of Petition for Final Order, and the Interim Order granted), the Plan of Arrangement and the form of proxy or voting instruction form for use by the Awakn Voting Securityholders (collectively, the "**Meeting Materials**"), shall be the close of business on March 13, 2025 (the "**Record Date**"), as previously approved by the Awakn Board and published by Awakn. The Record Date shall remain the same despite any adjournments or postponements of the Meeting.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

7. The Information Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the BCBCA, and Awakn shall not be required to send to the Awakn Voting Securityholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA.
8. The Meeting Materials, in substantially the same form contained as Exhibits to the Affidavit, with such amendments, deletions or additional documents as counsel for Awakn may advise are necessary or desirable, and as are not inconsistent with the terms of this Interim Order, shall be made available online under Awakn's profile on SEDAR+ at www.sedarplus.ca or on the website of Endeavor Trust Corporation, Awakn's transfer agent and registrar, at <http://www.eproxy.ca/AwaknLifeSciences/2025AGSM/> at least thirty (30) days prior to the date of the Meeting in compliance with the notice and access provisions set out in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* and section 2.7.1 of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (together the "**Notice and Access Provisions**"). Pursuant to the Notice and Access Provisions, a notice and access statement notifying the Awakn Voting Securityholders that the Meeting Materials will be posted online for access by the Awakn Voting Securityholders, along with the form of proxy or voting instruction form (together the "**Mailed Materials**"), shall be sent:
 - (a) to registered Awakn Voting Securityholders as they appear on the securities register(s) of Awakn or the records of its registrar and transfer agents as at the close of business on the Record Date, at least thirty (30) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
 - (i) by prepaid ordinary or air-mail addressed to such Awakn Voting Securityholder at his, her, or its address as it appears on the applicable securities registers of Awakn or its registrar and transfer agent as at the Record Date;
 - (ii) by delivery in person or by courier to the addresses specified in paragraph 8(a)(i) above; or

- (iii) by email or facsimile transmission to any such Awakn Voting Securityholder who identifies himself, herself or itself to the satisfaction of Awakn (acting through its representatives), who requests such email or facsimile transmission and pays for the transmission fees in accordance with such request; and
 - (b) to non-registered Awakn Shareholders (those whose names do not appear in the securities register of Awakn), by sending copies of the Mailed Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to beneficial owners in accordance with the procedures prescribed by National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3) business days prior to the thirtieth (30th) day prior to the date of the Meeting
- 9. The Meeting Materials shall be sent to the directors and auditor of Awakn by prepaid ordinary mail or by delivery in person or by recognized courier service or by email or facsimile transmission at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmission.
- 10. Substantial compliance with the delivery of the Meeting Materials and the Mailed Materials as ordered herein shall constitute good and sufficient notice of the Meeting, including compliance with the requirements of section 290(1)(a) of the BCBCA, and Awakn shall not be required to send to any Awakn Voting Securityholder any other or additional statement pursuant to section 290(1) of the BCBCA.
- 11. The sending of the Meeting Materials, which includes the Petition, Notice of Hearing of the Petition and the Interim Order in accordance with paragraph 8 of this Order shall constitute good and sufficient service of such Petition and Notice of Hearing upon all who may wish to appear in these proceedings, and no other service need be made and no other material need to be served on persons in respect of these proceedings except upon written request to the solicitors for Awakn at their address for service set out in the Petition. In particular, service of the Petition and any supporting affidavits is dispensed with.
- 12. Accidental failure of or omission by Awakn to give notice to any one or more Awakn Voting Securityholder or any other persons entitled thereto, or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Awakn (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Awakn, then it shall use commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
- 13. Awakn shall be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.
- 14. Provided that notice of the Meeting is given and the Meeting Materials are provided to the Awakn Voting Securityholder, and any other persons entitled thereto in compliance with this Interim Order, the requirement of section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived.

DEEMED RECEIPT OF NOTICE

15. The Mailed Materials, Meeting Materials and any amendments, modifications, updates or supplements to the Meeting Materials and any notice of adjournment or postponement of the Meeting, shall be deemed to have been received, for the purposes of this Interim Order:
- (a) in the case of mailing pursuant to paragraph 8(a)(i) above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
 - (b) in the case of delivery in person pursuant to paragraph 8(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, one (1) business day after receipt by the courier;
 - (c) in the case of transmission by email or facsimile pursuant to paragraph 8(a)(iii) above, upon the transmission thereof;
 - (d) in the case of advertisement, at the time of publication of the advertisement;
 - (e) in the case of electronic filing on SEDAR+, upon the transmission thereof; and
 - (f) in the case of beneficial Awakn Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

UPDATING MEETING MATERIALS

16. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Awakn Voting Securityholder or any other persons entitled thereto, by press release, news release, newspaper advertisement or by notice sent to the Awakn Voting Securityholder by any of the means set forth in paragraph 8, as determined to be the most appropriate method of communication by the Awakn Board, subject to the terms of the Arrangement Agreement.

PERMITTED ATTENDEES

17. The only persons entitled to attend the Meeting shall be:
- (a) the registered Awakn Voting Securityholders as at 5:00 p.m. (Vancouver time) on the Record Date, or their respective proxyholders;
 - (b) directors, officers, auditors and advisors of Awakn;
 - (c) directors, officers, auditors and advisors of Solvonis; and
 - (d) other persons with the prior permission of the Chair of the Meeting;
- and the only persons entitled to be represented and to vote at the Meeting shall be the registered Awakn Voting Securityholders at the close of business on the Record Date, or their respective proxyholders.

SOLICITATION OF PROXIES

18. Awakn is authorized to use the form of proxy or voting instruction form (as applicable) in connection with the Meeting, in substantially the same form as is attached as Exhibits "C" " to the Affidavit, subject to Awakn's ability to insert dates and other relevant information in the final form thereof and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. Awakn is authorized, at its expense, to solicit proxies

directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.

19. The procedures for the use of proxies at the Meeting and revocation of proxies shall be as set out in the Notice and the Information Circular.
20. Subject to the terms of the Arrangement Agreement, Awakn may in its discretion generally waive the time limits for the deposit of proxies by Awakn Voting Securityholders if Awakn deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

QUORUM AND VOTING

21. A quorum at the Meeting shall be one or more Awakn Shareholders, present in person or by proxy.
22. At the Meeting, and in respect of the Arrangement Resolution:
 - a. each Awakn Shareholder whose name is entered on the central securities register of Awakn as at the close of business on the Record Date is entitled to one (1) vote for each Awakn Share registered in his/her/its name; and
 - b. each Awakn RSU Holder, Awakn DSU Holder and Awakn Warrantholder whose name is entered on the securities register of Awakn as at the close of business on the Record Date is entitled to one (1) vote for each such security registered in his/her/its name.
23. The requisite and sole approvals to pass the Arrangement Resolution shall be:
 - a. the affirmative vote of at least 66⅔% of the votes cast by the Awakn Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and
 - b. the affirmative vote of at least 66⅔% of the votes cast by the Awakn Voting Securityholders voting together as a single class, present in person or represented by proxy at the Meeting.

SCRUTINEER

24. The scrutineer for the Meeting shall be Endeavor Trust Corporation (acting through its representatives for that purpose).

SHAREHOLDER DISSENT RIGHTS

25. Each registered Awakn Shareholder is granted rights to dissent (the "Dissent Rights") in respect of the Arrangement Resolution in accordance with sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, this Interim Order and the Final Order, including that:
 - (a) a registered Awakn Shareholder who wishes to dissent (a "Dissenting Shareholder") must deliver a written notice of dissent (a "Notice of Dissent") to Awakn c/o Irwin Lowy LLP, Attn: Steven Agnew, 217 Queen Street West, Suite 401, Toronto, ON M5V 0R2 or sagnew@irwinlowy.com, to be received by Awakn no later than 4:00 p.m. (Vancouver time) on April 18, 2025, or if the Meeting is adjourned or postponed, the

date that is at least two Business Days preceding the date of the reconvened or postponed Meeting;

- (b) a Notice of Dissent must specify the name and address of the Dissenting Shareholder, the number of Awakn Shares in respect of which the Notice of Dissent is being given (the "Notice Shares") and whichever of the following is applicable:
 - (i) if the Notice Shares constitute all of the Awakn Shares of which the Dissenting Shareholder is both the registered and beneficial owner and the Dissenting Shareholder holds no other Awakn Shares as beneficial owner, a statement to that effect;
 - (ii) if the Notice Shares constitute all of the Awakn Shares of which the Dissenting Shareholder is both the registered and beneficial owner but the Dissenting Shareholder owns additional Awakn Shares beneficially, a statement to that effect and the names of the registered Awakn Shareholders of such additional Awakn Shares, the number of such additional Awakn Shares held by each of those registered owners and a statement that Notices of Dissent are being, or have been, sent with respect to all such additional Awakn Shares; or
 - (iii) if the Dissent Rights are being exercised by a registered Awakn Shareholder on behalf of a non-registered Awakn Shareholder who is not the Dissenting Shareholder, a statement to that effect and the name and address of the non-registered Awakn Shareholder and a statement that the registered Awakn Shareholder is dissenting with respect to all Awakn Shares of the non-registered Awakn Shareholder that are registered in such registered Awakn Shareholder's name.
- (c) A Dissenting Shareholder who has delivered a Notice of Dissent and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder. An Awakn Shareholder need not vote its Awakn Shares against the Arrangement Resolution in order to dissent. A vote against the Arrangement Resolution, whether in person or by proxy, does not constitute a Notice of Dissent.
- (e) Awakn is required, promptly after the later of (i) the date on which it forms the intention to proceed with the Arrangement, and (ii) the date on which the Notice of Dissent was received to notify each Dissenting Shareholder of its intention to act on the Arrangement Resolution;
- (f) if the Arrangement Resolution is approved and if Awakn notifies the Dissenting Shareholders of its intention to act upon the Arrangement Resolution, the Dissenting Shareholder is then required, within one month after Awakn gives such notice, to send to Awakn the certificates representing the Notice Shares if such shares are certificated, and a written statement that requires Solvonis, to purchase all of the Notice Shares;
- (g) if the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a non-registered Awakn Shareholder who is not the Dissenting Shareholder, a statement signed by the non-registered Awakn Shareholder is required which sets out whether the non-registered Awakn Shareholder is the beneficial owner of other Awakn Shares and, if so, (i) the names of the registered owners of such Awakn

Shares; (ii) the number of such Awakn Shares; and (iii) that dissent is being exercised in respect of all of such Awakn Shares. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold the Awakn Shares and Solvonis is deemed to have purchased them in consideration for a debt claim against Solvonis for the value of the Notice Shares. Once the Dissenting Shareholder has done this, the Dissenting Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares;

- (h) the Dissenting Shareholder and Awakn may agree on the payout value of the Notice Shares; otherwise, either party may apply to the Court to determine the payout value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the Court. After a determination of the payout value of the Notice Shares, and if the Arrangement is completed, Solvonis must then promptly pay that amount to the Dissenting Shareholder to satisfy the debt claim of such Dissenting Shareholder against Solvonis arising from the deemed purchase of the Notice Shares by Solvonis. If a Dissenting Shareholder is ultimately not entitled, for any reason, to be paid fair value for the Notice Shares, such Dissenting Shareholder will be deemed to have participated in the Arrangement on the same basis as an Awakn Shareholder who has not exercised Dissent Rights and shall be entitled to receive only the Consideration that such Awakn Shareholder would have received pursuant to the Arrangement if such Awakn Shareholder had not exercised its Dissent Rights; and
 - (i) a Dissenting Shareholder loses his, her or its Dissent Rights if, before full payment is made for the Notice Shares, if any of the following events occurs: Awakn abandons the corporate action that has given right to the Dissent Right (namely the Arrangement), the Arrangement Resolution does not pass or is revoked; the Arrangement will not proceed; a court permanently enjoins the Arrangement, or the Dissenting Shareholder withdraws the Notice of Dissent with Awakn's consent. When these events occur, Awakn must return the share certificates, if applicable, to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise shareholder rights.
26. Notice to the Awakn Shareholders of their Dissent Rights with respect to the Arrangement Resolution will be given by including information with respect to the Dissent Rights in the Information Circular to be sent to the Awakn Shareholders with respect to the Arrangement.
27. Subject to further order of this Court, the rights available to the Awakn Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Awakn Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

28. Upon the approval by the Awakn Voting Securityholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Awakn may apply to this Court (the "**Application**") for an Order:
- (a) pursuant to section 291(4)(a) of the BCBCA approving the Arrangement; and
 - (b) pursuant to section 291(4)(c) of the BCBCA declaring that the Arrangement, and the distribution of securities to be effected by the Arrangement, is substantively and procedurally fair and reasonable to the Awakn Voting Securityholders,

(collectively the "Final Order"),

and the hearing of the Application will be held on April 28, 2025 at 9:45 a.m. before the presiding Judge in Chambers at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the Application can be heard or at such other date and time as this Court may direct.

29. The form of Notice of final hearing attached as Exhibit "B" to the Affidavit is hereby approved as the form of notice for the hearing of the application for the Final Order.
30. The Petitioner has advised the court that:
 - a. section 3(a)(10) of the United States *Securities Act of 1933* (the "**1933 Act**"), as amended, provides an exemption from registration for the securities issued in exchange for one or more bona fide outstanding securities, claims or property interests pursuant to an arrangement where the terms and conditions of such issuance and exchange are approved by any court (including this Court), after a hearing on the fairness of such terms and conditions at which all person to whom it is proposed to issue securities in such exchange have the right to appear and receive timely notice thereof;
 - b. the Petitioner intends to use the Final Order of this Court approving the Arrangement, and declaring the fairness of the Arrangement, including the terms and conditions hereof and the proposed issuance and exchanges of securities contemplated therein, as a basis for an exemption from registration under the 1933 Act of the issuance of the Solvonis common shares (the "**Solvonis Shares**") and the Solvonis warrants (the "**Solvonis Warrants**") to be distributed and exchanged under the Arrangement; and
 - c. should the Court make the Final Order approving the Arrangement, the issuance of the Solvonis Shares and the Solvonis Warrants to be distributed and exchanged under the Arrangement will be exempt from registration under the 1933 Act pursuant to section 3(a)(10) thereof.
31. Any Awakn Voting Securityholder who wishes to appear or be represented and/or present evidence or arguments at the hearing of the application for the Final Order must:
 - (a) file a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Application; and
 - (b) deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Application, to Awakn's counsel at:

Whitelaw Twining
2400 – 200 Granville Street, Vancouver, BC V6C 1S4
Attention: Nicole Chang and Lauren Gnanasiamany

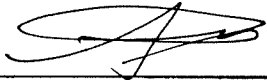
by or before 4:00 p.m. (Vancouver time) on April 26 2025.
32. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.

33. In the event that the hearing of the Application is adjourned, then only those persons who filed and delivered a Response to Petition in accordance with paragraph 30 need be provided with notice of the adjourned hearing date.
34. Subject to other provisions in this Interim Order, no material other than that contained in the Information Circular need be served on any persons in respect of these proceedings and, in particular, service of the Petition herein and the accompanying Affidavit and additional affidavits as may be filed is dispensed with.

VARIANCE

35. Awakn shall be entitled, at any time, to apply to vary this Interim Order.
36. Rules 8-1 and 16-1(8) – (12) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.
37. Awakn shall, and hereby do, have liberty to apply for such further orders as may be appropriate.
38. To the extent of any inconsistency or discrepancy between this Interim Order and the Information Circular, the BCBCA, applicable Securities Laws or the articles of Awakn, this Interim Order will govern.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for the Petitioner,
Awakn Life Sciences Corp.
Lawyer: Sam Macdonald

BY THE COURT



Registrar



C-1

APPENDIX C

NOTICE OF PETITION

(see attached)



No. **S3251721**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA), S.B.C.
2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
AWAKN LIFE SCIENCES CORP.
AND SOLVONIS THERAPEUTICS PLC

AWAKN LIFE SCIENCES CORP.

PETITIONER

PETITION TO THE COURT

ON NOTICE TO:

This petition is without notice.

The address of the registry is:

800 Smithe Street
Vancouver, BC V6Z 2E1

The petitioner estimates that the hearing of the petition will take 15 minutes

- ☐ This matter is an application for judicial review.
- ☒ This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below, by

- ☐ the persons named as petitioners in the style of proceedings above
- ☒ Awakn Life Sciences Corp. (the petitioner)

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
- (i) 2 copies of the filed response to petition, and

- (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner(s),

- (a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The ADDRESS FOR SERVICE of the petitioner(s) is:	WT BCA LLP 2400 – 200 Granville St. Vancouver, BC V6C 1S4 Attention: Nicole Chang
	Fax number address for service (if any) of the petitioner:	(604) 682-5217
	E-mail address for service (if any) of the petitioner:	service@wt.ca nchang@wt.ca Lgnanasihamany@wt.ca
(2)	The name and office address of the petitioner's lawyer is:	WT BCA LLP 2400 – 200 Granville St. Vancouver, BC V6C 1S4 Attention: Nicole Chang and Lauren Gnanasihamany

CLAIM OF THE PETITIONER

Part 1: ORDER(S) SOUGHT

The petitioner, Awakn Life Sciences Corp. ("**Awakn**") applies to this Court pursuant to sections 186, 288 to 297 of the *Business Corporations Act*, S.B.C. 2002, c. 57 (the "**BCBCA**"), Rules 1-2(4), 2-1(2)(b), 4-4, 4-5, 8-1 and 16-1 of the Supreme Court Civil Rules for:

1. an *ex parte* interim order (the "**Interim Order**") substantially in the form attached as Schedule "A" to this Petition in connection with an arrangement (the "**Arrangement**") between Awakn and Solvonis Therapeutics Plc ("**Solvonis**") as proposed by the Petitioner in the plan of arrangement (the "**Plan of Arrangement**") substantially in the form attached as Schedule "B" to the notice of

annual general and special meeting of shareholders and management information circular (the "**Circular**") of Awakn, a draft of which is attached as Exhibit "A" to Affidavit #1 of Jonathan Held, Chief Business Officer, Interim Chief Financial Officer, and Secretary of Awakn, made as of March 5, 2025 ("**Affidavit #1**") for:

- a. The convening and conduct by the Petitioner, Awakn, of an annual general and special meeting (the "**Meeting**") of the holders (the "**Awakn Shareholders**") of common shares of Awakn (the "**Awakn Shares**"), the holders (the "**Awakn RSU Holders**") of Awakn restricted share units (the "**Awakn RSUs**"), the holders (the "**Awakn DSU Holders**") of Awakn deferred share units (the "**Awakn DSUs**") and the holders (the "**Awakn Warrantholders**") and together with the Awakn Shareholders, the Awakn RSU Holders, the Awakn DSU Holders and the "**Awakn Voting Securityholders**") of warrants to purchase Awakn Shares (the "**Awakn Warrants**") to be held at 10:00 am (Toronto time) on April 22, 2025 at 217 Queen Street West, Suite 401, Toronto, Ontario, subject to any adjournment, to consider, *inter alia*, and if deemed advisable, pass with or without variation, a special resolution (the "**Arrangement Resolution**") authorizing and approving the Arrangement under Division 5 of Part 9 of the BCBCA, and to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof; and
 - b. The giving of notice of the Meeting and provision of materials regarding the Arrangement;
2. a final order (the "**Final Order**") that:
- a. the Arrangement, including the terms and conditions thereof and the proposed issuance and exchange of securities contemplated therein, be declared fair and reasonable; and
 - b. the Arrangement be approved;
3. such further and other relief as the Petitioner may advise and the Court may deem just.

Part 2: FACTUAL BASIS

1. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Circular attached as Exhibit "A" to Affidavit #1.

Awakn

2. Awakn is a company incorporated under the laws of British Columbia with a head office at Suite 301, 217 Queen St. West, Toronto, Ontario M5V 0R2. Awakn is a clinical-stage biotechnology company developing medication-assisted treatments for addiction.
3. Awakn is a reporting issuer under the Canadian Securities Laws in the provinces of British Columbia, Alberta and Ontario. The Awakn Shares are listed on the Canadian Securities Exchange (the "**CSE**") (Symbol: AWKN).
4. The authorized share capital of Awakn consists of an unlimited number of common shares.

5. As of March 5, 2025 there were, and it is expected that as of March 12, 2025 (the "**Record Date**"), there will be:
- (a) 42,922,623 Awakn Shares issued and outstanding;
 - (b) 1,784,828 options to purchase Awakn Shares (the "**Awakn Options**") issued and outstanding which, if fully vested, would entitle their holders (the "**Awakn Optionholders**") to acquire a total of 1,784,828 Awakn Shares at prices ranging from \$0.30 to \$2.90 per Awakn Share with expiry dates ranging from January 31, 2026 to December 12, 2027;
 - (c) 15,073,178 Awakn Warrants issued and outstanding which entitle their holders to acquire a total of 15,073,178 Awakn Shares at exercise prices ranging from \$0.63 to \$0.68 per Awakn Share with expiry dates ranging from September 14, 2027 to September 18, 2029.
 - (d) 998,300 Awakn RSUs issued and outstanding which, if fully vested and upon settlement, entitle their holders to acquire a total of 998,300 Awakn Shares subject to certain vesting criteria; and
 - (e) 526,872 Awakn DSUs issued and outstanding which, if fully vested and upon settlement, entitle their holders to acquire a total of 526,872 Awakn Shares subject to certain vesting criteria.

Solvonis Therapeutics Plc

6. Solvonis is a corporation incorporated in England and Wales with a head office located at Eccleston Yards, 25 Eccleston Place, London SW1W 9NF. Solvonis is a biotechnology company.
7. Solvonis is a reporting issuer in England and Wales, and the common shares of Solvonis (the "**Solvonis Shares**") are listed on the London Stock Exchange (the "**LSE**") (symbol: SVNS).

The Arrangement

8. Awakn and Solvonis have entered into an arrangement agreement dated February 22, 2025, (the "**Arrangement Agreement**"), pursuant to which Solvonis will acquire all of the issued and outstanding Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs.
9. As a condition of closing the Arrangement, each Awakn Optionholder has agreed to the cancellation of such Awakn Optionholder's Awakn Options, which cancellation will occur immediately prior to the Effective Time for no consideration.
10. Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following sequence:
- (a) each Awakn Share held by a Dissenting Shareholder (as defined in the Plan of Arrangement) in respect of which Dissent Rights (as defined in the Plan of Arrangement) have been validly exercised shall be, and shall be deemed to be, transferred by the holder

thereof, free and clear of all Liens (as defined in the Plan of Arrangement), to Solvonis for the amount therefor determined under Article 4 of the Plan of Arrangement, and:

- (i) the name of such Dissenting Shareholder shall be removed from the register of the Awakn Shareholders maintained by or on behalf of Awakn and each such Awakn Share shall be cancelled and cease to be outstanding;
 - (ii) such Dissenting Shareholder shall cease to be the holder of each such Awakn Share or to have any rights as a Awakn Shareholder other than the right to be paid the fair value for each such Awakn Share as set out in Article 4 of the Plan of Arrangement; and
 - (iii) Solvonis shall be, and shall be deemed to be, the transferee of such Awakn Shares, free and clear of all Liens, and shall be entered in the register of Awakn Shareholders maintained by or on behalf of Awakn as the holder of such Awakn Shares;
- (b) each Awakn Share, (other than any Awakn Share held by a Dissenting Shareholder who has validly exercised their Dissent Right or Solvonis or any subsidiary of Solvonis) shall be, and shall be deemed to be transferred by the holder thereof, free and clear of all Liens, to Solvonis and, in consideration therefor, Solvonis shall issue 46.67 (the "**Exchange Ratio**") Solvonis Consideration Shares in exchange for each Awakn Share, subject to Section 3.03 and Article 5, of the Plan of Arrangement, and:
 - (i) the holders of such Awakn Shares shall cease to be the holders of such Awakn Shares and to have any rights as holders of such Awakn Shares, other than the right to be issued the Solvonis Consideration Shares by Solvonis in accordance with the Plan of Arrangement;
 - (ii) such holders' names shall be removed from the register of the Awakn Shareholders maintained by or on behalf of Awakn; and
 - (iii) Solvonis shall be, and shall be deemed to be, the transferee of such Awakn Shares, free and clear of all Liens, and shall be entered in the register of the Awakn Shareholders maintained by or on behalf of Awakn as the holder of such Awakn Shares;
- (c) each Awakn RSU outstanding immediately prior to the Effective Time (as defined in the Plan of Arrangement), whether vested or unvested, shall be cancelled and, in consideration therefor, Solvonis shall issue 46.67 Solvonis Consideration Shares for each Awakn RSU, subject to Section 3.03 and Article 5 of the Plan of Arrangement, and the holders of Awakn RSUs shall cease to be the holders of such Awakn RSUs and to have any rights as holders of such Awakn RSUs, other than the right to be issued the Solvonis Consideration Shares by Solvonis in accordance with the Plan of Arrangement;
- (d) each Awakn DSU outstanding immediately prior to the Effective Time, whether vested or unvested, shall be cancelled and, in consideration therefor, Solvonis shall issue 46.67 Solvonis Consideration Shares for each Awakn DSU, subject to Section 3.03 and Article 5

of the Plan of Arrangement, and the holders of Awakn DSUs shall cease to be the holders of such Awakn DSUs and to have any rights as holders of such Awakn DSUs, other than the right to be issued the Solvonis Consideration Shares by Solvonis in accordance with the Plan of Arrangement; and

- (e) each Awakn Warrant outstanding immediately prior to the Effective Time, shall be transferred to Solvonis in exchange for a warrant (each a "**Replacement Warrant**") to purchase from Solvonis such number of Solvonis Shares (rounded down to the nearest whole number) equal to: (i) the Exchange Ratio, multiplied by (ii) the number of Awakn Shares purchasable by such Awakn Warrant immediately prior to the Effective Time, at an exercise price per Solvonis Share (rounded up to the nearest whole cent) equal to (M) the exercise price per Awakn Share otherwise purchasable pursuant to such Awakn Warrant immediately prior to the Effective Time, divided by (N) the Exchange Ratio. Except as set out above, all other terms and conditions of the Replacement Warrant, including the conditions to and manner of exercising, will be the same as the Awakn Warrant so exchanged, and shall be governed by the terms of the Replacement Warrant Certificate.

No Creditor Impact

- 11. The Arrangement does not contemplate a compromise of any debt or debt instruments of Awakn and no creditor of Awakn will be materially affected by the Arrangement.

Background to the Arrangement

- 12. The Arrangement Agreement is a result of arm's length negotiations among representatives of Awakn, the Special Committee (defined below) and Solvonis and their respective financial and legal advisors. During the course of their consideration of the Arrangement and Arrangement Agreement, the board of directors of Awakn (the "**Board**") and the Special Committee conducted formal meetings and held informal discussions amongst the Awakn directors, senior management team and their financial and legal advisors. The following is a summary of the material events, meetings, negotiations and discussions among the parties that preceded the public announcement of the execution of the Arrangement Agreement on February 22, 2025.
- 13. Senior management of Awakn regularly considers and investigates opportunities to enhance value for Awakn Securityholders. Those opportunities have often included the possibility of strategic transactions and business combinations.
- 14. In July, 2024, it was brought to the attention of the Board that Solvonis (then Graft Polymer (UK) PLC), a company of which the Chief Executive Officer and director of Awakn, Anthony Tennyson, acted as part time Chief Executive Officer and a director in the UK, might be interested in a business relationship with Awakn. Anthony Tennyson declared his interest in Solvonis to the Board, and, acknowledging the potential conflict of interest, the Board established a special committee of the independent directors (the "**Special Committee**") on July 8, 2024 comprised of George Scorsis as the Chair of the Special Committee, and Steve Page, John Papastergiou and Paul Carter as members, and adopted a mandate to oversee any negotiations with Solvonis for a potential collaboration.

15. Over the next week the Special Committee negotiated with Solvonis on a collaboration agreement pursuant to which the Parties focused on developing Awakn's aminoidane new chemical entity series programme. On July 17, 2024, the Special Committee recommended that the Board approve entering into such collaboration agreement, which the Board approved (with Mr. Tennyson recusing himself from the vote after declaring his interest in the matter) also on July 17, 2024. A collaboration agreement with Solvonis was entered into on July 17, 2024.
16. In early October, 2024, representatives of Awakn and Solvonis discussed the potential for a business combination transaction whereby Awakn would be acquired by Solvonis. These discussions continued over the next month and, on December 4, 2024, the Board (with Mr. Tennyson recusing himself from the vote after declaring his interest in the matter) resolved to broaden the mandate of the Special Committee to apply not only to a collaboration but to a potential business combination transaction as well.
17. During the following week, Awakn's Chief Financial Officer negotiated with representatives of Solvonis, all overseen by the Special Committee, with a view to entering into a letter of intent with respect to a potential acquisition of Awakn by Solvonis (the "LOI").
18. On December 11, 2024, the Special Committee met with management of Awakn and Awakn's legal advisors to review the proposed binding terms of the LOI, including a detailed description of Solvonis' business, team, prospects and future outlook, the potential pro forma working capital model, a review of financial metrics, and the specific terms of the proposed LOI. The Special Committee also discussed Awakn's alternatives and challenges in obtaining sufficient financing.
19. On December 11, 2024, the Special Committee formally engaged Evans & Evans to act as exclusive financial advisor to Awakn in relation to a potential business combination between Awakn and Solvonis, and to prepare and deliver to the Special Committee a fairness opinion regarding the fairness, from a financial point of view, of any such business combination to the Awakn Voting Securityholders.
20. On December 13, 2024, the Special Committee met again, and, after a thorough review of the proposed binding LOI, and after considering a number of factors including the premium to be received by Awakn Voting Securityholders, the opportunities for the business of Awakn following an acquisition by Solvonis, the limited alternatives available to Awakn, and the conditionality of a transaction with Solvonis pursuant to the LOI, unanimously resolved to recommend that the Board approve the execution of the LOI.
21. On December 13, 2024, the Board met to, among other things, consider the final terms of the LOI. Mr. Tennyson declared his interest in the matter. The Board then heard a report from the Special Committee, and, based on the recommendation of the Special Committee, the Board unanimously (with Mr. Tennyson recusing himself from the vote) authorized and directed Awakn to enter into the LOI.
22. On December 15, 2024, the binding LOI, which contains appropriate confidentiality provisions, was executed.
23. During the period from December 15, 2024 to January 29, 2025, the Parties and their advisors conducted reciprocal due diligence through the exchange of written materials via electronic data

rooms and various due diligence calls with representatives from Awakn and Solvonis and legal advisors.

24. On January 17, 2025, the Special Committee met to discuss, among other things, the progress of the proposed transaction, the ongoing due diligence on Solvonis and to discuss the Solvonis Voting Agreements.
25. On January 27, 2025, the Special Committee met to, among other things, review and discuss the due diligence report on Solvonis in advance of the due diligence deadline of January 29, 2025 pursuant to the terms of the LOI. After a review of the due diligence report and discussion on Awakn's termination rights under the LOI, the Special Committee determined to proceed with the transaction and not to recommend terminating the LOI based on due diligence.
26. On February 3, 2025, the Special Committee met to, among other things, receive an update on the progress of the transaction and to receive the preliminary analysis from Awakn's legal advisors on the applicability of MI 61-101 to the Arrangement.
27. On February 10, 2025, the Special Committee met to, among other things, review the terms of the draft Arrangement Agreement, and to discuss holding the Awakn Meeting.
28. On February 19, 2025, the Special Committee met with the Awakn executive team, Evans & Evans, and legal counsel. At this meeting, Evans & Evans presented its financial analysis of the proposed transaction and orally delivered its Fairness Opinion (the "**Evans Fairness Opinion**") (subsequently confirmed in writing effective February 22, 2025) that as of the date of the Evans Fairness Opinion, and based upon and subject to the assumptions, limitations and qualifications described to the Special Committee, the Arrangement is fair, from a financial point of view, to Awakn Voting Securityholders. The Special Committee also reviewed the potential benefits and risks relating to the Arrangement, reviewed the material terms and conditions of the Arrangement Agreement with Awakn's legal advisors, and discussed the Arrangement with management of Awakn, and the executive team presented its views of the proposed transaction to the meeting.
29. After discussion and careful deliberation and consultation with its legal and financial advisors, during which the Special Committee considered both the benefits and risks of the potential transaction, the Special Committee completed its deliberations in camera and unanimously determined by written resolution dated February 21, 2025 that the Arrangement is in the best interests of Awakn and is fair to Awakn Voting Securityholders, and unanimously determined to recommend that the Board approve the Arrangement and the Arrangement Agreement and recommend that Awakn Voting Securityholders vote their Awakn securities in favour of the Arrangement Resolution.
30. On February 21, 2025, the Board received the recommendation from the Special Committee and an update from the Awakn executive team, and legal counsel, and Mr. Tennyson declared his interest in the matter. After careful deliberation and consultation with its legal and financial advisors, and consideration of the unanimous recommendation of the Special Committee as well as both the potential benefits and risks of the Arrangement, the Board, with Mr. Tennyson recusing himself from the vote, unanimously determined by way of written resolution that the Arrangement is in the best interests of Awakn and is fair to Awakn Voting Securityholders and

unanimously approved the Arrangement and the Arrangement Agreement and resolved to recommend that Awakn Voting Securityholders vote their securities of Awakn in favour of the Arrangement Resolution.

31. On February 22, 2025, Awakn and Solvonis executed the Arrangement Agreement. A press release announcing the Arrangement was disseminated by Awakn prior to the opening of trading on the CSE on February 27, 2025.

Reasons and Support for the Arrangement

32. Based on its considerations and investigations, including consultation with its financial and legal advisors, the unanimous recommendation of the Special Committee, the Evans Fairness Opinion, and its own deliberations, the Board, with Mr. Anthony Tennyson, who is the Chief Executive Officer and a director of both Awakn and Solvonis, recusing himself from the vote, has unanimously determined that the Arrangement is in the best interests of Awakn.
33. In evaluating the Arrangement and in making its recommendations, the Board and the Special Committee gave careful consideration to the current and expected future position of the business of Awakn and all terms of the Arrangement Agreement, including the conditions precedent, representations and warranties and deal protections. The Board and the Special Committee considered a number of factors including, among others, the following:
 - (a) **Premium.** Under the terms of the Arrangement Agreement, as at February 22, 2025, the Consideration implies a value of C\$0.146 per Awakn Share which represents a 53.52% premium to the closing share price of the Awakn Shares on the CSE on December 13, 2024, the last trading day prior to the date of the announcement of the Arrangement and the date on which the trading of the Awakn Shares was halted and a 37.59% premium to the volume-weighted average price of Awakn Shares on the CSE over the 90 trading days ending on December 13, 2024.
 - (b) **Access to Capital.** The Arrangement will provide Awakn, through Solvonis' listing on the LSE, with direct access to the London international capital markets and to a broader range of investors, including a range of institutional investors.
 - (c) **Fairness Opinion.** The Evans Fairness Opinion states that as of the date of the Arrangement Agreement, and subject to and based on the, assumptions, limitations, and qualifications described therein, the Arrangement is fair, from a financial point of view, to the Awakn Voting Securityholders.
 - (d) **Supporting Awakn Securityholders.** The fact that each of the directors and officers of Awakn, in addition to certain other Awakn Voting Securityholders, representing, in aggregate, approximately 50.69% and 50.58%, respectively, of the issued and outstanding Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs, support the Arrangement and have agreed to vote, or use best efforts to cause to be voted, all of the Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs held or controlled by them in favour of the Arrangement Resolution. Of the Awakn Shares, Awakn Warrants, Awakn RSUs and Awakn DSUs held by such Awakn Voting Securityholders, 24.41% of such

securities are held by officers and/or directors of Awakn and 75.59% are held by Awakn Voting Securityholders who are neither officers nor directors of Awakn

- (e) **Future Development.** The risks and potential rewards associated with Awakn continuing to execute its business and strategic plan as an independent entity, as an alternative to the Arrangement, and that the combined company will be better positioned to pursue a growth and value maximizing strategy as compared with Awakn on a standalone basis, as a result of the combined company's larger market capitalization, increased technical expertise, asset diversification, increased financial capacity and enhanced access to capital over the long term and the likelihood of increased investor interest and access to business development opportunities due to the combined company's larger market presence.
- (f) **Preferred Strategic Alternative.** The Board and the Special Committee considered a number of alternative strategic courses of action. As part of its regular review of strategic alternatives, Awakn, along with its financial and legal advisors, considered potential transactions with other strategic parties and reviewed a number of potential project financing alternatives. Ultimately, the Arrangement was determined to be the most favourable transaction for maximizing Awakn Securityholder value.
- (g) **Negotiated Transaction.** The Arrangement Agreement is the result of a comprehensive arm's length negotiation process, overseen by the Special Committee, with respect to the key elements of the Arrangement Agreement and the Plan of Arrangement, which includes terms and conditions that are reasonable in the judgment of the Special Committee.
- (h) **Ability to Respond to Unsolicited Superior Proposals.** Subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited bona fide written proposal that, having regard to all of its terms and conditions, if consummated in accordance with its terms, could reasonably be expected to lead to a Superior Proposal. The amount of the Termination Fee payable in certain circumstances, being C\$1,000,000, would not, in the view of the Special Committee preclude a third party from potentially making a Superior Proposal.
- (i) **Fairness of the Conditions.** The Arrangement Agreement provides for certain conditions to completion of the Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied in the judgment of the Special Committee and the Board.
- (j) **Due Diligence.** Awakn's due diligence review and investigations of the business, operations, financial condition, products, strategy and future prospects of Solvonis.
- (k) **Impact on Stakeholders.** The impact of the Arrangement on all stakeholders in Awakn, including Awakn Voting Securityholders, employees and the long-term interests of Awakn.
- (l) **Securityholder Approval.** The Arrangement Resolution must be approved by at least (i) 66 2/3% of the votes cast by all Awakn Shareholders present in person or represented by

proxy and entitled to vote at the Awakn Meeting; and (ii) 66 2/3% of the votes cast by Awakn Voting Securityholders present in person or represented by proxy and entitled to vote at the Awakn Meeting

- (m) **Court Approval.** The Arrangement must be approved by the Court, which will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement to the Awakn Voting Securityholders.
- (n) **Dissent Rights.** The terms of the Plan of Arrangement provide that registered Awakn Shareholders as at the close of business on the record date for the Meeting have the right to dissent with respect to the resolution approving the Arrangement and, if the Arrangement becomes effective, to be paid the fair value of their Awakn Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Plan of Arrangement and the Final Order (as described in the Plan of Arrangement). The Dissent Rights with respect to the Arrangement must be strictly complied with in order for registered Awakn Shareholders to receive cash representing the fair value of their Awakn Shares held.

Interests of Certain Persons

- 34. As of the Record Date, the directors and senior officers of Awakn as a group beneficially owned, controlled or directed by each of them and their associates and affiliates over 5,804,985 Awakn Shares representing approximately 13.52% of the Awakn Shares, resulting in their holding of an aggregate of approximately 13.52% of the number of votes to be cast on the vote of all Awakn Shareholders at the Meeting.
- 35. As of the Record Date, the directors and senior officers of Awakn as a group beneficially owned, controlled or directed by each of them and their associates and affiliates over (i) 830,800 Awakn RSUs representing approximately 83.22% of the Awakn RSUs, (ii) 444,372 Awakn DSUs representing approximately 84.34% of the Awakn DSUs, and (iii) 220,750 Awakn Warrants representing approximately 1.46% of the Awakn Warrants, resulting, when combined with their holdings of Awakn Shares, in their holding of an aggregate of approximately 12.27% of the number of votes to be cast on the vote of all Awakn Voting Securityholders at the Meeting.

The Meeting and Approvals

- 36. It is proposed in accordance with the Interim Order that Awakn convene the Meeting on Tuesday, April 22, 2025 at 10:00 a.m. (Toronto Time) to consider, *inter alia*, and, if thought fit, to pass, subject to such amendments, variations or additions as may be approved at the Meeting, the Arrangement Resolution.
- 37. The Awakn Board has resolved that the record date for determining the Awakn Voting Securityholders entitled to receive notice of, attend and vote at the Meeting be fixed at Friday, March 13, 2025.
- 38. In connection with the Meeting, Awakn intends to make available to the Awakn Voting Securityholder the following materials and documentation substantially in the forms attached as Exhibits "A" to "C" and "F" to Affidavit #1:

- (a) The Notice of the Meeting and Circular (a copy of which is attached as Exhibit "A" to Affidavit #1) that includes, among other things:
 - (i) an explanation of the effect of the Arrangement;
 - (ii) information concerning Awakn;
 - (iii) information concerning Solvonis;
 - (iv) the Arrangement Resolution;
 - (v) the Plan of Arrangement;
 - (vi) a copy of the Petition;
 - (vii) a copy of the Interim Order;
 - (viii) a copy of the Notice of final hearing of the Petition;
 - (ix) a summary of the Arrangement Agreement;
 - (x) a copy of the dissent provisions contained in Division 2 of Part 8 of the BCBCA; and
 - (xi) the Evans Fairness Opinion which is also attached as Exhibit "F" to Affidavit #1; and
- (b) the form of proxy and voting instruction form for use by the Awakn Voting Securityholders, as applicable, (draft copies of which are attached as Exhibit "C" to Affidavit #1).

(collectively, the "**Meeting Materials**")

- 39. In accordance with the Interim Order, the Meeting Materials will be made available online under Awakn's profile on SEDAR+ at www.sedarplus.ca or on the website of Endeavor Trust Corporation, Awakn's transfer agent and registrar, at <http://www.eproxy.ca/AwaknLifeSciences/2025AGSM/> at least thirty (3) days prior to the date of the Meeting in compliance with the notice and access provisions set out in section 9.1.1 of *National Instrument 51-102 – Continuous Disclosure Obligations* and section 2.7.1 of *National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer* (together the "**Notice and Access Provisions**"). Pursuant to the Notice and Access Provisions and in accordance with the Interim Order, a notice and access statement notifying the Awakn Voting Securityholders that the Meeting Materials, substantially in the form attached as Exhibit "D" to Affidavit #1, will be posted online for access by the Awakn Voting Securityholders, along with the form of proxy or voting instruction form, will be sent to the Awakn Voting Securityholders.
- 40. All such documents may contain such amendments thereto as the Petitioner (based on the advice of its solicitors) may determine are necessary or desirable, provided such amendments are not inconsistent with the terms of the Interim Order.

Quorum and Voting at the Meeting

41. A quorum at the Meeting shall be at least one Awakn Shareholder, in person or represented by proxy, holding not less than one Awakn Share entitled to be voted at the Meeting
42. At the Meeting, and in respect of the Arrangement Resolution:
 - (a) each Awakn Shareholder whose name is entered on the central securities register of Awakn as at the close of business on the Record Date is entitled to one (1) vote for each Awakn Share registered in his/her/its name; and
 - (b) each Awakn RSU Holder, Awakn DSU Holder and Awakn Warrantholder whose name is entered on the securities register of Awakn as at the close of business on the Record Date is entitled to one (1) vote for each such security registered in his/her/its name.
43. The requisite and sole approvals to pass the Arrangement Resolution shall be:
 - (a) the affirmative vote of at least 66⅔% of the votes cast by the Awakn Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and
 - (b) the affirmative vote of at least 66⅔% of the votes cast by the Awakn Voting Securityholders, voting together as a single class, present in person or represented by proxy at the Meeting.

Rights of Dissent

44. The registered Awakn Shareholders shall have rights of dissent in respect of the Arrangement Resolution equivalent to those provided in Division 2 of Part 8 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order.
45. In essence, the dissent rights will provide that any registered Awakn Shareholder who objects to the Arrangement Resolution and properly exercises the dissent rights by strictly complying with the procedures as set out in Division 2 of Part 8 of the BCBCA, has the right to require that Solvonis purchase such shareholder's Awakn Shares, for their fair value.

United States Securities Laws:

46. Section 3(a)(10) of the 1933 Act provides an exemption from the general registration requirements of the 1933 Act for securities issued in exchange for one or more bona fide outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved as substantively and procedurally fair by a court of competent jurisdiction that is expressly authorized by law to grant such approval after a hearing upon the substantive and procedural fairness of such terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and have received timely notice thereof.
47. Awakn hereby gives notice to the Court of the intent of Awakn and Solvonis to rely upon the exemption provided by Section 3(a)(10) under the 1933 Act with respect to the issuance of Solvonis Consideration Shares and Replacement Warrants.

48. Solvonis and Awakn do not wish to proceed with the transactions contemplated by the Plan of Arrangement, except by way of an arrangement under the BCBCA, so that Awakn and Solvonis may rely on the exemption provided by Section 3(a)(10) of the 1933 Act. If such exemption were not available, compliance with the United States securities laws would likely subject Awakn and Solvonis to inordinate costs and inconvenience, and delay implementation of the Arrangement, none of which Awakn believes is in the best interests of the Awakn Securityholders.
49. Awakn and Solvonis will rely on this Court's approval as the basis for the exemption from the registration requirements of the 1933 Act, pursuant to Section 3(a)(10) thereof, for the issuance of the Solvonis Consideration Shares and Replacement Warrants pursuant to the Arrangement.

Part 3: LEGAL BASIS

1. The Petitioner relies on sections 186, 238, 242-247, 288-299 of the BCBCA, Supreme Court Civil Rules 1-2(4), 1-3, 2-1(2)(b), 4-4, 4-5, 8-1, and 16-1, and the inherent jurisdiction of this Court.
2. Section 288(1) of the BCBCA permits a company to propose an arrangement with its shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate.
3. Section 288(2) of the BCBCA sets out two preconditions for an arrangement to take effect: (a) the adoption of the arrangement in accordance with section 289, and (b) court approval under section 291.
4. This Court has recognized that section 291 of the BCBCA contemplates three steps in the process of approving an arrangement:
 - (a) An application for an interim order for directions calling a shareholders' (and possibly other securityholders') meeting to consider and vote on the arrangement;
 - (b) A meeting of shareholders (and possibly other securityholders) where the arrangement must be voted on and approved by special resolution; and
 - (c) An application for final approval of the arrangement.

Re Plutonic Power Corporation, 2011 BCSC 804 ("*Plutonic*") at para. 16

5. The Petitioner intends to apply for an interim order for directions, and following the Meeting to be held in compliance with the terms of the interim order, return to this Court for approval of the arrangement.
6. An interim order is preliminary in nature. The purpose of the interim order is to set the wheels in motion for the application process relating to the arrangement and to establish the parameters for the holding of shareholder meetings to consider approval of the arrangement in accordance with the statute.

Mason Capital Management LLC v TELUS Corp, 2012 BCSC 1582 ("*Mason*") at para. 31

7. In order to grant an interim order, a court need only to satisfy itself that reasonable grounds exist to regard the proposed transaction as an 'arrangement'. The court will consider the merits and fairness of the arrangement at the final hearing stage.

Mason at para. 32

8. In determining whether a plan of arrangement should be approved, the court must focus on the terms and impact of the arrangement itself, rather than on the process by which it was reached. What is required is that the arrangement itself, viewed substantively and objectively, be suitable for approval.

Plutonic at para 19 citing B.C.E (defined below) at para 136

9. The principles to be applied in considering an application for court approval of a plan of arrangement were set out by the Supreme Court of Canada in *B.C.E. Inc. v. 1976 Debenture Holders*, 2008 SCC 69 ("B.C.E."):

- (a) In seeking approval of an arrangement, the corporation bears the onus of satisfying the court that the statutory procedures have been met, the application has been put forward in good faith, and the arrangement is fair and reasonable: at para. 137.
- (b) In order to determine whether a plan of arrangement is fair and reasonable, the court must be satisfied that the plan serves a valid business purpose and that it adequately responds to the objections and conflicts between different affected parties: at paras. 138, 143.
- (c) Whether a plan of arrangement is fair and reasonable is determined by taking into account a variety of relevant factors, including the necessity of the arrangement to the corporation's continued existence, the approval, if any, of a majority of shareholders and other security holders entitled to vote, and the proportionality of the impact on affected groups: at paras. 144-154.

Plutonic at para. 19 citing B.C.E.

10. Under the valid business purpose prong of the fair and reasonable analysis, courts must be satisfied that the burden imposed by the arrangement on securityholders is justified by the interests of the corporation. The proposed plan of arrangement must further the interests of the corporation as an ongoing concern.

Plutonic at para. 19 citing B.C.E. at para. 145

11. The second prong of the fair and reasonable analysis focuses on whether the objections of those whose rights are being arranged are being resolved in a fair and balanced way. The court must be careful not to cater to the special needs of one particular group but must strive to be fair to all involved in the transaction depending on the circumstances that exist. The overall fairness of any arrangement must be considered as well as fairness to various individual stakeholders.

Plutonic at para. 19 citing B.C.E. at para. 147-148

12. The following list of non-exhaustive factors has been considered by courts in applying the above principles:

- (a) The necessity of the arrangement to the continued operations of the corporation. Necessity is driven by the market conditions that a corporation faces. The degree of necessity of the arrangement has a direct impact on the court's level of scrutiny;
- (b) Although not determinative, courts have placed considerable weight on whether a majority of securityholders has voted to approve the arrangement. Voting results offer a key indication of whether those affected by the plan consider it to be fair and reasonable;
- (c) The proportionality of the compromise between various security holders;
- (d) The securityholders' position before and after the arrangement;
- (e) Whether the plan has been approved by a special committee of independent directors;
- (f) The presence of a fairness opinion from a reputable expert;
- (g) The access of shareholders to dissent rights;
- (h) The impact on various securityholders' rights; and
- (i) The reputé of the directors and advisors who endorse the arrangement and the arrangement's terms.

Plutonic at para. 19 citing B.C.E. at para. 146, 150, 152

13. The overall determination of whether an arrangement is fair and reasonable is fact-specific and may require the assessment of different factors in different situations.

Plutonic at para. 19 citing B.C.E. at para. 153

14. There is no such thing as a perfect arrangement. What is required is a reasonable decision in light of the specific circumstances of each case, not a perfect decision.

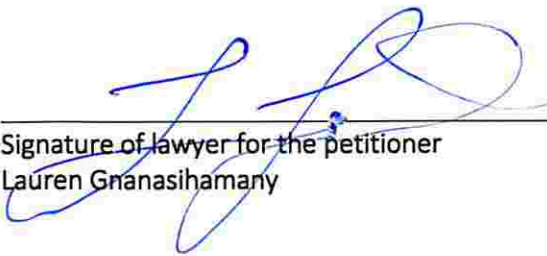
Plutonic at para. 19 citing B.C.E. at para. 155

15. The Arrangement in this case is put forward in good faith and is fair and reasonable. On that basis, the Petitioner asks that the court grant its application for the Interim Order and the Final Order.

MATERIAL TO BE RELIED ON

- 1. The Affidavit #1 of Jonathan Held, made March 6, 2025; and
- 2. Such further materials as counsel for Awakn may advise.

Dated: 5 March/2025



Signature of lawyer for the petitioner
Lauren Granasihamany

To be completed by the court only:

Order made

- ☐ in the terms requested in paragraph _____ of Part 1 of this petition
- ☐ with the following variations and additional terms:

Dated: ____/____/2025

Signature of ☐ Judge ☐ Associate Judge

SCHEDULE "A" TO PETITION

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA), S.B.C.
2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
AWAKN LIFE SCIENCES CORP.
AND SOLVONIS THERAPEUTICS PLC

AWAKN LIFE SCIENCES CORP.

PETITIONER

ORDER MADE AFTER APPLICATION (INTERIM ORDER)

BEFORE

ASSOCIATE JUDGE

10/March/2025

ON THE APPLICATION of the Petitioner, Awakn Life Sciences Corp. ("**Awakn**") for an Interim Order under section 291 of the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with an arrangement involving Awakn, Solvonis Therapeutics Plc ("**Solvonis**"), the holders (the "**Awakn Shareholders**") of Awakn common shares (the "**Awakn Shares**"), the holders (the "**Awakn RSU Holders**") of Awakn restricted share units (the "**Awakn RSUs**"), the holders (the "**Awakn DSU Holders**") of Awakn deferred share units (the "**Awakn DSUs**") and the holders (the "**Awakn Warrantholders**" and together with the Awakn Shareholders, the Awakn RSU Holders and the Awakn DSU Holders, the "**Awakn Voting Securityholders**") of warrants to purchase Awakn Shares (the "**Awakn Warrants**") under section 288 of the BCBCA

- ☒ without notice coming on for hearing at 800 Smith Street, Vancouver, British Columbia on March 10, 2025 and on hearing Sam Macdonald, counsel for Awakn, and upon reading the Petition filed herein and the Affidavit No. 1 of Jonathan Held made March 5, 2025 (the "**Affidavit**") and filed herein;

THIS COURT ORDERS that:

ANNUAL GENERAL AND SPECIAL MEETING

1. Pursuant to sections 186, 288, 289(1)(a)(i) and (e), 290 and 291(2)(b)(i) of the BCBCA, Awakn is authorized and directed to call, hold and conduct an annual general and special meeting (the "**Meeting**") of the Awakn Voting Securityholders on April 22, 2025 at 10:00 a.m. (Toronto time) at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2:
 - a. to consider and, if deemed advisable, to pass, with or without variation, among other things, a special resolution (the "**Arrangement Resolution**") of the Awakn Voting Securityholders authorizing and approving an arrangement (the "**Arrangement**") under Division 5 of Part 9 of the BCBCA; and
 - b. to transact such other business, as may properly be brought before the Meeting, or any adjournment or postponement thereof.
2. The Meeting shall be called, held and conducted in accordance with the BCBCA, the notice of annual general and special meeting of the Awakn Voting Securityholders (the "**Notice**"), the management information circular, which is attached as Exhibit "A" to the Affidavit (the "**Information Circular**"), the articles of Awakn and applicable securities laws, subject to the terms of this Interim Order and any further Order of this Court, as well as the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency this Interim Order shall govern or, if not specified in the Interim Order, the Information Circular shall govern.

AMENDMENTS

3. Awakn is authorized to make, in the manner contemplated by and subject to the arrangement agreement between Awakn and Solvonis dated February 22, 2025 (the "**Arrangement Agreement**"), such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as it may determine without any additional notice to or authorization of the Awakn Voting Securityholders or further orders of this Court. The Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as so amended, modified or supplemented, shall be the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular to be submitted to Awakn Voting Securityholders at the Meeting, as applicable, and the subject of the Arrangement Resolution.

ADJOURNMENTS AND POSTPONEMENTS

4. Notwithstanding the provisions of the BCBCA and the articles of Awakn, and subject to the terms of the Arrangement Agreement, the board of directors of Awakn (the "**Awakn Board**") shall be entitled to adjourn or postpone the Meeting by resolution on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Awakn Voting Securityholders respecting such adjournment or postponement and without the need for approval of this Court. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or notice sent to the Awakn Voting Securityholders by one of the methods specified in paragraph 8 of this Interim Order, as

determined to be the most appropriate method of communication by the Awakn Board, subject to the terms of the Arrangement Agreement.

5. The Record Date (as defined below) shall remain the same despite any adjournments or postponements of the Meeting.

RECORD DATE

6. The record date for determining Awakn Voting Securityholders entitled to receive the Notice, the Information Circular (which shall include, amongst other things, a copy of the Petition, the Notice of Hearing of Petition for Final Order, and the Interim Order granted), the Plan of Arrangement and the form of proxy or voting instruction form for use by the Awakn Voting Securityholders (collectively, the "**Meeting Materials**"), shall be the close of business on March 13, 2025 (the "**Record Date**"), as previously approved by the Awakn Board and published by Awakn. The Record Date shall remain the same despite any adjournments or postponements of the Meeting.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

7. The Information Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the BCBCA, and Awakn shall not be required to send to the Awakn Voting Securityholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA.
8. The Meeting Materials, in substantially the same form contained as Exhibits to the Affidavit, with such amendments, deletions or additional documents as counsel for Awakn may advise are necessary or desirable, and as are not inconsistent with the terms of this Interim Order, shall be made available online under Awakn's profile on SEDAR+ at www.sedarplus.ca or on the website of Endeavor Trust Corporation, Awakn's transfer agent and registrar, at <http://www.eproxy.ca/AwaknLifeSciences/2025AGSM/> at least thirty (30) days prior to the date of the Meeting in compliance with the notice and access provisions set out in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* and section 2.7.1 of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (together the "**Notice and Access Provisions**"). Pursuant to the Notice and Access Provisions, a notice and access statement notifying the Awakn Voting Securityholders that the Meeting Materials will be posted online for access by the Awakn Voting Securityholders, along with the form of proxy or voting instruction form (together the "**Mailed Materials**"), shall be sent:
 - (a) to registered Awakn Voting Securityholders as they appear on the securities register(s) of Awakn or the records of its registrar and transfer agents as at the close of business on the Record Date, at least thirty (30) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
 - (i) by prepaid ordinary or air-mail addressed to such Awakn Voting Securityholder at his, her, or its address as it appears on the applicable securities registers of Awakn or its registrar and transfer agent as at the Record Date;
 - (ii) by delivery in person or by courier to the addresses specified in paragraph 8(a)(i) above; or

- (iii) by email or facsimile transmission to any such Awakn Voting Securityholder who identifies himself, herself or itself to the satisfaction of Awakn (acting through its representatives), who requests such email or facsimile transmission and pays for the transmission fees in accordance with such request; and
 - (b) to non-registered Awakn Shareholders (those whose names do not appear in the securities register of Awakn), by sending copies of the Mailed Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to beneficial owners in accordance with the procedures prescribed by National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3) business days prior to the thirtieth (30th) day prior to the date of the Meeting
- 9. The Meeting Materials shall be sent to the directors and auditor of Awakn by prepaid ordinary mail or by delivery in person or by recognized courier service or by email or facsimile transmission at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmission.
- 10. Substantial compliance with the delivery of the Meeting Materials and the Mailed Materials as ordered herein shall constitute good and sufficient notice of the Meeting, including compliance with the requirements of section 290(1)(a) of the BCBCA, and Awakn shall not be required to send to any Awakn Voting Securityholder any other or additional statement pursuant to section 290(1) of the BCBCA.
- 11. The sending of the Meeting Materials, which includes the Petition, Notice of Hearing of the Petition and the Interim Order in accordance with paragraph 8 of this Order shall constitute good and sufficient service of such Petition and Notice of Hearing upon all who may wish to appear in these proceedings, and no other service need be made and no other material need to be served on persons in respect of these proceedings except upon written request to the solicitors for Awakn at their address for service set out in the Petition. In particular, service of the Petition and any supporting affidavits is dispensed with.
- 12. Accidental failure of or omission by Awakn to give notice to any one or more Awakn Voting Securityholder or any other persons entitled thereto, or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Awakn (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Awakn, then it shall use commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
- 13. Awakn shall be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.
- 14. Provided that notice of the Meeting is given and the Meeting Materials are provided to the Awakn Voting Securityholder, and any other persons entitled thereto in compliance with this Interim Order, the requirement of section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived.

DEEMED RECEIPT OF NOTICE

15. The Mailed Materials, Meeting Materials and any amendments, modifications, updates or supplements to the Meeting Materials and any notice of adjournment or postponement of the Meeting, shall be deemed to have been received, for the purposes of this Interim Order:
- (a) in the case of mailing pursuant to paragraph 8(a)(i) above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
 - (b) in the case of delivery in person pursuant to paragraph 8(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, one (1) business day after receipt by the courier;
 - (c) in the case of transmission by email or facsimile pursuant to paragraph 8(a)(iii) above, upon the transmission thereof;
 - (d) in the case of advertisement, at the time of publication of the advertisement;
 - (e) in the case of electronic filing on SEDAR+, upon the transmission thereof; and
 - (f) in the case of beneficial Awakn Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

UPDATING MEETING MATERIALS

16. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Awakn Voting Securityholder or any other persons entitled thereto, by press release, news release, newspaper advertisement or by notice sent to the Awakn Voting Securityholder by any of the means set forth in paragraph 8, as determined to be the most appropriate method of communication by the Awakn Board, subject to the terms of the Arrangement Agreement.

PERMITTED ATTENDEES

17. The only persons entitled to attend the Meeting shall be:
- (a) the registered Awakn Voting Securityholders as at 5:00 p.m. (Vancouver time) on the Record Date, or their respective proxyholders;
 - (b) directors, officers, auditors and advisors of Awakn;
 - (c) directors, officers, auditors and advisors of Solvonis; and
 - (d) other persons with the prior permission of the Chair of the Meeting;
- and the only persons entitled to be represented and to vote at the Meeting shall be the registered Awakn Voting Securityholders at the close of business on the Record Date, or their respective proxyholders.

SOLICITATION OF PROXIES

18. Awakn is authorized to use the form of proxy or voting instruction form (as applicable) in connection with the Meeting, in substantially the same form as is attached as Exhibits "C" " to the Affidavit, subject to Awakn's ability to insert dates and other relevant information in the final form thereof and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. Awakn is authorized, at its expense, to solicit proxies

directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.

19. The procedures for the use of proxies at the Meeting and revocation of proxies shall be as set out in the Notice and the Information Circular.
20. Subject to the terms of the Arrangement Agreement, Awakn may in its discretion generally waive the time limits for the deposit of proxies by Awakn Voting Securityholders if Awakn deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

QUORUM AND VOTING

21. A quorum at the Meeting shall be one or more Awakn Shareholders, present in person or by proxy.
22. At the Meeting, and in respect of the Arrangement Resolution:
 - a. each Awakn Shareholder whose name is entered on the central securities register of Awakn as at the close of business on the Record Date is entitled to one (1) vote for each Awakn Share registered in his/her/its name; and
 - b. each Awakn RSU Holder, Awakn DSU Holder and Awakn Warrantholder whose name is entered on the securities register of Awakn as at the close of business on the Record Date is entitled to one (1) vote for each such security registered in his/her/its name.
23. The requisite and sole approvals to pass the Arrangement Resolution shall be:
 - a. the affirmative vote of at least 66⅔% of the votes cast by the Awakn Shareholders present in person or represented by proxy and entitled to vote at the Meeting; and
 - b. the affirmative vote of at least 66⅔% of the votes cast by the Awakn Voting Securityholders voting together as a single class, present in person or represented by proxy at the Meeting.

SCRUTINEER

24. The scrutineer for the Meeting shall be Endeavor Trust Corporation (acting through its representatives for that purpose).

SHAREHOLDER DISSENT RIGHTS

25. Each registered Awakn Shareholder is granted rights to dissent (the "**Dissent Rights**") in respect of the Arrangement Resolution in accordance with sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, this Interim Order and the Final Order, including that:
 - (a) a registered Awakn Shareholder who wishes to dissent (a "**Dissenting Shareholder**") must deliver a written notice of dissent (a "**Notice of Dissent**") to Awakn c/o Irwin Lowy LLP, Attn: Steven Agnew, 217 Queen Street West, Suite 401, Toronto, ON M5V 0R2 or sagnew@irwinlowy.com, to be received by Awakn no later than 4:00 p.m. (Vancouver time) on April 18, 2025, or if the Meeting is adjourned or postponed, the

date that is at least two Business Days preceding the date of the reconvened or postponed Meeting;

- (b) a Notice of Dissent must specify the name and address of the Dissenting Shareholder, the number of Awakn Shares in respect of which the Notice of Dissent is being given (the "**Notice Shares**") and whichever of the following is applicable:
 - (i) if the Notice Shares constitute all of the Awakn Shares of which the Dissenting Shareholder is both the registered and beneficial owner and the Dissenting Shareholder holds no other Awakn Shares as beneficial owner, a statement to that effect;
 - (ii) if the Notice Shares constitute all of the Awakn Shares of which the Dissenting Shareholder is both the registered and beneficial owner but the Dissenting Shareholder owns additional Awakn Shares beneficially, a statement to that effect and the names of the registered Awakn Shareholders of such additional Awakn Shares, the number of such additional Awakn Shares held by each of those registered owners and a statement that Notices of Dissent are being, or have been, sent with respect to all such additional Awakn Shares; or
 - (iii) if the Dissent Rights are being exercised by a registered Awakn Shareholder on behalf of a non-registered Awakn Shareholder who is not the Dissenting Shareholder, a statement to that effect and the name and address of the non-registered Awakn Shareholder and a statement that the registered Awakn Shareholder is dissenting with respect to all Awakn Shares of the non-registered Awakn Shareholder that are registered in such registered Awakn Shareholder's name.
- (c) A Dissenting Shareholder who has delivered a Notice of Dissent and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder. An Awakn Shareholder need not vote its Awakn Shares against the Arrangement Resolution in order to dissent. A vote against the Arrangement Resolution, whether in person or by proxy, does not constitute a Notice of Dissent.
- (e) Awakn is required, promptly after the later of (i) the date on which it forms the intention to proceed with the Arrangement, and (ii) the date on which the Notice of Dissent was received to notify each Dissenting Shareholder of its intention to act on the Arrangement Resolution;
- (f) if the Arrangement Resolution is approved and if Awakn notifies the Dissenting Shareholders of its intention to act upon the Arrangement Resolution, the Dissenting Shareholder is then required, within one month after Awakn gives such notice, to send to Awakn the certificates representing the Notice Shares if such shares are certificated, and a written statement that requires Solvonis, to purchase all of the Notice Shares;
- (g) if the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a non-registered Awakn Shareholder who is not the Dissenting Shareholder, a statement signed by the non-registered Awakn Shareholder is required which sets out whether the non-registered Awakn Shareholder is the beneficial owner of other Awakn Shares and, if so, (i) the names of the registered owners of such Awakn

Shares; (ii) the number of such Awakn Shares; and (iii) that dissent is being exercised in respect of all of such Awakn Shares. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold the Awakn Shares and Solvonis is deemed to have purchased them in consideration for a debt claim against Solvonis for the value of the Notice Shares. Once the Dissenting Shareholder has done this, the Dissenting Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares;

- (h) the Dissenting Shareholder and Awakn may agree on the payout value of the Notice Shares; otherwise, either party may apply to the Court to determine the payout value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the Court. After a determination of the payout value of the Notice Shares, and if the Arrangement is completed, Solvonis must then promptly pay that amount to the Dissenting Shareholder to satisfy the debt claim of such Dissenting Shareholder against Solvonis arising from the deemed purchase of the Notice Shares by Solvonis. If a Dissenting Shareholder is ultimately not entitled, for any reason, to be paid fair value for the Notice Shares, such Dissenting Shareholder will be deemed to have participated in the Arrangement on the same basis as an Awakn Shareholder who has not exercised Dissent Rights and shall be entitled to receive only the Consideration that such Awakn Shareholder would have received pursuant to the Arrangement if such Awakn Shareholder had not exercised its Dissent Rights; and
 - (i) a Dissenting Shareholder loses his, her or its Dissent Rights if, before full payment is made for the Notice Shares, if any of the following events occurs: Awakn abandons the corporate action that has given right to the Dissent Right (namely the Arrangement), the Arrangement Resolution does not pass or is revoked; the Arrangement will not proceed; a court permanently enjoins the Arrangement, or the Dissenting Shareholder withdraws the Notice of Dissent with Awakn's consent. When these events occur, Awakn must return the share certificates, if applicable, to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise shareholder rights.
26. Notice to the Awakn Shareholders of their Dissent Rights with respect to the Arrangement Resolution will be given by including information with respect to the Dissent Rights in the Information Circular to be sent to the Awakn Shareholders with respect to the Arrangement.
27. Subject to further order of this Court, the rights available to the Awakn Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Awakn Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

28. Upon the approval by the Awakn Voting Securityholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Awakn may apply to this Court (the "**Application**") for an Order:
- (a) pursuant to section 291(4)(a) of the BCBCA approving the Arrangement; and
 - (b) pursuant to section 291(4)(c) of the BCBCA declaring that the Arrangement, and the distribution of securities to be effected by the Arrangement, is substantively and procedurally fair and reasonable to the Awakn Voting Securityholders,

(collectively the "**Final Order**"),

and the hearing of the Application will be held on April 28, 2025 at 9:45 a.m. before the presiding Judge in Chambers at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the Application can be heard or at such other date and time as this Court may direct.

29. The form of Notice of final hearing attached as Exhibit "B" to the Affidavit is hereby approved as the form of notice for the hearing of the application for the Final Order.
30. The Petitioner has advised the court that:
 - a. section 3(a)(10) of the United States *Securities Act of 1933* (the "**1933 Act**"), as amended, provides an exemption from registration for the securities issued in exchange for one or more bona fide outstanding securities, claims or property interests pursuant to an arrangement where the terms and conditions of such issuance and exchange are approved by any court (including this Court), after a hearing on the fairness of such terms and conditions at which all person to whom it is proposed to issue securities in such exchange have the right to appear and receive timely notice thereof;
 - b. the Petitioner intends to use the Final Order of this Court approving the Arrangement, and declaring the fairness of the Arrangement, including the terms and conditions hereof and the proposed issuance and exchanges of securities contemplated therein, as a basis for an exemption from registration under the 1933 Act of the issuance of the Solvonis common shares (the "**Solvonis Shares**") and the Solvonis warrants (the "**Solvonis Warrants**") to be distributed and exchanged under the Arrangement; and
 - c. should the Court make the Final Order approving the Arrangement, the issuance of the Solvonis Shares and the Solvonis Warrants to be distributed and exchanged under the Arrangement will be exempt from registration under the 1933 Act pursuant to section 3(a)(10) thereof.
31. Any Awakn Voting Securityholder who wishes to appear or be represented and/or present evidence or arguments at the hearing of the application for the Final Order must:
 - (a) file a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Application; and
 - (b) deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Application, to Awakn's counsel at:

Whitelaw Twining
2400 – 200 Granville Street, Vancouver, BC V6C 1S4
Attention: Nicole Chang and Lauren Gnanasiamany

by or before 4:00 p.m. (Vancouver time) on April 26 2025.
32. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.

33. In the event that the hearing of the Application is adjourned, then only those persons who filed and delivered a Response to Petition in accordance with paragraph 30 need be provided with notice of the adjourned hearing date.
34. Subject to other provisions in this Interim Order, no material other than that contained in the Information Circular need be served on any persons in respect of these proceedings and, in particular, service of the Petition herein and the accompanying Affidavit and additional affidavits as may be filed is dispensed with.

VARIANCE

35. Awakn shall be entitled, at any time, to apply to vary this Interim Order.
36. Rules 8-1 and 16-1(8) – (12) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.
37. Awakn shall, and hereby do, have liberty to apply for such further orders as may be appropriate.
38. To the extent of any inconsistency or discrepancy between this Interim Order and the Information Circular, the BCBCA, applicable Securities Laws or the articles of Awakn, this Interim Order will govern.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Petitioner,
Awakn Life Sciences Corp.
Lawyer: Sam Macdonald

BY THE COURT

Registrar

D-1

APPENDIX D

PLAN OF ARRANGEMENT

**PLAN OF ARRANGEMENT UNDER SECTION 288
OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

(see attached)

**SCHEDULE A
TO THE ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT
UNDER DIVISION 5 OF PART 9 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

**ARTICLE ONE
DEFINITIONS AND INTERPRETATION**

Section 1.01 *Definitions*

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) **"affiliate"** has the meaning ascribed thereto under the *Securities Act* (British Columbia);
- (b) **"Arrangement"** means the arrangement of the Company under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Purchaser and the Company, each acting reasonably;
- (c) **"Arrangement Agreement"** means the arrangement agreement dated as of February 22, 2025 between the Purchaser and the Company, together with the respective disclosure letters delivered by the Purchaser and the Company to each other in connection with the Arrangement Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (d) **"Arrangement Resolution"** means the special resolution of the Company Voting Securityholders approving this Plan of Arrangement, to be considered at the Company Meeting, substantially in the form attached as Schedule B to the Arrangement Agreement, subject to any amendments or variations thereto in accordance with Section 8.1 of the Arrangement Agreement and Section 6.01 of this Plan of Arrangement or at the direction of the Court in the Interim Order or Final Order;
- (e) **"BCBCA"** means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time;
- (f) **"Business Day"** means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in London, United Kingdom, Toronto, Ontario or in Vancouver, British Columbia are authorized or required by applicable Law to be closed;
- (g) **"Company"** means Awakn Life Sciences Corp., a corporation incorporated under the provincial laws of British Columbia;
- (h) **"Company DSU Holders"** means the holders of Company DSUs;

- (i) **"Company DSUs"** means deferred share units of the Company issued pursuant to the Company Incentive Plan;
- (j) **"Company Incentive Plan"** means the omnibus long-term incentive plan of the Company, which was last approved by the Company's Shareholders on June 27, 2023;
- (k) **"Company Meeting"** means the annual and special meeting of the Company Voting Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution;
- (l) **"Company RSU Holders"** means the holders of Company RSUs;
- (m) **"Company RSUs"** means restricted share units of the Company issued pursuant to the Company Incentive Plan;
- (n) **"Company Shareholder"** means a holder of one or more Company Shares;
- (o) **"Company Shares"** means the common shares in the capital of the Company;
- (p) **"Company Voting Securityholders"** means, collectively, the Company Shareholders, the Company DSU Holders, the Company RSU Holders and the Company Warrantheolders;
- (q) **"Company Warrantheolder"** means a holder of one or more Company Warrants;
- (r) **"Company Warrants"** means warrants to purchase Company Shares;
- (s) **"Consideration Shares"** means the consideration to be received by each Company Shareholder (other than a Dissenting Company Shareholder), Company RSU Holder and Company DSU Holder pursuant to the Plan of Arrangement from the Purchaser in respect of each Company Share, Company RSU and Company DSU that is issued and outstanding immediately prior to the Effective Time, consisting of 46.67 Purchaser Shares for each Company Share, Company RSU and Company DSU, respectively;
- (t) **"Court"** means the Supreme Court of British Columbia, or other court as applicable;
- (u) **"Dissent Rights"** shall have the meaning ascribed to such term in Section 4.01 hereof;
- (v) **"Dissenting Company Shareholder"** means a registered Company Shareholder who (i) has duly and validly exercised their Dissent Rights in strict compliance with the dissent procedures set out in Division 2 of Part 8 of the BCBCA, as modified by the Interim Order and this Plan of Arrangement and (ii) has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (w) **"Effective Date"** means the date designated by the Purchaser and the Company by notice in writing as the effective date of the Arrangement, after all of the conditions to completion of the Arrangement as set forth in the Arrangement Agreement have been satisfied or waived (excluding conditions that by their terms cannot be satisfied until the Effective Date) and all documents agreed to be delivered hereunder have been delivered to the satisfaction of the parties thereto, acting reasonably, and in the absence of such agreement, three (3) Business Days following the satisfaction or waiver of all conditions to completion

of the Arrangement as set forth in the Arrangement Agreement (excluding conditions that by their terms cannot be satisfied until the Effective Date);

- (x) **"Effective Time"** means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as the Company and the Purchaser may agree upon in writing;
- (y) **"Exchange Ratio"** means 46.67;
- (z) **"Final Order"** means the order of the Court approving the Arrangement pursuant to Section 291 of the BCBCA, after being informed of the intention to rely upon the exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act with respect to the Consideration Shares and Replacement Warrants issued pursuant to the Arrangement in form and substance acceptable to the Company and the Purchaser each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, unless such appeal is withdrawn, abandoned or denied, as affirmed or amended on appeal (provided that any such amendment, modification or variation is acceptable to the Company and the Purchaser, each acting reasonably);
- (aa) **"Former Company Shareholders"** means the Company Shareholders immediately prior to the Effective Time;
- (bb) **"Governmental Authority"** means (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing, (b) any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing, and (c) any stock exchange, including the Canadian Securities Exchange and the London Stock Exchange;
- (cc) **"Interim Order"** means the interim order of the Court pursuant to Section 291 of the BCBCA following the application as contemplated by the Arrangement Agreement and after being informed of the intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Consideration Shares and Replacement Warrants issued pursuant to the Arrangement, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court (provided that any such amendment, modification, supplement or variation is acceptable to the Company and the Purchaser, each acting reasonably);
- (dd) **"Lien"** means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, restriction, adverse right, prior assignment, lease, sublease, royalty, levy, right to possession or any other encumbrance, easement, license, right of first refusal, covenant, voting trust or agreement, transfer restriction under any shareholder or similar agreement, right or restriction of any kind or nature whatsoever, whether contingent or absolute, direct

or indirect, or any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

- (ee) **"Parties"** means the Purchaser and the Company and **"Party"** means either of them;
- (ff) **"Person"** includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including any governmental agency, syndicate or other entity, whether or not having legal status;
- (gg) **"Plan of Arrangement"** means this plan of arrangement and any amendments or variations hereto made in accordance with Section 8.1 of the Arrangement Agreement or this plan of arrangement or made at the direction of the Court;
- (hh) **"Purchaser"** means Solvonis Therapeutics Plc, a corporation existing under the laws of England and Wales;
- (ii) **"Purchaser Registrar"** means the Purchaser's UK share registrar, Share Registrars Limited;
- (jj) **"Purchaser Shares"** means the ordinary shares in the capital of the Purchaser;
- (kk) **"Replacement Warrant"** shall have the meaning ascribed thereto in Section 3.01(d);
- (ll) **"Replacement Warrant Certificate"** means the warrant certificates issued by Purchaser representing the Replacement Warrants;
- (mm) **"U.S. Securities Act"** means the *United States Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder; and
- (nn) **"Tax Act"** means the *Income Tax Act* (Canada).

In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

Section 1.02 *Interpretation Not Affected by Headings*

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

Section 1.03 *Number, Gender and Persons*

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

Section 1.04 *Date for any Action*

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.05 *Statutory References*

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

Section 1.06 *Currency*

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

Section 1.07 *Governing Law*

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein.

ARTICLE TWO ARRANGEMENT AGREEMENT AND BINDING EFFECT

Section 2.01 *Arrangement Agreement*

This Plan of Arrangement is made pursuant to, and subject to the provisions of, the Arrangement Agreement.

Section 2.02 *Binding Effect*

As of and from the Effective Time, this Plan of Arrangement will become effective and shall be binding upon the Purchaser and the Company, all registered and beneficial Company Voting Securityholders, including the Dissenting Company Shareholders, the registrar and transfer agent of the Company, the Purchaser Registrar and all other persons at and after the Effective Time, without any further act or formality required on the part of any person.

ARTICLE THREE ARRANGEMENT

Section 3.01 *Arrangement*

Commencing at the Effective Time on the Effective Date, each of the events set out below shall occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality of or by the Company or the Purchaser or any other person:

- (a) each Company Share held by a Dissenting Company Shareholder in respect of which Dissent Rights have been validly exercised shall be, and shall be deemed to be, transferred

by the holder thereof, free and clear of all Liens, to the Purchaser for the amount therefor determined under Article 4 hereof, and: (i) the name of such Dissenting Company Shareholder shall be removed from the register of the Company Shareholders maintained by or on behalf of the Company and each such Company Share shall be cancelled and cease to be outstanding; (ii) such Dissenting Company Shareholder shall cease to be the holder of each such Company Share or to have any rights as a Company Shareholder other than the right to be paid the fair value for each such Company Share as set out in Article 4; and (iii) the Purchaser shall be, and shall be deemed to be, the transferee of such Company Shares, free and clear of all Liens, and shall be entered in the register of the Company Shareholders maintained by or on behalf of the Company as the holder of such Company Shares;

- (b) each Company Share, (other than any Company Share held by a Dissenting Company Shareholder who has validly exercised their Dissent Right) shall be, and shall be deemed to be transferred by the holder thereof, free and clear of all Liens, to the Purchaser and, in consideration therefor, the Purchaser shall issue and pay the Consideration Shares for each Company Share, subject to Section 3.03 and Article 5, and: (i) the holders of such Company Shares shall cease to be the holders of such Company Shares and to have any rights as holders of such Company Shares, other than the right to be issued the Consideration Shares by the Purchaser in accordance with this Plan of Arrangement; (ii) such holders' names shall be removed from the register of the Company Shareholders maintained by or on behalf of Company; and (iii) the Purchaser shall be, and shall be deemed to be, the transferee of such Company Shares, free and clear of all Liens, and shall be entered in the register of the Company Shareholders maintained by or on behalf of the Company as the holder of such Company Shares;
- (c) each Company RSU outstanding immediately prior to the Effective Time, whether vested or unvested, shall be cancelled and, in consideration therefore, the Purchaser shall issue and pay the Consideration Shares for each Company RSU, subject to Section 3.03 and Article 5, and the Company RSU Holders shall cease to be the holders of such Company RSUs and to have any rights as holders of such Company RSUs, other than the right to be issued the Consideration Shares by the Purchaser in accordance with this Plan of Arrangement;
- (d) each Company DSU outstanding immediately prior to the Effective Time, whether vested or unvested, shall be cancelled and, in consideration therefore, the Purchaser shall issue and pay the Consideration Shares for each Company DSU, subject to Section 3.03 and Article 5, and the Company DSU Holders shall cease to be the holders of such Company DSUs and to have any rights as holders of such Company DSUs, other than the right to be issued the Consideration Shares by the Purchaser in accordance with this Plan of Arrangement;
- (e) each Company Warrant outstanding immediately prior to the Effective Time, shall be transferred to the Purchaser in exchange for a warrant (each a "**Replacement Warrant**") to purchase from the Purchaser such number of Purchaser Shares (rounded down to the nearest whole number) equal to: (A) the Exchange Ratio, multiplied by (B) the number of Company Shares purchasable by such Company Warrant immediately prior to the Effective Time, at an exercise price per Purchaser Share (rounded up to the nearest whole cent) equal to (M) the exercise price per Company Share otherwise purchasable pursuant to such Company Warrant immediately prior to the Effective Time, divided by (N) the Exchange Ratio. Except as set out above, all other terms and conditions of the Replacement Warrant,

including the conditions to and manner of exercising, will be the same as the Company Warrant so exchanged, and shall be governed by the terms of the Replacement Warrant Certificate.

The exchanges, transfers and cancellations provided for in this Section 3.01 will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

Section 3.02 *Purchaser Shares*

All Purchaser Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares.

Section 3.03 *Fractional Shares*

No fractional Purchaser Shares shall be issued to Former Company Shareholders, Company RSU Holders or Company DSU Holders. The number of Purchaser Shares to be issued to Former Company Shareholders, Company RSU Holders and Company DSU Holders shall be rounded down to the nearest whole Purchaser Share in the event that a Former Company Shareholder, Company RSU Holder or Company DSU Holder is entitled to a fractional share and no person will be entitled to any compensation in respect of a fractional share.

ARTICLE FOUR DISSENT RIGHTS

Section 4.01 *Dissent Rights*

Registered Company Shareholders as of the record date for the Company Meeting may exercise rights of dissent ("**Dissent Rights**") in respect of all Company Shares held by such holder as a registered holder thereof as of such date in connection with the Arrangement pursuant to and in strict compliance with the procedures set forth in Division 2 of Part 8 of the BCBCA, as modified by this Article 4, the Interim Order and the Final Order, provided that the written notice setting forth the objection of such registered Company Shareholder to the Arrangement Resolution contemplated by Section 242(1)(a) of the BCBCA must be received by the Company not later than 5:00 p.m. on the day that is two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Each Dissenting Shareholder who duly exercises its Dissent Rights in accordance with this Section 4.01, shall be deemed to have transferred all Company Shares held by such Dissenting Shareholder and in respect of which Dissent Rights have been validly exercised, to the Company, free and clear of all Liens, as provided in Section 3.01(a) and if such Dissenting Shareholder:

- (a) is ultimately entitled to be paid fair value for their Company Shares, such Dissenting Shareholder: (i) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.01(a)); (ii) will be entitled to be paid the fair value of such Company Shares by the Purchaser, which fair value, notwithstanding anything to the contrary contained in section 245 of the BCBCA, shall be determined as of the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution was adopted; (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights in respect of such Company Shares and (iv) shall be

deemed to have transferred and assigned their Company Shares (free and clear of all Liens) to the Purchaser in accordance with Section 3.01(a); or

- (b) ultimately is not entitled, for any reason, to be paid fair value for such Company Shares, such Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Company Shares and shall be entitled to receive only the Consideration Shares contemplated by Section 3.01(b) that such Dissenting Shareholder would have received pursuant to the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights.

In no circumstances shall the Purchaser or the Company or any other person be required to recognize a person exercising Dissent Rights unless such person is the registered holder of the Company Shares in respect of which such Dissent Rights are purported to be exercised. For greater certainty, in no case shall the Purchaser or the Company or any other person be required to recognize any Dissenting Shareholder as a holder of Company Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 3.01(a), and the name of such Dissenting Shareholder shall be removed from the register of Company Shareholders as to those Company Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 3.01(a) occurs. In addition to any other restrictions under Division 2 of Part 8 of the BCBCA, none of the following persons shall be entitled to exercise Dissent Rights: (i) any holder of Company Warrants; (ii) any Company Shareholder who votes or has instructed a proxyholder to vote such Company Shareholder's Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares); and (iii) any beneficial Company Shareholder.

ARTICLE FIVE DELIVERY OF CONSIDERATION

Section 5.01 *Delivery of Consideration Shares*

- (a) Following receipt of the Final Order and prior to the Effective Date, the Purchaser shall:
 - (i) irrevocably approve the issue of the Consideration Shares to the registered holders of the Company Shares (other than Company Shares held by any Dissenting Shareholder) to satisfy the aggregate Consideration Shares payable and deliverable to the Company Shareholders in accordance with Section 3.01(b), which Purchaser Shares shall be issued and allotted on the Effective Date as fully paid Purchaser Shares ranking *pari passu* with existing Purchaser Shares; and
 - (ii) deliver a treasury direction to the Purchaser Registrar for the issue of the Consideration Shares to the registered holders of the Company Shares (other than Company Shares held by any Dissenting Shareholder).
- (b) After the Effective Time:
 - (i) each Company Share certificate issued and outstanding immediately prior to the Effective Time following completion of the transactions described in Section 3.01, shall be irrevocably cancelled and the holder of such Company Shares shall no longer have any rights whatsoever to Company Shares, and no certificates or other

ownership of the Company Shares need to be returned to the Company or transferred (physically or electronically) to the Purchaser; and

- (ii) the Company shall instruct the Purchaser to deliver and pay to each holder of any Company Shares following the Effective Time certificates or other evidence of ownership representing the Consideration Shares that such holder is entitled to receive in accordance with Section 3.01 hereof, delivered in the name of and to the address registered in the Company register of shareholders.
- (c) After the Effective Time, each certificate formerly representing Company RSUs and Company DSUs will be deemed to be cancelled.
- (d) After the Effective Time, each certificate formerly representing Company Warrants will be deemed to represent Replacement Warrants as provided in Section 3.01(d), until such Company Warrants are replaced by Replacement Warrant Certificates.

Section 5.02 *Withholding Rights*

The Company, the Purchaser, and any other person, as applicable, will be entitled to deduct or withhold or direct any other person to deduct and withhold on their behalf, from any consideration otherwise payable, issuable or otherwise deliverable to any Company Voting Securityholder or any other securityholder of the Company under this Plan of Arrangement (including any payment to Dissenting Company Shareholders, Company RSU Holders, Company DSU Holders or Company Warrantholders) such amounts as the Company, the Purchaser, or any other person, as the case may be, is required to deduct or withhold from such payment under any provision of the Tax Act, and the rules and regulations promulgated thereunder, or any provision of any federal, provincial, territorial, state, local or foreign tax law as is required to be so deducted or withheld by the Company, the Purchaser, or any other person, as the case may be. For all purposes under this Plan of Arrangement, all such deducted or withheld amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of the Company, the Purchaser, or any other person, as the case may be. Each of the Company, the Purchaser, or any other person that makes a payment under this Plan of Arrangement, as applicable, is hereby authorized to sell or otherwise dispose, on behalf of a person, such portion of Company Shares, the Purchaser Shares or other security otherwise deliverable to such person under this Plan of Arrangement, as is necessary to provide sufficient funds (after deducting commissions payable and other costs and expenses) to the Company, the Purchaser, or such other person, as the case may be, to enable it to comply with any deduction or withholding permitted or required under this Section 5.02, and shall remit the applicable portion of the net proceeds of such sale to the appropriate Governmental Authority and any amount remaining following the sale, deduction or withholding and remittance shall be paid to the person entitled thereto as soon as reasonably practicable. None of the Company, the Purchaser, or any other person will be liable for any loss arising out of any sale under this Section 5.02.

Section 5.03 *Paramountcy*

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares, Company RSUs, Company DSUs and Company Warrants issued prior to the Effective Time, (b) the rights and obligations of the Company Voting Securityholders, the Company, the Purchaser, and any transfer agent or other depositary therefor in relation thereto,

shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Shares, Company RSUs, Company DSUs and Company Warrants shall be deemed to have been settled, compromised, released and determined without liability of the Company, or the Purchaser except as set forth in this Plan of Arrangement.

ARTICLE SIX AMENDMENTS

Section 6.01 *Amendments to Plan of Arrangement*

- (a) The Purchaser and the Company reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by the Purchaser and the Company, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to Company Voting Securityholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Company Meeting provided that the Purchaser shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Company Meeting shall be effective only if: (i) it is consented to in writing by each of the Purchaser and the Company; and (ii) if required by the Court, it is consented to by the Company Voting Securityholders voting in the manner directed by the Court.
- (d) Notwithstanding the foregoing provisions of this Section 6.01, any amendment, modification or supplement to this Plan of Arrangement may be made by the Purchaser and the Company without the approval or communication to the Court or Company Voting Securityholders, provided that it concerns a matter that, in the reasonable opinion of the Purchaser and the Company, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and does not have the effect of reducing the Consideration Shares and is not otherwise adverse to the economic interest of any Company Voting Securityholder.

ARTICLE SEVEN FURTHER ASSURANCES

Section 7.01 *Further Assurances*

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Company and the Purchaser will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may

reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

ARTICLE EIGHT US SECURITIES LAW EXEMPTION

Section 8.01 *U.S. Securities Law Exemption*

Notwithstanding any provision herein to the contrary, the Company and the Purchaser each agree that the Plan of Arrangement will be carried out with the intention that, and they will use their commercially reasonable best efforts to ensure that, all: (a) Consideration Shares issued under the Arrangement will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof and applicable state securities laws, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement; and (b) Replacement Warrants to be issued to holders of Company Warrants in exchange for Company Warrants outstanding immediately prior to the Effective Time, pursuant to the Plan of Arrangement, whether in the United States, Canada or any other country, will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by Section 3(a)(10) thereof and applicable state securities laws, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement. Company Warrantholders entitled to receive Replacement Warrants will be advised that the Replacement Warrants issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by the Purchaser in reliance on the exemption from registration under Section 3(a)(10) of the U.S. Securities Act, but that such exemption does not exempt the issuance of securities upon the exercises of such Replacement Warrants; therefore, the underlying Purchaser Shares issuable upon the exercise of the Replacement Warrants, if any, cannot be issued in the U.S. or to a person in the U.S. in reliance upon the exemption from registration under Section 3(a)(10) of the U.S. Securities Act and the Replacement Warrants may only be exercised pursuant to an effective registration statement or pursuant to a then available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws, if any.

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APPENDIX E

OPINION OF EVANS & EVANS, INC.

(see attached)

EVANS & EVANS, INC.

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CANADA V7X 1M8

19TH FLOOR, 700 2ND STREET SW
CALGARY, ALBERTA
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357 BAY STREET
TORONTO, ONTARIO
CANADA M5H 4A6

February 22, 2025

AWAKN LIFE SCIENCES CORP.

301-217 Queen Street West, Suite 401,
Toronto, Ontario M5V 0R2

Attention: Special Committee of the Board of Directors

Dear Sirs and Madam:

Subject: Fairness Opinion

1.0 Introduction

- 1.01 Evans & Evans, Inc. (“Evans & Evans” or the “authors of the Opinion”) was engaged by the Special Committee (the “Committee”) of the Board of Directors (the “Board”) of Awakn Life Sciences Corp. (“Awakn” or the “Company”) to prepare a Fairness Opinion (the “Opinion”). Evans & Evans understands Awakn is a clinical-stage biotechnology company developing therapeutics for substance use and mental health disorders whose shares are listed for trading on the Canadian Securities Exchange (the “CSE”) under the symbol “AWKN”. Awakn is contemplating the draft arrangement agreement (“Arrangement Agreement”) to amalgamate with Solvonis Therapeutics plc (formerly known as Graft Polymer (UK) PLC) (“Solvonis” and together with Awakn the “Companies”), pursuant to which Solvonis will conditionally acquire the entire issued share capital (and all restricted stock units and deferred stock units) of Awakn (the “Proposed Transaction”). Solvonis is a reporting issuer with its shares listed for trading on the London Stock Exchange (“LSE” and together with the CSE the “Exchanges”) under the symbol “SVNS.L”
- 1.02 Unless otherwise stated, all currency amounts referred to herein are in Canadian dollars (“\$”) and Great Britain Pound (“GBP”).
- 1.03 Awakn was incorporated under the *Business Corporations Act* (British Columbia) on June 21, 2018 under the name 1169082 BC Ltd. as a wholly-owned subsidiary of Hemagenetics Technologies Corp. (“HTC”). On June 26, 2018, the Company entered into a statutory arrangement with, among others, HTC (the “Prior Arrangement”). The Prior Arrangement received final B.C. supreme court approval on July 19, 2018. On April 29, 2019, the Company completed the Prior Arrangement and became a reporting issuer in the provinces of British Columbia and Alberta. Effective June 15, 2021, the Company completed a reverse takeover transaction (the “RTO”) of Awakn Inc. pursuant to which Awakn Inc. amalgamated with a wholly-owned subsidiary of the Company. Upon completion of the

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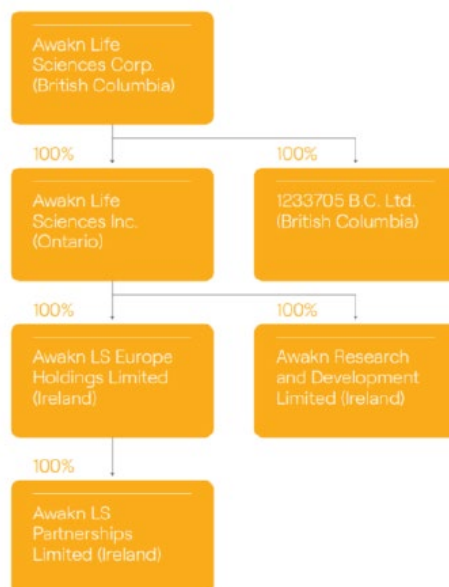
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RTO, the Company changed its name to Awakn Life Sciences Corp. Following completion of the RTO, the Company became a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

Awakn is a clinical-stage biotechnology company developing medication-assisted treatments for addiction. The Company is developing therapeutics for substance use and mental health disorders, including post-traumatic stress disorder (“PTSD”), with a particular emphasis on addressing alcohol use disorder (“AUD”). The Company currently has subsidiaries in Ireland and Canada. The Company’s corporate organization chart is presented below.

Awakn’s Corporate Structure



The Company has two core functions:

- 1) Research and Development (“R&D”) - Clinical and pre-clinical stage programs focused on developing innovative therapeutics for substance use and mental health disorders.
- 2) Intellectual Property Licensing - Licensing the Company’s proven therapeutics to mental health and addiction treatment clinics.

The Company’s R&D is currently focused on developing innovative therapeutics for substance use and mental health disorders. The Company has two R&D programs as outlined below.

AWKN-001: Ketamine-Assisted Therapy for Severe AUD

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- **Description:** AWKN-001 combines intravenous ketamine administration with proprietary cognitive behavioral therapy (CBT) to treat severe AUD.
- **Clinical Progress:** Phase 2 trials demonstrated a 50% reduction in heavy drinking days and an 86% abstinence rate over six months post-treatment. Currently, a Phase 3 trial is underway across nine NHS Trusts in the UK, co-funded by the Medical Research Council (MRC), the National Institute for Health and Care Research (NIHR), and Awakn.

AWKN-002: Esketamine Oral Thin Film for Moderate to Severe AUD

- **Description:** AWKN-002 is a proprietary oral thin film (“OTF”) formulation of esketamine designed for sublingual and buccal administration, paired with structured alcohol education.
- **Regulatory Milestone:** In December 2024, the U.S. Food and Drug Administration (“FDA”) endorsed the progression of AWKN-002 to a Phase 2b clinical trial without requiring additional clinical data. The FDA also approved the use of the 505(b)(2) New Drug Application pathway, potentially expediting its market entry

Awakn’s Development Pipeline



The Company’s intellectual property licensing activities are currently focused on licensing its proven therapeutics for treating addiction and its legacy healthcare intellectual property to mental health and addiction treatment clinics.

The core elements to the Company’s partnership offering:

- **Licensing:** Access to Awakn proprietary ketamine-assisted psychotherapy treatment protocols and therapy manuals, including Awakn Kare (ketamine for reduction of Alcoholic Relapse) treatment program, and supporting policies and protocols.

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- **Training:** Training for practitioners delivering the Awakn Kare treatment program under license.
- **Design:** Assistance with optimizing the design of the physical environment where the therapy takes place.

The Company has signed eight licensing agreements throughout U.S., Canada, Portugal, United Kingdom (“UK”) and Norway.

Historically, the Company has also operated four clinics in the UK and Norway, however, during the year ended January 31, 2024, the Company disposed of all four clinics. The Company’s former London clinic and Norwegian clinics are now licensing partners of the Company. The Company’s clinical activity was focused on treating clients who need assistance with addiction and other mental conditions including Anxiety, Depression, and PTSD, with psychedelic-assisted psychotherapy, starting with ketamine-assisted psychotherapy.

Financial Results and Position

Awakn’s fiscal year (“FY”) end is January 31. The Company is at pre-revenue stage as of the date of Opinion. While the Company has reported some revenue in previous financial years, its earnings have been minimal and largely derived from clinical services in Europe rather than commercialized drug sales or large-scale operations. The Company is actively engaged in clinical trials and research but has not yet commercialized any of its drug candidates. Given its current financial standing, Awakn remains at the pre-revenue stage, relying on external funding and strategic investments to support its operations.

The Company incurred R&D costs of \$188,664 and \$480,862 for the three and nine months ended October 31, 2024, respectively, compared to \$188,976 and \$575,875 for the three and nine months ended October 31, 2023, respectively. The Company saw a decrease of \$312 and \$95,013 for the three and nine months ended October 31, 2024, respectively, compared to the prior year periods, as the Company focused on cost-cutting and work on key projects. In addition to this, certain funding of R&D was funded through the Collaboration Agreement which resulted in lower amount expensed. In general, the costs incurred in the current period related to ongoing ketamine research (such as More Kare, the work for testing the esketamine OTF and preparation for pre-IND), costs associated with IP protection, and costs associated with the Company’s research team. Costs associated with the aminoindane research has been funded through the Collaboration Agreement.

During the three and nine months ended October 31, 2024, the largest component of the general and administrative costs related to personnel costs of \$105,519 and \$403,557, respectively, compared to the prior year periods, where the main change relates to foreign exchange as certain persons are paid in Euros and GBP. The Company saw a reduction quarter over quarter, as certain office and general costs from the second quarter of 2024

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were allocated against the contract liability as the Company progressed its certain obligations related to the Collaboration Agreement.

As of October 31, 2024, the Company had not yet achieved profitable operations, has accumulated losses since its inception and expects to incur further losses in the development of its business. The Company has been successful in raising funds and obtaining debt financing, therefore, the Company's ability to obtain additional financing is enough to assume that the Company will continue as a going concern, however, there is no certainty this will occur in the future at terms acceptable to the Company.

The Company's total cash balance as of October 31, 2024 was \$505,850 (January 31, 2024 - \$407,301) and a total working deficit of \$1,556,470 (January 31, 2024 - \$1,577,259). The Company expects to be able to meet its on-going obligations primarily through capital raises and the issuance of equity or debt until such a time that sufficient revenue can be generated through its service offerings. To date, the Company has been able to raise capital through financing that will fund the Company's planned growth and development activities. As of October 31, 2024, the Company does not have any long-term debt obligations as all were disposed of in conjunction with the disposition of the subsidiaries.

Share Capital

As of the date of Opinion, the Company's capital structure consists of common shares ("Common Shares"), options ("Options"), warrants ("Warrants"), deferred share units ("DSU") and restricted share units ("RSU"). The Company has 41,662,624 Common Shares, 1,784,828 Options, 15,073,184 Warrants, 531,838 Deferred Share Units and 993,334 Restricted Shares Units outstanding as of the date of Opinion.

The Company's stock was halted on December 16, 2024 (the "Halt Date") pending announcement of the Proposed Transaction. As can be seen from the following table, in the 180 days preceding the Halt Date Awakn's average daily closing price on the CSE has declined approximately 25.1% from \$0.131 to \$0.098.

Trading Price	December 16, 2024		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	\$0.095	\$0.098	\$0.110
30-Days Preceding	\$0.095	\$0.114	\$0.140
90-Days Preceding	\$0.080	\$0.116	\$0.150
180-Days Preceding	\$0.080	\$0.131	\$0.220

Average trading volumes on the CSE has declined over the 180 trading days preceding the Halt Date. Overall, trading in Awakn Common Shares is relatively illiquid. Awakn shares were halted on December 16, 2024, by the Canadian Investment Regulatory Organization pending a significant announcement. The halt was imposed because Awakn entered into a binding Letter Agreement for an acquisition by Solvonis.

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Trading Volume	December 16, 2024				
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>Total</u>	<u>%</u>
10-Days Preceding	0	14,024	51,053	140,236	0.3%
30-Days Preceding	0	17,476	81,035	524,282	1.3%
90-Days Preceding	0	15,691	262,839	1,412,228	3.4%
180-Days Preceding	0	13,274	262,839	2,389,315	5.7%

Financing

Between April 26, 2023, and September 18, 2024, the Company conducted multiple tranches of a non-brokered private placement, raising over \$3 million through the issuance of units at \$0.46 per unit, each comprising one common share and three-quarters of a warrant exercisable at \$0.63 per share for five years. The Company also issued 2.7 million share purchase warrants to a consultant, extended the expiry of 5.6 million warrants, and applied for a CSE listing while delisting from Cboe Canada. On September 18, 2024, the Company increased the financing target from \$1 million to \$2 million and closed an additional tranche for \$394,286.

- 1.04 Solvonis is a UK based biotechnology company specializing in the development of intellectual property and therapeutics for mental health and substance-use disorders. Established in 2017, Solvonis is headquartered in London, Solvonis focused on polymer modification technologies, offering products such as GRAFTABOND, GRAFTALEN, and GRAFTAPOR, which catered to various industries by enhancing material properties. In January 2025, Graft rebranded to Solvonis, shifting its focus towards the biotechnology sector, specifically targeting mental health and substance-use disorders.

Solvonis has entered into a Collaboration Agreement with Awakn to develop novel therapeutics for mental health disorders. This partnership aims to leverage combined expertise to address conditions such as PTSD.

On July 18, 2024, the Company entered into a commercial collaboration agreement dated July 17, 2024 (the "Collaboration Agreement") with Solvonis. The collaboration is focused on developing Awakn's novel aminoindane NCE series programme (the "Aminoindane NCEs") which have potential in trauma-related mental health disorders, developed as part of Awakn's previous new chemical entity research program. The collaboration involves the joint development and potential commercialization of the Aminoindane NCEs, with an initial phase focused on completing certain pre-clinical research activities.

Under the Collaboration Agreement, Solvonis will initially contribute £300,000 and expertise in novel drug delivery systems to potentially enhance the bioavailability and improve the pharmacokinetics of the Aminoindane NCEs. Awakn will contribute intellectual property, relevant small molecule development expertise, and management resources. Future funding of the collaboration is intended to be split equally between Awakn and Solvonis, and Awakn has agreed to grant Solvonis a royalty of initially 40% of the future net income generated by the Aminoindane NCEs, such royalty to be adjusted based on the actual proportional split between the parties of future funding.

Financial Results and Position

Solvonis FY end is December 31. Solvonis specializing in polymer modification technologies, has faced financial challenges in recent years. In the fiscal year ending December 31, 2023, the company reported revenues of GBP587,000, an 8.3% increase from the previous year. However, it also incurred a net loss of GBP3.12 million, marking a 15.34% decline compared to the prior year.

Solvonis financial position has been under pressure, with operating losses reported in recent periods. For the half-year ending June 30, 2024, Graft Polymer reported a net loss of £0.626 million, an improvement from the GBP1.13 million loss during the same period in the previous year.

Additionally, Graft Polymer has been involved in developing innovative products such as GRAFTALLOY, GRAFTASYNT, and GRAFTAMER, which are designed to enhance the properties of polymers in various applications.

Share Capital

As of the date of Opinion Solvonis had 2,295,930,630 shares of ordinary shares (“Ordinary Shares”) issued and outstanding.

As can be seen from the following table, in the 180 days preceding the date of Opinion, Solvonis average daily closing price on the LSE has declined approximately 15.1% from GBX0.21 to GBX0.18.

Trading Price (GBX)	February 20, 2025		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	0.17	0.18	0.20
30-Days Preceding	0.16	0.18	0.21
90-Days Preceding	0.13	0.18	0.24
180-Days Preceding	0.12	0.21	0.68

Solvonis 20-day volume-weighted average price (“VWAP”) was GBX0.188, implying a market capitalization of approximately GBP4.3 million. As outlined in the following chart, Solvonis VWAP had declined to range of GBX0.18.

5-Day VWAP	0.174	20-Day VWAP	0.187
10-Day VWAP	0.180	30-Day VWAP	0.193
15-Day VWAP	0.188	60-Day VWAP	0.202

- 1.05 On December 15, 2024, the Companies signed a Letter Agreement setting out the terms of the Proposed Transaction. Evans & Evans has reviewed the Arrangement Agreement and

Plan of Arrangement (the “Arrangement”) outlining the terms of the Proposed Transaction. The key terms of the Proposed Transaction are highlighted below:

1. The Proposed Transaction will be effected by way of the Arrangement.
 2. Under the terms of the Arrangement Agreement, all holders of Common Shares of Awakn and persons currently entitled to receive Common Shares of Awakn will receive approximately 46.67 new Ordinary Shares in the capital of Solvonis (“Consideration Shares”) for every one common share they hold (“Exchange Ratio”) in the capital of Awakn.
 3. The holders of DSUs and RSUs (DSUs and RSUs together being “Stock Units” and each a “Stock Unit”) in the capital of Awakn (“Stock Unit Holders”) will receive approximately 46.67 Consideration Shares for every one Stock Unit they hold in the capital of Awakn, in consideration for the transfer of the Stock Unit Holders entire interest in the Stock Units to Solvonis.
 4. The common share purchase warrants of Awakn will be exchanged for Ordinary Share purchase warrants of Solvonis (the “New Solvonis Warrants”), which will entitle the holder to subscribe for such number of Solvonis Ordinary Shares at an exercise price both as adjusted in accordance with the Exchange Ratio.
 5. All holders of stock options of Awakn will be cancelled.
 6. A termination is payable by the Company to Solvonis under certain situations as outlined in the Agreement. The termination fee to the Company is the amount equal to the Company’s legal and other professional costs that have been properly incurred in connection with the transactions contemplated by the Arrangement Agreement, subject to a maximum of \$1,000,000.
 7. A termination fee is due from Solvonis to Awakn under certain situations as outlined in the Agreement. The termination fee to the Solvonis is the amount equal to the Company’s legal and other professional costs that have been properly incurred in connection with the transaction contemplated by the Arrangement Agreement, subject to a maximum of \$1,000,000.
 8. The Company intend to raise financing concurrent with the Proposed Transaction.
- 1.06 The Committee retained Evans & Evans to act as an independent advisor to the Committee and to prepare and deliver the Opinion to the Committee to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view to the holders of Common Shares, Warrants, Options, DSUs, RSUs of Awakn (together the “Awakn Securityholders”) as at the date of the Opinion.

2.0 Engagement of Evans & Evans, Inc.

- 2.01 Evans & Evans was formally engaged by the Committee pursuant to an engagement letter with the Committee signed December 11, 2024 (the “Engagement Letter”).
- 2.02 The Engagement Letter provides the terms upon which Evans & Evans has agreed to provide the Opinion to the Committee. The terms of the Engagement Letter provide that Evans & Evans is to be paid a fixed professional fee for its services. In addition, Evans & Evans is to be reimbursed for its reasonable out-of-pocket expenses and indemnified by Awakn in certain circumstances. The fee established for the Opinion was not contingent upon the opinions presented.

3.0 Scope of Review

- 3.01 In connection with preparing the Opinion, Evans & Evans has reviewed and relied upon or carried out, among other things, the following:
- Interviewed members of the Committee and management of the Company to gain an understanding of current and planned operations.
 - Reviewed the Letter of Agreement dated December 15, 2024.
 - Reviewed the Companies’ press releases for the 18 months preceding the date of the Opinion.
 - Reviewed information on the Companies’ markets from a variety of sources.
 - Reviewed the cash and debt balances of the Companies as of January 31, 2025.

Awakn

- Reviewed Awakn’s website, <https://awaknlifesciences.com/>
- Reviewed Awakn’s audited consolidated financial statements for the years ending January 31, 2021, through 2024, as audited by MNP LLP, Chartered Professional Accountants, of Burlington, Ontario.
- Reviewed Awakn’s unaudited financial statements for the three months ended April 30, 2023, and 2024, six months ended July 31, 2023, and 2024, and nine months ended October 31, 2022, through 2024.
- Reviewed Awakn’s management discussion and analysis for three months ended April 30, 2023, and 2024, for the six months ended July 31, 2023, and 2024, for the nine months ended October 31, 2022 to 2024, and for the years ended January 31, 2023 and 2024.

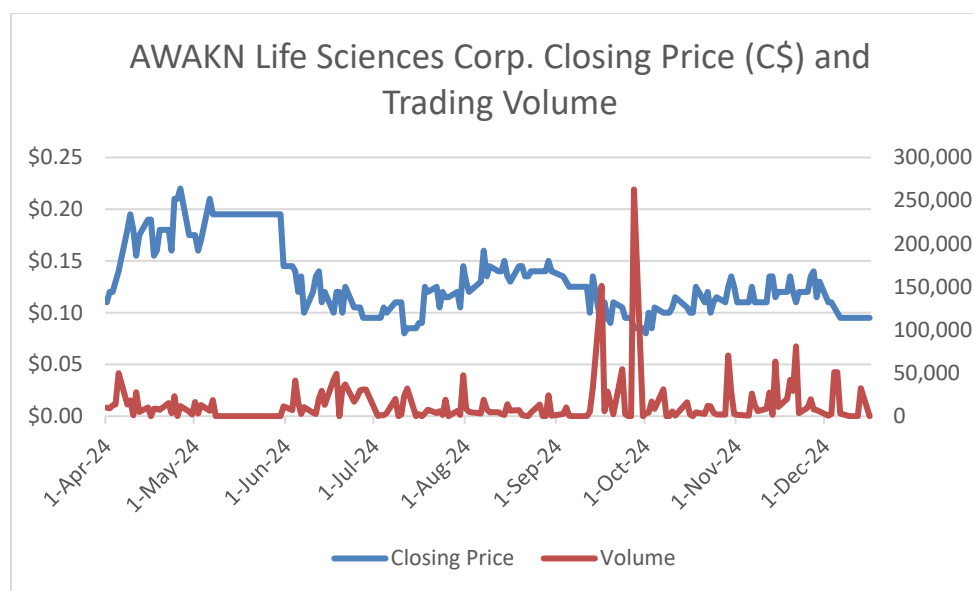
AWAKN LIFE SCIENCES CORP.

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- Reviewed Awakn financial projections as provided by management.
- Reviewed Awakn's daily trading price and volume on the CSE from April 2, 2024, to the date the stock was halted. As can be seen from the chart below, Awakn's stock price had generally been trending downwards over 2024.

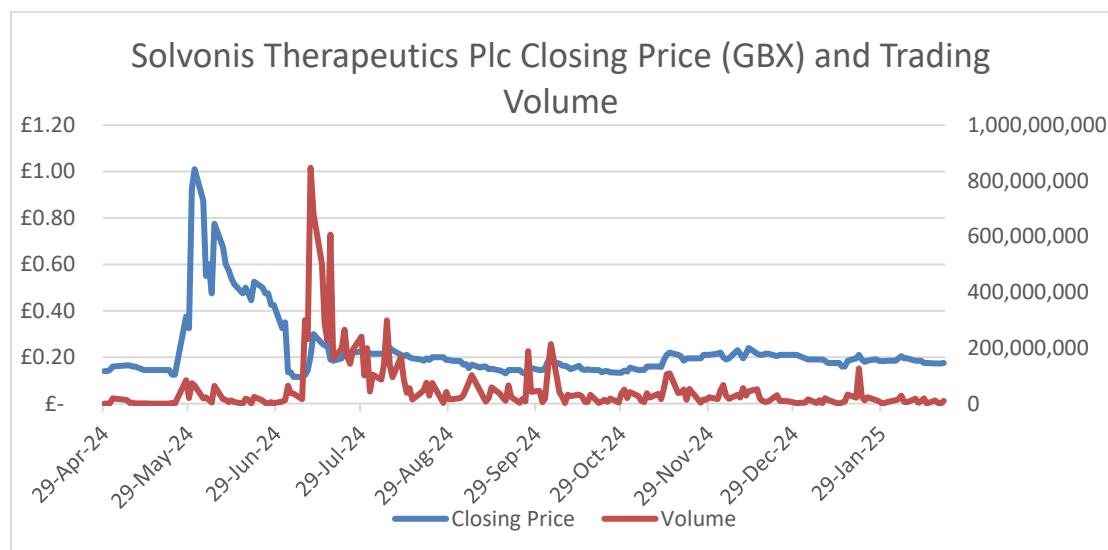


- Reviewed financial and stock market trading data on the following companies: Awakn Life Sciences Corp; Intra-Cellular Therapies, Inc.; Indivior PLC; Atai Life Sciences N.V.; Cybin Inc.; Achieve Life Sciences, Inc.; Adial Pharmaceuticals, Inc.; Clearmind Medicine Inc.; Enveric Biosciences, Inc.; Enttheon Biomedical Corp.; Braxia Scientific Corp.; EGF Theramed Health Corp.; COMPASS Pathways plc; Mind Medicine (MindMed) Inc.; Seelos Therapeutics, Inc.; Sana Biotechnology, Inc.; Enveric Biosciences, Inc.; Revive Therapeutics Ltd.; and Oramed Pharmaceuticals Inc.

Solvonis

- Reviewed the Solvonis website, <https://solvonis.com/>
- Reviewed the Solvonis audited annual report for the years ended December 31, 2021 through 2023 as audited by PKF Littlejohn LLP, of London, United Kingdom.
- Reviewed the Solvonis unaudited interim results for the six months ended June 30, 2024.
- Reviewed Solvonis financial projections for the FY ended 2025.
- Reviewed the Solvonis management-provided monthly forecast for the period between January 2025 to February 2026.

- Reviewed Solvonis daily trading price and volume on the LSE from April 26, 2024, to the date of the Opinion. As noted above, while Solvonis share price has fluctuated between GBX0.12 to GBX1.01, its average price has remained in the range of GBX0.18 to GBX0.24 as of the date of the Opinion.



- Reviewed financial and stock market trading data on the following companies: Biodexa Pharmaceuticals Plc; Nanexa AB (publ); Aptamer Group PLC; SCHOTT Pharma AG & Co. KGaA; BioNxt Solutions Inc.; Croda International Plc; CTT Pharmaceutical Holdings, Inc.; Heron Therapeutics, Inc.; InnoCan Pharma Corporation; Lexaria Bioscience Corp.; Lipocine Inc.; Lyra Therapeutics, Inc.; Nanexa AB (publ); Rapid Dose Therapeutics Corp.; NuGen Medical Devices Inc.; SCHOTT Pharma AG & Co. KGaA; and West Pharmaceutical Services, Inc.
- **Scope Restriction:** Evans & Evans did not conduct a visit to the offices or facilities of Awakn or Solvonis.

4.0 Market and Industry Overview

- 4.01 The substance use disorder (“SUD”) treatment market includes services and products that help individuals overcome drug addiction, alcoholism, and other substance dependencies. SUD covers counselling, medication therapy, rehabilitation programs, inpatient and outpatient treatments, therapist services, group therapy, and prevention initiatives. The market focuses on improving health and supporting long-term recovery. The growing prevalence of addiction as a public health issue calls for more effective and affordable solutions, driven by advancements in medical therapies, healthcare legislation, and increased focus on mental health and drug abuse.¹

¹ <https://www.cognitivemarketresearch.com/substance-use-disorder-treatment-market-report>

According to Cognitive Market Research, the global SUD treatment market is projected to reach a size of United States Dollar (“US\$”) 41,215.2 million in 2024. The market is expected to grow at a compound annual growth rate (“CAGR”) of 5.50% from 2024 to 2031.²

In 2024, North America will hold the largest market share of the SUD market, accounting for over 40% of global revenue, with a market size of US\$16,486.08 million. This region is expected to grow at a CAGR of 3.7% from 2024 to 2031. Europe will represent over 30% of the global revenue, with a market size of US\$12,364.56 million. The Asia Pacific region is projected to capture around 23% of the global market, with a market size of US\$9,479.50 million in 2024, and is expected to grow at a CAGR of 4.0% from 2024 to 2031.³

The increasing prevalence of SUD, including issues with alcohol, drugs, nicotine, and opiates, is driving demand for effective treatments. As substance abuse impacts physical and mental health, there is a growing need for outpatient programs, inpatient care, and rehabilitation centers.⁴

Growing awareness of mental health and addiction treatment has reduced the stigma around seeking help, leading more people to access care. Educational campaigns by health organizations and governments have increased demand for services like rehabilitation centers, outpatient programs, and counseling, further fueling market growth.

Several global government initiatives are raising awareness and understanding of SUD as treatable medical conditions, reducing stigma and encouraging more individuals to seek treatment, which is fueling market growth. The introduction of private insurance coverage for SUD treatment has also made it easier and more affordable for people to access care. Additionally, the increasing use of holistic approaches, such as yoga, meditation, and acupuncture, alongside traditional treatments, is further supporting market expansion. The growing adoption of behavioral therapies, like cognitive behavioral therapy and motivational interviewing, which address negative thought patterns and behaviors related to substance abuse, is expected to continue driving the market.⁵

The high cost of treatment programs is a major factor limiting the growth of the substance use disorder treatment market. Many individuals struggling with addiction finds it difficult to afford inpatient care, outpatient services, or long-term rehabilitation. Inadequate insurance coverage often leaves individuals with hefty bills, causing some to forgo treatment. Additionally, smaller treatment centers may face challenges in reducing costs while maintaining quality care, further limiting access for those in need.⁶

² <https://www.cognitivemarketresearch.com/substance-use-disorder-treatment-market-report>

³ Ibid

⁴ Ibid

⁵ <https://www.imaregroup.com/substance-use-disorder-market>

⁶ <https://www.cognitivemarketresearch.com/substance-use-disorder-treatment-market-report>

- 4.02 According to a research report by Business Research Insights, the global mental health care market size was anticipated to be valued at US\$424.76 billion in 2024, with projected growth to US\$579.44 billion by 2033 at a CAGR of 3.51% during the forecast period. North America emerges as a frontrunner in the mental health care market share.⁷

The mental health market is supported by several factors, including increased awareness of mental health issues, a rise in conditions like depression, anxiety, and stress disorders, and greater acceptance of seeking professional help. Technological advancements, such as telemedicine and mental health apps, have improved access to services, particularly in remote areas. Government initiatives, policies supporting mental health care, and increased funding for research and treatment are further fueling market growth.⁸ Furthermore, the expanding insurance coverage for mental health services in many countries has significantly reduced financial barriers, rendering treatment more accessible to a broader demographic.⁹

- 4.03 The AUD treatment market was estimated to be US\$742.08 million in 2024 and is expected to reach US\$1.62 billion by the 2037, reflecting a CAGR of 6.2% from 2025 to 2037.¹⁰ Key drivers of the AUD treatment market include the growing global prevalence of alcohol addiction, increased awareness of available treatment options, and rising investments in mental health care. As alcohol use disorders become a major public health concern, governments and healthcare providers are focusing on developing effective therapies, such as behavioral treatments, medication-assisted therapies, and support groups. Innovations in telemedicine and digital health platforms are also improving access to treatment, especially in remote and underserved areas. Additionally, the rising demand for personalized treatment approaches tailored to individual needs is further fueling market growth.¹¹

In 2024, hospitalizations attributable to alcohol in Canada ranged from 154 per 100,00 in New Brunswick to 1,253 per 100,000 in the Northwest Territories. This statistic displays the number of hospitalizations in Canadian provinces attributable to alcohol per 100,000 population in 2024.¹²

⁷ <https://www.businessresearchinsights.com/market-reports/mental-health-care-market-110161>

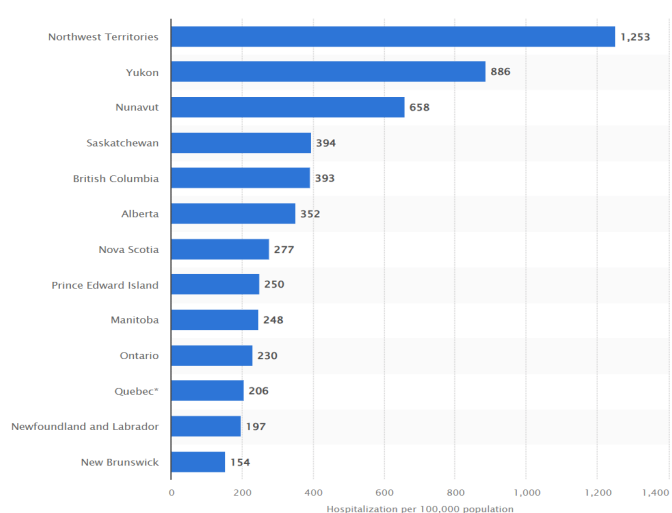
⁸ <https://www.imarcgroup.com/mental-health-market>

⁹ <https://www.imarcgroup.com/substance-use-disorder-market>

¹⁰ <https://www.researchnester.com/reports/alcohol-use-disorder-treatment-market/3804>

¹¹ <https://www.credenceresearch.com/report/alcohol-use-disorder-treatment-market>

¹² <https://www.statista.com/statistics/1469017/alcohol-attributable-hospitalizations-in-canada-by-province/>



Government involvement in promoting mental health awareness and providing resources for addiction treatment is a key factor driving the growth of the alcohol use disorder treatment market. For example, in 2020, the National Institute on Alcohol Abuse and Alcoholism (“NIAAA”) allocated over \$500 million in grants for alcohol research and recovery programs. Additionally, the United Nations Office on Drugs and Crime has highlighted the importance of strengthening global addiction treatment systems, offering technical assistance and funding to low- and middle-income countries.

In 2023, the total AUD market size across the seven major markets (“7MM”) which includes U.S., Germany, France, Italy, Spain, UK and Japan was around US\$620 million, with the U.S. contributing approximately US\$475 million of that total. The anticipated rise in addiction prevalence within the 7MM, coupled with the expanding emerging pipeline, and the increasing involvement of generic manufacturers in supplying more affordable pharmaceuticals, are identified as the key drivers expected to propel the global AUD treatment market's growth over the forecast period (2024-2034).¹³

The AUD market encompasses a range of off-label and generic products like gabapentin, varenicline, benzodiazepines, memantine, ondansetron, aripiprazole, and suvorexant, alongside the four Food and Drug Administration (“FDA”) approved medication-assisted treatments: Acamprosate, ANTABUSE (disulfiram), REVIA (oral naltrexone), and VIVITROL (extended-release injectable naltrexone). Additionally, TOPAMAX (topiramate) is endorsed by the National Institute on Alcohol Abuse and Alcoholism for AUD treatment. Additionally, SELINCRO (nalmefene) holds approval in the EU and Japan, pioneering as one of the initial drugs to diminish alcohol cravings on an as-needed basis without necessitating abstinence. Furthermore, specific drugs like BACLOCUR

¹³ <https://www.delveinsight.com/report-store/alcohol-use-disorder-market>

(baclofen) in France and Sodium oxybate (SMO) in Italy have received approval in certain countries for the treatment of AUD.¹⁴

Despite the high prevalence and associated adverse effects of AUD, current AUD treatment has limited success in a randomized controlled trial. Further, the considerable heterogeneity of AUD patients makes it especially challenging to design a single drug capable of treating AUD patients as a whole. The need for abstinence and the associated social stigma further impacts the compliance rate of treatment. However, various therapies are being developed such as Adial Pharmaceutical's AD04 (ondansetron), Corcept Therapeutics' CORT118335 (miricorilant), mifepristone, Clearmind Medicine's CMND-100, and others that shall further create a positive impact on the market.¹⁵

5.0 Prior Valuations

- 5.01 The Companies have represented to Evans & Evans that there have been no formal valuations or appraisals relating to the Companies or any affiliate or any of their respective material assets or liabilities made in the preceding three years which are in possession or control of the Companies.

6.0 Conditions and Restrictions

- 6.01 The Opinion will be prepared for the internal purposes of the Committee and may be shared with the Board and management of Awakn and Solvonis.
- 6.02 The final Opinion is intended for placement on Awakn's file and may be submitted to the Exchanges and the Awakn Securityholders. The Opinion may be submitted to the Exchanges.
- 6.03 The Opinion may be submitted to the court reviewing the Proposed Transaction. The Opinion may not be used in any legal proceedings unrelated to the approval of the Proposed Transaction.
- 6.04 The Opinion must not be submitted to any tax authorities, except were Awakn, or any of its directors or officers, becomes compelled or required by law, regulation, or legal or regulatory process (including by oral questions, interrogations, requests for information or documents, subpoena, civil investigative demand or similar process) to so disclose the Opinion. In the case of such a legally compelled or required disclosure, Awakn will provide written notice of the material particulars of the disclosure to Evans & Evans (unless prohibited by applicable Law).
- 6.05 Any use beyond that defined above is done without the consent of Evans & Evans and readers are advised of such restricted use as set out above.

¹⁴ <https://www.delveinsight.com/report-store/alcohol-use-disorder-market>

¹⁵ <https://www.delveinsight.com/report-store/alcohol-use-disorder-market>

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- 6.06 The Opinion should not be construed as a formal valuation or appraisal of the Awakn, Solvonis or any of their securities or assets. Evans & Evans, has, however, conducted such analyses as we considered necessary in the circumstances.
- 6.07 In preparing the Opinion, Evans & Evans has relied upon and assumed, without independent verification, the truthfulness, accuracy, and completeness of the information and the financial data provided by the Issuer. Evans & Evans has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Opinion has also been used.

The Opinion is based on: (i) our interpretation of the information which the Companies, as well as its representatives and advisers, have supplied to date; (ii) our understanding of the terms of the Transaction; and (iii) the assumption that the Proposed Transaction will be consummated in accordance with the expected terms.

- 6.08 The Opinion is necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until the date of the Opinion. It is understood that subsequent developments may affect the conclusions of the Opinion, and that, in addition, Evans & Evans has no obligation to update, revise or reaffirm the Opinion.
- 6.09 The information and assessments contained in the Opinion pertain only to the conditions prevailing at the time of the Opinion was substantially completed from December 2024 through to the date of the Opinion.
- 6.10 Evans & Evans denies any responsibility, financial, legal or other, for any use and/or improper use of the Opinion however occasioned.
- 6.11 Evans & Evans is expressing no opinion as to the price at which any securities of Awakn or Solvonis will trade on any stock exchange at any time.
- 6.12 Evans & Evans was not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of or merger with Awakn. Our opinion also does not address the relative merits of the Proposed Transaction as compared to any alternative business strategies or Proposed Transaction that might exist for Awakn, the underlying business decision of Awakn to proceed with the Proposed Transaction, or the effects of any other transaction in which Awakn will or might engage.
- 6.13 Evans & Evans expresses no opinion or recommendation as to how any securityholder of Awakn should vote or act in connection with the Proposed Transaction, any related matter or any other transactions. We are not experts, nor do we express any opinion, counsel or interpretation with respect to, legal, regulatory, accounting or tax matters. We have assumed that such opinions, counsel or interpretation have been or will be obtained by

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Awakn from the appropriate professional sources. Furthermore, we have relied, with Awakn's consent, on the assessments by Awakn and its advisors, as to all legal, regulatory, accounting and tax matters with respect to Awakn and the Proposed Transaction, and accordingly we are not expressing any opinion as to the value of Awakn's tax attributes or the effect of the Proposed Transaction thereon.

- 6.14 Evans & Evans is expressing no opinion as to whether any alternative transaction might have been more beneficial to the Awakn Securityholders.
- 6.15 Evans & Evans reserves the right to review all information and calculations included or referred to in the Opinion and, if it considers it necessary, to revise part and/or its entire Opinion and conclusion in light of any information which becomes known to Evans & Evans after the date of this Opinion.
- 6.16 In preparing the Opinion, Evans & Evans has relied upon a letter from the management of Awakn confirming to Evans & Evans in writing that the information and management's representations made to Evans & Evans in preparing the Opinion are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Opinion.
- 6.17 Evans & Evans has based its Opinion upon a variety of factors. Accordingly, Evans & Evans believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by Evans & Evans, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Evans & Evans' conclusions as to the fairness, from a financial point of view, the Awakn Securityholders of the Proposed Transaction were based on its review of the Proposed Transaction taken as a whole, in the context of all of the matters described under "Scope of Review", rather than on any particular element of the Proposed Transaction or the Proposed Transaction outside the context of the matters described under "Scope of Review". The Opinion should be read in its entirety.
- 6.18 Evans & Evans and all of its Principal's, Partner's, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Opinion. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Opinion.

7.0 Assumptions

- 7.01 In preparing the Opinion, Evans & Evans has made certain assumptions as outlined below.

- 7.02 With the approval of the Awakn and as provided for in the Engagement Letter, Evans & Evans has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by the Companies or their affiliates or any of their respective officers, directors, consultants, advisors or representatives (collectively, the “Information”). The Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. In accordance with the terms of the Engagement Letter, but subject to the exercise of its professional judgment, and except as expressly described herein, Evans & Evans has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information outside of the due diligence work conducted in preparing the Opinion.
- 7.03 Senior officers of the Companies have represented to Evans & Evans that, among other things: (i) the Information (other than financial forecasts, projections, estimates or budgets) provided orally by, an officer, director or employees of the Companies or in writing by the Companies (including, in each case, affiliates and their respective directors, officers, consultants, advisors and representatives) to Evans & Evans relating to the Companies or the Proposed Transaction, for the purposes of the Engagement Letter, including in particular preparing the Opinion, was, at the date the Information was provided to Evans & Evans, fairly and reasonably presented and complete, true and correct in all material respects, and did not, and does not, contain any untrue statement of a material fact in respect of the Issuer, its affiliates or the Proposed Transaction and did not and does not omit to state a material fact in respect of the issuer, its affiliates or the Proposed Transaction that is necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) with respect to portions of the Information that constitute financial forecasts, projections, estimates or budgets, they have been fairly and reasonably presented and reasonably prepared on bases reflecting the best currently available estimates and judgments of management of the Target or its associates and affiliates as to the matters covered thereby and such financial forecasts, projections, estimates and budgets reasonably represent the views of management of the financial prospects and forecasted performance of the Companies; and (iii) since the dates on which the Information was provided to Evans & Evans, except as disclosed in writing to Evans & Evans, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Companies, or any of its affiliates and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.
- 7.04 With respect to financial forecasts, projections, estimates or budgets provided to Evans & Evans and used in our analyses, the authors of the Opinion have noted that projecting future results of any entity is inherently subject to uncertainty. Evans & Evans has assumed, however, that such financial forecasts, projections, estimates and budgets were prepared using the assumptions identified therein, which in the reasonable belief of the Issuer are (or were at the time and continue to be) reasonable in the circumstances and were

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reasonably prepared on bases reflecting the best currently available estimates and judgment of the Companies and are (or were at the time and continue to be) reasonable in the circumstances.

- 7.05 In preparing the Opinion, we have made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to us, all of the conditions required to implement the Proposed Transaction will be met, all consents, permissions, exemptions or orders of relevant third parties or regulating authorities will be obtained without adverse condition or qualification, the procedures being followed to implement the Proposed Transaction are valid and effective and that the disclosure provided or (if applicable) incorporated by reference in any materials provided to shareholders with respect to Awakn and Solvonis and the Proposed Transaction will be accurate in all material respects and will comply with the requirements of applicable law. Evans & Evans also made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Evans & Evans and any party involved in the Proposed Transaction. Although Evans & Evans believes that the assumptions used in preparing the Opinion are appropriate in the circumstances, some or all of these assumptions may nevertheless prove to be incorrect.
- 7.06 The Companies and all of their related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Opinion that would affect the evaluation or comment.
- 7.07 There was no material change in the financial position of the Company between the date of the most recent financial statements (October 31, 2024) and the date of the Opinion unless noted and outlined in the Opinion. There was no material change in the financial position of Solvonis between the date of the most recent financial statements (June 30, 2024) and the date of the Opinion unless noted and outlined in the Opinion. The reader is advised to refer to section 1.0 of the Opinion for the cash and debt balances of the Companies near the date of the Opinion.
- 7.08 As of the date of the Opinion, all assets and liabilities of the Company and Solvonis, respectively have been recorded in the accounts and financial statements and follow International Financial Reporting Standards.
- 7.09 Representation made by the Companies as to the number of securities outstanding are accurate.
- 8.0 Review of Awakn**
- 8.01 In assessing the fairness of the Proposed Transaction, Evans & Evans considered the following analyses and factors with respect to the value of Awakn, amongst others: (1)

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trading price analysis, (2) Historical Financing, (3) Probability-weighted Discounted Cash Flow (“DCF”) Method, and (4) other considerations.

- 8.02 Evans & Evans reviewed Awakn’s trading prices over the 10, 30, 90 and 180 trading days preceding the Halt Date. In the 180 trading days preceding the Halt Date, the Company’s share price had been decreasing from an average of \$0.131 to \$0.098 per share as outlined in the table below. While Evans & Evans reviewed data over a 180-day trading period, the analysis focused on the 30 to 90 days preceding the Halt Date. Over the 90 trading days preceding the Halt Date, Awakn’s share price has stabilized at around \$0.116 per common share.

Trading Price	December 16, 2024		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	\$0.095	\$0.098	\$0.110
30-Days Preceding	\$0.095	\$0.114	\$0.140
90-Days Preceding	\$0.080	\$0.116	\$0.150
180-Days Preceding	\$0.080	\$0.131	\$0.220

In reviewing the trading volumes of Awakn’s Common Shares at the Halt Date, it appears liquidity had been declined from over 262,839 Awakn shares traded per day to 51,053 shares per day. As can be seen from the table below, in the 90 trading days preceding the Halt Date, approximately 1,412,228 shares of Awakn were traded representing 3.4% of the issued and outstanding shares. Awakn Shares traded on 166 of the 180 trading days considered. Trading volumes are below 100,000 shares per day suggest that large numbers of shareholders’ actual ability to realize their shares’ current trading price is highly unlikely.

Trading Volume	December 16, 2024				
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>Total</u>	<u>%</u>
10-Days Preceding	0	14,024	51,053	140,236	0.3%
30-Days Preceding	0	17,476	81,035	524,282	1.3%
90-Days Preceding	0	15,691	262,839	1,412,228	3.4%
180-Days Preceding	0	13,274	262,839	2,389,315	5.7%

Given the limited trading volumes, Evans & Evans also considered the VWAP of Awakn. Over the 30 trading days preceding the Halt Date, Awakn’s VWAP had remained consistent at \$0.12.

5-Day VWAP	\$0.11	20-Day VWAP	\$0.12
10-Day VWAP	\$0.11	30-Day VWAP	\$0.12
15-Day VWAP	\$0.11	60-Day VWAP	\$0.11

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The Exchange Ratio implies a value for Awakn in the range of \$0.151 to \$0.162, which is higher than the trading price as of the date of the Opinion, based on the 10-day and 30-day VWAPs preceding the Halt Date. As can be seen from the following tables, the Exchange Ratio represented a premium of 33.4% to 39.5% over Awakn's 10-day and 30-day VWAP preceding the Halt Date.

(Canadian Dollars)			Exchange Ratio	Implied Value Awakn Life Sciences Corp.	Premium to VWAP
As at the Date of the Opini	Awakn Life Sciences Corp.	Solvonis Therapeutics Plc			
10 - Day VWAP	\$0.108	\$0.0032	46.67	\$0.151	39.5%
20 - Day VWAP	\$0.118	\$0.0034	46.67	\$0.157	33.4%
30 - Day VWAP	\$0.117	\$0.0035	46.67	\$0.162	37.8%

8.03 Evans & Evans assessed the reasonableness of the Exchange Ratio based on the last round of financing secured by the Company. Between April 26, 2023, and September 18, 2024, the Company conducted multiple tranches of a non-brokered private placement, raising over \$3 million through the issuance of units at \$0.46 per unit, each comprising one common share and three-quarters of a warrant exercisable at \$0.63 per share for five years. The Company also issued 2.7 million share purchase warrants to a consultant, extended the expiry of 5.6 million warrants, and applied for a CSE listing while delisting from Cboe Canada. On September 18, 2024, the Company increased the financing target from \$1 million to \$2 million and closed an additional tranche for \$394,286. Hence, due to the significant time gap between the financing in 2023 through September 2024, Evans & Evans deemed that the historical financing was not the representative of fair market value of Awakn as of the date of the Opinion.

8.04 Evans & Evans assessed the reasonableness of the implied \$6.7 million equity value¹⁶ of the Proposed Transaction by using the probability-weighted DCF Method.

As a starting point for the DCF Method, Evans & Evans reviewed the Company's financial projections for the years ending December 31, 2025, through December 31, 2045. Evans & Evans believed that a discounted cash flow over 20 years was appropriate given the expected growth rates over the forecast period from the year ending December 31, 2025 through December 31, 2044. Biopharmaceutical and biotechnology companies rely heavily on IP protection. A standard patent lasts 20 years, starting from the date of filing, providing a clear window for exclusivity and profitability before generics or biosimilars enter the market. The DCF timeframe often aligns with the period during which key products are expected to generate substantial revenue, peaking after market approval and declining as patents expire. The 20-year period is considered because it aligns with the product lifecycle, captures the peak value of current and pipeline products, adheres to industry norms, and minimizes the impact of speculative long-term projections. The net present value of the cash flows was determined by discounting for business risk and time.

¹⁶ Solvonis 10-day VWAP at the date of the Opinion multiplied by the number of Solvonis shares to be issued to Awakn Shareholders

Evans & Evans prepared the financial projections based on the industry benchmarking for FY2025 and extend the forecast to FY2045 to allow for the gradual decline of the revenue growth rate to the long-term growth rate. The net after-tax cash flows were then discounted to the present using a risk-adjusted discount rate.

In assessing the reasonableness of the above, we have considered the following:

- Awakn is currently at a pre-revenue stage, meaning future cash flows are highly speculative.
- The success of its drug pipeline depends on clinical trial results, regulatory approvals, and commercialization, making future revenue projections inherently uncertain and difficult to estimate.
- The probability-weighted DCF method relies on assigning probabilities to different scenarios (e.g., success/failure of drug trials).
- Given Awakn's early stage, determining realistic probabilities is challenging, as success rates for biotechnology startups can vary widely.
- Awakn's financial projections assume it can secure future funding for clinical trials and commercialization.
- Awakn's drug pipeline, particularly its ketamine-based therapies and aminoindane compounds, is still in early to mid-stage trials. The timeline for drug approval and commercialization in the biotech industry is often 10+ years, making it difficult to predict cash flows beyond initial estimates.
- Awakn operates in the mental health and psychedelic-assisted therapy sector, which is evolving rapidly. Competitors with faster approvals or better funding may capture market share, affecting Awakn's revenue projections.
- An analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of Awakn, the Proposed Transaction and other factors and the trading value and transaction values of other companies used for benchmarking may not accurately reflect Awakn's specific risks, business model, or industry position. Differences in drug development timelines, approval probabilities, and market conditions must be carefully analyzed to ensure reasonable comparisons.

The equity value implied by the Proposed Transaction was found to be lower than the assessed value of AWAKN under the DCF method. While the DCF method suggested a higher value for Awakn, Evans & Evans applied weight to market-based method as well, which resulted in an implied equity value lower than the DCF estimate. This approach

reflects a more cautious stance, acknowledging the risks and uncertainties in Awakn's business model and industry landscape.

- 8.05 The Guideline Public Company ("GPC") Method and Mergers & Acquisitions ("M&A") Method were considered but not included in the analysis for Awakn due to several reasons. The GPC Method, which relies on comparing Awakn to publicly traded companies in a similar industry, was deemed inappropriate due to the lack of sufficiently comparable peers with similar market position, stage of development, and financial characteristics. Given Awakn's pre-revenue stage and its focus on psychedelic-assisted therapies, the available public comparables were either significantly larger pharmaceutical companies with diversified revenue streams or at different stages of clinical development.

Similarly, the M&A Method, which evaluates precedent transactions in the industry, was excluded because recent transactions in the psychedelic and addiction treatment space were limited and highly varied in structure, valuation multiples, and deal terms, making a meaningful comparison difficult. Additionally, many M&A transactions in this sector involve early-stage companies with unique intellectual property considerations, making direct valuation comparisons unreliable. Consequently, these methods were not incorporated into the final valuation assessment.

9.0 Analysis of Solvonis

- 9.01 In assessing the fairness of the Proposed Transaction, Evans & Evans considered the following analyses and factors with respect to the value of Solvonis, amongst others: (1) trading price analysis, (2) DCF Method, and (3) other considerations.
- 9.02 Evans & Evans reviewed Solvonis trading prices over the 10, 30, 90 and 180 trading days preceding the date of the Opinion. In the 180 trading days preceding the date of the Opinion, the Company's share price had been decreasing from an average of GBX0.21 to GBX0.18 per share as outlined in the table below. While Evans & Evans reviewed data over a 180-day trading period, the analysis focused on the 30 to 90 days preceding the date of the Opinion. Over the 90 trading days preceding the date of the Opinion, Solvonis share price has stabilized at around \$0.18 per common share.

Trading Price (GBX)	February 20, 2025		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	0.17	0.18	0.20
30-Days Preceding	0.16	0.18	0.21
90-Days Preceding	0.13	0.18	0.24
180-Days Preceding	0.12	0.21	0.68

In reviewing the trading volumes of Solvonis Ordinary Shares at the date of the Opinion, it appears liquidity had been declined from over 800 million Solvonis shares traded per day to less than 20 million common shares traded per day. As can be seen from the table below,

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in the 90 trading days preceding the date of the Opinion, approximately 1.9 billion common shares of Solvonis were traded representing 85.1% of the issued and outstanding shares. Solvonis Shares traded on 166 of the 180 trading days considered. Trading volumes are below 100 million shares per day suggest that large numbers of shareholders' actual ability to realize their shares' current trading price is highly unlikely.

Trading Volume	February 20, 2025				
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>Total</u>	<u>%</u>
10-Days Preceding	639,635	7,730,699	18,955,898	77,306,989	3.4%
30-Days Preceding	639,635	15,105,198	126,158,499	438,050,755	19.1%
90-Days Preceding	639,635	21,955,660	126,158,499	1,954,053,760	85.1%
180-Days Preceding	186,663	59,452,663	846,963,550	10,642,026,763	463.5%

Given the trading volumes, Evans & Evans also considered the VWAP of Solvonis. Over the 30 trading days preceding the date of the Opinion, Solvonis VWAP had remained consistent at \$0.19.

5-Day VWAP	0.174	20-Day VWAP	0.187
10-Day VWAP	0.180	30-Day VWAP	0.193
15-Day VWAP	0.188	60-Day VWAP	0.202

9.03 Evans & Evans assessed the reasonableness of Solvonis fair market value by using the DCF Method.

As a starting point for the probability-weighted DCF Method, Evans & Evans reviewed Solvonis financial projections for the years ending December 31, 2025, through December 31, 2045. Evans & Evans believed that a discounted cash flow over 20 years was appropriate given the expected growth rates over the forecast period from the year ending December 31, 2025 through December 31, 2045.

In assessing the reasonableness of the above, we have considered the following, in addition:

- The accuracy of DCF relies heavily on the precision of cash flow projections.
- Key inputs, such as growth rates, profit margins, and discount rates, involve subjective judgments.
- Solvonis operates in a niche market with limited comparable companies, it may be difficult to derive reliable benchmarks for the discount rate and growth rates, reducing the robustness of the analysis.
- The DCF method does not adequately factor in operational risks, such as management performance, competitive pressures, and execution of business strategies, which could hinder achieving projected cash flows.

- The method may not fully reflect the company's financial health, including its liquidity position and ability to meet obligations, which could affect future cash flows.
- Solvonis has a short operating history or limited financial data, it can be challenging to create reliable cash flow projections based on past performance.

10.0 Fairness Conclusions

10.01 In considering fairness, from a financial point of view, Evans & Evans considered the Proposed Transaction from the perspective of the Awakn Securityholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

10.02 Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion, as of the date hereof, that the Proposed Transaction is fair, from a financial point of view to Awakn Securityholders. In arriving at this conclusion, Evans & Evans considered the following:

1. There is limited ability for the shareholders to monetize their shares. In the 90 trading days preceding the Halt Date, on average less than 1.0 million shares traded per day.
2. The combination of Awakn and Solvonis is expected to create a larger, more diversified biotechnology company focused on mental health, addiction treatment, and psychedelic-assisted therapies. The combined entity will have a broader range of drug candidates, increasing the likelihood of successful clinical approvals and commercial launches. Awakn's experience in clinical trials, patient recruitment, and regulatory approvals (e.g., FDA, EMA, Health Canada) can help accelerate Solvonis' development timelines. The combined expertise may allow for faster progression from early-stage trials to later-stage regulatory submissions.
3. Synergies are expected to be created from strategic, operational, financial, and market that can accelerate drug development, improve financial sustainability, and enhance competitive positioning. Awakn and Solvonis have complementary drug development programs targeting substance use disorders and mental health conditions. The combined portfolio enhances therapeutic coverage and reduces reliance on a single asset or treatment approach. A combined pipeline may attract pharmaceutical partnerships, licensing deals, or co-development agreements, providing additional revenue streams.
4. The Exchange Ratio of 46.67 implies a premium ranging from 33.7% (based on 20-day VWAP) to 39.5% (based on 10-day VWAP) which implies the Proposed Transaction is accretive to the shareholders of Awakn as of the date of the Opinion.

5. Solvonis market capitalization is approximately 2.09 times that of Awakn, and the liquidity of the Acquiror's common shares on the LSE is significantly higher than that of Awakn's shares on the CSE.
6. As outlined in section 8.3, Evans & Evans applied weight to the DCF method and market-based approach, which resulted in an implied equity value lower than the DCF estimate. This reflects a more cautious stance, acknowledging the risks and uncertainties in Awakn's business model and industry landscape.
7. Evans & Evans considered the ability of the Awakn Securityholders to receive greater than the value implied by the Exchange Ratio in the market. As outlined in the table below, the Proposed Transaction implies a value of \$0.157 per share for Awakn based on Solvonis 20-day VWAP as of the date of the Opinion. Evans & Evans conducted a review of Awakn's trading price to determine how many shares of Awakn had traded above the value implied by the Exchange Ratio. As can be seen from the table below, most of the shares that traded above the value implied by the Exchange Ratio were traded in the 180 days preceding the Halt Date. In the 180 days preceding the Halt Date, the number of shares that traded above the proposed consideration were less than 2.0% of Awakn's issued and outstanding shares. Accordingly, the ability of a significant number of Awakn Securityholders to monetize their common shares at prices above the value implied by the Proposed Transaction is limited.

Implied Consideration \$0.157	# of Days Closing Price Exceeded Implied Consideration	Shares Traded at Implied Consideration or Higher	% of Shares Outstanding
10-Days Preceding	0	0	0.0%
30-Days Preceding	0	0	0.0%
90-Days Preceding	0	0	0.7%
180-Days Preceding	40	248,632	1.3%

11.0 Qualifications & Certification

- 11.01 The Opinion preparation was carried out by Jennifer Lucas, and certain qualified employees of Evans & Evans, and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1989. For over 35 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of several thousand technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration

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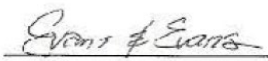
from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators (“CICBV”) and the American Society of Appraisers (“ASA”).

Ms. Jennifer Lucas, MBA, CBV, ASA, Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing several thousand valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.

- 11.02 The analyses, opinions, calculations and conclusions were developed, and this Opinion has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.
- 11.03 The authors of the Opinion have no present or prospective interest in Awakn, Solvonis or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

Yours very truly,



EVANS & EVANS, INC.

APPENDIX F**ADDITIONAL INFORMATION CONCERNING AWAKN LIFE SCIENCES CORP.**

The following information about Awakn should be read in conjunction with the documents incorporated by reference into this Appendix and the information concerning Awakn appearing elsewhere in this Circular. Capitalized terms used but not otherwise defined in this appendix shall have the meaning ascribed to them in the section entitled "*Glossary of Terms*" in this Circular.

Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with the various securities commissions or similar regulatory authorities in British Columbia, Alberta and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from Awakn by telephone at 416-270-9566 or by email at jonathanh@awaknlifesciences.com and are also available electronically under Awakn's profile on SEDAR+ at www.sedarplus.ca. Awakn's filings on SEDAR+ are not incorporated by reference in this Circular except as specifically set out herein. The following documents filed by Awakn with the securities commissions or similar authorities in Canada are specifically incorporated by reference in, and form an integral part of, this Circular, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Circular or in any other subsequently filed document that is also incorporated by reference in this Circular:

- (c) the Awakn AIF;
- (d) the Awakn Annual Financial Statements;
- (e) the Awakn Annual MD&A;
- (f) the Awakn Interim Financial Statements;
- (g) the Awakn Interim MD&A; and
- (h) the material change report dated February 8, 2024, of Awakn regarding Awakn receiving the conditional approval of the CSE for the listing of the Awakn Shares on the CSE.

Any document of the type referred to in Section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus* (excluding confidential material change reports), if filed by Awakn with a securities commission or similar regulatory authority in Canada after the date of this Circular disclosing additional or updated information including the documents incorporated by reference herein, filed pursuant to the requirements of the applicable securities legislation in Canada, will be deemed to be incorporated by reference in this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained in this Circular or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Making such a modifying or superseding statement shall not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, untrue statement of a material fact, nor an omission to state a material fact that is required to be stated or necessary to make a statement not misleading in light of the circumstances in which it is made.

Overview

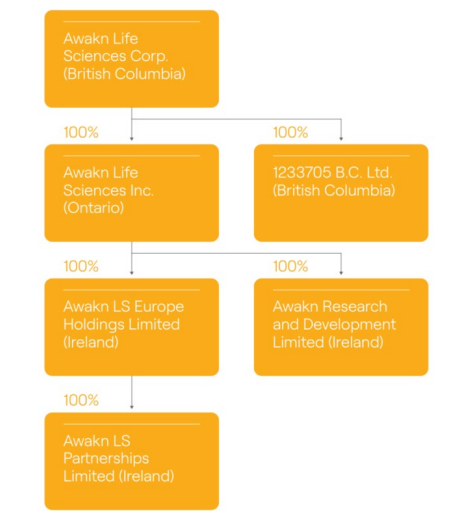
Awakn was incorporated on June 21, 2018, under the BCBCA under the name 1169082 BC Ltd. as a wholly-owned subsidiary of Hemagenetics Technologies Corp. ("**HTC**"), then a reporting issuer in the provinces of British Columbia and Alberta. On June 26, 2018, Awakn entered into a statutory arrangement with, among others, HTC (the "**HTC Arrangement**"). The HTC Arrangement received final British Columbia Supreme Court approval on July 19, 2018. On April 29, 2019, Awakn completed the HTC Arrangement and became a reporting issuer in the provinces of British

Columbia and Alberta. Effective June 15, 2021, Awakn completed a reverse takeover transaction (the "**RTO**") of Awakn Inc. pursuant to which Awakn Inc. amalgamated with a wholly-owned subsidiary of Awakn. Upon completion of the RTO, Awakn changed its name to Awakn Life Sciences Corp., and consolidated the issued and outstanding Awakn Shares on the basis of one post-consolidation Awakn Share for every 42.5105 pre-consolidation Awakn Shares. Following completion of the RTO, Awakn became a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

The Awakn Shares started trading on the CSE on February 13, 2024, under the symbol "AWKN." Awakn also trades on the OTC-Pink under the ticker symbol "AWKNF" and on the Boerse Frankfurt exchange under the Symbol "954".

The address of Awakn's registered and head office is Suite 301, 217 Queen St. West, Toronto, Ontario M5V 0R2.

Awakn currently has subsidiaries in Ireland and Canada. Awakn corporate organizational chart is presented below:



General Description of the Business

Awakn is a clinical-stage biotechnology company developing medication-assisted treatments for addiction. Awakn has a near-term focus on Alcohol Use Disorder (AUD), a condition affecting approximately 51 million people in the US and key European markets and 285 million people globally for which the current standard of care is inadequate. Our goal is to provide breakthrough therapeutics to addiction sufferers in desperate need and our strategy is focused on commercializing our R&D pipeline across multiple channels. Awakn has two core functions:

1. **Research and Development:**
 - *Research and Development:* Clinical and pre-clinical stage programs focused on developing innovative therapeutics for substance use and mental health disorders.
2. **Intellectual Property Licensing:**
 - *Healthcare Licensing Partnerships:* Licensing Awakn's proven therapeutics to mental health and addiction treatment clinics.

For additional information regarding Awakn, the development of its business and its business activities during the past three fiscal years, see the Awakn AIF which is incorporated herein by reference.

Recent Developments

The following provides a summary of recent significant developments of Awakn since May 28, 2024, the date of the Awakn AIF.

On June 4, 2024, Awakn announced that it had closed a second tranche of a previously announced non-brokered private placement (the "**2024 Private Placement**") through the issue of an additional 857,142 units (the "**2024 Units**") at a price of \$0.46 per 2024 Unit for additional gross proceeds of \$394,285. Each 2024 Unit was comprised of one Awakn Share and three quarters (0.75) of one warrant to purchase Awakn Shares (each a "**2024 Warrant**"), with each 2024

Warrant entitling the holder thereof to acquire one Awakn Share at a price of \$0.63 for a period of five years after the date of issue.

On July 18, 2024, Awakn announced that it has entered into a commercial collaboration agreement dated July 17, 2024 (the "**Solvonis Collaboration Agreement**") with Solvonis. The collaboration (the "**Solvonis Collaboration**") is focused on developing Awakn's novel aminoindane novel new chemical series programme (the "**Aminoindane NCEs**") which have potential in trauma-related mental health disorders, developed as part of Awakn's previous new chemical entity research program. The collaboration involves the joint development and potential commercialization of the Aminoindane NCEs, with an initial phase focused on completing certain pre-clinical research activities. Under the Solvonis Collaboration Agreement, Solvonis will contribute £300,000 and expertise in novel drug delivery systems to potentially enhance the bioavailability and improve the pharmacokinetics of the Aminoindane NCEs. Awakn will contribute intellectual property, relevant small molecule development expertise, and management resources. Future funding of the collaboration is intended to be split equally between Awakn and Solvonis, and Awakn has agreed to grant Solvonis a royalty of initially 40% of the future net income generated by the Aminoindane NCEs, such royalty to be adjusted based on the actual proportional split between the parties of future funding.

On July 22, 2024, Awakn provided details of the status of the intellectual property portfolio for its Aminoindane NCEs being developed under the Solvonis Collaboration.

On July 31, 2024, Awakn announced that it had closed a third tranche of the 2024 Private Placement through the issue of 428,571 2024 Units at a price of \$0.46 per 2024 Unit for additional gross proceeds of \$197,143. In addition, Awakn announced the extension of the expiry of 5,610,920 Awakn Warrants, each Awakn Warrants with an exercise price of \$0.68 as follows: (a) 1,933,654 Awakn Warrants issued on September 14, 2022, with an initial expiry date of September 14, 2024, have been extended to September 14, 2027 and (b) 3,677,266 Awakn Warrants issued on November 16, 2022, with an initial expiry date of November 16, 2026 have been extended to November 16, 2027.

On August 9, 2024, Awakn announced that the first patient has been screened in the MORE-KARE Phase 3 trial of AWKN-001 for severe AUD. AWKN-001 is an investigational, novel medication-assisted treatment for severe AUD, consisting of an N-methyl-D-aspartate receptor-modulating drug (ketamine) delivered intravenously in combination with manualized psycho-social support for severe AUD.

On August 28, 2024, Awakn provided an update on its continued progress of its Aminoindane NCEs program. The Company had identified two chemical series as co-leads, defined synthesis pathways and selected Charnwood Discovery as its synthesis partner. In addition, a new provisional patent was filed covering a new class of aminoindane chemical entities and their derivatives.

On September 18, 2024, Awakn announced it has closed a fourth tranche of the 2024 Private Placement through the issue of 857,143 2024 Units at a price of \$0.46 per 2024 Unit for additional gross proceeds of \$394,286.

On October 4, 2024 Awakn announced the selection of Eurofins Discovery to conduct initial pharmacology testing for the Aminoindane NCEs as part of the NCE pre-clinical program being developed under the Solvonis Collaboration.

On October 15, 2024, Awakn announced a new research partnership with the University of Nottingham, UK, focused on the Aminoindane NCEs program and its potential to enhance social cognition and pro social behaviors.

On October 22, 2024, Awakn announced the opening of four additional clinical trial sites: University Hospitals Sussex NHS Foundation Trust; South London and Maudsley NHS Foundation Trust; Greater Manchester Mental Health NHS Foundation Trust; and University Hospitals Plymouth NHS Trust, bringing the total active trial sites to 7 in the MORE-KARE Phase 3 trial of AWKN-001 for severe AUD.

On December 10, 2024, Awakn announced initial results from a preclinical study of the Aminoindane NCEs program and its potential to enhance social cognition and pro social behaviors conducted by the University of Nottingham.

On December 16, 2024, Awakn announced the entering into of the LOI.

On December 18, 2024, Awakn announced that it has obtained an unsecured credit facility of up to US\$535,000 (the "**2024 Credit Facility**") from an arm's length creditor of Awakn, which can be drawn upon by Awakn in multiple advances and which is evidenced by a grid promissory note issued by Awakn. The principal drawn under the 2024 Credit Facility becomes due and payable on December 5, 2026 (the "**2024 Credit Facility Maturity Date**"), and bears interest at 10% per annum also payable on the 2024 Credit Facility Maturity Date. The 2024 Credit Facility is intended

to provide Awakn with immediate capital while it continues to advance its research and development projects, and seek out other potential sources of capital.

For additional information regarding Awakn's business during the first three quarters of the current fiscal year, please see the Awakn Interim Financial Statements and the Awakn Interim MD&A which are incorporated herein by reference.

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

In connection with the RTO, certain Awakn Shareholders have agreed to lock-up their Awakn Shares. Certain Awakn Shareholders have voluntarily extended the lock-ups subsequently such that there are escrow releases of as follow, 54,000 on December 31, 2017, 111,500 on March 31, 2028, 111,500 on June 30, 2028, 111,500 on September 30, 2028, and 111,500 on December 31, 2028, for an aggregate of 500,000.

Statement of Executive Compensation

Under applicable securities legislation, Awakn is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of Awakn as at January 31, 2024 whose total compensation was more than \$150,000 for the financial year of Awakn ended January 31, 2024 (collectively the "Named Executive Officers") and for the directors of Awakn.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed financial years to the Named Executive Officers and the directors of Awakn:

Name and principal position	Year	Salary (\$)	Share-based awards \$	Option-based awards (\$)(1)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Anthony Tennyson President, Chief Executive Officer and Director	2022	219,507	nil	128,019	nil	nil	nil	nil	347,526
	2023	239,995	nil	71,405	nil	nil	nil	nil	311,400
	2024	255,692	33,000	nil	nil	nil	nil	nil	288,692
Jonathan Held ⁽²⁾ Interim Chief Financial Officer, Chief Business Officer and Secretary	2022	101,750	nil	96,014	nil	nil	nil	nil	197,764
	2023	150,000	nil	60,037	nil	nil	nil	nil	210,037
	2024	150,000	33,000	nil	nil	nil	nil	nil	188,000
James Collins ⁽³⁾ Former Chief Operating Officer	2022	193,679	nil	25,995	nil	nil	nil	nil	219,674
	2023	218,300	nil	22,673	nil	nil	nil	nil	240,973
	2024	78,577	nil	nil	nil	nil	nil	nil	78,577
Shaun McNulty ⁽⁴⁾ Former Chief Science Officer	2022	212,964	nil	59,754	nil	nil	nil	nil	272,718
	2023	216,297	nil	24,913	nil	nil	nil	nil	241,210
	2024	nil	nil	nil	nil	nil	nil	nil	nil
	2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2024	113,657	nil	nil	nil	nil	nil	nil	113,657

Notes:

(1) The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements and included the following assumptions:

	2024	2023	2022
Estimated risk free interest rate	n/a	2.98%	0.93%-0.97%
Expected life	n/a	5	5
Expected volatility (based on comparable companies)	n/a	127.69%	114.94%-115.43%
Expected dividends	n/a	n/a	n/a
Forfeiture rate	n/a	n/a	n/a
Value per option	n/a	\$0.29	\$0.967-\$0.969

- (2) During each of the years, 2022 and 2023, ALOE Finance Inc., a company where Mr. Held is a Partner, received \$60,000 for additional accounting support services.
- (3) Mr. Collins ceased to be the Chief Operating Officer of Awakn on June 14, 2023.
- (4) Mr. McNulty ceased to be the Chief Science Officer of Awakn on June 14, 2023.

Stock Options and Other Compensation Securities

Outstanding Option and Share-based Awards

The following table sets out for each Named Executive Officer, the option-based and share-based awards outstanding at January 31, 2024:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Anthony Tennyson	200,000	1.20	March 8, 2026	Nil	50,000	Nil
	225,000	0.55	December 12, 2027	Nil	75,000	Nil
Jonathan Held	150,000	1.20	March 8, 2026	Nil	37,500	Nil
	225,000	0.55	December 12, 2027	Nil	75,000	Nil
James Collins	125,000	0.55	December 12, 2027	Nil	41,667	Nil
	200,000	1.20	March 8, 2026	Nil	50,000	Nil
Shaun McNulty	100,000	1.20	April 12, 2026	Nil	25,000	Nil

Notes:

- (1) Calculated using the closing price of the Awakn Shares on the CSE on January 31, 2024, of \$0.11 and subtracting the exercise price of vested, in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Awakn Shares on the date of exercise.

Value Vested or Earned During the Year

The following table sets forth the aggregate dollar value that would have been realized if the incentive stock options granted during the most recently completed fiscal year had been exercised on the grant date:

Name	Option-based awards-Value vested during the year ⁽¹⁾ (\$)	Share-based awards-Value vested during the year (\$)	Non-equity incentive plan compensation-Value earned during the year (\$)
Anthony Tennyson	48,378	33,000	N/A
Jonathan Held	43,493	33,000	N/A
James Collins	18,386	N/A	N/A
Shaun McNulty	6,413	N/A	N/A

Director Compensation

The following table describes director compensation for non-executive directors for the year ended January 31, 2024:

TABLE OF COMPENSATION OF DIRECTORS ⁽¹⁾⁽²⁾							
Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
George Scorsis	nil	16,500	nil	nil	nil	nil	16,500
Stephen Page	nil	12,684	nil	nil	nil	nil	12,684
John Papastergiou	nil	12,684	nil	nil	nil	nil	12,684
Paul Carter	nil	19,486	nil	nil	nil	nil	19,486

Notes:

- (1) Table does not include any amount paid as reimbursement for expenses.
- (2) Compensation paid to Named Executive Officers who served as directors of Awakn is disclosed in the Summary Compensation Table above. Mr. Tennyson is the only Named Executive Officers who is also a director of Awakn. No compensation as directors has been paid to Mr. Tennyson.
- (3) The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements and included the following assumptions:

	2024	2023	2022
Estimated risk free interest rate	n/a	2.98%	0.93%-0.97%
Expected life	n/a	5	5
Expected volatility (based on comparable companies)	n/a	127.69%	114.94%-115.43%
Expected dividends	n/a	n/a	n/a
Forfeiture rate	n/a	n/a	n/a
Value per option	n/a	\$0.29	\$0.967-\$0.969

The Board, at the recommendation of the Compensation Committee determines the compensation payable to the directors of Awakn and reviews such compensation periodically throughout the year. For their role as directors of Awakn, each director of Awakn who is not a Named Executive Officer may, from time to time, be awarded Awards under the provisions of the Awakn LTIP. There are no other arrangements under which the directors of Awakn who are not Named Executive Officers were compensated by Awakn or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of Awakn.

No compensation securities were exercised by any Named Executive Officer or any director of Awakn during the most recently completed financial year of Awakn.

Stock Option Plan and other Incentive Plans

Awakn has in place the Awakn LTIP which was last approved and ratified by the shareholders of Awakn on June 27, 2023.

The Awakn LTIP will allows for a variety of equity-based awards that provide different types of incentives to be granted to certain of our executive officers, employees and consultants (in the case of options ("**Awakn Options**"), performance share units ("**Awakn PSUs**") and restricted share units ("**Awakn RSUs**")) and directors (in the case of Awakn RSUs and deferred share units ("**Awakn DSUs**")). Awakn Options, Awakn PSUs, Awakn RSUs and Awakn DSUs are collectively referred to herein as "**Awards**". Each Award will represent the right to receive Awakn Shares, or in the case of Awakn PSUs, Awakn RSUs and Awakn DSUs, Awakn Shares or cash, in accordance with the terms of the Awakn LTIP.

Under the terms of the Awakn LTIP, our Board, or if authorized by our Board, our Corporate Governance, Nominating and Compensation Committee, may grant Awards to eligible participants, as applicable. Participation in the Awakn LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The Awakn LTIP will provide those appropriate adjustments, if any, will be made by our Board in connection with a reclassification, reorganization or other change of our Awakn Shares, share split or consolidation, distribution, merger

or amalgamation, in the Awakn Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Awakn LTIP.

The maximum number of Awakn Shares reserved for issuance under our Awakn LTIP is 10% of the aggregate number of Awakn Shares issued and outstanding from time to time, which represents 4,292,262 Awakn Shares as of the date of this Circular. For the purposes of calculating the maximum number of Awakn Shares reserved for issuance under the Awakn LTIP, any issuance from treasury by Awakn that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of Awakn shall not be included. All of the Awakn Shares covered by the exercised, cancelled or terminated Awards will automatically become available Awakn Shares for the purposes of Awards that may be subsequently granted under the Awakn LTIP. As a result, the Awakn LTIP is considered an "evergreen" plan.

The maximum number of Awakn Shares that may be: (i) issued to insiders of Awakn within any one-year period; or (ii) issuable to insiders of Awakn at any time, in each case, under the Awakn LTIP alone, or when combined with all of Awakn's other security-based compensation arrangements, cannot exceed 10% of the aggregate number of Awakn Shares issued and outstanding from time to time determined on a non-diluted basis.

An Awakn Option shall be exercisable during a period established by our Board which shall commence on the date of the grant and shall terminate no later than ten years after the date of the granting of the Awakn Option or such shorter period as the Board may determine. The minimum exercise price of an Awakn Option will be determined based on the closing price of the Awakn Shares on the CSE on the last trading day before the date such Awakn Option is granted. The Awakn LTIP provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate falls during a black-out period. In such cases, the extended exercise period terminates 10 Canadian Business Days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Awakn Options, the Awakn LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted "cashless exercise" or a "net exercise" subject to the procedures set out in the Awakn LTIP, including the consent of our Board, where required.

The following table describes the impact of certain events upon the rights of holders of Awakn Options under the Awakn LTIP, including termination for cause, resignation, retirement, termination other than for cause, and death or long-term disability, subject to the terms of a participant's employment agreement, grant agreement and the change of control provisions described below:

<u>Event Provisions</u>	<u>Provisions</u>
Termination for cause	Immediate forfeiture of all vested and unvested Awakn Options.
Resignation, retirement and termination other than for cause	Forfeiture of all unvested Awakn Options and the earlier of the original expiry date and 90 days after resignation to exercise vested Awakn Options or such longer period as our Board may determine in its sole discretion.
Death or long-term disability	Forfeiture of all unvested Awakn Options and the earlier of the original expiry date and 12 months after date of death or long-term disability to exercise vested Awakn Options or such longer period as our Board may determine in its sole discretion.

The terms and conditions of grants of Awakn RSUs, Awakn PSUs and Awakn DSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards, will be set out in the participant's grant agreement. Impact of certain events upon the rights of holders of these types of Awards, including termination for cause, resignation, retirement, termination other than for cause and death or long-term disability, will be set out in the participant's grant agreement.

In connection with a change of control of Awakn, our Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, provided that our Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps (other than Awakn);

or (ii) Awakn has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a participant is terminated without cause during the 12-month period following a change of control, or after Awakn has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Awards (based on the performance achieved up to the termination date in respect of Awakn PSUs) will immediately vest and may be exercised within 30 days of such date.

Our Board may, in its sole discretion, suspend or terminate the Awakn LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Awakn LTIP or of any securities granted under the Awakn LTIP and any grant agreement relating thereto, subject to any required regulatory and CSE approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the Awakn LTIP or as required by applicable laws.

Our Board may amend the Awakn LTIP or any securities granted under the Awakn LTIP at any time without the consent of a participant provided that such amendment shall: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the Awakn LTIP; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the CSE; and (iii) be subject to shareholder approval, where required by law, the requirements of the CSE or the Awakn LTIP, provided however that shareholder approval shall not be required for the following amendments and our Board may make any changes which may include but are not limited to:

- any amendment to the vesting provisions, if applicable, or assignability provisions of the Awards;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendment which accelerates the date on which any Award may be exercised under the Awakn LTIP;
- any amendment necessary to comply with applicable law or the requirements of the CSE or any other regulatory body;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Awakn LTIP, correct or supplement any provision of the Awakn LTIP that is inconsistent with any other provision of the Awakn LTIP, correct any grammatical or typographical errors or amend the definitions in the Awakn LTIP;
- any amendment regarding the administration of the Awakn LTIP; and
- any other amendment that does not require the approval of shareholders pursuant to the amendment provisions of the Awakn LTIP,

provided that the alteration, amendment or variance does not:

- increase the maximum number of Awakn Shares issuable under the Awakn LTIP, other than an adjustment pursuant to a change in capitalization;
- reduce the exercise price of Awards;
- extend expiration date of an Award benefitting an insider of Awakn, except in the case of an extension due to black-out period;
- remove or exceed the insider participation limits; or
- amend the amendment provisions of the Awakn LTIP.

Awakn has no equity compensation plans other than as described in this Circular.

Employment, Consulting and Management Agreements

The only management agreements Awakn has in place between Awakn or any subsidiary or affiliate thereof and its Named Executive Officers are as follows:

Anthony Tennyson, Co-founder, Chief Executive Officer

Pursuant to an employment agreement dated September 1, 2021, between Mr. Tennyson and Awakn LS Europe Holdings Inc., a wholly-owned subsidiary of Awakn (the "**Tennyson Agreement**"), Mr. Tennyson was engaged by Awakn as the Chief Executive Officer of Awakn. Pursuant to the Tennyson Agreement, Mr. Tennyson is paid an initial salary of €175,000 per annum, to be paid on a monthly basis. Mr. Tennyson's salary is reviewed annually benchmarked against Awakn's peers, provided that it may not be reduced upon review. Mr. Tennyson also has the right to participate in Awakn's executive bonus plan, and the right to receive stock-based compensation.

Under the terms of the Tennyson Agreement, if Mr. Tennyson is terminated upon a change of control of Awakn, Mr. Tennyson is entitled to a sum equal to two and a half times his annual remuneration and all vested and unvested equity compensation vest immediately and become exercisable. Mr. Tennyson has waived his right to such payments in connection with the Arrangement.

Jonathan Held, Co-founder, Chief Business Officer and Interim Chief Financial Officer

Pursuant to a consulting agreement between ALOE Finance Inc. ("**ALOE**"), a company existing under the laws of the Province of Ontario, where Mr. Held is a Partner, and Awakn Life Sciences Inc. effective as of March 24, 2021 (the "**Held Agreement**"), ALOE will provide to Awakn the services of Mr. Held as Chief Business Officer and Interim Chief Financial Officer of Awakn for an annual fee of \$150,000 (the "**Held Base Fee**"), reviewable on an annual basis, provided that the Held Base Fee may not be reduced upon review, for an initial term which ended on March 24, 2022 (the "**Held Initial Term**"). Unless earlier terminated, the Held Agreement is automatically extended for a period of one year (each such period, a "**Held Additional Term**") upon the expiration of the Held Initial Term or any Held Additional Term, unless 60 days prior to the end of the Held Additional Term, Awakn or ALOE give written notice to the other party stating that the term of the Held Agreement may not be extended. The Held Agreement also provides for the provision of additional accounting services for an annual fee of \$60,000 per annum.

The Held Agreement may be terminated by either party upon 60 days' written notice. Upon termination, or if Awakn elects not to renew the Held Agreement for a Held Additional Term, Awakn will pay ALOE a settlement amount equal to 12 months of Held Base Fee in effect at the time of termination plus an average of any bonuses awarded during the two financial years preceding the termination date (the "**Held Termination Pay**"). In the event of a change of control of Awakn, ALOE is entitled to the Held Termination Pay. The Held Termination Pay must be paid within 60 days of the termination event. Mr. Tennyson has waived his right to the Held Termination Pay in connection with the Arrangement.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Awakn does not pay its directors a fee for acting as directors of Awakn. They are, however, entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors of Awakn and discretionary bonuses. Awakn does, from time to time, grant the directors of Awakn Awards pursuant to the Awakn LTIP.

Compensation of Named Executive Officers

Principles of Executive Compensation

Awakn believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of Awakn as a whole. The primary components of Awakn's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the Awakn Shareholders. The following principles form the basis of Awakn's executive compensation program:

1. align interest of executives and shareholders;

2. attract and motivate executives who are instrumental to the success of Awakn and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced Awakn's long term value; and
5. connect, if possible, Awakn's employees into principles 1 through 4 above.

The Board is responsible for Awakn's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of Awakn and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Awakn LTIP. The Board also reviews and approves the hiring of executive officers.

Base Fees

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for Awakn's peer group is also accumulated from a number of external sources including independent consultants. Awakn's policy for determining salary for executive officers of Awakn is consistent with the administration of salaries for all other employees.

Annual Incentives

Awakn is not currently awarding any annual incentives by way of cash bonuses. However, Awakn, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to Awakn in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of Awakn that arise on a day-to-day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer during each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a cash bonus to the Named Executive Officers. The Named Executive Officers will receive a partial or full cash bonus depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any cash bonus payment if they consider them to be appropriate.

Long Term Compensation

Awakn currently has no long-term incentive plans, other than Awards granted from time to time by the Board under the provisions of the Awakn LTIP.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of Awakn, aside from statutory requirements in Ireland and the UK.

Termination and Change of Control Benefits

Awakn has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of Awakn in connection with or related to the retirement, termination or resignation of such person. Awakn has not provided any compensation to such persons as a result of a change of control of Awakn, its subsidiaries or affiliates.

Under the terms of the Tennyson Agreement, if Mr. Tennyson is terminated upon a change of control of Awakn, Mr. Tennyson is entitled to a sum equal to two and a half times his annual remuneration and all vested and unvested equity compensation vest immediately and become exercisable. Mr. Tennyson has waived his right to such payments in connection with the Arrangement.

Under the terms of the Held Agreement, if Mr. Held is terminated upon a change of control of Awakn, ALOE is entitled to an amount equal to 12 months of his annual remuneration in effect at the time of the change of control plus an average of any bonuses awarded during the two financial years preceding the date of the change of control. Mr. Held has waived his right to such payments in connection with the Arrangement.

See appendix F, "Additional Information Concerning Awakn Life Sciences Corp. – Statement of Executive Compensation – Employment, Consulting and Management Agreements".

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to all compensation plans, including warrants, of Awakn under which equity securities are authorized for issue as of January 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽²⁾⁽³⁾ (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders, being the Awakn LTIP ⁽¹⁾	3,581,918	0.64	327,201
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	3,581,918	0.64	327,201

Notes:

- (1) The Awakn LTIP is a "rolling" stock option plan whereby the maximum number of Awakn Shares that may be reserved for issue pursuant to the Awakn LTIP will not exceed 10% of the outstanding Awakn Shares at the time of the stock option grant.
- (2) Represents the aggregate number of Awakn Shares reserved for issue in respect of Awards issued under the Awakn LTIP, being: 2,056,746 Awakn Shares upon exercise of outstanding Awakn Options, 998,300 Awakn Shares upon the vesting of outstanding RSUs, 526,872 Awakn Shares upon the vesting of DSUs and nil Awakn Shares upon the vesting of PSUs.
- (3) As at the date hereof, the Awakn Shares reserved for issue in respect of Awards issued under the Awakn LTIP are as follows: 1,784,828 Awakn Shares upon exercise of outstanding Awakn Options, 998,300 Awakn Shares upon the vesting of outstanding RSUs, 526,872 Awakn Shares upon the vesting of DSUs and nil Awakn Shares upon the vesting of PSUs.

Interest of Informed Persons in Material Transactions

Other than as otherwise disclosed in this Circular, no director, executive officer or principal shareholder of Awakn, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of Awakn's most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect Awakn.

Indebtedness of Directors and Executive Officers

No director or officer of Awakn or person who acted in such capacity in the last financial year of Awakn, or any other individual who at any time during the most recently completed financial year of Awakn was a director of Awakn or any associate of Awakn, is indebted to Awakn, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Awakn.

Report of Corporate Governance

Awakn believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, Awakn's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for Awakn at its current stage of development and therefore these guidelines have not been adopted. Awakn will continue to review and implement corporate governance guidelines as the business of Awakn progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes Awakn's approach to governance and outlines the various procedures, policies and practices that Awakn and the Board have implemented.

Board of Directors

The Board is currently composed of five directors. The Governance Guidelines recommends that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors within the meaning that term is given in NI 52-110, which instrument provides that a director is "independent" if he or she has no direct or indirect "material relationship" with the listed company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, Mr. Anthony Tennyson, the President and Chief Executive Officer of Awakn, is a member of senior management and accordingly is not considered to be "independent" of Awakn within the meaning of NI 52-110. Each of the remaining directors is considered by the Board to be "independent" within the meaning of NI 52-110. In assessing director independence and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. Mr. George Scorsis is the Chair of the Board and presides over all meetings to ensure that proper stewardship of Awakn's assets and operations is maintained at all times.

Directorships

The following table sets forth the directors of Awakn who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Anthony Tennyson	n/a
George Scorsis	Entourage Health Corp.
Stephen Page	n/a
Paul Carter	Hutchmed PLC, Immatix NV and VectivBio Inc.
John Papastergiou	n/a

Meetings of the Board and Committees of the Board

Record of Attendance

During the financial year ended January 31, 2024, the Board held seven meetings, the Audit Committee held four meetings, and the Corporate Governance, Nominating and Compensation Committee held one meeting. Overall, the combined director attendance at meetings of the Board and its standing Committees was 94%. A record of attendance of each director at Board and Committee meetings held for the financial year ended on January 31, 2024, is set out in the table below:

Meetings of the Board and Committees of the Board During 2023			
Name of Director	Board	Audit Committee	Corporate Governance and Compensation Committee
Anthony Tennyson	7	n/a	n/a
George Scorsis	6	4	1
Stephen Page	6	4	1

Meetings of the Board and Committees of the Board During 2023			
Name of Director	Board	Audit Committee	Corporate Governance and Compensation Committee
Paul Carter	7	n/a	n/a
John Papastergiou	6	4	1

Board Mandate

The Board assumes responsibility for the stewardship of Awakn. As an integral part of that stewardship responsibility, the Board has adopted a written mandate setting out certain responsibilities, the full text of which is attached as appendix L to this Circular.

Position Descriptions

The Board has adopted a written position description for the Chairman of the Board setting out the duties and responsibilities of the Chairman of the Board, a copy of which can be found on Awakn's website at www.awaknlifesciences.com.

Orientation and Continuing Education

The Board, together with the Corporate Governance, Nominating and Compensation Committee, is responsible for providing an orientation and education program for new directors which deals with (a) the role of the Board and its committees, (b) the nature and operation of the business of Awakn; and (c) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the Corporate Governance, Nominating and Compensation Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of Awakn remains current, at the request of any individual director.

Ethical Business Conduct

The Board has adopted a code of business conduct and ethics (the "**Code**"). The Code's purpose is to:

- promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote avoidance of conflicts of interest, including disclosure in writing to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- promote full, fair, accurate, timely and understandable disclosure in reports and documents that Awakn files with, or submits to, the securities regulators, and in other public communications made by Awakn;
- promote compliance with applicable governmental laws, rules and regulations;
- promote the prompt internal reporting to an appropriate person of violations of the Code;
- promote accountability for adherence to the Code;
- provide guidance to employees, officers and directors of Awakn to help them recognize and deal with ethical issues;
- provide mechanisms to report unethical conduct; and
- help foster a culture of honesty and accountability for Awakn.

Awakn expects all of its directors, officers, employees and consultants to, at all times, comply and act in accordance with the principles of the Code. Violations of the Code by any director, officer, employee or consultant are grounds

for disciplinary action up to and including immediate termination of employment, provision of services, officership and/or directorship. The Code applies equally, without limiting the generality of the foregoing, to all permanent, contract, secondment and temporary agency employees who are on long-term assignments with Awakn.

It is the responsibility of all directors, officers, employees and consultants of Awakn to understand and comply with the Code. Any waiver from any part of the Code for employees or consultants requires the approval of the Chief Executive Officer of Awakn. Any waiver from any part of the Code for officers or directors requires the express approval of the Board and, if required by applicable securities regulatory authorities, public disclosure.

A copy of the Code is available on Awakn's website at www.awaknlifesciences.com.

Nomination of Directors

The Board established a formal Corporate Governance, Nominating and Compensation Committee, which is also entrusted with the corporate governance mandate. Any member of the Board is free to recommend additional members, as required, and the Board will consider such recommendations as a whole. The Corporate Governance, Nominating and Compensation Committee is comprised of all three independent directors, who will take the lead on assessing the effectiveness of the Board, the committees of the Board and the contribution of individual directors, taking into account the competencies and skills that the Board as a whole possess as well as the competencies and skills that each director should possess. The Board has not adopted a term limit for directors. The Board believes that the imposition of director term limits on the Board may discount the value of experience and continuity among Board members and runs the risk of excluding experienced and potentially valuable Board members.

Compensation

The process by which the Board determined the compensation of its directors and officers is described in "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

Board Committees

The Board has established an Audit Committee and a Corporate Governance, Nominating and Compensation Committee.

Audit Committee

The Audit Committee consists of Stephen Page (Chair), George Scorsis and John Papastergiou. All members of the Audit Committee have been determined to be "independent" and are considered to be "financially literate" (as such terms are defined in NI 52-110). The Audit Committee is responsible for overseeing the accounting and financial reporting processes of Awakn and annual external audits of the consolidated financial statements. The Audit Committee has formally set out its responsibilities and composition requirements in fulfilling its oversight in relation to Awakn's internal accounting standards and practices, financial information, accounting systems and procedures.

Further information regarding the Audit Committee is contained in the Awakn AIF which is incorporated by reference in this Circular. A copy of the Audit Committee charter is attached as appendix K to this Circular.

Corporate Governance, Nominating and Compensation Committee

The Corporate Governance, Nominating and Compensation Committee currently consists of George Scorsis (Chair), Stephen Page and John Papastergiou. All members of the Corporate Governance, Nominating and Compensation Committee have been determined to be "independent".

The Corporate Governance, Nominating and Compensation Committee's responsibilities are to:

- (a) approve all transactions involving Awakn and "related parties" as that term is defined in MI 61-101 (collectively "**Related Party Transactions**") and any potential conflicts of interest;
- (b) to monitor any Related Party Transactions and report to the Board on a regular basis regarding the nature and extent of Related Party Transactions;

- (c) establish guidelines and parameters within which Awakn and its subsidiaries shall be entitled to engage in Related Party Transactions without specific prior approval of the Corporate Governance, Nominating and Compensation Committee;
- (d) implement structures from time to time to ensure that the directors can function independently of management;
- (e) together with the Board, provide continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of Awakn remains current;
- (f) respond to, and if appropriate, authorize requests by, individual directors to engage outside advisors at the expense of Awakn;
- (g) implement a process for assessing the effectiveness of the Board as a whole, committees of the Board and individual directors;
- (h) consider on a regular basis the number of directors of Awakn;
- (i) oversee and monitor any litigation, claim, or regulatory investigation or proceeding involving Awakn;
- (j) oversee the conduct of the Disclosure Representatives (as such term is defined in the Awakn's Corporate Disclosure and Insider Trading Policy which can be reviewed on Awakn's website at www.awaknlifesciences.com);
- (k) approve and recommend to the Board for approval the remuneration of the senior executives of Awakn;
- (l) review the Chief Executive Officer's goals and objectives for the upcoming year and to provide an appraisal of his or her performance at the end of the year;
- (m) meet with the Chief Executive Officer to discuss the goals and objectives of other senior executives, their compensation and performance;
- (n) review and recommend to the Board for approval any special employment contracts, including employment offers, retiring allowance agreements, or any agreements to take effect in the event of a termination or change in control affecting any senior executives;
- (o) annually review and recommend to the Board for its approval the remuneration of directors;
- (p) develop and submit to the Board recommendations with regard to bonus entitlements, other employee benefits and bonus plans;
- (q) compare on an annual basis the total remuneration (including benefits) and the main components thereof for the senior executives with the remuneration practices of peers in the same industry;
- (r) review periodically bonus plans and the stock option plan, and to consider these in light of new trends and practices of peers in the same industry;
- (s) review and recommend to the Board for its approval the disclosure, in any management information circular of Awakn relating to annual and/or special meetings of the Awakn Shareholders, with respect to executive compensation as may be required pursuant to any applicable securities regulations, rules and policies, and to review and finalize the report on executive compensation required in any management information circular of Awakn;
- (t) together with the Board, provide a comprehensive orientation and education program for new directors;
- (u) make determinations relating to equity compensation or long-term incentives;
- (v) determine annually the Chief Executive Officer's entitlement to be paid a bonus under any employee bonus plan;

- (w) recommend a candidate for the position of lead director from among the independent members of the Board; and
- (x) adopt such policies and procedures as the committee deems appropriate to operate effectively.

Assessments

The Board monitors but does not formally assess the effectiveness and contribution of the Board, its committees and individual Board members. To date, the Board has satisfied itself, through informal discussions that the Board, its committees and individual Board members are performing effectively.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted a term limit policy or retirement policy for directors at this time as these limits can be arbitrary for Board membership and may impede the effectiveness of the Board and the contributions of individual directors.

Diversity of the Board and Senior Management

To date, Awakn has not adopted a formal written diversity policy and has not established targets with respect to the appointment of individuals to the Board or senior management who are women.

While Awakn believes that nominations to the Board and appointments to senior management should be based on merit, Awakn recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of women is one factor taken into consideration during the search process for directors and members of the executive and senior management.

In assessing potential directors and members of the executive or senior management, Awakn focuses on the skills, expertise, experience and independence which Awakn requires to be effective. The Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. Awakn will include diversity as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

Currently, there are no women in senior executive positions of Awakn or as members of the Board.

Risk Factors

Whether or not the Arrangement is completed, Awakn will continue to face many risk factors that it currently faces with respect to its business and affairs. An investment in Awakn Shares or other securities of Awakn is subject to certain risks, which may differ or be in addition to the risks applicable to an investment in Awakn. Investors should carefully consider the risk factors discussed throughout the Awakn AIF, which are incorporated by reference in this Circular and filed with the Canadian Securities Regulators and available under Awakn's profile on SEDAR+ at www.sedarplus.ca, as well as the risk factors set forth elsewhere in this Circular.

Legal Proceedings and Regulatory Actions

From time-to-time Awakn may become involved in legal or administrative proceedings and regulatory actions in the normal conduct of its business. Awakn's assessment of the likely outcome of these matters is based on its judgment of a number of factors, including experience with similar matters, past history, precedents, relevant financial, scientific and other evidence, and facts specific to the matter. Awakn does not believe that these matters in aggregate will have a material effect on its consolidated financial position or results of operations.

Auditor, Transfer Agent and Registrar

The auditor of Awakn is MNP LLP, 6th Floor, 1122 International Blvd, Burlington, Ontario L7L 6Z8.

The registrar and transfer agent of Awakn is Endeavor Trust Corporation, Suite 702, 777 Hornby St., Vancouver, British Columbia, V6Z 1S4.

APPENDIX G**INFORMATION CONCERNING SOLVONIS THERAPEUTICS PLC (FORMERLY, GRAFT POLYMER (UK) PLC)**

The following information about Solvonis should be read in conjunction with the documents incorporated by reference into this Appendix and the information concerning Solvonis appearing elsewhere in this Circular. Capitalized terms used but not otherwise defined in this Appendix shall have the meaning ascribed to them in this Circular.

Currency

All currency amounts in this Appendix "G" are stated in British pounds sterling, unless otherwise specified.

International Financial Reporting Standards

Financial information in this Appendix "G" is presented in accordance with International Financial Reporting Standards (IFRS).

Preliminary Note

The information contained in this Appendix "G" has been prepared by management of Solvonis and contains information in respect of the business and affairs of Solvonis. With respect to this information, the board of directors of Awakn Life Sciences Corp. ("**Awakn**") has relied exclusively upon Solvonis, without independent verification by Awakn. Although Awakn does not have any knowledge that would indicate that such information is untrue or incomplete, neither Awakn nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for the failure by Solvonis to disclose events or information that may affect the completeness or accuracy of such information.

Corporate Structure*Name, Address and Incorporation*

Solvonis was incorporated in England and Wales as a limited company on May 18, 2017, as Graft Polymer (UK) Limited and was re-registered as a public limited company on July 1, 2021. On January 10, 2025, Solvonis changed its name from Graft Polymer (UK) plc to Solvonis Therapeutics Plc.

Solvonis' registered office is located at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF.

Solvonis is not a reporting issuer in Canada. The ordinary shares of Solvonis ("Solvonis Shares") are listed on the London Stock Exchange (the "LSE") (Symbol: SVNS).

Intercorporate Relationships

As of the date of this Circular, Solvonis has the following subsidiaries: Graft Polymer IP Limited and GRAFTBIO Limited, each a wholly owned subsidiary of Solvonis and each incorporated in England and Wales.

*Description of the Business*Summary of the Business

Solvonis is an innovative developer of biopolymer drug delivery systems dedicated to assisting biopharmaceutical companies in enhancing the effectiveness of their therapeutics. Its proprietary patented platform, a bioabsorbable self-nanoemulsifying drug delivery system ("**SNEDDS**"), represents a cutting-edge solution in drug delivery technology. By integrating active pharmaceutical ingredients ("**APIs**") into its novel, patented delivery systems, Solvonis enables clients to improve the bioavailability, pharmacokinetics, and stability of their therapeutics. In respect of Solvonis' SNEDDS drug delivery system, the current focus is on the commercialisation of the intellectual property underlying the SNEDDS drug delivery system. Historically, Solvonis was named Graft Polymer (UK) Plc and was focused on two core activities with two separate divisions: Solvonis' business division relating to the commercialisation of its drug delivery system ("**Bio Division**") which is focused on researching and developing bio-polymer based drug delivery systems to improve the pharmacokinetics, bioavailability, and the stability of medicines for healthcare

industry companies and its Polymer Division, a division providing bespoke polymer modification solutions to improve product functionality and environmental credentials for plastic and rubber processing industry companies ("**Polymer Division**"). The Group's manufacturing and production activities associated with its Polymer Division were undertaken by Solvonis' former Slovenian subsidiary, Graft Polymer d.o.o ("**Graft Polymer Slovenia**").

During the first half of 2024, the board of directors of Solvonis (the "Solvonis Board") undertook a detailed review and analysis of its business operations and financial position. Following the review, the Solvonis Board concluded that its Polymer Division was no longer commercially viable, but the Bio Division showed significant promise. Thus, the Solvonis Board decided to focus Solvonis as a healthcare company through its Bio Division and to dispose of its Graft Polymer Slovenia unit, which was completed on May 2, 2024.

The disposal has enabled Solvonis to immediately reduce costs and overheads and enable management to focus their attention on the more promising healthcare industry through the Bio Division. The Solvonis' healthcare industry focus benefits from knowledge, industry experience and a developed library of intellectual property rights Solvonis expects to generate revenue from a combination of existing royalty agreements, partnerships, investments or acquisitions of other healthcare company within the Solvonis' chosen field of mental health and substance use disorder biotechnology research.

In May 2024, Solvonis appointed experienced biotechnology and life sciences manager Anthony Tennyson as Chief Executive Officer. In late May 2024, Solvonis filed several patents focused on mental health and substance use disorders, refining its therapeutic focus within the healthcare industry to these two important areas. On July 30, 2024, Solvonis appointed global expert in neuroscience and public health, Prof. David Nutt, as Senior Scientific Advisor. On September 26, 2024, Solvonis appointed healthcare industry leader, Mr. Dennis Purcell, as Chairperson.

On July 1, 2024, Solvonis entered into partnership with Awakn to co-develop a new generation of therapeutics for the treatment of trauma related mental health disorders such as Post-Traumatic Stress Disorder ("PTSD"), moving Solvonis into field of biotechnology research and development of therapeutics for the treatment of mental health conditions. On 16 December 2024, Solvonis announced that it had entered into a binding letter of agreement with Awakn in relation to the proposed acquisition of Awakn and that agreement was superseded by the definitive agreement ("**Definitive Agreement**") announced by Solvonis on February 24, 2025 (the "**Proposed Acquisition**").

Intangible Properties

The status of the patents and patent application for Solvonis' technologies are summarised in the table below:

Description	Application Number	Patent Number (If applicable)	Registered Patent Applicant	Granted or Pending Patents
Compositions and Methods for Mental Health Disorders and Substance Use Disorders Using Self-Nanoemulsifying Drug Delivery System	63/652,094	N/A	Anthony Tennyson	Pending
	63/653,403	N/A	Anthony Tennyson	Pending
Compositions and Methods for Mental Health Disorders and Substance Use Disorders Using Depot Drug Delivery Systems (" DDD s")	63/669,688	N/A	Anthony Tennyson	Pending
	63/669,689	N/A	Anthony Tennyson	Pending
Self-Nanoemulsifying Drug Delivery Systems for Pharmaceuticals and Cannabinoids	2021106347	2765946	Victor Bolduev	Granted
	202100024	26054	Victor Bolduev	Granted
	202100132	26056	Victor Bolduev	Granted
Methods and Devices for the Industrial Production of Modified Polymers	202100044	26070	Victor Bolduev	Granted
	202100047	26071	Victor Bolduev	Granted

Changes to Contracts

Solvonis is not aware of any contracts that are due to be renewed or negotiated which may affect its business.

Environmental Protection

There are no environmental protection requirements on Solvonis' capital expenditure.

Employees

As at the date of this Circular, other than in respect of the executive directors, Solvonis has no employees.

Foreign Operations

Solvonis is not dependent on any foreign operations.

Lending

Solvonis Board may exercise all the powers of Solvonis to borrow money, indemnify and guarantee, and to mortgage or charge all or any part of its undertaking, property, assets (present and future), and to create debenture and loan stock whether outright or as collateral security for any debt, liability or obligation of Solvonis or of any third party. Solvonis has not adopted an investment policy.

Three Year History

The following is a discussion of the general development of Solvonis' business over the last three financial years ended December 31, 2024, 2023 and 2022 and subsequent to the financial year ended December 31, 2024. The discussion includes the major events or conditions that have influenced that development through the aforementioned period.

Fiscal Year Ended December 31, 2022

On January 6, 2022, Solvonis began trading on the Main Market of the LSE under the ticker "GPL".

On April 22, 2022, Solvonis announced the grant of patents from the Slovenian Intellectual Property Office and from the Federal Intellectual Property Office of Russia, covering Solvonis' proprietary SNEDDS as well as other products.

On May 12, 2022, Solvonis announced it has been granted a Hazard Analysis and Critical Control Point certificate at the Solvonis Group's Research and Development facility in Slovenia.

Fiscal Year Ended December 31, 2023

On July 6, 2023, Solvonis announced the signing of a research and development ("R&D") agreement with Gabriel Chemic.

On July 26, 2023, Solvonis announced the signing of a distribution agreement with leading US veterinary products company Inter-Technologies Inc.

On August 23, 2023, Solvonis announced the signing of a manufacturing service agreement with a prominent partner in the Israeli pharma market, including GPL acting as a lead contract manufacturing organization.

On August 30, 2023, Solvonis announced the signing of a Research and Development and Supply agreement with Empresas Vilher, S.A de C.V., a Mexican company that specialises in Wood Plastic Composite, Plastic Recycling, and High-Performance Compounds.

On September 4, 2023, Solvonis announced the signing of a R&D agreement with European FMCG packaging company, FORPET BALTIC, SIA, will cooperate in the research and production of Recycled PET, a sustainable and environmentally friendly form of Polyethylene Terephthalate (a polyester widely used in the production of water bottles and food containers) and other sustainable packaging solutions.

On September 11, 2023, Solvonis announced the signing of a R&D agreement with the Slovenian Faculty of Polymer

Technology ("FTPO"). Solvonis will work with FTPO for a year in developing polymer matrices, leveraging its technological expertise to prepare product samples, test products and produce a R&D report on findings.

On October 9, 2023, Solvonis announced an agreement as part of the French, German and Slovenian consortium being coordinated by Vinca Institute of Nuclear Sciences at the National Institute of the Republic of Serbia within the University of Belgrade.

On December 22, 2023 Solvonis announced that it has conditionally placed 20,666,667 new Solvonis Shares of 0.1 pence each in the capital of Solvonis (the "2023 Placing Shares") with a new cornerstone investor at a price of 0.6 pence per 2023 Placing Share (the "2023 Placing Price") (the "2023 Placing") in addition to receiving conditional subscriptions for 51,916,667 new Solvonis Shares at the 2023 Placing Price, and agreements being entered into for 10,750,000 existing Solvonis Shares of 0.1 pence each in the capital of Solvonis to be transferred by an existing shareholder at the 2023 Placing Price, raising gross proceeds of £500,000. In addition, one warrant is being issued by Solvonis for every two 2023 Placing Shares allotted, being in aggregate warrants over 10,333,333 Solvonis Shares, exercisable at 1 penny per Solvonis Share for a period of two years ("**2023 Placing Warrants**"). The 2023 Placing Warrants will not be admitted to trading on the LSE or any other stock exchange.

Fiscal Year Ended December 31, 2024

On March 15, 2024, Solvonis announced the resignation of Roby Zomer, the Non-Executive Chairman of Solvonis, and Alex Brooks a Non-Executive Director. Nicholas Nelson has today been appointed as a director of Solvonis replacing Mr. Zomer as Non-Executive Chairman of Solvonis with immediate effect. Mr. Zomer will remain as a consultant to Solvonis. The changes to the board follow the provision of a £100,000 working capital loan facility to Solvonis by Mr. Nelson and another private individual (the "Loan Facility"). The Loan Facility is intended to be drawn down in full against expenses incurred by Solvonis as they arise, and it attracts an interest rate of 10% per month.

On April 23, 2024, Solvonis announced that the Loan Facility had been increased from £100,000 to £200,000, £100,000 of which has been drawn down.

On May 2, 2024, Solvonis announced the appointment of Anthony Tennyson as executive director and Chief Executive Officer. Victor Bolduev stepped down as Chief Executive Officer but remained a director and the Chief Technology Officer of Solvonis.

On May 3, 2024, Solvonis disposed of its wholly owned subsidiary Graft Polymer d.o.o., a Slovenian entity, to a private consortium in Slovenia for nominal consideration.

On May 7, 2024, Solvonis announced the grant of patent P-202400066, titled "Dual hydrogel multi-crosslinking haemostatic composition and method of manufacturing thereof", to further strengthen the Company's IP portfolio.

On May 28, 2024, Solvonis announced it had filed a utility patent application (provisional) with the United States Patent and Trademark Office ("USPTO") for the use of its proprietary and patented SNEDDS platform for the delivery of drugs for the treatment of substance use disorders.

On May 31, 2024, Solvonis announced it had filed a second utility patent application (provisional) with the USPTO. This application is for the use of Solvonis' proprietary and patented SNEDDS platform for the delivery of drugs for the treatment of mental health disorders such as Generalised Anxiety Disorder, Major Depressive Disorder and PTSD.

On July 3, 2024, Solvonis announced that it has conditionally raised £1.8 million (before expenses) through a placing of 1,800,000,000 new Solvonis Shares of GBP0.001 each in the capital of Solvonis at an issue price of 0.1 pence per new 2024 Ordinary Share (the "2024 Placing"). The 2024 Placing has been arranged by Allenby Capital Limited. In connection with the 2024 Placing Solvonis published a prospectus pursuant to the Prospectus Regulation Rules made by the FCA under Part VI of FSMA (the Financial Services and Markets Act 2000, as amended) (the "2024 Prospectus").

On July 11, 2024, Solvonis announced the filing of two new provisional utility patent applications with the USPTO. These provisional patent applications pertain to the treatment of substance use disorders and mental health disorders using DDDs.

On July 15, 2024, Pavel Kobzev ceased being a director of Solvonis.

On July 18, 2024, Solvonis announced that it has selected Awakn as the partner for Solvonis' first commercial collaboration, which will focus on developing Awakn's novel aminoindane new chemical entity ("NCE") series programme which has potential in trauma-related mental health disorders.

On July 30, 2024, Solvonis announced the appointment of Professor David Nutt as Solvonis' Senior Scientific Adviser.

On July 31, 2024, Victor Bolduev ceased being a director of Solvonis.

On August 12, 2024, Yifat Steuer ceased being a director of Solvonis.

On September 26, 2024, Dennis Purcell was appointed as a director of Solvonis. Mr. Purcell replaced Nicholas Nelson as Chairman of the Solvonis Board.

On October 4, 2024, Solvonis announced that it had selected Eurofins Discovery to carry out initial pharmacology testing for its co-lead aminoindane series.

On October 15, 2024, Solvonis entered into a research agreement with the University of Nottingham to evaluate the potential of Solvonis and Awakn's aminoindane NCE co-lead series to enhance social cognition and pro-social behaviors, a critical step in developing a new class of medicines for treating trauma-related disorders such as PTSD.

On December 11, 2024, Solvonis announced promising results in a pre-clinical study of AW21003, a co-lead compound in the aminoindane NCE programme being co-developed with Awakn.

On December 16, 2024, Solvonis announced that it had entered into a binding letter of agreement regarding the proposed acquisition of the entire issued share capital of Awakn.

Events Subsequent to the Fiscal Year Ended December 31, 2024

On January 14, 2025, Solvonis announced that it had changed its name from Graft Polymer (UK) plc to Solvonis Therapeutics plc.

Dividends or Distributions

Solvonis has not declared, and does not intend to declare, cash dividends or distributions on its securities. Payment of dividends is within the discretion of the board of directors of Solvonis and will depend upon Solvonis' future earnings, if any, its capital requirements and financial condition, and other relevant factors.

Management's Discussion and Analysis

Outstanding Security Data

As at the date of this Circular, there were:

- (a) 2,295,930,633 Solvonis Shares issued and outstanding;
- (b) 50,000,000 Solvonis Shares reserved for issuance pursuant to outstanding stock options of Solvonis; and
- (c) 306,333,333 Solvonis Share purchase warrants of Solvonis outstanding.

Description of Securities of Solvonis

Solvonis Shares

The issued share capital of Solvonis is divided into 2,295,930,633 ordinary shares of £0.001 each with an aggregate nominal value of £2,295,930.63 ("**Solvonis Shares**").

The holders of Solvonis Shares are entitled to receive notice of and attend all meetings of shareholders. Each Solvonis Share held entitles the holder to one vote.

Solvonis Shareholders are also entitled to receive dividends if, as and when declared by the Solvonis Board. Solvonis' shareholders are entitled to share equally in the assets of Solvonis remaining upon dissolution, liquidation, or winding up of Solvonis. There are no pre-emptive or conversion rights, and no provisions for redemption, retraction, purchase, cancellation or surrender.

Stock Options

Pursuant to the long-term incentive plan ("LTIP"), subject to its rules, Solvonis may grant an award to any employee of the Solvonis Group. An award may take the form of a conditional share award, a market value option, a nil cost option, a nominal cost option or a phantom option.

Solvonis may not grant an award which does not comply with the director's remuneration policy. An award is granted by an award certificate being executed by Solvonis issued to the employee.

One or more performance will be specified for each award, which may be varied by the Board in certain customary circumstances. The awards may be subject to an employment period, holding period and performance period, of 3 years. Solvonis may not grant an award if the total number of options or awards under any Solvonis option scheme exceeds 15 per cent. of the fully diluted share capital of Solvonis

The LTIP includes customary claw back conditions, lapse and termination conditions, accelerated exercise on a takeover or liquidation of Solvonis and may impose a hold period of up to 5 years from the date of grant in respect of the Solvonis Shares arising on the exercise of options.

As of the date of this Circular, there are 55,000,000 Options issued and outstanding. Each Option entitles the holder thereof to acquire one Solvonis Share upon payment of the applicable exercise price. The following table sets forth the aggregate number of Options held by holders of each category identified therein as of the date hereof:

Category of Holder	Number of Options	Exercise Price	Expiration Date Range
All of our executive officers and past executive officers, as a group			
All of our directors and past directors who are not also executive officers, as a group	45,000,000	£0.001	One third is exercisable on 26/09/2024, one third is exercisable the first anniversary on 26/09/2025, and the final third on 26/09/2026. They all expire on 25/09/2027
All of our other employees and past employees, as a group	N/A	N/A	N/A
All of our consultants, as a group	10,000,000	£0.001	One third is exercisable on 30/07/2024, one third is exercisable the first anniversary on 30/07/2025, and the final third on 30/07/2026. They all expire on 29/07/2027

Warrants

Each Solvonis Share purchase warrant of Solvonis is exercisable into one Solvonis Share.

As of the date of this Circular, there are 306,333,333 Warrants issued and outstanding. Each Warrant entitles the holder thereof to acquire one Solvonis Share upon payment of the applicable exercise price. The following table sets

forth the aggregate number of Warrants held by holders of each category identified therein as of the date hereof:

Category of Holder	Number of Warrants	Exercise Price	Expiration Date Range
All of our executive officers and past executive officers, as a group	20,000,000	£0.001	01/07/2027
All of our directors and past directors who are not also executive officers, as a group	142,500,000	£0.001	01/07/2026 – 01/07/2026
All of our other employees and past employees, as a group	N/A	N/A	N/A
All of our consultants, as a group	N/A	N/A	N/A

Consolidated Capitalization

For information about Solvonis following the Arrangement, please see "*Information Concerning the Resulting Issuer*" in Schedule "H" and *Unaudited Pro Forma Financial Information*" in Schedule "I" to this Circular.

The following table sets forth Solvonis' expected share capital as of the Record Date:

Designation of Security	Number of issued ordinary shares as at the date of the Circular (prior to giving effect to the Arrangement)
Ordinary Shares	2,295,930,633

Prior Sales

The following table sets forth information in respect of issuances or purchases of Solvonis Shares and securities that are convertible or exchangeable into Solvonis Shares within the 12 months prior to the date of the Circular, including the price at which such securities have been issued, the number of securities issued, and the date on which such securities were issued:

Date of Issuance	Reason for Issuance	Type of Security	Number of Securities	Issuer/Exercise Price per Security
July 10, 2024	Fundraise	Ordinary Shares of £0.001	2,171,166,667	£0.001

Price Range and Trading Volumes of Solvonis Shares

The principal market on which Solvonis Shares traded during the last 12 months prior to the date of this Circular was the LSE. The following table shows the high and low trading prices and monthly trading volume of the Solvonis Shares on the LSE for the 12-month period preceding the date of this Circular:

Month	High (\$)	Low (\$)	Volume
January 2024	0.0136	0.0091	298,898
February 2024	0.0131	0.0100	15,106
March 2024	0.0122	0.0018	1,556,335

April 2024	0.0041	0.0018	667,740
May 2024	0.0255	0.0019	13,324,519
June 2024	0.0208	0.0066	12,597,727
July 2024	0.0085	0.0018	239,650,868
August 2024	0.0047	0.0033	76,365,119
September 2024	0.0033	0.0023	42,617,024
October 2024	0.0040	0.0022	32,974,795
November 2024	0.0041	0.0025	34,698,954
December 2024	0.0046	0.0033	23,788,801
January 2025	0.0045	0.0028	16,091,436

The closing price of the Solvonis Shares on the LSE on 21 February 2025, the last trading day prior to the execution of the Arrangement Agreement, was £0.00175.

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

To the knowledge of Solvonis, as at the date of this Circular, there are no securities of Solvonis held in escrow or subject to a contractual restriction on transfer.

Principal Shareholders

To the knowledge of Solvonis' directors and executive officers, as of the date of this Circular, the following persons beneficially own, directly or **indirectly**, or exercise control or direction over, Solvonis Shares carrying more than 10% of the voting rights attached to all outstanding Solvonis Shares.

Name	No. of Solvonis Shares Owned, Controlled or Directed (non-diluted)	Percentage of Outstanding Solvonis Shares (non-diluted)
William Potts	532,000,000	23.17%

Directors and Officers

The following table provides the names, jurisdictions of residence, position and principal occupations of the directors and executive officers, as well as the number and the percentage of issued and outstanding Solvonis Shares beneficially

owned, or controlled or directed, directly or indirectly, by those persons:

Name and Province and Country of Residence and Position with Solvonis	Date First Appointed	Solvonis Shares Beneficially Owned Directly or Indirectly		Principal Occupation for Last 5 Years
		Number	% of Outstanding	
Anthony Tennyson <i>Chief Executive Officer and Director</i> Ireland	2 May 2024	N/A	N/A	Director
Dennis Purcell^{(1) (2)} <i>Director</i> New York	26 September 2024	N/A	N/A	Director
Nicholas Nelson^{(1) (2)} <i>Director</i> United Kingdom	15 March 2024	167,500,000	7.3%	Director

Notes:

- (1) This information has been furnished by the respective directors and officers.
- (2) Member of Audit Committee.
- (3) Member of Remuneration Committee.

The term of office of the directors expires annually at the time of Solvonis' annual general meeting. The term of office of the officers expires at the discretion of Solvonis' directors.

As of the date of this Circular, the directors and officers of Solvonis as a group owned beneficially, directly or indirectly, or exercised control or discretion over an aggregate of 167,500,000 Solvonis Shares, which is equal to 7.3% of the Solvonis Shares currently issued and outstanding.

Corporate Cease Trade Orders

To the best of Solvonis' knowledge, no existing director or executive officer of Solvonis is, or within the ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including Solvonis) that:

- a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as disclosed below, to the best of Solvonis' knowledge, no director or executive officer of Solvonis, nor any shareholder holding sufficient securities of Solvonis to affect materially the control of Solvonis:

- a) is, as at the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Tennyson was appointed as a director of Awakn Bristol Limited on July 9, 2020. By written resolutions passed on 14 July 2023, the shareholders of Awakn Bristol Limited resolved to voluntarily wind up the company and appoint a liquidator for the purpose of liquidation. The dissolution took place on 21 September 2024.

Mr. Tennyson was appointed as a director of Awakn Life Sciences UK Ltd. on July 24, 2020. By written resolutions passed on 6 July 2023, the shareholders of Awakn Life Sciences UK Ltd. resolved to voluntarily wind up the company and appoint a liquidator for the purpose of liquidation. The availability of any funds available to be distributed to creditors (including, the timing and mechanism of any distributions, remains to be determined) and no date has been set for the dissolution of this company.

Mr. Tennyson was appointed as a director of Awakn Manchester Limited on May 18, 2021. On May 16, 2023, the company voluntarily applied to be struck off and dissolved. The dissolution took place on August 15, 2023.

In 2024, Mr. Tennyson was a director of Canna-Bev Limited when it was placed into members voluntary liquidation.

Penalties or Sanctions

To the best of Solvonis' knowledge, no director or executive officer of Solvonis, nor any shareholder holding sufficient securities of Solvonis to materially affect control of Solvonis has:

- a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Anthony Tennyson is the current CEO and Director of Solvonis, and in addition, he holds the position of CEO for Awakn. Anthony Tennyson has an interest in approximately 4.85 per cent of the issued share capital of Awakn and as a result of the Acquisition, he will receive a total of 108,400,689 Consideration Shares in the capital of the Solvonis (representing, approximately 2.48% of the expected issued share capital of Solvonis on completion of the Arrangement). In addition, Dennis Purcell, the non-executive chairman of Solvonis, is a holder of 30,000 Common Shares and 30,000 outstanding warrants over common shares of Awakn (the "Purcell Warrants"), each with an exercise price of CAN\$0.68 per common share. On closing of the Acquisition, Dennis Purcell will be issued with 1,400,100 Consideration Shares and the Purcell Warrants will be exchanged for approximately 1,400,100 new warrants over new Ordinary Shares in Solvonis, each with an exercise price of 0.814 pence. Notwithstanding his holding of Common Shares and the Purcell Warrants, Dennis Purcell is not considered to be a related party of Awakn, his economic interest being de minimis and the Purcell Warrants giving him no voting rights as a shareholder of Awakn. Dennis Purcell is accordingly considered to be an independent director of the Company, for the purposes of the Proposed Acquisition. Accordingly, Mr. Tennyson has a conflict in the proposed transaction and therefore all Board decisions concerning the approval of the terms of the transaction have been approved by Nicholas Nelson and Dennis Purcell (the "Independent Directors").

In accordance with the terms of the letters of appointment or service agreements entered into by each of the Directors, the Directors may be required to seek the agreement of the Board before accepting commitments outside their role with Solvonis and its subsidiaries, in addition to those already disclosed to the Solvonis, which might give rise to a conflict of interest with any of their duties to the Solvonis and its subsidiaries.

Other than as set out above, to the best of Solvonis' knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among Solvonis, its promoters, directors, officers or other members of management of Solvonis.

The directors and officers of Solvonis are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and Solvonis will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

Executive Compensation and Remuneration of Director

The following Compensation Discussion and Analysis is intended to provide information about Solvonis' philosophy, objectives and processes regarding compensation for the executive officers of Solvonis. It explains how decisions regarding executive compensation are made and the reasoning behind these decisions.

Named Executive Officers

Solvonis' compensation practices are designed to attract, motivate and retain highly qualified employees and executives to manage the business of Solvonis by rewarding individual and corporate performance and aligning the interests of the Named Executive Officers (as defined in Form 51-102F6V — Statement of Executive Compensation) (the "Named Executive Officers" or "NEOs") with those of Solvonis' shareholders.

During the year ended December 31, 2024, Solvonis had the following NEOs: Anthony Tennyson (CEO), Ryan Neates (CFO), Victor Bolduev (former CEO) and Yifat Steuer (former CFO).

As at the date of this Circular, Anthony Tennyson and Ryan Neates are the only NEOs of Solvonis.

Compensation Discussion and Analysis

Solvonis aims to reward its executives with a level of remuneration commensurate with their position and responsibilities within Solvonis. The Solvonis Board established a remuneration committee ("**Remuneration Committee**") to ensure that Solvonis has a compensation program that is both motivational and competitive while meeting the objectives of Solvonis. See Appendix H for a description of the proposed committees of the Combined Company. The Remuneration Committee is responsible for the review of and making recommendations to the Solvonis Board on the scale and structure of remuneration for the Solvonis Board and key personnel, including any bonus arrangements and the possible award of share options, having due regard to the interests of Solvonis shareholders and other stakeholders. The components of the Remuneration Committee's terms of reference relating to the remuneration of directors and executives are:

- Basic salary and non-executive director's fees;
- Bonuses;
- Retirement benefits;
- Share options;
- Shareholding requirements;
- Long term incentive plan ("**LTIP**"); and
- Other benefits.

Basic salary and non-executive director fees

The size of an executive's salary package is based on the scope of each executive's role, the level of knowledge, skill and experience required to satisfactorily perform the role and the individual executive's performance in the role.

Each executive's basic salary is reviewed by the Solvonis Board at least once a year with reference to inflation as

determined by the Retail Price Index as published by the Office of National Statistics in the United Kingdom and data in respect of companies that have been identified by the Solvonis Board as having an appropriately similar profile to Solvonis.

There are no guarantees of salary increases included in any executive's employment contract.

Bonuses

Bonus awards are considered by the Remuneration Committee once a year to reflect personal performance and contribution, taking into consideration company performance.

Retirement benefits

Solvonis operates a defined contribution pension scheme for the benefit of executives. Employer contributions are set as a percentage of salary on an individual basis, subject to the statutory minimum.

Share Options

Solvonis awards share options to reward both executives and non-executives for achievement against the Solvonis' longer-term objectives, to align the interests of option-holders with shareholders', to aid the retention of key personnel, and to encourage focus on long-term growth.

The Solvonis Board is entitled to adopt and implement, or cease to operate, any HMRC-approved or unapproved share option schemes at their sole discretion.

Share options vest immediately if the executive is a "**Good Leaver**", meaning any person who has left Solvonis for any other of the following reasons:

- death;
- mental or physical incapacity that prevents the individual from carrying out their duties;
- redundancy;
- change to remuneration, duties or role as a director or employee; and
- any other reason that the Solvonis Board may decide.

Shareholding requirements

Directors or employees are not required to hold a minimum number of shares.

Long term incentive plan (LTIP)

Solvonis is entitled to operate a LTIP, which is widely recognised as an effective tool to reward executives for achievement against Solvonis' longer-term objectives, aligning interests with shareholders', and aiding retention. The LTIP includes customary claw back conditions, lapse and termination conditions, accelerated exercise on a takeover or liquidation of Solvonis and may impose a hold period of up to 5 years from the date of grant in respect of the Solvonis Shares arising on the exercise of options.

Malus adjustments may be made to any unvested LTIP at the discretion of the Solvonis Board (or committee if so delegate).

Other benefits

Solvonis seeks to offer all directors and employees with a suitable but reasonable package of benefits as part of a competitive remuneration package, with a focus on ensuring security for the individuals and their families. This helps to attract and retain the right talent necessary to deliver Solvonis' strategy.

Summary Compensation Table

In this section: "Chief Executive Officer" or "CEO" means an individual who served as chief executive officer of Solvonis, or performed functions similar to a chief executive officer, for any part of the most recently completed financial year; "Chief Financial Officer" or "CFO" means an individual who served as chief financial officer of Solvonis, or performed functions similar to a chief financial officer, for any part of the most recently completed financial year; and "named executive officer" or "NEO" means each CEO, each CFO and the three most highly-compensated executive officer, other than each CEO and CFO, who was serving as executive officer at the most recently completed year end and whose total salary and bonus exceeded \$150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as a NEO of Solvonis at the end of that financial year.

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers of Solvonis for the periods noted therein:

Name and principal position	Period ⁽¹⁾	Salary (£)	Share-based awards (£) ⁽¹⁾	Option/warrant-based awards (£)	Non-Equity Incentive Plan Compensation (£)		Pension Value (£)	Value of all other compensation (£)	Total compensation (£)
					Annual Incentive Plans	Long-Term Incentive Plans			
Anthony Tennyson <i>Chief Executive Officer and a director</i>	2024	29,169	-	-	-	-	-	-	29,169
Ryan Neates⁽²⁾ <i>Chief Financial Officer</i>	2024	11,000	-	-	-	-	-	-	11,000
Yifat Steuer⁽³⁾ <i>Former Chief Financial Officer</i>	2024	47,500	10,000	11,978	-	-	-	-	69,478
	2023	103,000	-	50,000	-	-	1,000	-	154,000
	2022	142,000	-	97,000	13,000	-	1,000	-	253,000
Victor Bolduev⁽⁴⁾ <i>Former Chief Executive Officer</i>	2024	9,000	-	-	-	-	-	-	9,000
	2023	151,000	N/A	74,000	N/A	-	N/A	N/A	224,000
	2022	195,000	N/A	143,000	85,000	-	N/A	N/A	423,000

Notes:

- (1) In relation to 2024, the information relates to the period ending 30 September 2024, for 2023 and 2024 the information relates to the relevant financial year ending 31 December.
- (2) Ryan Neates is an employee of Orana Corporate LLP who is engaged to Solvonis pursuant to an engagement letter with Orana Corporate LLP dated 19 August 2024. The fee is a total fee charged for bookkeeping, accounting and company secretarial services.
- (3) Resigned as Chief Financial Officer / Director on August 12, 2024. Yifat was issued shares worth £70,267 in 2024 in lieu of cash settlement of fees relating to pre January 1, 2024.
- (4) Resigned as Chief Executive Officer / Director on May 2, 2024. Victor was issued shares worth £135,175 in 2024 in lieu of cash settlement of fees relating to pre-January 1, 2024.

The fair value of the options and warrants for 2022 (audited) at the date of grant was estimated using both the Monte Carlo and Black-Scholes valuation techniques whilst the fair value of the options and warrants for the nine months to

30 Sept 2024 (unaudited) at the date of grant was estimate using the Black-Scholes valuation technique

	(unaudited) to 30 Sep 2024 Warrants & Options	(audited) 2023	(audited) 2022 Warrants & Options
Estimate risk free rate	3.6% - 3.7%	n/a	1.75%
Exercise price	£0.001 / £0.006 / £0.01	n/a	£0.001 / £0.215
Expected life	2 -3 years	n/a	3 years
Expected volatility	92.1% - 92.4%	n/a	47.70%
Expected dividends	0.00%	n/a	0.00%
Forfeiture rate	n/a	n/a	n/a

Outstanding Share-Based Awards and Option/Warrant-Based Awards – NEOs

The following table discloses all compensation securities outstanding to Directors for the period ending September 30, 2024, for services provided or to be provided, directly or indirectly, to Solvonis or any of its subsidiaries:

	Option/Warrant-Based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Option and or Warrants (#)	Option/Warrant Exercise Price (£)	Option Expiration Date	Value of Unexercised In-the-Money Options/Warrants (£)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (£)	Market or payout value of vested share-based awards not paid out or distributed (s)
Yifat Steuer ⁽¹⁾	20,000,000	£0.001	01/07/2021	£11,978	N/A	N/A	N/A

Notes:

(1) Resigned as Chief Financial Officer / Director on August 12, 2024.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value of awards under the LTIP to the NEOs that vested during the period ending September 30, 2024, and bonuses awarded to NEOs, for the period ending September 30, 2024.

Name	Option-Based Awards - Value Vested During Year (£)	Share-Based Awards - Value Vested During Year (£)	Non-Equity Incentive Plan Compensation- Value Earned During Year (£)
N/A	N/A	N/A	N/A

Deferred Compensation Plans

The Company does not have any deferred compensation plan in place.

Termination and Change of Control Benefits

The Company does not have any employment or consulting agreements which contain any termination or change of control benefits.

Director Compensation Table

The following table sets forth the compensation paid to the directors who are not also NEOs for the period ending 30 September 2024 and for the financial years ended December 31, 2023, and 2022:

Director Name	Period ⁽¹⁾ (£)	Fees Earned (£)	Share-Based Awards (£)	Option / Warrant-Based Awards (£)	Non-Equity Incentive Plan Compensation (£)	Pension Value (£)	All Other Compensation (£)	Total (£)
Dennis Purcell	2024	3,333	-	35,888	-	-	-	39,221
Nicholas Nelson	2024	9,000	10,500	6,288	-	-	-	25,788
Pavel Kobzev ⁽²⁾	2024 2023 2022	4,000 96,000 129,000	10,000 - -	- 54,000 104,000	- - -	- - -	- - -	14,000 150,000 233,000
Alex Brooks ⁽³⁾	2024 2023 2022	- 25,000 36,000	- - -	- 33,000 65,000	- - -	- - -	- - -	- 58,000 101,000
Roby Zomer ⁽⁴⁾	2024 2023 2022	- 109,000 42,000	- - -	- 57,000 110,000	- - -	- - -	- - -	- 166,000 152,000

Notes:

- (1) In relation to 2024, the information relates to the period ending 30 September 20, 2024, for 2023 and 2022 the information relates to the relevant financial year ending December 31.
- (2) Ceased being a director on July 15, 2024. Pavel was issued shares worth £52,164 in 2024 in lieu of cash settlement of fees relating to pre-January 1, 2024.
- (3) Ceased being a director on March 15, 2024. Alex was issued shares worth £16,864 in 2024 in lieu of cash settlement of fees relating to pre-January 1, 2024.
- (4) Ceased being a director on March 15, 2024. Roby was issued shares worth £66,666 in 2024 in lieu of cash settlement of fees relating to pre-January 1, 2024.

Outstanding Share-Based Awards and Option/Warrant-Based Awards – Directors

The following table discloses all compensation securities outstanding to Directors for the period ending September 30, 2024, for services provided or to be provided, directly or indirectly, to Solvonis or any of its subsidiaries:

	Option/Warrant-Based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (£)	Option Expiration Date	Value of Unexercised In-the-Money Options (£)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (£)	Market or payout value of vested share-based awards not paid out or distributed (£)
Dennis Purcell	45,000,000 ⁽¹⁾	£0.001	25/09/2027	35,888	N/A	N/A	N/A

Notes:

- (1) The options vest on the following milestones: 1/3rd on appointment date / 1/3rd on first year anniversary of issue / 1/3rd on second year anniversary of appointment.

Indebtedness of Directors and Executive Officers

As of the date of this Circular, no current or former director, executive officer or employee of Solvonis or any of its subsidiaries is indebted to Solvonis or any of its subsidiaries in relation to a purchase of securities or otherwise, or to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Solvonis or any of its subsidiaries.

Audit Committee

Audit Committee Charter

The Audit Committee has a charter that sets out its mandate and responsibilities and is attached hereto as Exhibit "A" to this Appendix "G".

Composition of the Audit Committee

The audit committee comprises Nicholas Nelson and Anthony Tennyson, but this is subject to change following Admission. The committee will meet twice each year. The Audit and Risk Committee is responsible for ensuring the financial performance of the Combined Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Combined Company's risk assessment and internal control processes.

Given the composition of the Audit and Risk Committee, it is acknowledged that a provision of the QCA Code suggesting the inclusion of at least two independent non-executive directors on such committee has been deviated from. Such deviation is considered by the Board to be appropriate to Solvonis at this present time.

Relevant Education and Experience

Nicholas Nelson – Non-Executive Chairman

Nicholas Nelson commenced his career in London in 1985 in stockbroking operating in this field for thirteen years before moving into financial PR industry in 1999 for a further thirteen years. He has served as a director on the boards of seven quoted companies, both in executive and non-executive positions.

Anthony Tennyson - Chief Executive Officer

Anthony Tennyson is co-founder and current CEO of Awakn. Anthony is an experienced financial services industry executive with 10 years in international strategy, commercial leadership roles with Aon plc, and 5 years with Merrill Lynch and Bank of Ireland. Anthony holds an MBA in Strategy and Finance and an MSc in Technology both from the University College Dublin, Ireland's top ranked business school.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor other than PKF Littlejohn LLP.

Solvonis' auditor as at the date of this Circular, Kreston Reeves LLP, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

None

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the audit services provided by PKF Littlejohn LLP to Solvonis to ensure auditor independence. Fees incurred with PKF Littlejohn LLP for audit and non-audit services in the last two financial periods, being the nine months ended 30 September 2024 and year ended 31 December 2023 are outlined in the following table.

Nature of Services	Period Ended September 30, 2024	Year Ended December 31, 2023
Audit Fees ⁽¹⁾	-	50,000
Audit Related Fees ⁽²⁾	-	-

Tax Fees ⁽³⁾	-	-
All Other Fees ⁽⁴⁾	35,000	-
Total	35,000	50,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of Solvonis' consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Corporate Governance*Board of Directors*

Solvonis' Board currently consists of three (3) directors, two (2) of whom are independent based upon the tests for independence set forth in National Instrument 52-110 – Audit Committees ("NI 52-110"). Therefore, a majority of the directors are independent, including the current chair of the Board, Dennis Purcell. Mr. Tennyson is not independent by virtue of holding the office of Chief Executive Officer of Solvonis.

Board Mandate

The Directors are responsible for carrying out Solvonis' objectives, implementing its business strategy and for overall supervision of Solvonis' activities. Future acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance framework of Solvonis and will have overall responsibility for setting Solvonis' strategic aims, defining the business plan and strategy and managing the financial and operational resources of Solvonis.

The Board will convene monthly meetings and will hold additional meetings as and when required.

Position Description

The written description of the role of each board member is set out in their respective letters of appointment (in respect of non-executive directors) or service contracts (in respect of executive directors) which details their duties and responsibilities to Solvonis. The duties and responsibilities of each director is kept under review by the board throughout their respective appointment. Additionally, the position description of the various committees are set out in the terms of reference in respect of such committee and is kept under review by the board.

Orientation and Continuing Education

All directors are provided with a board pack containing the terms of reference in relation to the board committees, a share dealing manual, the company's share dealing code and a manual on the directors' duties and responsibilities. On joining the board, the directors are briefed in respect of their duties and responsibilities in respect of a listed company and are offered continuing training opportunities throughout their respective appointments.

Ethical Business Conduct

As a company admitted to the Transition Category of the Official List, Solvonis is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors acknowledge their responsibility and

are committed to good corporate governance and intend to comply with the QCA Guidelines on Corporate Governance insofar as this can practically be undertaken.

Pursuant to Solvonis' articles of association a director must declare to the other directors any situation in which he has or could have a direct or indirect interest that conflicts or possibly might conflict with the interests of Solvonis. Save in relation to certain permitted causes, any director so interested cannot count as part of a meeting of the directors in relation to voting for quorum purposes. The directors have the power to authorise certain conflicts, provided that the relevant director does not vote or count in the quorum in respect of any decision on such authorisation. Subject to any applicable law, Solvonis may by ordinary resolution suspend or relax certain conflicts, or ratify any transactions not duly authorised by reason of a contravention of such provision.

Nomination of Directors

As at the date of this Circular, Solvonis has (a) an audit and risk committee; and (b) a remuneration committee. Due to the current stage of development of Solvonis and the current size of the Solvonis Board, it was determined that Solvonis would not yet put in place a nominations committee, but this would be kept under review. Therefore, the current nomination process and appointment of directors to the board is conducted by way of majority of votes at a board meeting and is always subject to Solvonis' articles of association.

The remuneration committee comprises Nicholas Nelson and Dennis Purcell and will meet normally not less than twice each year. The remuneration committee is responsible for the review of and making recommendations to the Board on the scale and structure of remuneration for the Board and key personnel, including any bonus arrangements and the possible award of share options, having due regard to the interests of Solvonis Shareholders and other stakeholders.

Compensation

The remuneration committee shall determine and agree with the board the framework or broad policy for the remuneration of Solvonis' chairperson and the executive directors and the senior executives and employees/consultants in the group earning over £50,000 or such other amount to be agreed between the Solvonis Board and the remuneration committee from time to time including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the chairman and the executive members of the board (within the limits set in the articles of association). No director or senior manager shall be involved in any decisions as to their own remuneration. The committee shall recommend and monitor the level and structure of remuneration for senior management. In determining such policy, the committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive management of Solvonis without paying more than necessary. The remuneration policy shall take into account Solvonis' appetite for risk and be aligned to Solvonis' long-term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long-term success of Solvonis.

Given the composition of the Remuneration Committee, it is acknowledged that a provision of the QCA Code suggesting the inclusion of at least two independent non-executive directors on such committee has been deviated from. Such deviation is considered by the Board to be appropriate to Solvonis at this present time given the size and stage of development of Solvonis.

Other Board Committees

None

Assessments

Each Solvonis board committee arranges for periodic reviews of its own performance and, at least once a year, each committee reviews its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the Solvonis Board for approval.

Risk Factors

The risk factors associated with the principal business of Solvonis are discussed below. Briefly, these include the highly speculative nature of the biomedical and pharmaceutical industry characterized by the requirement for large

capital investment from an early stage and a very small probability of developing economic products. In addition to the general risks associated with the biomedical and pharmaceutical industry, there is country-specific risks associated with operating in a foreign country, including currency, political, social, and legal risk.

Due to the nature of Solvonis' business and the present stage of research and development of Solvonis' products, Solvonis is subject to very significant risks. Readers should carefully consider all such risks set out in the discussion below.

Following publication of the Solvonis Prospectus, Awakn intends to disseminate a press release to alert the Awakn Shareholders of the existence of the Solvonis Prospectus. After its publication, Awakn Shareholders are encouraged to review the Solvonis Prospectus for additional information relating to Solvonis, the equity financing that will be conducted by Solvonis to raise sufficient working capital ("Concurrent Financing") and the Combined Company, as well as risk factors relating to the foregoing. After publication, the Solvonis Prospectus will be able to be reviewed at <https://solvonis.com/>.

Solvonis has been historically loss making, and it is anticipated that Solvonis will continue to incur losses for the foreseeable future

Solvonis has accumulated significant losses since its inception. Solvonis will focus on funding its clinical and pre-clinical stage research projects and has no immediate source of revenue. Shareholders should therefore be aware that the ongoing activities of Solvonis are being supported by the raising of capital and existing cash resources. As an early-stage biotechnology company engaged in clinical and pre-clinical trials, the capital resources of Solvonis will be used to develop these programmes. There is no guarantee that any of the product candidates of Solvonis will reach a point of being successfully commercialised. There is therefore a high risk that Solvonis will continue to remain loss making for the foreseeable future.

Solvonis may in the long term require additional financing to supports its ongoing clinical and pre-clinical research activities. If it is unable to raise further capital then Solvonis may need to delay, abandon or reduce its activities

Solvonis will have no source of revenue in the near term and there can be no guarantee that it will be able to generate sufficient revenues in future to sustain, fund and grow its business. This risk factor is not intended to qualify the working capital statement contained in the prospectus to be published by Solvonis in relation to the Concurrent Financing ("**Solvonis Prospectus**") and the Solvonis Board believe that Solvonis will have sufficient working capital for a period of at least 12 months from the date of the Solvonis Prospectus. There is, however, a risk that the product candidates of the Combined Company do not receive regulatory approval. Solvonis may need to obtain additional funding in the long-term in connection with the further development of its product candidates. It is anticipated that further fundraising may come in the form of equity fundraising, which could be dilutive to the interests of existing shareholders of Solvonis. There can be no guarantee that Solvonis will be able to successfully negotiate such debt instrument or that debt financing will be available on terms that are considered commercially acceptable to Solvonis. Debt financing may require Solvonis to secure certain critical assets in favour of a lender and in the event of defaulting on its obligations, the lender could seek to enforce the security obligations against Solvonis. In such circumstances, this could mean that Solvonis permanently loses title and or the benefit or interests in certain secured assets.

Difficulty enrolling patients in clinical trials may result in the completion of trials being delayed or cancelled

As Solvonis' product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, Solvonis will need to enroll an increasing number of patients that meet its eligibility criteria.

There is significant competition for recruiting patients in clinical trials, and Solvonis may be unable to enroll the patients Solvonis needs to complete clinical trials on a timely basis or at all. The factors that affect the Solvonis' ability to enroll patients is largely uncontrollable.

Risk related to reliance on key personnel in particular key technical staff

The business of Solvonis is that of a biotechnology company requiring specific technical and scientific skills required to undertake the R&D activities currently being planned by Solvonis. Qualified individuals are in high demand, and Solvonis may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent us from executing on its business plan and strategy, and it may be unable to find adequate replacements on a timely basis, or at all.

Solvonis particularly relies upon its key technical staff to complete important research and development on behalf of Solvonis, and the loss of such individuals could result in interruptions and delays to ongoing work.

Legal Proceedings and Regulatory Actions

To the knowledge of Solvonis, there are no legal proceedings material to Solvonis to which Solvonis is or was a party to, or any of its property is or was the subject of, since the beginning of the most recently completed financial year, nor are there any such proceedings known to Solvonis to be contemplated.

In addition, there have been no penalties or sanctions imposed against Solvonis by a court relating to securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Circular, and Solvonis has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Circular.

Interest of Management and Others in Material Transactions

Except as disclosed herein, no informed person (a director, executive officer or holder of 10% or more of Solvonis Shares) or any associate or affiliate of any informed person had any interest in any transaction which has materially affected or would reasonably be expected to materially affect Solvonis or any of its subsidiaries, within the three years before the date of this Circular.

Auditors and Reporting Accountants

Solvonis' auditors are Kreston Reeves LLP.

The reporting accountant in respect of the Solvonis Prospectus is PKF Littlejohn LLP.

PKF Littlejohn LLP audited the financial statements of Solvonis for the year ended December 31, 2023, and issued an auditor's report dated April 30, 2024. As at April 30, 2024, PKF Littlejohn LLP was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board.

Registrar and Transfer Agent

The transfer agent and registrar for the Solvonis Shares is Share Registrars, The Courtyard, 17 West Street, Farnham, GU7 7D.

Material Contracts

Except for contracts made in the ordinary course of business, the contracts described below are the only material contracts entered into by Solvonis since the beginning of the last financial year ending before the date of this Circular or before the beginning of the last financial year ending before the date of this Circular for any material contract that is still in effect.

Allenby Engagement Letter

On 19 December 2024, Solvonis and Allenby Capital Limited ("**Allenby**") entered into the engagement letter, pursuant to which Solvonis appointed Allenby to act as financial adviser and broker to Solvonis in connection with the Concurrent Financing. In exchange for its services, Solvonis agreed to pay Allenby a corporate finance fee payable in monthly instalments, together with other commissions and expenses for its services as broker as outlined in the engagement letter.

Binding Letter of Agreement

On 15 December 2024, Solvonis and Awakn entered into a binding letter of agreement ("**LOA**"), pursuant to which Solvonis has offered to acquire the entire issued share capital of Awakn subject to certain conditions outline below. The terms provided that as consideration Solvonis will issue a total of approximately 2,074,378,592 shares equating to £4,978,508 and 731,467,212 warrants in exchange for the existing shares, stock options and warrants of Awakn.

The acquisition offer is conditional upon, among other things:

- the stock options and warrants of Awakn being cancelled and replaced with shares and warrants in Solvonis;
- the shareholders of Awakn and the shareholders of Solvonis consenting and approving Solvonis' offer and transaction documents;
- Solvonis and its professional advisers determining that the Combined Company will have sufficient capital to fund operations for at least eighteen months from the date of the Solvonis Prospectus being published which will be supported by a private placing of new ordinary shares;
- the shares issued pursuant to the acquisition being admitted to the Equity Shares (Transition) Category of the Official List and to trading on the Main Market of the London Stock Exchange;
- the offer not being regarded by Solvonis' corporate adviser as a "reverse takeover" in accordance with the UK Listing Rules; and
- the delisting of Awakn's shares from the Canadian Securities Exchange.

Solvonis and Awakn agreed to use their best endeavours to fulfil the conditions of the LOA within six months of its effective date, including, if required, preparing an information circular for a general meeting to obtain necessary shareholder approvals, negotiate and draft the transaction documents in a timely manner and prepare all necessary documentation for applicable regulatory authorities and stock exchanges.

The LOA may be terminated under several circumstances, which include but are not limited to, failure to close the private placing to support the Combined Company's working capital or complete the acquisition within six months of the date of the LOA, or unsatisfactory due diligence results. It may also terminate if regulatory or legal restrictions prohibit the acquisition, or if the parties fail to enter into a form of arrangement or an amalgamation agreement by February 28, 2025 (or a mutually agreed later date). The LOA is governed by English law.

Engagement Letter – Orana Corporate LLP

Orana Corporate LLP and Solvonis entered into an engagement letter dated 19 August 2024, to provide relevant services to Solvonis for bookkeeping accounting and company secretarial services. The monthly fees are £7,500 for the first two years and reducing to £6,500 thereafter. The engagement may be terminated on three (3) months' notice in writing by notice from one party to the other.

July Placing Agreement with Allenby dated 3 July 2024

Solvonis and Allenby entered into a placing agreement dated 3 July 2024 pursuant to which Allenby agreed to use their reasonable endeavours to procure placees for Solvonis Shares at £0.001 (the "**July Placing Price**") ("**July Placing Agreement**") ("**July Placing**").

Solvonis agreed to pay Allenby, provided the July Placing Agreement becomes unconditional, a commission payment based on the gross aggregate value of the July Placing. Solvonis has agreed to pay all of the costs and expenses of and incidental to the July Placing whether or not the July Placing Agreement becomes unconditional. Solvonis has given certain warranties to Allenby as to the accuracy of the information in this document and as to other matters relating to Solvonis. Solvonis gave an indemnity to Allenby against any losses or liabilities arising out of the performance by Allenby of their duties under the July Placing Agreement. Allenby may terminate the July Placing Agreement, in certain circumstances, including, amongst other circumstances, for breach of the warranties referred to above or in the case of force majeure or a material adverse change in respect of the condition or prospects of Solvonis. The July Placing Agreement is governed by English law.

Lender Warrants

In consideration for the conversion of the principal and interest outstanding under a loan, Solvonis granted to Nicholas Nelson and a private investor warrants over a total of 264,000,000 Solvonis Shares (in aggregate), pursuant to a warrant instrument dated 2 July 2024 ("**Lender Warrants**"). The Lender Warrants are exercisable at any time from 10 July 2024 up to 10 July 2027. The Lender Warrants are capable of being exercised at an exercise price of £0.001

(0.1 pence) for each Solvonis Share. Mr Nicholas Nelson, a Director of Solvonis, received a total of 132,000,000 Lender Warrants.

Director Warrants

Under the terms of a warrant instrument dated 2 July 2024, Solvonis granted a total of 30,500,000 warrants to Directors or former directors of Solvonis.

Share Purchase Agreement

On 2 May 2024, Solvonis entered into a share purchase agreement, pursuant to which Solvonis had agreed to sell and the purchaser had agreed to purchase, the entire issued share capital of Graft Polymer Slovenia for a nominal consideration of €1.

Interests of Experts

Kreston Reeves LLP acting in its capacity as auditors to Solvonis, has no material interest in Solvonis and has given and not withdrawn its written consent to the inclusion of its name in the form and context in which they are included in this Circular.

PKF Littlejohn LLP, acting in its capacity as reporting accountant to Solvonis, has no material interest in Solvonis and has given and not withdrawn its written consent to the inclusion of its name in the form and context in which they are included in this Circular.

Other Material Facts

There are no other material facts other than as disclosed herein.

G-23
SCHEDULE "A"

FINANCIAL STATEMENTS AND RELATED MD&A

SOLVONIS

(see attached)



**Annual Report & Financial Statements
for the year ended 31 December 2022**

Company Registration No. 10776788 (England and Wales)

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DIRECTORS

Roby Zomer
Victor Bolduev
Pavel Kobzev
Alex Brooks
Yifat Steuer

COMPANY SECRETARY

Anthony Eastman

REGISTERED OFFICE

Eccleston Yards
25 Eccleston Place
London, SW1W 9NF

REGISTERED NUMBER

10776788

BROKERS

Turner Pope Investments (TPI) Ltd
8 Fredrick's Place
London, EC2R 8AB

INDEPENDENT AUDITOR

PKF Littlejohn LLP
15 Westferry Circus
London, E14 4HD

SOLICITORS

Memery Crystal
165 Fleet Street
London, EC4A 2DY

BANKERS

HSBC Bank Plc
153 North Street
Brighton, BN1 1SW

SHARE REGISTRARS

Share Registrars
The Courtyard
17 West Street
Farnham, GU7 7DR

Our first year as a London Stock Exchange listed company has been one of significant achievement as we continued to build foundations that will enable us to deliver excellent performance across our divisions – The Polymer Modification division for industrial applications, where we develop solutions for complex and challenging client problems, and the GraftBio division, launched in 2020, which is focused on providing solutions to the Bio/Pharma sector. There is an ever-increasing demand for polymer modifications across multiple industries and geographies, and as an established business with a six-year history and a management team with over 15 years experience, we are in a prime position to take advantage of this growth trend.

Having developed a proprietary set of polymer modification technologies, which use recycled raw materials and a closed loop system to reduce waste, our technology can improve existing products and processing methodologies by enhancing performance, simplifying manufacturing, reducing material consumption, widening the choice of feedstocks, and reducing costs. Our motto “*combine incompatible*” summarises the core of Graft Polymer’s business: the use of a diverse range of modification technologies to combine otherwise incompatible molecular components into polymer composites.

During the period, the Company has made material progress at its state-of-the-art 1,300m² Slovenian production and R&D facility as outlined in its IPO prospectus, installing an additional production line, doubling its potential output to 6,000 tonnes per annum, and significantly increasing its storage capacity. This expansion is part of our long-term strategy, and it is critical as we focus on targeting larger clients and support businesses in the polymer sector that require backup production capability.

The Company won its first revenue generating commercial order for 50,000 units of MGC Pharmaceuticals’ product, ArtemiC™ Rescue on 18 August 2022 which uses the Company’s GraftBio proprietary drug delivery system. This drug has gone on to be listed as an over-the-counter drug on the US Food and Drug Administration’s National Drug Code Database (‘NDC’), enabling sales in the US.

Additionally, Graft Polymer has completed the expansion of its specialist bio-pharma facilities in Slovenia and was granted its HACCP certification during the year, a major milestone which enables Graft Polymer to commercialise its IP for bio/pharma applications, developing and supplying active pharmaceutical ingredients and drug delivery platforms for use in the food supplement market, thereby introducing a further revenue stream to our business.

The Slovenian facility has been granted ISO 14001 accreditation in recognition of the environmental management systems in place to reduce waste with the closed loop processing technique minimising waste to almost zero. The Board continues to place considerable emphasis on achieving the highest possible environmental and performance standards.

Review of Operations for the 12 months to 31 December 2022

Highlights

Corporate

- Successful IPO on the London Stock Exchange in January 2022
- Equity raising of £5 million on IPO to accelerate growth

Financial

- Cash and cash equivalents at Period end were £1.64 million
- Loss before taxation for the year was £2.705 million (incl. £858k share based payments - non cash)
- Net cash inflow for the period was £1.057 million
- The Group held net assets at Period end of £4.554 million

Operations

- Considerable progress at our state-of-the-art 1,300m² Slovenian R&D and production facility:
 - o Installation of additional production line, doubling potential output to 6,000 tons per annum, and significantly increasing our storage capacity
 - o Expansion is part of the strategy to focus on securing commercial orders from larger clients and supporting businesses in the polymer sector
 - o With a two-fold increase in the physical footprint of the Slovenian facility, both in capacity and storage space, Graft Polymer remains well positioned to target larger, regular orders of multiple products from customers, at attractive margins
- Granted a Hazard Analysis and Critical Control Point ("HACCP") certification which enables Graft Polymer to commercialise its IP for bio/pharma applications, specifically to supply third-party active pharmaceutical ingredients and our proprietary drug delivery platforms for use in the food supplement market
- Grant of ISO 14001 accreditation for our Slovenian facility in recognition of the environmental management systems in place to reduce waste with the closed loop processing technique minimising waste to almost zero.

Commercial Progress

- Won first revenue generating commercial order for 50,000 units of MGC Pharmaceuticals product, ArtemiC™ Rescue on 18 August 2022, which uses the Company's GraftBio proprietary drug delivery system
- December 2022 saw the Group's strongest month of sales in the year which followed month-on-month sales growth in 2022. The pipeline for 2023 is looking healthy as the Company looks to capitalise on the enlargement of its operations with larger mandates
- Expansion into the cosmetics industry through the receipt of a small-scale commercial purchase order to the Group's GraftBio division, demonstrating our ability to meet rigorous cosmetic testing requirements.

Intellectual Property & R&D

- Seven patents awarded during the financial year including:
 - o FIPO 2765946, covering supersaturated self-nano-emulsifying drug delivery system for slightly water-soluble pharmaceutical compositions and method for its preparation;
 - o SIPO 26054, covering super-saturable oil-free self-nano-emulsifying drug delivery system for poorly water-soluble pharmaceuticals composition and procedure of preparation thereof;
 - o SIPO 26056, covering self-emulsifying concentrate of cannabinoid-ionic complex and method for its preparation;
 - o SIPO 26070, covering the method for industrial production of modified polymers and device for its realisation; and
 - o SIPO 26071, covering the method for production of a modified polymer.
- Seeking patents for Graft Polymer proprietary products is in line with the Company's layered IP strategy.

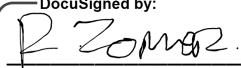
Outlook

For the year ahead, we have several key initiatives that will contribute to our ambition of continued product and sales growth. We plan to expand our global reach by establishing new partnerships and distribution channels in emerging markets. We will also continue to invest in research and development to create innovative products that meet the evolving needs of our customers. Finally, we will maintain our commitment to sustainability by adopting eco-friendly practices and reducing our carbon footprint.

We have built long term foundations during the past year, enabling us to double our production capacity, positioning us to target larger customers in the industry. Our unique and proprietary product offering gives us a competitive edge in the market, and we are confident that we can continue to build on our success in the coming year.

In summary, during the period our Company has strengthened its positioning for future growth and is now in a position to take on larger orders, with higher margins, at a time when demand for polymer solutions is high. We are optimistic about the projected uplift in the polymer market and are confident in our ability to meet the demands of this growing market. With our unique offerings, strong leadership, and key initiatives, we are well-prepared to capitalise on opportunities and achieve continued success in the coming year and beyond.

I would like to express my gratitude to our shareholders for their support, and I look forward to sharing our progress with the market in what promises to be a positive year for the Company. With our continued focus on innovation and operational excellence, we are confident that we can achieve our growth objectives and deliver value for all stakeholders.

DocuSigned by:

479CC71AC54D4F0...
Roby Zomer – Non-Executive Chair

26 April 2023

BOARD OF DIRECTORS

Roby Zomer – Non-executive Chair

Roby Zomer is the Non-Executive Chair of the Company, having been involved in the Group's business since its inception. Roby brings more than two decades of experience in science, leadership, business creation and operations and global development strategies, all in cutting-edge industries, and at the highest governmental levels. His career has spanned multiple disciplines and areas of expertise, beginning with medical training at leading Israeli medical institutions and shifting to technological development and logistics of personnel deployment during his military service in the Israel Defence Force.

Roby's first company, Green City, focussed on the idea of promoting fuel alternatives and clean water technology. Green City rapidly became a global ambassador company for Israel and was purchased by Rafael, Israel's government-owned military technology hub, as it was determined to be a strategically significant asset.

He joined MGC Pharmaceuticals Limited as co-founder and Chief Technical Officer, and now serves as its Managing Director and Chief Executive Officer. MGC Pharmaceuticals Limited is an emerging phyto-pharma company with a focus on phytocannabinoids, the therapeutic elements of the cannabis plant. This has led to a seven-year period where Roby broadened his understanding of technological development and pharmaceutical regulation and has led to a return for Roby to agrosience, on the path to shaping the company into a fully-fledged biopharmaceutical company with market-approved products.

Victor Bolduev – Chief Executive Officer and Chief Technical Officer

Victor is the founder, CEO and CTO of the Group, with more than 30 years' experience in industrial sectors, more than 20 years working in the polymer industry. Victor brings expert experience in the polymer industry, leadership, value creation and cutting-edge innovation.

During this time, Victor has worked in various polymer modification companies in Russia, Thailand and Slovenia.

Victor is a non-executive director for a number of companies, including Victor Bolduev IP and Polymer Innovations Inc. He is the author of 11 patents relating to polymer modification and drug delivery systems.

Victor graduated from St Petersburg University and Tashkent Military's University (in each case with Honours). He is known as a polymer chemist who has developed multiple innovative technologies and product brands in the polymer modification and bio sectors.

Yifat Steuer – Executive Director and Chief Financial Officer (CFO)

Yifat Steuer, qualified as a chartered accountant with Deloitte before moving into industry. She has over 20 years' experience as a well-versed CFO ranging from global blue-chip companies to hands-on implementation in SMEs and start-ups. She has worked internationally for the majority of her career at firms including Johnson & Johnson and GlaxoSmithKline. While at Marken, Yifat was the Chief Accounting Officer heading the global shared services accounting and payable teams. She led vendor due diligence for the sale of Marken to UPS. As part of her community contribution, Yifat took a 9-month assignment as the CFO and Treasurer of the British Transport Police Authority. She has a proven track record in pharmaceuticals, manufacturing, logistics, distribution, medical technology, and digital health industries.

Pavel Kobzev – Executive Director and Chief Marketing Officer (CMO)

Pavel Kobzev serves as the Chief Marketing Officer of the Group, with over 10 years' experience in project management and market analysis. He served in the Israeli Defence Forces Elite Intelligence 8200 unit as Managing Operations Leader and has expertise in the security solutions and design solutions and design industries.

Pavel began his career at Magal, an intelligent security company in Israel, where he served as a field engineer responsible for managing a team that designed innovative security solutions for products in the information technology and physics fields, while carrying out market analysis in connection with these

solutions. The team was responsible for a number of multi-million-pound projects, including the implementation of the smart fence solution at the Israeli border, including software updates.

Alexander (Alex) Brooks – Independent Non-Executive Director

Alexander Brooks is an experienced capital markets professional, having worked in a range of roles primarily in public equity markets but also including exposure to private markets and to debt securities. Alexander has worked as a buy-side and sell-side analyst at a number of large financial institutions, including JPMorgan and UBS, and is currently a Senior Equity Analyst with Canaccord Genuity (UK). He focusses on industrial technology companies in several sectors, notably sustainability, energy and energy transition, and chemicals.

SENIOR MANAGEMENT

Anthony Eastman – Company Secretary

Anthony Eastman is a member of the CAANZ and ICAEW and a current Partner at Orana Corporate LLP. Anthony has a number of years' experience in financial management and corporate advisory services, primarily in the natural resources sector, along with extensive experience in the public company environment, having been a director and company secretary of a number of ASX and AIM junior mining and oil & gas focused companies.

He has relevant management experience having previously worked with Ernst & Young and CalEnergy Gas Ltd, a subsidiary of the Berkshire Hathaway Group of Companies in both Australia and the United Kingdom.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
DIRECTORS' REPORT

The Directors present their report with the audited financial statements of Graft Polymer (UK) plc ("the Company") and its subsidiaries together "the Group" for the year ended 31 December 2022. A commentary on the business for the period is included in the Chairman's Statement on pages 4 to 5. A review of the business is also included in the Strategic Report on pages 12 to 18.

Directors

The Directors of the Company during the period and their beneficial interest in the Ordinary shares of the Company as at 31 December 2022 were as follows:

Director	Position	Appointed	Ordinary shares	Options
Roby Zomer ¹	Non-Executive Chair	18-May-17	6,326,510	1,700,000
Victor Bolduev	CEO / CTO	18-Sep-17	30,454,613	2,200,000
Pavel Kobzev	CMO & Executive Director	25-May-19	1,356,886	1,600,000
Yifat Steuer	CFO & Executive Director	21-Dec-21	189,761	1,673,611
Alex Brooks	Non-Executive Director	21-Dec-21	418,605	1,000,000

¹ 4,576,163 Ordinary shares held by Roby Zomer were held by Chitta Lu Limited and 1,750,347 were held by Sputnik Enterprises Limited, entities in which Roby Zomer has a beneficial interest in.

Substantial shareholders

As at 31 December 2022, the total number of issued Ordinary Shares with voting rights in the Company was 104,097,229. Details of the Company's capital structure and voting rights are set out in note 20 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report, noting total shares on issue as at the date of approval of this report being 21 April 2023:

Party Name	Number of Ordinary Shares	% of Share Capital
Victor Bolduev	30,454,612	29.26
Alba Capital Limited	13,935,020	13.39
JIM Nominees Ltd	11,508,254	11.06
Pershing Nominees Limited	9,794,310	9.41
Roby Zomer	6,326,510	6.08
Platypus Assets Pty Ltd	6,250,000	6.00
Vidacos Nominees Limited	3,879,490	3.73
Nortrust Nominees Limited	3,357,882	3.23

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the Accounting policies and note 22 of the financial statements.

Greenhouse Gas (GHG) Emissions

As the Group has begun manufacturing this year they have seen energy consumption increase significantly. In the year ended December 2022 the Slovenian subsidiary consumed approximately 160,000 kwh of energy relating to production of polymer products.

The Board are aware of the extended climate disclosures for listed entities specifically alluded to in the listing rules however are yet to undertake any substantive planning or governance around the issue.

The Directors consider energy consumption and by-product waste from production to be the most significant factors affecting the environment and consequently the related reporting requirements. As the Group has relatively recently entered the production phase they are still in the gathering data as to the size of their environmental footprint.

As a result of this the Directors in conjunction with the in-country manufacturing team will review the energy consumption on a regular basis and look to implement strategies to optimise efficiency where possible.

Dividends

The Directors do not propose a dividend in respect of the period ended 31 December 2022.

Future developments and events subsequent to the year end

Further details of the Company's future developments and events subsequent to the period-end are set out in the Strategic Report.

Corporate Governance

The Governance report forms part of the Director's Report and is disclosed on pages 19 to 24.

Going Concern

The Directors, having made due and careful enquiry, are of the opinion that the Company and the newly formed Group have adequate working capital to execute its operations over the next 12 months. They have based this opinion primarily on the promising revenue trends and predictions seen in the 2022 financial year combined with realistic revenue goals for 2023. However given the uncertainty associated with future revenue and Group's reliance on generating funds from the market the auditors have made reference to going concern by way of a material uncertainty within their audit report. Further details are given in Note 2.3 to the Financial Statements and as a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Principal Activities

The principal activities of the Company and all of its subsidiaries collectively referred to as "the Group" are the research, development and polymer modification technologies and polymer modification techniques.

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards for the group and, as regards to the Parent Company Financial Statements, as applied in accordance with the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and the profit and loss of the group for that period.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements comply with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the Financial Statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group enabling them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The financial statements are published on the Company's website www.graftpolymer.com. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 20 and 21 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 9. The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Auditor Information

PKF Littlejohn were appointed auditors to the Group and have expressed their willingness to remain in office. The Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Group and its external auditor.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Group has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Events after the reporting period

There were no events subsequent to period end requiring disclosure.

Directors' Indemnity Provisions

The Company has implemented Directors and Officers Liability Indemnity insurance.

Political Donations

The Group has not made any political donations during the period.

This directors' report was approved by the Board of Directors on 26 April 2023 and is signed on its behalf by:

DocuSigned by:

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Roby Zomer – Non-Executive Chair

The Directors present the Strategic Report of the Company and the Group for the period ended 31 December 2022.

Operational Review

During the period under review, the Company successfully listed on the standard segment of the London Stock Exchange. The year saw the foundations set for both the Polymer Modification division for industrial applications, and the GraftBio division which focusses on providing solution and delivery methods to the Bio/Pharma sector. The Company received its first revenue generating commercial order during the period which, whilst moderate, is an indicator for potential future revenue generation.

Progress is being made at the Company's Slovenian manufacturing facility by installing an additional production line, doubling potential output to 6,000 tonnes per annum, and significantly increasing the Company's storage capacity. This expansion was part of the strategy when the Company listed and will be important when targeting larger clients and will support businesses in the polymer sector that require backup production lines.

The Company reported that December 2022 saw the Group's strongest month of sales in the year which followed month-on-month sales growth in 2022. The pipeline for 2023 is looking healthy and the Company expects this sales growth trend to continue.

The Group generated revenue of £542,000 during the year (7 months to 31 December 2021: £219,000) and incurred a loss after tax of £2,705,000 (7 months to 31 December 2021: £954,000).

Business Strategy

During the period under review, on 6 January 2022, the Company listed on the standard segment of the London Stock Exchange.

The Group has developed a proprietary set of polymer modification technologies which can improve existing products and processing methodologies by enhancing performance, simplifying manufacturing, reducing material consumption, widening the choice of feedstocks and reducing costs.

As set out at the time of admission, part of the Group's strategy was to invest in production and laboratory equipment to support growth, allowing the continued development of new technologies. This equipment has been delivered and installed in Slovenia. The equipment enables the Company to double its production capacity over time and decrease the goods delivery time as well. The delivery of these components will ensure Graft Polymer is well positioned to continue its pioneering and market leading research and technology commercialisation in the polymer modification, biological supplements, and drug delivery systems industry.

The Group was granted a Hazard Analysis and Critical Control Point ("HACCP") certificate at R&D facility in Slovenia. The grant of this certificate to the Group's GraftBio division is a major milestone for the Company which will enable Graft Polymer to enter the Business-to-Consumer ("B2C") market, thereby introducing a further revenue stream to its business. The grant of HACCP certificate represented the delivery of a key operational milestone as stipulated at the time of the IPO.

The Group received its first revenue generating commercial order during the period and progress is being made at the Company's Slovenian manufacturing facility by installing an additional production line, doubling potential output to 6,000 tonnes per annum, and significantly increasing the Company's storage capacity.

The Board expects the Group to continue to develop new and innovative polymer technologies both in-house and in conjunction with key industry players and customers.

Principal Risks and Uncertainties

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Group's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

The Group is in an early stage of its operations and there is no guarantee of future growth

Whilst the Group, having been formed in 2017, has made some commercial sales and undertaken research and development activities for a number of clients, the business remains at an early stage of development. A number of operational, strategic and financial risks are associated with early-stage companies. In particular, the Group's future growth and prospects will depend on its ability to continue to manufacture products for applications which have sufficient commercial appeal, to source the raw materials, manage growth and continue to improve manufacturing, operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls.

Any failure to improve manufacturing, operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on its business, financial condition and results of operations.

Foreign currency risk

The Group operates in a global market with income and costs arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries.

Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Group's functional currency. The functional currency of the primary operational subsidiary is the Euro and the majority of sales revenue and purchasing expenditure is conducted in the Euro which assist to limit foreign currency exposure.

Currency exposures risks are reviewed regularly and at this time the Directors do not believe it necessary to engage in additional hedging strategies.

Customer base and distribution channels

The Group has historically been reliant on maintaining a relationship with a small number of customers. In the event that the entities for whom the Group carries out research and development, and whose products the Group uses its technology to enhance, are unable to grow their revenue streams, suffer from supply chain disruptions or become subject to solvency or going concern issues, the volume of products supplied to and services carried out for such entities by the Group may be scaled back or cancelled and the Group may lose part of its revenue stream which would have a material adverse effect on the business, financial condition and prospects of the Group. The Group is looking to expand its customer base and is confident it will do so in the coming financial year. The management team has had robust conversations with a large array of new suppliers and are confident that the revenue base will be spread across a significantly larger group of customers in the coming year.

In addition to its direct sales to customers, the Group has secured distribution relationships with multiple partners globally, including distributors/agents in Europe, India, Mexico, USA and Russia. These distributors provide critical channels to market for the polymer modifier industry, providing quality assurance for potential customers as well as market volume. The Directors expect to be able to secure similar arrangements with distributors in North America and other international customers. However, if this does not arise either because of a lack of products or product functionality, or because the Group is unable to agree commercial terms, the ability of the Group to capture market share and grow revenue may be materially impacted which could materially and adversely affect the business, financial condition and prospects of the Group.

Competition

The Group's business focusses on specialty chemicals and involves developing modified polymer solutions based on proprietary production methods. The development of new products and solutions can take a significant amount of time and resource. The Group may face significant competition from organisations which have greater capital resources than it and/or which have a product offering competitive to that of the Group, to the detriment of the Group. The polymer industry contains a number of companies with manufacturing capabilities that are using alternative production approaches and they may outpace the Group. There is no assurance that the Group will be able to compete successfully in the marketplaces in

which it currently operates, or those it wishes to expand into and, should it fail to do so, the business, financial condition and prospects of the Group could be materially and adversely affected.

Prices of raw materials may fluctuate

Prices of raw materials such as plastics, which are used in the manufacture of polymer modifiers, are likely to fluctuate and therefore may have a variable impact on profitability. Inflation is also a significant issue affecting world trade currently and the business of the Group is likely to feel the impacts of this in prices of raw materials and potentially labour in the future. The Directors will monitor the impact that inflation has on the business by looking closely at gross profit margins as well as other key financial indicators.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The Group has developed a proprietary set of polymer modification technologies, which can improve existing products and processing methodologies by enhancing performance, and introduced more than 50 products to the market. The Group is continuing to explore new and exciting areas including biological polymers that could add great value to the Group.

We aim to work responsibly with our stakeholders, including suppliers. The key Board decisions made in the year and post year end are set out below:

Significant events / decisions	Key s172 matter(s) affected	Actions and Consequences
Successful admission to the London Stock Exchange	Shareholders and Business Relationships	The admission to the London Stock Exchange in early January 2022 provided the Group with increased legitimacy and a great platform for increasing shareholder value
Significant investment in capital expenditure as per business model	Suppliers/customers	The increased investment in CAPEX has greatly increased the capacity of the Group to meet large orders and consequently increase revenues.

Consider the likely consequences of any decision in the long term

The Board takes due care in the decision making process regardless of what business unit it may relate to. When assessing the likely consequences of a decision the Directors weigh up both the costs and benefits of any decision as well as the potential impact in the different time horizons with the ultimate goal of maximising shareholder value in the long run.

Act fairly as between members of the Company

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

Maintain a reputation for high standards of business conduct

The Corporate Governance section of this Annual Report at page 18 sets out the Board and Committee structures and Board and Committee meetings held during the year, together with the experience of executive management and the Board and the Company's policies and procedures.

Consider the interest of the Company's employees

The Board strives to create an enjoyable and rewarding environment for all employees. The Board aims to create a workplace where employees can be proactive and look to add value to the Company by going over and above their specific roles. Ideally creating a bond between employees and the Company that leads to loyalty and productivity for all stakeholders.

Foster the Company's relationship with suppliers, customers and others

The Board act in good faith with all suppliers and customers with the aim of developing strong working relationships that will be beneficial to all parties. The strategy involves regular communication with business partners that will hopefully lead to strong working relationships and recurring business.

Consider the impact of the Company's operations on the community and the environment

The Company has increased production in the last calendar year and the Directors are aware of the need to include environmental impact in their considerations. The Directors intend to keep a close eye on the environmental impacts of increasing production in the coming period and will look to minimise any impacts where they can as it will be mutually beneficial to the Group and the environment. Increasing energy efficiency across the Group will be at the forefront of these considerations.

Significant progress was made during Q4 2022 to complete the installation of its new production facilities which will double existing production capacity and add new product lines that are critical to opening new large commercial markets for the Company globally and as a result, installation is expected to be completed shortly. This was a key part of the IPO fund raising to establish Graft Polymer's full production capability and therefore a material position in key customer markets to provide long term, reliable supply of its products to large industry partners.

Post period end, the Company updated shareholders on the status of the new production units installation with the first units of the modernised production equipment, incorporating Hot Ozone/Plasma Modification, Double Conical Vacuum Reactors and Pharma Emulsification Modules technologies, that will expand Graft Polymer's offered solutions to new companies and sectors and improve the production response time and capacities in both divisions.

The benefits of using Hot Ozone/Plasma Modification technologies include the expansion of Graft Polymer's product line with the production of Grafted Fluoropolymers with outstanding chemical and temperature resistance and crucially it is a clean and eco-friendly technique which minimizes waste.

The Slovenian facilities second production line equipment is almost complete with the technical team fully focused on completion of the installation process.

Once fully installed, the Company will double its production capacity, extend its product pipeline and increase the volume of products able to be produced for new sectors. In addition, the improvements made will make the Company's operations more efficient, reducing costs and delivery time to customers.

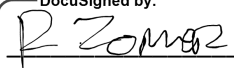
The Company reported that December 2022 saw the Group's strongest month of sales in the year which followed month-on-month sales growth in 2022. The pipeline for 2023 is looking healthy and the Company expects this sales growth trend to continue.

Following the Company's first commercial order from MGC Pharmaceuticals Ltd for 50,000 units of ArtemiC™ Rescue on 18 August 2022 (which uses the Company's GraftBio proprietary drug delivery system), it was announced on the 21 March 2023 that ArtemiC™ Rescue COVID 19 treatment drug was listed as an over-the-counter ('OTC') drug on the US Food and Drug Administration's National Drug Code Database ('NDC'), enabling sales of ArtemiC™ via US-based Pharmacy Benefit Management ('PBM') networks. Although small, this is revenue generating for the Company.

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

Approved by the Board of Directors on 26 April 2023 and is signed on its behalf by:

DocuSigned by:

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Roby Zomer – Non-Executive Chair

Compliance with the QCA Code

As a Group listed on the standard segment of the official list, the Group is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to ensuring that appropriate standards of corporate governance are maintained, so far as is appropriate given the Group's current stage of development, the size and composition of the Main Board and available resources. The Board will aim to comply with the QCA Guidelines on Corporate Governance ("QCA Guidelines").

The QCA Code has ten principles of corporate governance that the Group applies to establish the governance foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the Directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board; and
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Here follows a short explanation of how the Group applies each of the principles, including where applicable an explanation of why there is a deviation from those principles.

Principle One

Business Model and Strategy

The Group is pursuing a sound strategy of developing on proprietary technology to develop a range of products with specific and commercial applications. With its manufacturing hub now almost fully operational in Slovenia the Group is looking to capitalise on its investment in capital expenditure by significantly increase revenue in the 2023 calendar year. The Group is committed to broadening its area and scope of operations as appropriate as long as they comply with the risk parameters set out by the Directors.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. They will be encouraged to attend the AGM and website and investor relations communications will be improved in the coming year.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers, regulators and other stakeholders. The Group has created close ongoing relationships with a broad range

of its stakeholders and will ensure that it provides them with regular opportunities to raise issues and provide feedback to the Group. The Group is committed to delivering lasting benefit to the local communities and environments where we work as well as to our shareholders, employees and contractors. As the Group evolves we anticipate that this aspect of community engagement will evolve further.

Principle Four

Risk Management

The Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Group. It is in the process of establishing a framework of internal financial controls to address financial risk and regularly reviews the non-financial risks to ensure all exposures are adequately managed. The Group maintains appropriate insurance cover in respect of legal actions against the Directors as well as against material loss or claims against the Group. The principal risks and uncertainties are as set out in the Strategic Report.

Principle Five

A Well Functioning Board of Directors

The Board will maintain a balance of executives and non-executive directors. Currently there are 4 executives including the Chairman and 1 non-executive. There are no mandatory hours for directors to be available but all directors are available for any Group business when it may arise.

Further information about the directors can be found in the Key Personnel report on page 7 as well as the company website at www.graftpolymer.com. The Directors met 6 times throughout the year to discuss key issues and to monitor the overall performance of the Company. All Directors attended all meetings during the year.

Principle Six

Appropriate Skills and Experience of the Directors

The Group believes that the Directors have wide ranging experience and that each director brings their own area of expertise whether that be financial, operations or on an executive level. They also have an extensive network of relationships to reach key decision-makers to help achieve their strategy. The Board recognises that it currently has only one female Director and is aware, that as it grows, it will look to recruit and develop a diverse and more gender-balanced executive team.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of

corporate life and seeks to ensure that this flows through everything that the Group does. The Directors are focused on ensuring that the Group maintains an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on this main market and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Issues of bribery and corruption are taken seriously. The Group has a zero-tolerance approach to bribery and corruption and has recently put an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with.

Principle Nine

Maintenance of Governance Structures and Processes

The Group's governance structures are appropriate for a company of its size. The Board also meets regularly and the Directors continuously maintain an informal dialogue between themselves. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while the execution of the Group's investment strategy is a matter reserved for the Chief Executive. The current Governance structure is outlined below:

Audit and Risk Committee

From admission on 6 January 2022 the Company put in place an audit committee comprising two members, being, Roby Zomer and Alex Brooks which will have primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Group's accounting and internal controls.

The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. The audit committee will meet not less than two times a year.

Remuneration Committee

From admission on 6 January 2022 the Company has instituted a remuneration committee comprising two directors, Roby Zomer and Alex Brooks be responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executive Directors and such other members of the executive and the Senior Manager as it is designated to consider. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each year.

Nominations Committee

No nominations committee has been established will all matters to be considered by the Board as a whole.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the LSE's Standard List. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors. Investors also have access to current information on the Group through its website, (www.graftpolymer.com).

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

Impact of operations on the community and environment

Now that the Group is engaged in manufacturing activities it has a significantly increased impact on the environment mainly through its increased energy consumption. The Slovenian manufacturing operation will be looking to increase production throughout the 2023 calendar year and as a result energy consumption will increase.

As the Group is only in the infancy of manufacturing operations the board will be looking closely at where operations can be improved in order to increase efficiency and also decrease environmental footprint. This will become a key item of discussion for the Group as operations increase.

External Auditor

PKF Littlejohn were appointed auditors to the Company and have expressed their willingness to remain in office. The Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

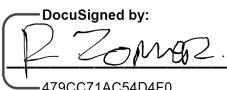
Shareholder Communications

The Company uses a regulatory news service and its corporate website (www.graftpolymer.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Financial Statements. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

On behalf of the board

Approved on behalf of the Board of Directors by:

DocuSigned by:

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Roby Zomer – Non-Executive Chair

From admission to the LSE the Company implemented a remuneration committee that meets when necessary but at least twice a year. The Remuneration Committee comprises Roby Zomer and Independent Non-Executive Director Alex Brooks. The Remuneration Committee will be responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executive Directors and such other members of the executive and the Senior Manager as it is designated to consider. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

Remuneration Policy

The remuneration policy of the Company is that each director enter into a service agreement with the Group on a salary per annum, with Roby Zomer, Victor Bolduev and Pavel Kobzev also earning a salary under Graft Polymer d.o.o.. It is the responsibility of the remuneration committee to assess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy will assist to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Directors strengthens the link between their personal interests and those of shareholders.

The current Directors' remuneration comprises a basic fee, there was no bonus or long-term incentive plan in operation for Directors however payment of bonuses is as the discretion of the Board. This was the case in the period as a bonus was paid to reward the Directors for the successful completion of the IPO process.

On admission to the LSE, the directors were granted options over Ordinary Shares pursuant to a Share Option Scheme, of which are detailed below and can be further reference in Note 21:

Director	Number of Ordinary Share under option	Weighted Average Exercise Price per Ordinary Share
		£
Roby Zomer	1,700,000	£0.001
Victor Bolduev	2,200,000	£0.001
Pavel Kobzev	1,600,000	£0.001
Alex Brooks	1,000,000	£0.001
Yifat Steuer	1,673,611	£0.001

One third of the options will vest on satisfaction of the first milestone and two thirds will vest on the satisfaction of the second milestone. The milestones are as follows:

- first milestone*:
 - o go off the Issue Price based on a 15-day volume weighted average price in the period 12 months from the date of Admission; and
 - o the generation by the Group of revenue in a twelve-month period of EURO1,000,000 or more.
- second milestone:
 - o the Company's share price reaching appreciation of 150 per cent. based on a 15-day volume weighted average price in the period 24 months from Admission; and
 - o the generation by the Group of revenue in a twelve-month period of EURO5,000,000 or more.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
REMUNERATION REPORT

**The vesting conditions applicable to milestone one have not been satisfied and hence the options have lapsed*

Directors' emoluments and compensation (audited)

Particulars of directors' remuneration, including directors' shares which, under the Companies Act 2006 are required to be audited, are given in Notes 5 and 7 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the period ended 31 December 2022 was:

Director	Base salary £'000	Bonus £'000	Pension £'000	Service fees £'000	Options* £'000	Total £'000
Roby Zomer	41	1	-	-	110	152
Victor Bolduev	52	85	-	143	143	423
Pavel Kobzev	51	1	-	77	104	233
Alex Brooks	33	3	-	-	65	101
Yifat Steuer	142	13	1	-	97	253
	319	103	1	220	519	1,162

**Monetary value of options at issue date – Note 21*

Remuneration paid to the Directors' during the period ended 31 December 2021 was:

Director	Base salary £'000	Pension contribution £'000	Share based payments £'000	Total £'000
Roby Zomer	17	-	-	17
Victor Bolduev	71	-	-	71
Pavel Kobzev	32	-	-	32
Alex Brooks	1	-	-	1
Yifat Steuer	5	-	-	5
Anthony Eastman*	21	-	-	21
Tim Wise	7	-	-	7
	154	-	-	154

**Anthony Eastman resigned in previous period on 21 December 2021*

Pension contributions

The Company currently only pays a pension for Yifat Steuer as per the table above.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Payments to past directors

In the period the Company has made payments to Anthony Eastman a past director who resigned on 21 December 2021. These payments relate to the provision of company secretarial services and do not relate to his previous responsibilities as a director.

Payments for loss of office (audited)

No payments were made for loss of office during the year.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed for just under 12 months and is not paying dividends and is currently incurring losses. During the year ended 31 December 2022 it has been focused on investing in capital infrastructure with the look to significantly increase revenue in the 2023 financial year. In addition, and as mentioned above, the remuneration of Directors was not linked to performance, and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table. The Directors do not currently consider that including these tables would be meaningful given that the Directors were remunerated for their services however it is not material to be presented under a table. The Directors will review the inclusion of this table for future reports.

Percentage change in remuneration of director undertaking the role of chief executive officer

The percentage increase in total remuneration of Chief Executive Officer Victor Boludev is 501%. This figure is not necessarily representative of a regular increase in CEO salary as the Company has gone through significant change in the last year including listing on the London Stock Exchange and effectively beginning operations.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

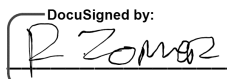
UK Directors' shares (audited)

The interests of the Directors who served during the year in the share capital of the Company at 31 December 2022 and at the date of this report has been set out in the Directors' Report on page 9.

Other matters

The Company does not currently have any other annual or long-term incentive schemes in place for any of the Directors other than those issued subsequent to period end and detailed above and as such there are no further disclosures in this respect.

Approved on behalf of the Board of Directors by:

DocuSigned by:

479CC71AC54D4F0...
Roby Zomer – Non-Executive Chair

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

Opinion

We have audited the financial statements of Graft Polymer (UK) Plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cashflows, the Consolidated and Parent Company Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2022 and of the group’s loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that further funding will be required within the 12 months following the date of approval of the financial statements in order to meet working capital needs. This is due to the uncertainty associated with future revenue and the Group’s reliance on generating funds from the market. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:

- Reviewing cash flow forecasts for the period to December 2024 and challenging management on the key operating assumptions based on 2022 actual results;
- Testing the integrity of the forecast model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions with reference to empirical data;
- Comparing budgets to actual figures achieved to assess the reliability of management’s forecasts; and
- Evaluating management’s sensitivity analysis and performing our own sensitivity analysis in respect of the key assumptions underpinning the forecasts.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was set at £134,000 (2021: £42,600), with performance materiality set at £93,000 (2021: £29,820).

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

Materiality has been calculated as 7.5% of the benchmark of loss for the period, which we have determined, in our professional judgement, to be the principal benchmark within the financial statements relevant to shareholders of the group in assessing financial performance to the stage at which the Group is in its lifecycle. A benchmark of 70% performance materiality was applied during our audit of the group as we believed this would give sufficient coverage of significant and residual risks within the financial statements.

The materiality applied to the parent company financial statements was £107,000 (2021: £27,300). The performance materiality was £74,000 (2021: £19,110). Materiality has been calculated as 7.5% of the benchmark of loss for the period

For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality. We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £6,000 at group level and above £5,000 at parent company level.

We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatements.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the parent company. We looked at areas requiring the directors to make subjective judgements, for example in respect of the Valuation of intangible assets (identified as a key audit matter), the carrying value of investments and intragroup balances at parent company level (identified as a key audit matter), share based payments, selection of accounting policies, compliance with accounting policies and disclosure in accordance with UK-adopted international accounting standards, the Companies Act 2006, the Disclosure & Transparency Rules, the Listing Rules and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud. The parent company's key accounting function is based in the United Kingdom and our audit was performed by our team in London with specific experience of auditing publicly listed entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying Value of Intangible Assets (refer to note 11) The Consolidated and Parent Company Statements of Financial Position as at 31 December 2022 include intangible assets with a carrying value of £2.1m in respect of capitalised costs relating to “process technology and know-how” under IAS 38 <i>Intangible Assets</i>. Intangible assets with indefinite useful lives are tested annually for impairment and whenever there is an indication of impairment. An impairment review requires management estimation and judgement in determining the future cash flows. For this reason, as well as the financial significance of the account balance, we have assessed this to be a key audit matter with the key risk surrounding the valuation of the asset.	Our work in this area included: - Ensuring the reasonableness of the valuation of intangible assets; - Obtaining and reviewing the impairment assessment prepared by management; - Challenging the key assumptions used in the model by testing to supporting evidence; and - Reviewing the disclosures in the financial statements to ensure that they are in line with the requirements of IAS 38. We found the judgements used by directors in their impairment assessment were reasonable and no impairment indicators were noted from our review.
Carrying value of investments and intragroup balances (parent company only)	Our work in this area included:

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

(refer to notes 15 and 28) Investments in subsidiaries and intragroup loans are significant assets in the parent company's financial statements. The parent company currently has outstanding receivables due of £1.7m from its 100% owned subsidiaries. Further the value of investments in subsidiaries is £1.3m at 31 December 2022. Given the continuing losses in the subsidiaries, there is a risk that the investment and receivable balances are to be impaired due to uncertainty over their recoverability. We consider this to be a Key Audit Matter given the significant judgements that are made within the impairment assessment carried out by management.	• Confirming the ownership of investments. • Obtaining management's impairment assessment and reviewing and challenging key assumptions; • Considering the recoverability of investments and intragroup loans by reference to underlying net asset values and future income streams of the subsidiaries; and • Ensuring disclosures made in the financial statements in relation to critical accounting judgements are adequate. Based on the audit work performed, the carrying values of investments and intragroup balances are reasonable.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and industry research.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, Listing Rules, Disclosure and Transparency Rules, Bribery Act 2010, Anti Money Laundering Regulations and local laws and regulations in Slovenia where company's subsidiary is based.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Enquiries of management;
 - Review of board minutes;
 - Review of RNS publications; and
 - Review of legal expenses incurred in the period.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias existed in relation to the carrying value of intangible assets, the carrying value of investments and intragroup balances (parent company) and share based payments. We addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

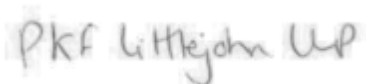
We were appointed by Board of Directors on 16 May 2022 to audit the financial statements for the period ending 31 December 2021 and subsequent financial periods. Our total uninterrupted period of engagement is two years, covering the period ending 31 December 2021 and 31 December 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

26 April 2023

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

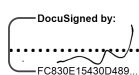
		Year ended 31 Dec 2022	7 months to 31 Dec 2021
	Note	£'000	£'000
Continuing operations			
Revenue	4	542	219
Cost of sales		(242)	(118)
Gross profit		300	101
Other revenue		17	1
Operational costs	5	(238)	(100)
Depreciation and amortisation	5	(113)	(48)
Administrative expenses	5	(2,667)	(900)
Operating loss		(2,701)	(946)
Finance costs	8	(4)	(8)
Loss before taxation		(2,705)	(954)
Income tax	9	-	-
Loss for the year from continuing operations		(2,705)	(954)
Total loss for the year attributable to equity holders of the parent			
Other comprehensive income		(4)	19
Total comprehensive loss for the year attributable to equity holders of the parent		(2,709)	(935)
 Earnings per share (basic and diluted) - pence	 10	 (2.61)	 (1.36)

The accompanying notes on pages 37 to 61 form part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Non-current assets			
Property, plant and equipment	13	674	310
Right of use assets	12	27	-
Intangible assets	11	2,068	2,068
Other non-current assets		13	12
Total non-current assets		2,782	2,390
Current assets			
Cash and cash equivalents	17	1,640	598
Trade and other receivables	16	330	142
Inventory	14	187	-
Total current assets		2,157	740
TOTAL ASSETS		4,939	3,130
Non-Current liabilities			
Lease liability	12	18	-
Total non-current liabilities		18	-
Current liabilities			
Trade and other payables	18	322	1,360
Deferred income		41	-
Lease liability	12	4	-
Borrowings	19	-	958
Total current liabilities		367	2,318
Total liabilities		385	2,318
NET ASSETS		4,554	812
Equity			
Issued share capital	20	41	7
Share premium	20	7,001	942
Shares to be issued		-	500
Capital reduction reserve		2,500	2,500
Foreign exchange reserve		(1)	3
Share based payments reserve	21	858	-
Retained earnings		(5,845)	(3,140)
TOTAL EQUITY		4,554	812

The financial statements were approved by the board on 26 April 2023:

DocuSigned by:
 Chief Financial Officer - Yifat Steuer
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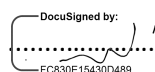
The accompanying notes on pages 37 to 61 form part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Non-current assets			
Intangible assets	11	2,068	2,068
Investments	15	1,304	1,304
Intercompany receivable	28	1,714	302
Total non-current assets		5,086	3,674
Current assets			
Cash and cash equivalents	17	1,548	545
Trade and other receivables	16	45	112
Total current assets		1,593	657
TOTAL ASSETS		6,679	4,331
Non-Current liabilities			
Intercompany payable		29	29
Total non-current liabilities		29	29
Current liabilities			
Borrowings	19	-	958
Trade and other payables	18	148	918
Total current liabilities		148	1,876
Total liabilities		177	1,905
NET ASSETS		6,502	2,426
Equity			
Issued share capital	20	41	7
Share premium	20	7,001	942
Shares to be issued		-	500
Capital reduction reserve		2,500	2,500
Foreign exchange reserve		-	(3)
Share based payments reserve	21	858	-
Retained earnings		(3,898)	(1,520)
TOTAL EQUITY		6,502	2,426

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The Company loss for the year was £2,377,737 (2021: loss of £669,233).

The financial statements were approved by the board on 26 April 2023:

DocuSigned by:
 Chief Financial Officer - Yifat Steuer

The accompanying notes on pages 37 to 61 form part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022

		Year ended 31 December 2022	7 months ended 31 December 2021
	Note	£'000	£'000
Cash flow from operating activities			
Loss for the financial year		(2,705)	(954)
<i>Adjustments for:</i>			
Share based payments		858	-
Depreciation on fixed assets		108	46
Finance expenses		4	8
Foreign exchange movements		10	-
Amortization of right-of-use assets		5	-
<i>Changes in working capital:</i>			
Decrease / (increase) in trade and other receivables		43	(56)
Increase / (decrease) in trade and other payables		(496)	702
Increase in inventories		(187)	-
Net cash outflow from operating activities		(2,360)	(254)
Cash flows from investing activities			
Purchase of property, plant and equipment		(718)	(1)
Net cash outflow from investing activities		(718)	(1)
Cash flows from financing activities			
Proceeds from Issue of Shares		4,475	500
Share Issue Costs		(340)	-
Net proceeds from borrowings		-	300
Net cash inflow from financing activities		4,135	800
Net increase in cash and cash equivalents		1,057	545
Cash and cash equivalents at beginning of the period		598	39
Foreign exchange effect on cash balance		(15)	14
Cash and cash equivalents at end of the year	17	1,640	598

During the period there were the following material non-cash transactions:

- £957,884 of convertible loan notes were converted to share capital on 10 January 2022

The accompanying notes on pages 37 to 61 form part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Year ended 31 December 2022 £'000	7 months ended 31 December 2021 £'000
Cash flow from operating activities			
Loss for the financial year		(2,378)	(669)
<i>Adjustments for:</i>			
Share based payment reserves		858	-
Finance expenses		-	8
Foreign exchange movements		16	(20)
<i>Changes in working capital:</i>			
Decrease / (increase) in trade and other receivables		81	(90)
Increase / (decrease) in trade and other payables		(271)	668
Net cash outflow from operating activities		(1,694)	(103)
Cash flows from investing activities			
Net loans to subsidiary companies		(1,432)	(162)
Net cash flow from investing activities		(1,432)	(162)
Cash flows from financing activities			
Proceeds from Issue of Shares		4,475	500
Share Issue Costs		(340)	-
Net proceeds from borrowings		-	300
Net cash flow from financing activities		4,135	800
Net increase in cash and cash equivalents		1,009	535
Cash and cash equivalents at beginning of the period		545	10
Foreign exchange effect on cash balance		(6)	-
Cash and cash equivalents at end of the year	17	1,548	545

During the period there were the following material non-cash transactions:

- £957,884 of convertible loan notes were converted to share capital on 10 January 2022

The accompanying notes on pages 37 to 61 form part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital	Shares to be issued	Share premium	Capital reduction reserve	SBP reserve	Foreign exchange Reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 May 2021	7	-	942	2,500	-	(16)	(2,186)	1,247
Loss for period	-	-	-	-	-	-	(954)	(954)
Other comprehensive income	-	-	-	-	-	19	-	19
Total comprehensive loss for period	-	-	-	-	-	19	(954)	(935)
Transactions with owners in own capacity								
Shares to be issued	-	500	-	-	-	-	-	500
Transactions with owners in own capacity	-	500	-	-	-	-	-	500
Balance at 31 December 2021	7	500	942	2,500	-	3	(3,140)	812
Loss for period	-	-	-	-	-	-	(2,705)	(2,705)
Other comprehensive income	-	-	-	-	-	(4)	-	(4)
Total comprehensive loss for year	-	-	-	-	-	(4)	(2,705)	(2,709)
Transactions with owners in own capacity								
Ordinary Shares issued in the period	34	(500)	6,399	-	-	-	-	5,933
Advisor warrants issued	-	-	-	-	143	-	-	143
Employee options issued	-	-	-	-	715	-	-	715
Share Issue Costs	-	-	(340)	-	-	-	-	(340)
Transactions with owners in own capacity	34	(500)	6,059	-	858	-	-	6,451
Balance at 31 December 2022	41	-	7,001	2,500	858	(1)	(5,845)	4,554

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital	Shares to be issued	Share premium	Capital reduction reserve	SBP reserve	Foreign exchange Reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 May 2021	7	-	942	2,500	-	(3)	(851)	2,595
Loss for period	-	-	-	-	-	-	(669)	(669)
Total comprehensive income for period	-	-	-	-	-	-	(669)	(669)
Transactions with owners in own capacity								
Shares to be issued	-	500	-	-	-	-	-	500
Transactions with owners in own capacity	-	500	-	-	-	-	-	500
Balance at 31 December 2021	7	500	942	2,500	-	(3)	(1,520)	2,426
Loss for period	-	-	-	-	-	-	(2,378)	(2,378)
Other comprehensive income	-	-	-	-	-	3	-	3
Total comprehensive loss for year	-	-	-	-	-	3	(2,378)	(2,375)
Transactions with owners in own capacity								
Ordinary Shares issued in the period	34	(500)	6,399	-	-	-	-	5,933
Advisor warrants issued	-	-	-	-	143	-	-	143
Employee options issued	-	-	-	-	715	-	-	715
Share Issue Costs	-	-	(340)	-	-	-	-	(340)
Transactions with owners in own capacity	34	(500)	6,059	-	858	-	-	6,451
Balance at 31 December 2022	41	-	7,001	2,500	858	-	(3,898)	6,502

1 GENERAL INFORMATION

Graft Polymer (UK) Plc (“the Company” or “GPUK”) was incorporated in England and Wales as a limited company on 18 May 2017 as Graft Polymer (UK) Limited and was re-registered as a public limited company on 1 July 2021. The Company is domiciled in England and Wales with its registered office at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF. The Company’s registered number is 10776788.

The Group successfully completed an IPO and admission to the standard segment of the London Stock Exchange on 6 January 2022.

The principal activities of the Company and all of its subsidiaries collectively referred to as “the Group” are the research, development and polymer modification technologies and polymer modification techniques.

The consolidated financial statements were approved for issue by the Board of Directors on 25 April 2023.

2 ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The financial Statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the Companies Act 2006.

The financial statement have been prepared under the historical cost convention unless stated otherwise. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements have been prepared in £GBP and presented to the nearest £’000.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company is Pounds Sterling (£) as this is the currency that finance was raised in.

The functional currency of the operating subsidiary in Slovenia is the Euro (€) as this is the currency that mainly influences labour, material and other costs of providing services. The presentational currency of the Group is Pounds Sterling (£). Foreign operations are translated in accordance with the policies set out below.

The Group presents its financial statements for the year ended 31 December 2022 and presents comparatives for the 7 month period ending 31 December 2021.

2.2 New standards, amendments and interpretations

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

Standard	Impact on initial application	Effective date
Annual Improvements	2018-2020 Cycle	1 January 2023
IAS 1	Classification of liabilities Current	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 12	Deferred tax arising from a single transaction	1 January 2023

The effect of these amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

The Directors have evaluated the impact that these amendments would have on the financial statements and concluded that the impact is negligible.

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

The Directors, having made due and careful enquiry, and are of the opinion that the Company and the newly formed Group have adequate working capital to execute its operations over the next 12 months. They have based this opinion primarily on the promising revenue trends and predictions seen in the 2022 financial year combined with realistic revenue goals for 2023. However given the uncertainty associated with future revenue and Group's reliance on generating funds from the market the auditors have made reference to going concern by way of a material uncertainty within their audit report.

Taking these matters into consideration, the Directors consider that the continued adoption of the going concern basis is appropriate having reviewed the forecasts for the coming 18 months and the financial statements do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2.5 Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements is presented in £ Sterling, which is the Company's presentation and functional currency. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation is recognised in other comprehensive income (loss).

ii. Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at balance date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

iii. Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

2.7 Impairment of non-financial assets

Non-financial assets and intangible assets not subject to amortisation are tested annually for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment review is based on forecasted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal is less than the carrying amount of the assets, an impairment loss is recognised in profit or loss and not subsequently reversed.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units or 'CGUs').

2.8 Inventory

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions and bank overdrafts.

2.10 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

d) Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified

approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 Leases

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss.

2.12 Convertible loan notes, borrowings and borrowing costs

Convertible loan notes classified as financial liabilities and borrowings are recognised initially at fair value, net of transaction costs. After initial recognition, loans are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the loan to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability or at least 12 months after the end of the reporting period.

2.13 Equity

Share capital is determined using the nominal value of shares that have been issued.

Share to be issued relates to monies received in advance ahead of the issue of shares that was completed post period end following the admission to the London Stock Exchange. Upon the issue of these shares this reserve will be split between share capital and share premium reserves.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

For the purposes of presenting consolidated financial statements, the assets and liabilities of group's foreign operations are translated at the exchange rates prevailing at the balance sheet date and items of income and expenditure are translated at the average exchange rate for the period. Exchange differences arising are recognised in other comprehensive income and accumulated in the Foreign Currency Reserve within equity.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

The foreign exchange reserve policy is set out in note 2.5.

Capital reduction reserve represents funds sent from the parent company to subsidiary that on the approval of Directors was reclassified from a loan in the subsidiary to an investment.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.14 Share based payments

The Group has made awards of warrants and options on its unissued share capital to certain parties in return for services provided to the Group. The valuation of these warrants involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model and the Monte Carlo valuation model to derive a value for any share-based payments. These assumptions are described in more detail in note 21.

2.15 Earnings per share

The Group presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

2.16 Revenue

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:

- Step 1: Identity the contract(s) with a customer;
- Step 2: Identity the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales of goods are recognised when the control of the goods is transferred to the buyer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Control is considered to have transferred generally on despatch as most items are sold on a cost includes freight basis; or on delivery where Delivered Duty Paid (“DDP”) Incoterms are used. The normal credit terms are 30 to 60 days upon delivery. Invoices that are issued before the transfer of control has occurred are allocated as deferred income and then recognised as revenue when the performance obligation has been satisfied.

The Group also derives revenue from the rendering of services, whereby revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;

- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

In arrangements where fees are invoiced ahead of revenue being recognized, deferred income is recorded.

2.17 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

2.18 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When the Company acquires any plant and equipment it is stated in the accounts at its cost of acquisition less a provision.

Depreciation is charged to write off the costs less estimated residual value of plant and equipment on a straight basis over their estimated useful lives being:

- Plant and equipment: 5 – 7 years
- Buildings and leasehold improvements: 20 years

Estimated useful lives and residual values are reviewed each year and amended as required.

2.19 Intangible assets

Intangible assets acquired are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. The gains and losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Intangible asset impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

2.20 Investments in Subsidiaries

Investments in Group undertakings are stated at cost.

2.21 Financial liabilities

Other financial liabilities are initially recognised at fair values less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

2.22 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make estimates and judgements and form assumptions that affects the reported amounts of the assets, liabilities, revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial information. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable.

Know-how as an intangible asset (note 11)

The estimates and assumptions in relation to the carrying value of the know-how intangible assets are considered to have the most significant effect on the carrying amounts of the financial statements. Management have made a judgement in respect of the carrying value of the knowhow that was acquired as part of the acquisition of the subsidiary, using a 24 month 3-way forecast ending at December 2024. In the current period these intangible assets were not impaired.

Recoverability of the investment in subsidiary and intercompany receivable (note 15)

As at 31 December 2022 the carrying value of the Company's investment in its subsidiary Graft Polymer d.o.o. was £1,304k and net loans to subsidiaries are £1,685k. The recoverable value of this investment is not considered to be less than it is carrying value as at 31 December 2022 and therefore no impairment has been recognised. The Directors have made this assessment through reviewing forecasts, other available financial information available and developments during the period and post period-end. The key inputs within the forecast include revenue growth, gross profit margins and overheads. The directors can now also take a greater level of assurance from the fact that the majority of capital expenditure has been incurred giving customers and management greater certainty over placing orders.

Valuation of share based payments (note 21)

The Group issues options and warrants to its employees, directors, investors and advisors. These are valued in accordance with IFRS 2 "Share-based payments". In calculating the related charge on issuing shares and warrants the Group will use a variety of estimates and judgements in respect of inputs used including share price volatility, risk free rate, and expected life. Changes to these inputs may impact the related charge.

In the period the Group has utilised both the Black Scholes and Monte Carlo methods of valuation. In respect of employee options with different vesting conditions the Directors have applied a probability percentage against the value of the options. Specifically the Directors have concluded that there is a 75% probability that the Group will satisfy the revenue targets detailed in Note 21.

3. SEGMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the year ended 31 December 2022 the Group operated in the single business segment of polymer development and production.

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4. REVENUE

	Year ended 31 Dec 2022 £'000	7 mths to 31 Dec 2021 £'000
Product Sales Revenue		
Slovenia	41	-
Europe	415	131
Rest of the world	-	50
	456	181
Services Sales Revenue		
Slovenia	86	9
Europe	-	29
	86	38
Total Sales Revenue	542	219

5. OPERATING COSTS AND ADMINISTRATIVE EXPENDITURE

	Year ended 31 Dec 2022 £'000	7 mths to 31 Dec 2021 £'000
Operating costs		
Depreciation	(113)	(46)
Operating costs	(238)	(102)
	(351)	(148)
Administrative costs		
Directors remuneration	(1,162)	(154)
Salary and wages	(111)	(52)
Professional and consulting fees	(703)	(656)
Travel expenses	(6)	(2)
Foreign exchange	(10)	-
Other expenses	(336)	(36)
Share based payments*	(339)	-
	(2,667)	(900)

**£519,000 of share based payments are shown in directors remuneration to reconcile to the remuneration report on page 23*

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6. AUDITORS REMUNERATION

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Fees payable to the Group's auditor for the audit of parent company and consolidated financial statements	(46)	(37)
Reporting accountant services for IPO	-	(90)
	(46)	(127)

7. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Directors' remuneration and employee costs for the Group are set out below and as per Directors Remuneration report beginning on page 22:

	Year ended 31 Dec 2022 £'000	7 mths to 31 Dec 2021 £'000
Directors salaries	319	154
Directors bonus	103	-
Directors pension	1	-
Directors fees	220	-
Share based payments	519	-
Employee costs	111	52
	1,273	206

On average, excluding non-executive directors, the Group employed 6 technical staff members (31 December 2021: 6) and 3 administration staff members (31 December 2021: 3).

On average, excluding non-executive directors, the Company employed 1 technical staff member (31 December 2021: 2) and 1 administration staff member (31 December 2021: 2).

The highest paid director received remuneration of £454k (31 December 2021: £71k).

8. FINANCE COSTS

	Year ended 31 Dec 2022 £'000	7 months ended 31 Dec 2021 £'000
Finance charge on leased assets	(4)	(8)
Finance costs – net	(4)	(8)

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9. TAXATION

No liability to income taxes arise in the period.

The current tax for the year differs from the loss before tax at a standard rate of corporation tax in the UK.

The differences are explained below:

	Year ended 31 Dec 2022 £'000	7 months ended 31 Dec 2021 £'000
The charge for year is made up as follows:		
Corporation tax on the results for the year/period	-	-
A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per the financial statements	(2,705)	(954)
Tax credit at the weighted average of the standard rate of corporation tax in Slovenia of 19% and UK of 19% - being 19% (31 Dec 2021: 19%)	(514)	(181)
Non-deductible expenses	163	9
Current year losses for which no deferred tax asset is recognised	(351)	(172)
Income tax charge for the year/period	-	-

Deferred tax assets carried forward have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered. The accumulated tax losses are estimated to amount to £4,229k (31 Dec 2021: £1,524k) and the carried forward deferred tax asset is estimated to amount to £803k. No deferred tax assets in respect of tax losses have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

On 15 March 2023 it was announced that from 1 April 2023 the UK corporation tax rate would increase from 19% to 25% for profits over £250,000. Profits made under the £250,000 threshold will continue to be taxed at a rate of 19%. The Company will continue to calculate the effective tax rate at 19%.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 Dec 2022	Period ended 31 Dec 2021
Loss for the year/period from continuing operations – £'000	(2,705)	(954)
Weighted number of ordinary shares in issue	103,589,479	70,000,000
Basic earnings per share from continuing operations – pence	(2.61)	(1.36)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included

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in the calculation of diluted earnings per share as they are anti-dilutive for the year presented. See note 21 for further details.

11. INTANGIBLE ASSETS

Group and Company

	31 Dec 2022 £'000	31 Dec 2021 £'000
Opening balance	2,068	2,068
Additions	-	-
	2,068	2,068

The additions in 2018 relates to the issue of 22,500,000 shares to founding director Victor Bolduev on the acquisition of his Know-how. At each period end, the Directors assess the intangible assets for any indicators of impairment and have concluded no presence of such indicators and based on the 24 month cashflow forecast and there being no presence of any impairment indicators the Directors have concluded that no impairment charge was necessary during the period.

12. LEASES

Group

	31 Dec 2022 £'000	31 Dec 2021 £'000
<i>Right-of-use assets</i>		
Motor vehicles	27	-
	27	-
<i>Lease liabilities</i>		
Current	4	-
Non-current	18	-
	22	-

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Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

	31 Dec 2022 £'000	31 Dec 2021 £'000
<i>Motor vehicles</i>		
Opening balance	-	-
Additions	32	-
Depreciation	(5)	-
	27	-

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	31 Dec 2022 £'000	31 Dec 2021 £'000
Opening balance	-	-
Additions	28	-
Finance charge	2	-
Repayments	(8)	-
	22	-

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements £'000	Plant & Equipment £'000	Total £'000
Cost			
At 31 May 2021	-	550	550
Additions	-	1	1
Exchange impact	-	(14)	(14)
At 31 December 2021	-	537	537
Additions	85	352	437
Exchange impact	4	48	52
At 31 December 2022	89	937	1,026

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Depreciation

At 31 May 2021	-	(186)	(186)
Charge for the period	-	(46)	(46)
Exchange impact	-	5	5
At 31 December 2021	-	(227)	(227)
Charge for the year	(27)	(81)	(108)
Exchange impact	(2)	(15)	(17)
At 31 December 2022	(29)	(323)	(352)
Net book value at 31 December 2021	-	310	310
Net book value at 31 December 2022	60	614	674

14. INVENTORY

GROUP	31 Dec 2022 £'000	31 Dec 2021 £'000
Raw materials	123	-
WIP	-	-
Finished goods	64	-
	187	-

A £nil amount of inventory was expensed during the period.

15. INVESTMENTS

COMPANY	31 Dec 2022 £'000	31 Dec 2021 £'000
Investment in Graft Polymer d.o.o	1,304	1,304
	1,304	1,304

**Immaterial investment in GraftBio Limited of £1*

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Company subsidiary undertakings

The Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Business Activity	Country of Incorporation	Registered Address	Percentage Holding
Graft Polymer d.o.o.	Polymer development and production	Slovenia	Emonska Cesta 8, 1000, Ljubljana, Slovenia	100%
Graft Polymer IP Limited	Intellectual property	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%
GRAFTBIO Limited	Bio-Polymer development and production	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%

16. TRADE AND OTHER RECEIVABLES

GROUP	31 Dec 2022 £'000	31 Dec 2021 £'000
Trade receivables	35	20
Other taxes and social security	55	99
Prepayments	232	-
Other receivables	8	23
	330	142

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 Dec 2022 £'000	31 Dec 2021 £'000
UK Pounds	45	112
Euros	285	30
	330	142

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COMPANY	31 Dec 2022 £'000	31 Dec 2021 £'000
Other taxes and social security	21	88
Other receivables	24	24
	<u>45</u>	<u>112</u>

As at 31 December 2022 all trade and other receivables were fully performing and hence no provision has been processed. Trade receivables have the following aging:

	31 Dec 2022 £'000	31 Dec 2021 £'000
Current	39	20
1 – 3 months	-	-
3 – 6 months	-	-
> 6 months	6	-
	<u>45</u>	<u>20</u>

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short term deposits held with banks with a A-1+ rating. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

GROUP	31 Dec 2022 £'000	31 Dec 2021 £'000
Cash and cash equivalents	1,640	598
	<u>1,640</u>	<u>598</u>

COMPANY	31 Dec 2022 £'000	31 Dec 2021 £'000
Cash and cash equivalents	1,548	545
	<u>1,548</u>	<u>545</u>

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18. TRADE AND OTHER PAYABLES

GROUP	31 Dec 2022 £'000	31 Dec 2021 £'000
Trade payables	185	841
Accruals	114	480
VAT payable	23	39
	<u>322</u>	<u>1,360</u>
COMPANY	31 Dec 2022 £'000	31 Dec 2021 £'000
Trade payables	34	479
Accruals	114	439
	<u>148</u>	<u>918</u>

19. BORROWINGS

	31 Dec 2022 £'000	31 Dec 2021 £'000
Convertible note borrowings	-	950
Convertible note accrued interest	-	8
	<u>-</u>	<u>958</u>
	31 Dec 2022 £'000	31 Dec 2021 £'000
Opening balance	958	653
Convertible loans issued	-	300
Exchange impact	-	(3)
Interest accrued	-	8
Loans converted equity	(958)	-
Closing balance	<u>-</u>	<u>958</u>

On admission to the London Stock Exchange on 6 January 2022, 3 separate tranches of convertible loan notes were converted to equity as per below:

- a) Tranche A: converted to 5,155,150 ordinary shares issued at £0.085
- b) Tranche B: converted to 1,145,349 ordinary shares issued at £0.172
- c) Tranche C:
 - a. converted to 872,092 ordinary shares issued at £0.172
 - b. converted to 775,194 ordinary shares issued at £0.172

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20. SHARE CAPITAL

	31 Dec 2022 £'000	31 Dec 2021 £'000
Issued and fully paid ordinary shares with a nominal value of 0.1p (31 Dec 2021: 0.1p)		
Number of shares	104,097,299	70,000,000
Nominal value (£'000)	41	7

Change in issued Share Capital and Share Premium:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary shares				
Balance at 31 December 2021	70,000,000	7	942	1,449
Shares issued on IPO ¹	23,255,813	23	4,977	5,000
Shares issued on conversion of convertible ² loan notes	5,155,150	5	433	438
Shares issued on conversion of convertible ³ loan notes	2,792,635	3	494	497
Shares issued in lieu of services rendered ⁴	2,893,701	3	495	498
Share issue costs	-	-	(340)	(340)
Balance at 31 December 2021	70,000,000	7	942	1,449
Balance at 31 December 2022	104,097,229	41	7,001	7,042

¹ As part of the IPO a placement of 23,255,813 shares was issued at a placement price of £0.215

² On admission to the LSE £438,188 of convertible loan notes were converted to equity resulting in the issue of 5,115,150 ordinary shares at £0.085.

³ On admission to the LSE £497,000 of convertible loan notes were converted to equity resulting in the issue of 2,792,635 ordinary shares at £0.172.

⁴ On 6 January the Company issued 2,893,701 ordinary shares at £0.172 in respect of services provided.

The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

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21. SHARE BASED PAYMENTS RESERVE

	31 Dec 2022 £'000	31 Dec 2021 £'000
Advisor warrants issued ¹	143	-
Employee options issued ²	715	-
	858	-

¹On 6 January 2022, 1,255,814 warrants were issued to advisors and have been fair valued in accordance with IFRS 2 at the fair value of the services received. The warrants have an exercise price of £0.215 and a time to expiry of 3 years from grant.

¹On 6 January 2022, 775,194 warrants were issued to advisors and have been fair valued in accordance with IFRS 2 at the fair value of the services received. The warrants have an exercise price of £0.215 and a time to expiry of 2 years from grant.

²On 6 January 2022, 11,173,611 employee options were granted to a number of employees within the Group. These options have different vesting conditions based on performance milestones that can be viewed below.

Share based payments valuation

The following tables summarise the valuation techniques and inputs used to calculate the values of share based payments in the period:

Warrants

Grant date	Number	Share price £	Exercise price £	Volatility %	RF Rate %	Technique
06/01/2022	1,255,814	0.215	0.215	47.7	1.75	Black Scholes
06/01/2022	775,194	0.215	0.215	47.7	1.75	Black Scholes

Options

Grant date	Number	Share price £	Volatility %	RF Rate %	Technique
06/01/2022	11,173,611	0.215	47.7	1.75	Monte Carlo

As at 31 December 2022

	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2022	-	-
Granted in period	22p	2,031,008
Vested in period	22p	2,031,008
Outstanding at 31 December 2022	22p	2,031,008
Exercisable at 31 December 2022	22p	2,031,008

The weighted average time to expiry of the warrants as at 31 December 2022 is 1.64 years.

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Options

On 6 January 2022 11,173,611 employee options were granted. The option vesting details are listed below:

Vesting Event	Trigger for Vesting	Number of options vested on date of vesting
1	- Company's share price reaching appreciation of 125% of the issue price based on a 15 day volume weighted average price in the 12 months from admissions and; - Group revenue exceeding 1m Euro in a 12 month period	One third of the total options issued
2	- Company's share price reaching appreciation of 150% of the issue price based on a 15 day volume weighted average price in the 24 months from admissions and; - Group revenue exceeding 5m Euro in a 12 month period*	Two thirds of the total options issued

*The Directors have assessed that there is the following probabilities of each revenue milestone being satisfied:

- 1) Group revenue exceeding €1 million in any 12 month period within the 10 year option life: 75%
- 2) Group revenue exceeding €5 million in any 24 month period within the 10 year option life: 75%

As at 31 December 2022

	Weighted average exercise price	Number of options
Brought forward at 1 January 2022	-	-
Granted in period	0.1p	11,173,611
Vested in period	-	-
Lapsed in period	-	(173,611)
Outstanding at 31 December 2022	0.1p	11,000,000
Exercisable at 31 December 2022	0.1p	-

The weighted average time to expiry of the warrants as at 31 December 2022 is 1.02 years.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, commodity and liquidity risks. The management of these risks is vested to the Board of Directors.

The sensitivity has been prepared assuming the liability outstanding was outstanding for the whole period. In all cases presented, a negative number in profit and loss represents an increase in finance expense / decrease in interest income.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company and Group are bank balances and trade receivables. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
	£'000	£'000	£'000	£'000
Cash and cash equivalents	1,640	1,640	598	598
Trade receivables	35	35	20	20
	1,675	1,675	618	618

Currency Risk

The Group operates in a global market with income and costs possibly arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Companies' functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in US Dollars and Euros. Accordingly, movements in the Sterling exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition. Such changes are not considered likely to have a material effect on the Group's financial position at 31 December 2022. The majority of the Groups funds are held with HSBC which has the following credit ratings (Fitch: A+, Stable, Moody's A3, Stable, S&P A-, stable)

Currency risk is managed by maintaining some cash deposits in currencies other than Sterling. The table below shows the currency profiles of cash and cash equivalents:

	31 Dec 2022	31 Dec 2021
	£'000	£'000
<i>Cash and cash equivalents</i>		
Sterling	1,548	540
Euro	92	58
	1,640	598

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The table below shows an analysis of the currency of the net monetary asset and liabilities in the Sterling functional currency of the Group:

	31 Dec 2022 £'000	31 Dec 2021 £'000
<i>Balance denominated in</i>		
Sterling	1,520	459
Euro	(60)	(319)
	(1,460)	(140)

Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at period end as below:

	31 Dec 2022 £'000	31 Dec 2021 £'000
Cash and cash equivalents	1,640	598
	1,640	598

The table below sets out the maturity profile of the financial liabilities at 31 December:

	31 Dec 2022 £'000	31 Dec 2021 £'000
Due in less than one month	(56)	(880)
Due between one and three months	(129)	-
Due between three months and one year	-	-
	(185)	(880)

Interest Rate Risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

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	31 Dec 2022 £'000	31 Dec 2021 £'000
Bank balances	1,640	598
	1,640	598

The Group is not materially reliant on interest revenue on cash and cash equivalents and therefore represents a low volume of risk.

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

GROUP	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2022			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	90	-	90
Cash and cash equivalents	1,640	-	1,640
Trade and other payables ²	-	(203)	(203)
	1,730	(203)	1,527

¹ Trade and other receivables excludes prepayments

² Trade and other payables excludes accruals, taxes and social security

GROUP	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2021			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	142	-	142
Cash and cash equivalents	598	-	598
Trade and other payables ²	-	(880)	(880)
	740	(880)	(140)

COMPANY	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2022			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	45	-	45
Cash and cash equivalents	1,548	-	1,548
Trade and other payables ²	-	(34)	(34)
	1,593	(34)	1,559

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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COMPANY	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2021			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	112	-	112
Cash and cash equivalents	545	-	545
Trade and other payables ²	-	(479)	(479)
	657	(479)	178

24. RECONCILIATION OF MOVEMENT OF NET DEBT

31 December 2022	At 31 December 2021	Non-cash changes	Cashflow	At 31 December 2022
	£'000	£'000	£'000	£'000
Cash at bank	598	-	1,042	1,640
Borrowings - current	(958)	958	-	-
Borrowings – non-current	-	-	-	-
Net Debt	(360)	958	1,042	1,640

31 December 2021	At 1 May 2021	Non-cash changes	Cashflow	At 31 December 2021
	£'000	£'000	£'000	£'000
Cash at bank	39	14	545	598
Borrowings - current	(653)	(5)	(300)	(958)
Borrowings – non-current	-	-	-	-
Net Debt	(614)	9	245	(360)

25. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2022.

26. CONTINGENT LIABILITIES

In December 2021 the Company entered a royalty agreement with Victor was replaced by a Profit Share Agreement, whereby Victor is due 7% of the Company's annual operating profit that accrues on a monthly basis, up to an aggregate amount of €3,500,000, which will commence upon the Company achieving monthly operating profit of €20,000.

Other than above, there were no further contingent liabilities at 31 December 2022.

27. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 31 December 2022.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

28. RELATED PARTY TRANSACTIONS

The Group's investments in subsidiaries have been disclosed in note 15.

During the year the Company entered into the following transactions with other Group companies:

	Amounts owed by / (to) group companies			
	Opening Balance £'000	Movement in year £'000	Provisions in year £'000	Closing Balance £'000
Graft Polymer d.o.o. – 31 Dec 2021	91	211	-	302
Graft Polymer d.o.o. – 31 Dec 2022	302	1,412	-	1,714
Graft Polymer IP Limited – 31 Dec 2021	-	(29)	-	(29)
Graft Polymer IP Limited – 31 Dec 2022	(29)	-	-	(29)

The Directors conducted an impairment review and are satisfied that the carrying value of intergroup loans is reasonable and no impairment is necessary

At 31 December 2022 the Company had an outstanding amount receivable from Graft Polymer d.o.o. of £1,713,649 (31 Dec 2021 £257,000) and owed Graft Polymer IP Limited £29,000 (31 Dec 2021: £29,000). The Company has applied the expected credit loss model as required under IFRS 9 and are comfortable that there are no impairment indications. The amount owed is unsecured, interest free, and has no fixed terms of repayment. The balance will be settled in cash. No guarantees have been given or received.

Details of directors' emoluments are set out in the directors remuneration report beginning on page 22.

Transactions with related parties

Chitta Lu Limited

During the period the Group paid a total of 66,000 Eur to Chitta Lu Limited for corporate finance services related to the IPO in January 2022. Roby Zomer is a director of both Graft Polymer (UK) Plc and Chitta Lu.

MGC Pharmaceuticals Limited

During the period the Group received €48,125 of revenue from MGC Pharmaceuticals. Roby Zomer is a director of both Graft Polymer (UK) Plc and MGC Pharmaceuticals Limited.

29. EVENTS SUBSEQUENT TO PERIOD END

There have been no material events post period end that require disclosure.

30. CONTROL

In the opinion of the Directors as at the year end and the date of these financial statements there is no single ultimate controlling party.



**Annual Report & Financial Statements
for the year ended 31 December 2023**

Company Registration No. 10776788 (England and Wales)

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COMPANY INFORMATION

DIRECTORS

Nicholas Nelson – Non Executive Chairman (appointed 15 March 2024)
Victor Bolduev – CEO & CTO
Yifat Steuer – CFO
Pavel Kobzev – CMO

COMPANY SECRETARY

Anthony Eastman

REGISTERED OFFICE

Eccleston Yards
25 Eccleston Place
London, SW1W 9NF

REGISTERED NUMBER

10776788

BROKERS

Allenby Capital
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London, EC3A 6AB

INDEPENDENT AUDITOR

PKF Littlejohn LLP
15 Westferry Circus
London, E14 4HD

SOLICITORS

Hill Dickinson LLP
Floor 7, The Broadgate Tower
20 Primrose Street
EC2A 2EW

BANKERS

HSBC Bank Plc
153 North Street
Brighton, BN1 1SW

SHARE REGISTRARS

Share Registrars
The Courtyard
17 West Street
Farnham, GU7 7D

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CHAIRMAN'S STATEMENT

I provide below the Chairman's statement for Graft Polymer for the year ended 31 December 2023 and wish to include some commentary about the period in question and the Company's prevailing plans.

Highlights

- Cash and cash equivalents at year end were £0.155 million
- Loss before taxation for the year was £3.120 million
- Net cash outflow for the year was £1.486 million
- The Group held net assets at year end of £2.026 million

Post period end activities:

- Nicholas Nelson appointed as Non-Executive Chairman and co-provider of a £200,000 working capital loan facility to enable the Company to prepare itself for a future fund-raise
- Appointment of Allenby Capital as broker to the Company

We plan to announce the disposal of the Slovenian entity due to the slow pick-up of revenue and ongoing constraints. With a negative forecasted cash position in the near future leading to an increase in liability rather than a profit centre the Directors will be looking to dispose of the subsidiary to a private consortium in Slovenia for nominal consideration. Leaving our focus on, what we believe to be, the highly prospective Graft Bio division. More on that below.

Review of the year just ended

In July 2023 the Company announced the commissioning of the production facility in Slovenia, effectively doubling the Company's production capacity but consequently increasing working capital costs. Throughout this time the Company entered into several Research and Development agreements harnessing its intellectual property for BIO and pharmaceutical applications to broaden its commercial portfolio.

However, conflicts in the Middle East, Ukraine and the Red Sea significantly disrupted operations and presented substantial challenges to the Board's ability to manage the future. These conflicts particularly impacted trading capabilities, resulting in elevated logistical costs for raw materials imported from China along with cashflow risks. Added to this was the general economic turmoil in Europe leading to reduced overall demand.

As a result, the Company's revenues continued to fall short of hopes for a second year running thus depleting cash reserves. We have taken the view that these woeful trading conditions for Graft Polymer's Slovenian manufacturing facility will continue.

Pleasingly the Graft Bio division continues to see ongoing interest and the potential demand we are witnessing provides encouraging possibilities for the future. We anticipate that this may position the Company as a multi-sector specialist chemical firm offering expertise and R&D capabilities to develop high-end solutions for refiners, compounders and processors, rather than solely producing them in-house.

I say more about our pipeline of opportunities under 'Focus on the Graft Bio division' below.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

CHAIRMAN'S STATEMENT

15th March 2024 announcement; directorate change, loan facility and appointment of Allenby Capital as broker to the Company

I joined the board as Chairman on the above date replacing Roby Zomer and Alexander Brooks which was necessary to enable me and another individual to provide a £200,000 working capital loan facility. It's worth my copying a relevant paragraph from that announcement below:

Over recent months the Company has experienced very difficult trading conditions due to the conflicts in the Middle East, Ukraine and the Red Sea. As a consequence, the Company's cash position has become extremely constrained thus necessitating the need for the Company to enter into the Loan Facility. The Loan Facility will allow the Company to continue to trade and will permit the Company's audit for the year ended 31 December 2023 to be completed.

The Board's principal task is to take the Company through an equity fundraise in the near future for working capital purposes and the development of a modified business development strategy. This requires a Financial Conduct Authority approved prospectus to be published by the Company to enable new shares to be admitted to trading on the Main Market of the London Stock Exchange. Any issue of new shares will also require shareholder approval at a general meeting of the Company. Further announcements will be made as appropriate regarding this matter.

Write off of investment / intercompany loans with Graft Polymer d.o.o

Today's accounts reveal that the Company has impaired in full its investment and intercompany loan in / with its Slovenia subsidiary, Graft Polymer d.o.o., due to the slow pick up of revenue, ongoing constraints and reflecting a growing liability on the Group's cash flow. Accordingly, we plan to announce its disposal to a private consortium in Slovenia for nominal consideration.

Focus on the IP and Graft Bio division

The Directors believe that the Bio division represents significant value to investors based primarily on the revenue generating capabilities of the Group's intellectual property, intangible assets and sales contracts. As we can see on-going interest and demand as well as potential revenues. We believe this positions the Company as a multi-sector specialist chemical company offering the knowledge and R&D to develop high end solutions for the refiners, compounders and processors, rather than producing them in house. Our key advantage in Graft Bio is our knowledge and experience to create new innovative solutions for the industry.

Outlook on R&D and Supply agreements

On 6 July 2023, the company announced an R&D Supply Agreement with Gabriel Chemie, marking the initiation of collaborative efforts with our partners. Graft Bio since commenced work in conducting trials for various products. Encouragingly, some of these trials have yielded positive results, prompting us to transition towards industrial-scale production by our clients.

The Company entered an R&D Supply Agreement with Forpet Baltic, SIA, announced on 4 September 2023, has yet to initiate trials as well as entering similar agreements with Empreas Wilher Mexico, announced on 30 August 2023. The Company has been engaged in local activities and are in the process of providing new formulations for EWM to produce its samples to support additional projects.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CHAIRMAN'S STATEMENT

The Company's agreement with the Slovenian Faculty of Polymer Technology, announced on 11 September 2023, is designated as a development project. It is expected to take approximately two years before yielding measurable results.

The agreement with the European consortium of the University of Belgrade announced on 9 October 2023, is also categorised as a development project. While progress is underway, it is anticipated to take around two years to yield results.

Summary

Following an extraordinarily difficult two years for the Group, resulting in a huge depletion of funds on account and severe constraints on the Group's ability to continue trading, I joined the Board to oversee a strategic change and progress a short term fundraise.

Despite the upcoming period presenting challenges for the Group the Board are confident that with the correct management approach we can safely navigate back to prosperity and I look forward to keeping shareholders informed as developments unfold.



Nicholas Nelson

Non-Executive Chairman

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

BOARD AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Nicholas Nelson – Non-executive Chairman (Appointed – 15 March 2024)

Nicholas entered the City in 1985 as an apprentice market-maker and moved from there into stockbroking in 1986. What followed was a 13 year career in investment management and small-cap company research. In 1998, he moved into the Financial PR industry for a further 13 years advising smaller quoted companies on their corporate communications strategies. This included advising on 100 plus IPOs. His objective: to develop recognition for his clients as great investment opportunities. Overlapping the above, from 2002, Nicholas has taken his skills in-house by joining the boards of, so far, 8 AIM and AQSE companies during their transitional or flotation phase.

Victor Bolduev – Chief Executive Officer and Chief Technical Officer (CEO and CTO)

Victor is the founder, CEO and CTO of the Group, with more than 30 years' experience in industrial sectors, more than 20 years working in the polymer industry. Victor brings expert experience in the polymer industry, leadership, value creation and cutting-edge innovation.

During this time, Victor has worked in various polymer modification companies in Russia, Thailand and Slovenia.

Victor is a non-executive director for a number of companies, including Victor Bolduev IP and Polymer Innovations Inc. He is the author of 11 patents relating to polymer modification and drug delivery systems.

Victor graduated from St Petersburg University and Tashkent Military's University (in each case with Honours). He is known as a polymer chemist who has developed multiple innovative technologies and product brands in the polymer modification and bio sectors.

Yifat Steuer – Executive Director and Chief Financial Officer (CFO)

Yifat Steuer qualified as a chartered accountant with Deloitte before moving into industry. She has over 20 years' experience as a well-versed CFO ranging from global blue-chip companies to hands-on implementation in SMEs and start-ups. She has worked internationally for the majority of her career at firms including Johnson & Johnson and GlaxoSmithKline. While at Marken, Yifat was the Chief Accounting Officer heading the global shared services accounting and payable teams. She led vendor due diligence for the sale of Marken to UPS. As part of her community contribution, Yifat took a 9-month assignment as the CFO and Treasurer of the British Transport Police Authority. She has a proven track record in pharmaceuticals, manufacturing, logistics, distribution, medical technology, and digital health industries.

Pavel Kobzev – Executive Director and Chief Marketing Officer (CMO)

Pavel Kobzev serves as the Chief Marketing Officer of the Group, with over 10 years' experience in project management and market analysis. He served in the Israeli Defence Forces Elite Intelligence 8200 unit as Managing Operations Leader and has expertise in the security solutions and design solutions and design industries.

Pavel began his career at Magal, an intelligent security company in Israel, where he served as a field engineer responsible for managing a team that designed innovative security solutions for products in the information technology and physics fields, while carrying out market analysis in connection with these solutions. The team was responsible for a number of multi-million-pound projects, including the implementation of the smart fence solution at the Israeli border, including software updates.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
BOARD AND SENIOR MANAGEMENT

Roby Zomer – Non-executive Chair (Resigned – 15 March 2024)

Roby Zomer was, until recently, the Non-Executive Chair of the Company, having been involved in the Company's business since its inception. Roby brings more than two decades of experience in science, leadership, business creation and operations and global development strategies, all in cutting-edge industries, and at the highest governmental levels.

Alexander (Alex) Brooks – Independent Non-Executive Director (Resigned 15 March 2024)

Alexander Brooks is an experienced capital markets professional, having worked in a range of roles primarily in public equity markets but also including exposure to private markets and to debt securities. Alexander has worked as a buy-side and sell-side analyst at a number of large financial institutions, including JPMorgan and UBS, and is currently a Senior Equity Analyst with Canaccord Genuity (UK). He focusses on industrial technology companies in several sectors, notably sustainability, energy and energy transition, and chemicals.

SENIOR MANAGEMENT

Anthony Eastman – Company Secretary

Anthony Eastman is a member of the CAANZ and ICAEW and a current Partner at Orana Corporate LLP. Anthony has a number of years' experience in financial management and corporate advisory services, primarily in the natural resources sector, along with extensive experience in the public company environment, having been a director and company secretary of a number of LSE and AIM junior mining and oil & gas focused companies.

He has relevant management experience having previously worked with Ernst & Young and CalEnergy Gas Ltd, a subsidiary of the Berkshire Hathaway Group of Companies in both Australia and the United Kingdom.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

DIRECTORS' REPORT

The Directors present their report with the audited financial statements of Graft Polymer (UK) plc ("the Company") and its subsidiaries together "the Group" for the year ended 31 December 2023. A commentary on the business for the period is included in the Chairman's Statement. A review of the business is also included in the Strategic Report.

Directors

The Directors of the Company during the period and their beneficial interest in the Ordinary shares of the Company as at 31 December 2023 were as follows:

Director	Position	Appointed	Ordinary shares	Options
Roby Zomer ¹	Non-Executive Chair	18-May-17	5,451,337	1,700,000
Victor Bolduev	CEO / CTO	18-Sep-17	33330,454,613	2,200,000
Pavel Kobzev	CMO & Executive Director	25-May-19	1,356,886	1,600,000
Yifat Steuer	CFO & Executive Director	21-Dec-21	189,761	1,500,000
Alex Brooks	Non-Executive Director	21-Dec-21	475,004	1,000,000

¹ 4,576,163 Ordinary shares held by Roby Zomer were held by Chitta Lu Limited and 875,174 were held by Sputnik Enterprises Limited, entities in which Roby Zomer has a beneficial interest in.

Substantial shareholders

As at 31 December 2023, the total number of issued Ordinary Shares with voting rights in the Company was 104,097,299 and 124,763,966 as at the date of this report, being 30 April 2024. Details of the Company's capital structure and voting rights are set out in note 20 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report, noting total shares on issue as at the date of approval of this report being 30 April 2024:

Party Name	Number of Ordinary Shares	% of Share Capital
Victor Bolduev	30,454,612	24.41
Alba Capital Limited	13,935,020	11.17
Brett Mitchell	7,869,217	6.31
Roby Zomer	5,451,337	4.37

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the Accounting policies and note 22 of the financial statements.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

DIRECTORS' REPORT

Greenhouse Gas (GHG) Emissions

In the year ended December 2023 the Slovenian subsidiary consumed approximately 160,000 kwh of energy relating to production of polymer products.

The Directors consider energy consumption and by-product waste from production to be the most significant factors affecting the environment and consequently the related reporting requirements.

The Company is exempt from the Streamlined Energy & Carbon Reporting (SECR) requirements since energy consumption is less than 40,000 kWh of energy in the UK in the reporting year.

In addition to the above disclosures the Group plans to announce the disposal of the Slovenian entity due to the slow pick-up of revenue and ongoing constraints. As a result of this, the facility will no longer be owned by the Company and any carbon output from the Group will decrease dramatically. Further disclosures around environmental impact can be referenced in the Governance Report.

Dividends

The Directors do not propose a dividend in respect of the period ended 31 December 2023.

Diversity and inclusion disclosure

The Group is aware of its obligations in regards to diversity and inclusions targets listed below and has disclosed whether they have each target:

- (i) at least 40% of the individuals on its board of directors are women; - **No**
- (ii) at least one of the following senior positions on its board of directors is held by a woman:
 - (A) the chair;
 - (B) the chief executive;
 - (C) the senior independent director; or
 - (D) the chief financial officer; and - **Yes**
- (iii) at least one individual on its board of directors is from a minority ethnic background - **No**

The Group is committed to implementing equal opportunity and inclusion practices within its operations. The Group employs Yifat Steuer as its Chief Financial Officer and therefore meets the requirements for gender diversity in senior management positions. The Group's relatively small size makes it harder for it to meet diversity targets but will look to review annually and take all reasonable steps to meet the targets.

Corporate Governance

The Governance report forms part of the Director's Report and is disclosed on pages 19 to 24.

Going Concern

The Directors, having made due and careful enquiry, are of the opinion that the Company and the Group will have access to adequate working capital to execute its operations over the next 12 months.

The Directors have assessed the cash position of the Group as of the signing of this report and are aware that these alone are not sufficient to meet the expenditure requirements for the going concern period.

As alluded to in the Chairman's statement the Group will be looking to divest the Slovenian operations which currently are a significant cash drain on the business. The Group has also put in place a £200,000 loan facility with the intention that this will support the Group as they prepare a prospectus which will in turn facilitate a larger fundraise.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

DIRECTORS' REPORT

While the preparation of the prospectus is well progressed and the Directors are confident that there are no foreseeable hurdles to the submission of the prospectus the timing is not certain. In addition to this there is also uncertainty relating to the quantum of a future fundraise.

The Directors have prepared in depth cash flow forecasts that would suggest on the expected fundraise amount the Group would have significant headroom to support the going concern assumption however should the actual fundraise prove to be significantly lower than anticipated this could raise concerns about going concern. The events or conditions noted above indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that may be necessary if the Company was not a going concern, note that the auditors make reference to going concern by way of a material uncertainty over the ability of the company to fund the recurring and projected expenditure.

Principal Activities

The principal activities of the Company and all of its subsidiaries collectively referred to as “the Group” are the research, development and polymer modification technologies and polymer modification techniques.

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards for the group and as regards to the Parent Company Financial Statements, as applied in accordance with the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and the profit and loss of the group for that period.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements comply with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group enabling them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on the Company's website www.graftpolymer.com. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
DIRECTORS' REPORT

and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 20 and 21 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 9. The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Auditor Information

PKF Littlejohn were appointed auditors to the Group and have expressed their willingness to remain in office. The Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Group and its external auditor.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Group has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Events after the reporting period

Other than those events disclosed in Note 28, there were no events subsequent to year end requiring disclosure.

Directors' Indemnity Provisions

The Company has implemented Directors and Officers Liability Indemnity insurance.

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DIRECTORS' REPORT

Political Donations

The Group has not made any political donations during the period.

This directors' report was approved by the Board of Directors on 30 April 2024 and is signed on its behalf by:



Nicholas Nelson

Non-Executive Chairman

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
STRATEGIC REPORT

The Directors present the Strategic Report of the Company and the Group for the period ended 31 December 2023.

Operational Review

In July 2023, the Company announced the commissioning of the production facility in Slovenia, effectively doubling the Company's production capacity and consequently increasing working capital costs. Throughout this time the Company entered into several Research and Development agreements harnessing its intellectual property for BIO polymer and pharmaceutical applications to broaden its commercial portfolio. However, conflicts in the Middle East, Ukraine and the Red Sea significantly disrupted operations and presented substantial challenges to the Board's ability to manage the future outlook for the Company. These conflicts particularly impacted trading capabilities, resulting in elevated logistical costs for raw materials imported from China along with cashflow risks. Added to this was the general economic turmoil in Europe leading to reduced overall demand. As a result, the revenue generated has been less than forecast over the past two years, and the Company's cash balance has been depleted.

Accordingly, we plan to announce the disposal of the Slovenian entity to a private consortium in Slovenia for nominal consideration.

The Group generated revenue of £587,000 (2022: £542,000) and incurred a loss after tax of £3,120,000 (2022: £2,705,000).

Key highlights of the Group are below:

- Cash and cash equivalents at year end were £0.155 million
- Loss before taxation for the year was £3.120 million
- Net cash outflow for the year was £1.486 million
- The Group held net assets at year end of £2.026 million

On the Graft Bio division, we can see on going interest and demand as well as potential revenues. We believe this positions the Company as a multi-sector specialist chemical company offering the knowledge and R&D to develop high end solutions for the refiners, compounders and processors, rather than producing them in house. Our key advantage in Graft Bio is our knowledge and experience to create new innovative solutions for the industry.

The Group's Bio Polymer division is focused on the following areas:

- Commercialisation of intellectual property developed in its drug delivery system, for which it will receive royalty payments.
- Maintaining the registration of its intellectual property rights including patents.
- The Company will be able to produce bio polymer related commercial agreements through various 3rd party commercial manufacturing sites, as well receiving royalty payments.
- The development and licensing/sale of IP for various platforms relating to the wellness (food and cosmetics) and pharma industries, and in particular specialises in the development of chemical submicron self-emulsification delivery systems for plant-derived bio and pharmaceutical active substances.

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The bio polymer activity has been focused since IPO Admission, on the development of intellectual property for a DDS to support and provide solutions to the market that had been heavily impacted by the COVID-19 pandemic, accelerating growth in the infectious diseases segment of the industry.

Capital raise

During the year under review, on December 2023, the Company announced that it had conditionally placed 20,666,667 new ordinary shares of 0.1 pence each in the capital of the Company with a new cornerstone investor at a price of 0.6 pence per Placing Share, with said shares being issued subsequent to year end.

In addition, one warrant was issued by the Company for every two Placing Shares allotted, being in aggregate warrants over 10,333,333 Ordinary Shares, exercisable at 1 penny per Ordinary Share for a period of two years.

The net proceeds of the Fundraising will be used to fund the Company's general working capital requirements. The transaction was completed on 8 January 2024.

Future developments

Future developments relating to the Group can be referenced in the Chairman's Statement.

Principal Risks and Uncertainties

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Group's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

The Group is currently loss making, recording a financial loss of £3,120,000 for the year ended 31 December 2023

To date, the Company has been loss making and in the financial year ended 31 December 2023, the Group sustained losses in the amount of £3,120,000 (2022: £2,705,000). The Board has adopted measures to minimise costs and overheads to ensure that the Group remains solvent and the Group is now focused on nurturing and growing its Bio Division, as part of a strategic review undertaken by the Board. The decision by the Board to undertake the disposal was to ensure the ongoing financial viability of the Group due to a forecasted negative cash position in the near future, leading to an increase in liability rather than a profit centre in the Slovenian entity. If the Company's core business is unsuccessful, and the Company may be unable to generate revenue from alternative sources, then the Company is likely to remain loss making. This would have a material adverse impact on the financial condition of the Group. Investors should be aware that it is probably that the Company will remain loss making for the immediate future.

Protection of intellectual property rights

The Group relies substantially on proprietary technology, patent rights, confidential information, trade secrets, know-how and laboratory research data to conduct its business and to attract and retain customers and licensees. The success of the Group's business depends on its ability to protect its know-how and its intellectual property portfolio, and maintain and obtain patents without infringing the proprietary rights of others. If the Group does not effectively protect its know-how and intellectual property, its business and operating results could be materially harmed.

Volatility or falls in its share price may materially and adversely affect the operations of the Group

As a company with its securities admitted to trading on a public securities exchange, the price at which its shares are trading may be subject to volatility or a material decrease in value, either as a result of the

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

STRATEGIC REPORT

performance of the Group, rumour or speculation in the market, or due to general or specific factors affecting the performance of capital markets or the United Kingdom or global economies generally. Some of these factors may be outside the control of the Company. Volatility or a material decrease in the price or trading volume of the Company's shares may make it more difficult for the Company to attract future capital or result in suppliers, partners or customers losing confidence in the operations or future of the Group, if this were to continue for a period of time the business, operations or financial condition of the Group could be materially and adversely affected.

Section 172(1) Statement – Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The Group, which has developed a proprietary set of polymer modification technologies designed to improve existing products and processing methodologies by enhancing performance, has introduced more than 50 products to the market. The Group is continuing to explore new and exciting areas including biological polymers that could add great value to the Group.

We aim to work responsibly with our stakeholders, including suppliers. The key Board decisions made in the year and post year end are set out below:

Significant events / decisions	Key s172 matter(s) affected
Resignation of Non-Executive Chairman – Roby Zomer	Corporate Governance
Appointment of Non-Executive Chairman – Nicholas Nelson	Corporate Governance
Implementation of short term working capital loan	Short term working capital position
Full impairment of the Slovenian facility	Future operations and business strategy

Consider the likely consequences of any decision in the long term

The Board takes due care in the decision making process regardless of what business unit it may relate to. When assessing the likely consequences of a decision the Directors weigh up both the costs and benefits of any decision as well as the potential impact in the different time horizons with the ultimate goal of maximising shareholder value in the long run.

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STRATEGIC REPORT

Act fairly as between members of the Company

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity proactively to engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

Maintain a reputation for high standards of business conduct

The Corporate Governance section of this Annual Report at page 18 sets out the Board and Committee structures and Board and Committee meetings held during the year, together with the experience of executive management and the Board and the Company's policies and procedures.

Consider the interest of the Company's employees

The Board strives to create an enjoyable and rewarding environment for all employees. The Board aims to create a workplace where employees can be proactive and look to add value to the Company by going over and above their specific roles. Ideally creating a bond between employees and the Company that leads to loyalty and productivity for all stakeholders.

Foster the Company's relationship with suppliers, customers and others

The Board acts in good faith with all suppliers and customers with the aim of developing strong working relationships that will be beneficial to all parties. The strategy involves regular communication with business partners that will hopefully lead to strong working relationships and recurring business.

Consider the impact of the Company's operations on the community and the environment

The Company has increased production in the last calendar year and the Directors are aware of the need to include environmental impact in their considerations. The Directors intend to keep a close eye on the environmental impacts of increasing production in the coming period and will look to minimise any impacts where they can as it will be mutually beneficial to the Group and the environment. Increasing energy efficiency across the Group will be at the forefront of these considerations.

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

Approved by the Board of Directors on 30 April 2024 and is signed on its behalf by:



Nicholas Nelson

Non-Executive Chairman

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

GOVERNANCE REPORT

Compliance with the QCA Code

As a Group listed on the standard segment of the official list, the Group is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to ensuring that appropriate standards of corporate governance are maintained, so far as is appropriate given the Group's current stage of development, the size and composition of the board of directors and available resources. The Board will aim to comply with the QCA Guidelines on Corporate Governance ("QCA Guidelines"). The Board has reviewed the recent changes to the code and has assessed their potential impact on the management of the Group.

The QCA Code has ten principles of corporate governance that the Group applies to establish the governance foundations of the business. These principles are:

1. Establish a purpose, strategy and business model which promotes long term value for shareholders;
2. Promote a corporate culture that is based on ethical values and behaviours;
3. Seek to understand and meet shareholder needs and expectations;
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success;
5. Embed effective risk management, considering both internal controls and assurance activities, considering both opportunities and threats, throughout the organisation;
6. Establish and maintain the board as a well-functioning balanced team led by the Chair;
7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities;
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose strategy and culture
10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

Here follows a short explanation of how the Group applies each of the principles, including where applicable an explanation of why there is a deviation from those principles.

Principle One

Business Model and Strategy

The Group is transitioning away from the pursuit of production of proprietary technology with the disposal of the Slovenian subsidiary. The Directors have assessed the performance of the Group over the recent year and decided on a strategic pivot to harness the value within the IP and Bio division. The Directors are confident that this model will be the most beneficial in terms of delivering value back to the various stakeholders.

Principle Two

Corporate Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group and the way that

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consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through everything that the Group does. The Directors are focused on ensuring that the Group maintains an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on this main market and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016. Issues of bribery and corruption are taken seriously. The Group has a zero-tolerance approach to bribery and corruption and has recently put an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with.

Principle Three

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. They will be encouraged to attend the AGM and website and investor relations communications will be improved in the coming year.

Principle Four

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers, regulators and other stakeholders. The Group has created close ongoing relationships with a broad range of its stakeholders and will ensure that it provides them with regular opportunities to raise issues and provide feedback to the Group. The Group is committed to delivering lasting benefit to the local communities and environments where we work as well as to our shareholders, employees and contractors. As the Group evolves we anticipate that this aspect of community engagement will evolve further.

Principle Five

Risk Management

The Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Group. The Board has established a framework of internal financial controls to address financial risk and regularly reviews the non-financial risks to ensure all exposures are adequately managed. The Group maintains appropriate insurance cover in respect of legal actions against the Directors as well as against material loss or claims against the Group. The principal risks and uncertainties are as set out in the Strategic Report.

Principle Six

A Well Functioning Board of Directors

The Board will maintain a balance of executives and non-executive directors. Currently there are 3 executives and 1 non-executive. There are no mandatory hours for directors to be available but all directors are available for any Group business when it may arise.

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GOVERNANCE REPORT

Further information about the directors can be found in the Board and Senior Management report on page 7 as well as the company website at www.graftpolymer.com. The Directors met 6 times throughout the year to discuss key issues and to monitor the overall performance of the Company. All Directors attended all meetings during the year.

Principle Seven

Appropriate governance structures

The Group's governance structures are appropriate for a company of its size. The Board also meets regularly and the Directors continuously maintain an informal dialogue between themselves. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while the execution of the Group's investment strategy is a matter reserved for the Chief Executive. The current Governance structure is outlined below:

Audit and Risk Committee

During the year the Companies audit committee comprised two members, being, Roby Zomer and Alex Brooks which will have primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Group's accounting and internal controls.

The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. The audit committee will meet not less than two times a year. On 8 January 2024 both members of the Audit Committee resigned as Directors. Due to the size and slowdown in operations the Board will consider any audit matters as a whole.

Remuneration Committee

During the year the Companies remuneration committee comprised two directors, Roby Zomer and Alex Brooks who are responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executive Directors and such other members of the executive and the Senior Manager as it is designated to consider. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each year. On 8 January 2024 both members of the Remuneration Committee resigned as Directors. Due to the size and slowdown in operations the Board will consider any items in relation to remuneration as a whole.

Nominations Committee

No nominations committee has been established will all matters to be considered by the Board as a whole.

Principle Eight

Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. Due to the unusual nature of operations this year a formal review process has not been performed as other matters have taken priority.

Principle Nine

Remuneration policies

The Board is committed to ensuring that the creation of value for shareholders aligns with the interests of executives and employees of the Group.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
GOVERNANCE REPORT

Principle Ten*Shareholder Communication*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the LSE's Standard List. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors. Investors also have access to current information on the Group through its website, (www.graftpolymer.com).

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity proactively to engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

Climate change risk – (TCFD)

The Board considers the impact that the Group has on the environment and aims to conduct its operations in a responsible and sustainable way as it relates to climate change. The Group is aware that it impacts the environment in regards to energy consumption as well as emissions. The Slovenia subsidiary which is the main source of energy consumption and therefore environmental impact will be disposed of by the Group and hence significantly reduce the footprint of the Group.

In line with the requirements of the Financial Conduct Authority's Listing Rule 14.3.27R, and for the above reasons, we note that we have not made the disclosures as the in respect of the financial year ended 31 December 2023, in line with the recommendations and recommended disclosures of the TCFD.

External Auditor

PKF Littlejohn were appointed auditors to the Company and have expressed their willingness to remain in office. The Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

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GOVERNANCE REPORT

Key financial controls include:

- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

Shareholder Communications

The Company uses a regulatory news service (RNS) and its corporate website (www.graftpolymer.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Financial Statements. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

On behalf of the board

Approved on behalf of the Board of Directors by:



Nicholas Nelson

Non-Executive Chairman

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788

REMUNERATION REPORT

From admission to the LSE the Company implemented a remuneration committee that meets when necessary but at least twice a year. During the year the Remuneration Committee comprised Roby Zomer and Independent Non-Executive Director Alex Brooks. The Remuneration Committee will be responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executive Directors and such other members of the executive and the Senior Manager as it is designated to consider. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. On 8 January 2024 both members of the Remuneration Committee resigned as Directors. Due to the size and slowdown in operations the Board will consider any items in relation to remuneration as a whole.

Remuneration Policy

The remuneration policy of the Company is that each director enters into a service agreement with the Group on a salary per annum, with Roby Zomer, Victor Bolduev and Pavel Kobzev also earning a salary under Graft Polymer d.o.o.. It is the responsibility of the remuneration committee to assess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy will assist to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Directors strengthens the link between their personal interests and those of shareholders.

Directors' emoluments and compensation (audited)

Particulars of directors' remuneration, including directors' shares which, under the Companies Act 2006 are required to be audited, are given in Notes 5 and 7 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 31 December 2023 was:

Director	Base salary £'000	Pension £'000	Service fees £'000	Options* £'000	Total £'000
Roby Zomer	28	-	81	57	166
Victor Bolduev	48	-	103	74	224
Pavel Kobzev	48	-	49	54	150
Alex Brooks	25	-	-	33	58
Yifat Steuer	103	1	-	50	154
	252	1	233	268	754

**Monetary value of options at issue date charged during the current year – Note 21 (non cash remuneration)*

Remuneration paid to the Directors' during the year ended 31 December 2022 was:

Director	Base salary £'000	Bonus £'000	Pension £'000	Service fees £'000	Options £'000	Total £'000
Roby Zomer	41	1	-	-	110	152
Victor Bolduev	52	85	-	143	143	423
Pavel Kobzev	51	1	-	77	104	233
Alex Brooks	33	3	-	-	65	101
Yifat Steuer	142	13	1	-	97	253
	319	103	1	220	519	1,162

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
REMUNERATION REPORT

Pension contributions

The Company currently only pays a pension for Yifat Steuer as per the table above.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Payments to past directors

There were no payments to past directors in the period.

Payments for loss of office

No payments were made for loss of office during the year.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful as the Company has incurred losses in 2023 and has not been able to establish a consistent period of trading due to a range of factors. In addition, and as mentioned above, the remuneration of Directors was not linked to performance, and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table. The Directors do not currently consider that including these tables would be meaningful and that the remuneration of the CEO and Directors is reflected accurately above. The Directors will review the inclusion of this table for future reports.

Percentage change in remuneration of director undertaking the role of chief executive officer

The percentage change in total remuneration of Chief Executive Officer Victor Bolduev is a reduction of 53%. This figure is not necessarily representative of regular fluctuations in CEO salary as the comparative year was the first year of trading and included irregular compensation relating to listing bonus.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Approved on behalf of the Board of Directors by:



Nicholas Nelson

Non-Executive Chairman

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

Opinion

We have audited the financial statements of Graft Polymer (UK) Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cashflows, the Consolidated and Company Statements of Changes in Equity, and Notes to the Consolidated Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates that further funding will be required within the 12 months following the date of approval of the financial statements in order to meet working capital needs. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing management's cash flow forecasts up to the period December 2026 and challenging management on the key assumptions and inputs based on 2023 actual results;

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC**

- Evaluating management's sensitivity analysis and performing our own sensitivity analysis in respect of the key assumptions and inputs underpinning the forecasts; and
- Ensuring disclosures in relation to going concern in the financial statements are appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was set at £94,000 (2022: £134,000), with performance materiality set at £65,000 (2022: £93,000).

Group materiality has been calculated as 5% of loss for the year, adjusted for one-off costs relating to impairment charges (2022: 7.5% of loss for the period). We have determined, in our professional judgement, adjusted loss for the year to be the principal benchmark within the financial statements relevant to members of the parent company in assessing financial performance. A benchmark of 70% was applied to calculate the group performance materiality as we believed this would give sufficient coverage of significant and residual risks within the group financial statements.

The materiality applied to the parent company financial statements was £70,000 (2022: £107,000). The parent company performance materiality was £49,000 (2022: £74,000). For each component in scope of our group audit, we allocated a materiality that was less than our group materiality. We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £4,000 (2022: £6,000) at the group level, as well as any other misstatements below that threshold that we believe warranted reporting on qualitative grounds.

We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatement.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risks of material misstatement in the financial statements. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group. We looked at areas requiring the directors to make subjective judgements, for example in respect of treatment of impairment of intangible assets (identified as a key audit matter), carrying value of investments and intragroup balances (identified as a key audit matter), selection of accounting policies, compliance with accounting policies and disclosure in accordance with UK-adopted international accounting standards, the Companies Act 2006, Disclosure Guidance and Transparency Rules and the Listing Rules, and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud. The group's key accounting function is based in the United Kingdom and our audit was performed by our team in London with specific experience of auditing listed public interest entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying value of Intangible Assets (refer to note 11) The consolidated statement of financial position as at 31 December 2023 include intangible assets with a carrying value of £2.068m in respect of capitalised cost relating to “process technology and know-how” under IAS 38 Intangible Assets. An impairment review was undertaken based on the impairment indicators noted by the management. Intangible assets with indefinite useful lives are tested annually for impairment and whenever there is an indication of impairment. An impairment review requires management’s significant estimation and judgement in determining the future cash flows. For this reason, as well as the material account balance, we have assessed this to be a key audit matter and a significant risk in relation to the valuation of the asset.	Our work in this area included: • Obtaining and documenting an understanding of the procedures in place over the impairment assessment of intangible assets. • Ensuring intangible asset recognition meets the criteria in IAS 38 and its valuation is in accordance with the standard; • Obtaining and reviewing the impairment assessment prepared by management; • Discussions with management over future plans of the use of ‘know-how’; • Challenging the assumptions used in the cashflow forecast model by corroborating with supporting explanation and evidence; and • Assessing the adequacy of the financial statement disclosures, including the accounting policies. Based on the discussions with management and review of the impairment assessment performed by management, it was noted that the group expects to recover the carrying value of Intangible asset through royalty revenue generated from licensing its intellectual property to other companies. From the work performed on the forecast and discussions with management, we haven’t noted anything that would indicate that the asset should be impaired at the year end.
Carrying value of investments and intragroup balances (parent company) (refer to notes 15 and 27) Investments in subsidiary and intra group loans were significant assets in the parent company's financial statements. The parent company had outstanding receivables of £2.044m due from	Our work in this area included: • Confirming ownership of investments. • Obtaining and review management’s calculation of expected credit losses in accordance with IFRS 9;

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC**

its 100% owned subsidiary, and the investments in subsidiary are carried at £1.304m which were fully impaired to nil based on the impairment indicators noted by the management. We consider this to be a key audit matter given the significant judgements are required in the impairment assessment carried out by management.	• Considerations of recoverability of investments and intragroup loans by reference to underlying net asset values and future profitability; • Reviewing management's impairment, ensuring these are in line the requirements of IAS 36 and challenging the assumptions within; and • Ensuring disclosures made in the financial statements in relation to critical accounting judgements are adequate. Based on the discussions with management, it was noted that the disposal of Slovenian subsidiary is planned after signing of annual report at a token consideration of €1. Management performed an impairment assessment, and this was noted as an impairment indicator under IAS 36 and as such it was agreed with the management that year value of Investment and Intragroup loan should be fully impaired.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC**

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and industry research.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, the Disclosure Guidance and Transparency Rules, the Listing Rules, Bribery Act 2010, anti money laundering regulations, and local laws and regulations in Slovenia.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management;
 - Reviewing board meeting minutes;
 - Reviewing Regulatory News Service publications; and
 - Reviewing legal expenses incurred during the year.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the impairment of intangible assets, carrying value of investments and intragroup balances (parent company) and share based payments. We addressed this by challenging the key assumptions and judgements made by management when auditing those significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by Board of Directors on 27 July 2023 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods. Our total uninterrupted period of engagement is three years, covering from the period ending 31 December 2021 to 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and parent company in conducting our audit.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAFT POLYMER (UK) PLC

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson (Senior Statutory Auditor) 15 Westferry Circus

For and on behalf of PKF Littlejohn LLP Canary Wharf

Statutory Auditor London E14 4HD

30 April 2024

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

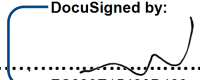
		Year ended 31 Dec 2023	Year ended 31 Dec 2022
	Note	£'000	£'000
Continuing operations			
Revenue	4	587	542
Cost of sales		(329)	(242)
Gross profit		258	300
Other revenue		-	17
Operational costs	5	(213)	(238)
Depreciation and amortisation	5	(179)	(113)
Administrative expenses	5	(2,145)	(2,667)
Impairment	13 & 14	(838)	-
Operating loss		(3,117)	(2,701)
Finance costs	8	(3)	(4)
Loss before taxation		(3,120)	(2,705)
Income tax	9	-	-
Loss for the year from continuing operations		(3,120)	(2,705)
Other comprehensive income – foreign currency translation		48	(4)
Total comprehensive loss for the year attributable to equity holders of the parent		(3,072)	(2,709)
Earnings per share (basic and diluted) - pence	10	(3.00)	(2.61)

The accompanying notes form an integral part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	As at 31 Dec 2023 £'000	As at 31 Dec 2022 £'000
Non-current assets			
Property, plant and equipment	13	-	674
Right of use assets	12	39	27
Intangible assets	11	2,068	2,068
Other non-current assets		13	13
Total non-current assets		2,120	2,782
Current assets			
Cash and cash equivalents	17	155	1,640
Trade and other receivables	16	108	330
Inventory	14	51	187
Total current assets		314	2,157
TOTAL ASSETS		2,434	4,939
Non-Current liabilities			
Lease liability	12	22	18
Total non-current liabilities		22	18
Current liabilities			
Trade and other payables	18	249	322
Deferred income		93	41
Provisions	19	32	-
Lease liability	12	12	4
Total current liabilities		386	367
Total liabilities		408	385
NET ASSETS		2,026	4,554
Equity			
Issued share capital	20	41	41
Share premium	20	7,001	7001
Share capital to issue	20	175	-
Capital reduction reserve		2,500	2,500
Foreign exchange reserve		47	(1)
Share based payments reserve	21	1,227	858
Retained earnings		(8,965)	(5,845)
TOTAL EQUITY		2,026	4,554

The financial statements were approved by the board on 30 April 2024:

DocuSigned by:

 Chief Financial Officer - Yifat Steuer
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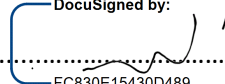
The accompanying notes form an integral part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	As at 31 Dec 2023 £'000	As at 31 Dec 2022 £'000
Non-current assets			
Intangible assets	11	2,068	2,068
Investments	15	-	1,304
Intercompany receivable	27	-	1,714
Total non-current assets		2,068	5,086
Current assets			
Cash and cash equivalents	17	12	1,548
Trade and other receivables	16	31	45
Total current assets		43	1,593
TOTAL ASSETS		2,111	6,679
Non-Current liabilities			
Intercompany payable		-	29
Total non-current liabilities		-	29
Current liabilities			
Provisions	19	33	-
Trade and other payables	18	117	148
Total current liabilities		150	148
Total liabilities		150	177
NET ASSETS		1,961	6,502
Equity			
Issued share capital	20	41	41
Share premium	20	7,001	7,001
Share capital to issue	20	175	-
Capital reduction reserve		2,500	2,500
Share based payments reserve	21	1,227	858
Retained earnings		(8,983)	(3,898)
TOTAL EQUITY		1,961	6,502

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The Company loss for the year was £5,085,548 (2022: loss of £2,377,737).

The financial statements were approved by the board on 30 April 2024:

DocuSigned by:

 Chief Financial Officer - Yifat Steuer
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The accompanying notes form an integral part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2023

	Share capital £'000	Shares to be issued £'000	Share premium £'000	Capital reduction reserve £'000	Share based payment reserve £'000	Foreign exchange Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2021	7	500	942	2,500	-	3	(3,140)	812
Loss for period	-	-	-	-	-	-	(2,705)	(2,705)
Other comprehensive income	-	-	-	-	-	(4)	-	(4)
Total comprehensive income for year	-	-	-	-	-	(4)	(2,705)	(2,709)
Transactions with owners in own capacity								
Ordinary Shares issued in the period	34	(500)	6,399	-	-	-	-	5,933
Advisor warrants issued	-	-	-	-	143	-	-	143
Employee options issued	-	-	-	-	715	-	-	715
Share Issue Costs	-	-	(340)	-	-	-	-	(340)
Transactions with owners in own capacity	34	(500)	6,059	-	858	-	-	6,451
Balance at 31 December 2022	41	-	7,001	2,500	858	(1)	(5,845)	4,554
Loss for period	-	-	-	-	-	-	(3,120)	(3,120)
Other comprehensive income	-	-	-	-	-	48	-	48
Total comprehensive income for year	-	-	-	-	-	48	(3,120)	3,072
Transactions with owners in own capacity								
Waiver of Director and advisor fees	-	175	-	-	-	-	-	175
Employee options	-	-	-	-	369	-	-	369
Transactions with owners in own capacity	-	175	-	-	369	-	-	544
Balance at 31 December 2023	41	175	7,001	2,500	1,227	47	(8,965)	2,026

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2023

	Share capital £'000	Shares to be issued £'000	Share premium £'000	Capital reduction reserve £'000	Share based payment reserve £'000	Foreign exchange Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2021	7	500	942	2,500	-	(3)	(1,520)	2,426
Loss for period	-	-	-	-	-	-	(2,378)	(2,378)
Other comprehensive income	-	-	-	-	-	3	-	3
Total comprehensive income for year	-	-	-	-	-	3	(2,378)	(2,375)
Transactions with owners in own capacity								
Ordinary Shares issued in the period	34	(500)	6,399	-	-	-	-	5,933
Advisor warrants issued	-	-	-	-	143	-	-	143
Employee options issued	-	-	-	-	715	-	-	715
Share Issue Costs	-	-	(340)	-	-	-	-	(340)
Transactions with owners in own capacity	34	(500)	6,059	-	858	-	-	6,451
Balance at 31 December 2022	41	-	7,001	2,500	858	-	(3,898)	6,502
Loss for period	-	-	-	-	-	-	(5,085)	(5,085)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for year	-	-	-	-	-	-	(5,085)	(5,085)
Transactions with owners in own capacity								
Waiver of Director and advisor fees	-	175	-	-	-	-	-	175
Employee options	-	-	-	-	369	-	-	369
Transactions with owners in own capacity	-	175	-	-	369	-	-	544
Balance at 31 December 2023	41	175	7,001	2,500	1,227	-	(8,983)	1,961

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

		Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
	Note		
Cash flow from operating activities			
Loss for the financial year		(3,120)	(2,705)
<i>Adjustments for:</i>			
Share based payments		369	858
Depreciation on fixed assets		165	108
Impairment of fixed assets		736	-
Impairment of inventory	14	117	-
Finance expenses		3	4
Amortization on right-of-use assets		12	5
Foreign exchange movements		67	10
<i>Changes in working capital:</i>			
Decrease in trade and other receivables		6	43
Increase / (decrease) in trade and other payables		393	(496)
(Increase) / decrease in inventory		14	(187)
Net cash outflow from operating activities		(1,238)	(2,360)
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(216)	(718)
Repayments on right-of-use assets		(16)	-
Net cash flow from investing activities		(232)	(718)
Cash flows from financing activities			
Proceeds from issue of shares		-	4,475
Share Issue Costs		-	(340)
Net cash flow from financing activities		-	(4,135)
Net increase in cash and cash equivalents		(1,470)	1,057
Cash and cash equivalents at beginning of the period		1,640	598
Foreign exchange effect on cash balance		(15)	(15)
Cash and cash equivalents at end of the period	17	155	1,640

The accompanying notes form an integral part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
COMPANY STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

		Year ended 31 December 2023	Year ended 31 December 2022
	Note	£'000	£'000
Cash flow from operating activities			
Loss for the financial year		(5,085)	(2,378)
<i>Adjustments for:</i>			
Share based payments		369	858
Impairment charge on investment in subsidiaries		1,304	-
Impairment charge on intercompany receivable		2,044	-
Foreign exchange movements		68	16
<i>Changes in working capital:</i>			
Decrease in trade and other receivables		3	81
Increase / (decrease) in trade and other payables		159	(271)
Net cash outflow from operating activities		(1,138)	(1,694)
Cash flows from investing activities			
Loans to subsidiary		(398)	(1,432)
Net cash flow from investing activities		(398)	(1,432)
Cash flows from financing activities			
Proceeds from issue of shares		-	4,475
Share Issue Costs		-	(340)
Net cash flow from financing activities		-	4,135
Net increase in cash and cash equivalents		(1,536)	1,009
Cash and cash equivalents at beginning of the period		1,548	545
Foreign exchange effect on cash balance		-	(6)
Cash and cash equivalents at end of the period	17	12	1,548

The accompanying notes form an integral part of the consolidated financial statements

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

Graft Polymer (UK) Plc (“the Company” or “GPUK”) was incorporated in England and Wales as a limited company on 18 May 2017 as Graft Polymer (UK) Limited and was re-registered as a public limited company on 1 July 2021. The Company is domiciled in England and Wales with its registered office at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF. The Company’s registered number is 10776788.

The Group successfully completed an IPO and admission to the standard segment of the London Stock Exchange on 6 January 2022.

The principal activities of the Company and all of its subsidiaries collectively referred to as “the Group” are the research, development and polymer modification technologies and polymer modification techniques.

The consolidated financial statements (“financial statements”) were approved for issue by the Board of Directors on 30 April 2024.

2 ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the Companies Act 2006.

The financial statement have been prepared under the historical cost convention unless stated otherwise. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these financial statements. The financial statements have been prepared in £GBP and presented to the nearest £’000.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company is Pounds Sterling (£) as this is the currency that finance was raised in.

The functional currency of the operating subsidiary in Slovenia is the Euro (€) as this is the currency that mainly influences labour, material and other costs of providing services. The presentational currency of the Group is Pounds Sterling (£). Foreign operations are translated in accordance with the policies set out further below in the notes at note 2.4.

The Group presents its financial statements for the year ended 31 December 2023 and presents comparatives for the year ending 31 December 2022.

2.2 Going concern

The Directors, having made due and careful enquiry, are of the opinion that the Company and the Group will have access to adequate working capital to execute its operations over the next 12 months.

The Directors have assessed the cash position of the Group as of the signing of this report and are aware that these alone are not sufficient to meet the expenditure requirements for the going concern period.

To supplement this the Group has put in place a £200,000 loan facility with the intention that this will support the Group as they prepare a prospectus which will in turn facilitate a larger fundraise.

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors have prepared in depth cash flow forecasts that would suggest on the expected fundraise amount the Group would have significant headroom to support the going concern assumption however should the actual fundraise prove to be significantly lower than anticipated this could raise concerns about going concern. The events or conditions noted above indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that may be necessary if the Company was not a going concern, note that the auditors make reference to going concern by way of a material uncertainty over the ability of the company to fund the recurring and projected expenditure.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2.4 Foreign currency translation**i. Functional and presentation currency**

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements is presented in £ Sterling, which is the Company's presentation and functional currency. The individual financial statements of each of the Company's wholly owned

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subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation is recognised in other comprehensive income (loss).

ii. Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at balance date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

iii. Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

2.6 Impairment of non-financial assets

Non-financial assets and intangible assets not subject to amortisation are tested annually for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment review is based on forecasted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal is less than the carrying amount of the assets, an impairment loss is recognised in profit or loss and not subsequently reversed.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units or 'CGUs').

2.7 Inventory

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions and bank overdrafts.

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2.9 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

d) Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.10 Leases

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental

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borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment

with similar terms, security and conditions. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss.

2.11 Equity

Share capital is determined using the nominal value of shares that have been issued.

Share capital to be issued relates to salaries foregone by Directors and other consultants. Upon the issue publication of a prospectus shares will be issued to compensate the necessary parties and will be allocated amongst the share capital and share premium accounts.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

For the purposes of presenting consolidated financial statements, the assets and liabilities of group's foreign operations are translated at the exchange rates prevailing at the balance sheet date and items of income and expenditure are translated at the average exchange rate for the period. Exchange differences arising are recognised in other comprehensive income and accumulated in the Foreign Currency Reserve within equity.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

The foreign exchange reserve policy is set out in note 2.4.

Capital reduction reserve represents funds sent from the parent company to subsidiary that on the approval of Directors was reclassified from a loan in the subsidiary to an investment.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.12 Share based payments

The Group has made awards of warrants and options on its unissued share capital to certain parties in return for services provided to the Group. The valuation of these warrants involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model and the Monte

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Carlo valuation model to derive a value for any share-based payments. These assumptions are described in more detail in note 22.

2.13 Earnings per share

The Group presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

2.14 Revenue

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:

- Step 1: Identity the contract(s) with a customer;
- Step 2: Identity the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales of goods are recognised when the control of the goods is transferred to the buyer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Control is considered to have transferred generally on despatch as most items are sold on a cost includes freight basis; or on delivery where Delivered Duty Paid (“DDP”) Incoterms are used. The normal credit terms are 30 to 60 days upon delivery. Invoices that are issued before the transfer of control has occurred are allocated as deferred income and then recognised as revenue when the performance obligation has been satisfied.

The Group also derives revenue from the rendering of services, whereby revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

In arrangements where fees are invoiced ahead of revenue being recognized, deferred income is recorded.

2.15 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or

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deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

2.16 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When the Company acquires any plant and equipment it is stated in the accounts at its cost of acquisition less a provision.

Depreciation is charged to write off the costs less estimated residual value of plant and equipment on a straight basis over their estimated useful lives being:

- Plant and equipment: 5 – 7 years
- Buildings and leasehold improvements: 20 years

Estimated useful lives and residual values are reviewed each year and amended as required.

2.17 Intangible assets

Intangible assets acquired are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. The gains and losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Intangible asset impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

2.18 Investments in Subsidiaries

Investments in Group undertakings are stated at cost.

2.19 Provisions

Provisions represent liabilities of uncertain timing or amount that are recognized when an entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

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2.20 Financial liabilities

Other financial liabilities are initially recognised at fair values less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

2.21 Critical judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make estimates and judgements and form assumptions that affects the reported amounts of the assets, liabilities, revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial information. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable.

Know-how as an intangible asset (note 11)

The estimates and assumptions in relation to the carrying value of the know-how intangible assets are considered to have the most significant effect on the carrying amounts of the financial statements.

Management have prepared a 5 year financial forecast ending at December 2028 which looks at the revenue generating ability of these intangible assets. They have confidence in various networks and contracts that the know-how will allow the Group to generate significant royalty and licensing revenue with relatively low associated costs. The Directors have a high level of confidence that these contracts will ultimately prove to be highly lucrative for the Group and support the current carrying value of the intangible assets.

As a result the intangible assets were assessed and concluded that no impairment charge was required.

Recoverability of the investment in subsidiary and intercompany receivable (note 15)

As at 31 December 2022 the carrying value of the Company's investment in its subsidiary Graft Polymer d.o.o. was approximately £1,304,000. The Directors have performed an impairment assessment on the value of the subsidiary considering a number of factors and have determined that because of the uncertainty related to the future profitability of the subsidiary the value of the investment should be impaired to nil at 31 December 2023.

Post year end the Directors have considered factors in the subsidiary such as slow pick up of revenue, ongoing constraints and a net cash drain on the Group's cash flow and accordingly plan to announce that they will dispose of the subsidiary to a private consortium in Slovenia for nominal consideration.

Impairment of operating assets in Slovenian Subsidiary (Note 13 & 14)

On review of the Group's operating division in Slovenia and the uncertainty relating to trading going forward the Directors have taken the decision to impair the total values of fixed assets (£736,000) and any unrecoverable inventory (£117,000) at year end.

Share based payments (Note 21)

The Group issues options and warrants to its employees, directors, investors and advisors. These are valued in accordance with IFRS 2 "Share-based payments". In calculating the related charge on issuing shares and warrants the Group will use a variety of estimates and judgements in respect of inputs used including share price volatility, risk free rate, and expected life. Changes to these inputs may impact the

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related charge. In the period the Group did not perform any new valuations but released expenses to the statement of other comprehensive income from valuations in prior periods.

2.22 New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

Standard	Effective date	Overview
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2024 (early adoption permitted)	The standard has been amended to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. In order to conclude a liability is non-current, the right to defer settlement of a liability for at least 12 months after the reporting date must exist as at the end of the reporting period. The amendments also clarify that (for the purposes of classification as current or non-current), settlement is the transfer of cash, the entity's own equity instruments (except as described below), other assets or services.
Amendments to IAS 1 Non-current Liabilities with Covenants	1 January 2024 (early adoption permitted)	The standard confirms that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current.
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024 (early adoption permitted)	The amendments address the accounting that should be applied by a seller-lessee in a sale and leaseback transaction when the leaseback contains variable lease payments, such as turnover rentals, that do not depend on an index or rate. Specifically, they confirm that the 'lease payments' or the 'revised lease payments' arising from the leaseback arrangement are measured in such a way that no gain or loss is recognised on the right of use retained by the seller-lessee.
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 January 2024 (early adoption permitted)	The amendments require an entity to disclose information about its supplier finance arrangements to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

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Amendments to IAS 21 – Lack of Exchangeability	1 January 2025 (early adoption permitted)	The amendments have been made to clarify: - when a currency is exchangeable into another currency; and - how a company estimates a spot rate when a currency lacks exchangeability.

2.23 New standards and interpretations adopted

The effect of these amended Standards and Interpretations which are in issue have not had a material effect on the financial statements.

Standard	Overview
IFRS 17 Insurance Contracts	IFRS 17 will replace IFRS 4 Insurance Contracts, a temporary standard which permits a variety of accounting practices for insurance contracts.
Amendments to IFRS 17 – Initial Application of IFRS 17 & IFRS 9 <i>Comparative Information</i>	Many insurance entities will now be applying both IFRS 17 and IFRS 9 for the first time in annual reporting periods beginning on or after 1 January 2023.
Amendments to IAS 1 and IFRS Practice Statement 2 – Making Materiality Judgements <i>Disclosure of Accounting Policies</i>	The amendments to IAS 1 will require an entity to disclose material accounting policies. Accounting policy information is likely to be considered material if users need the disclosure to understand other material information in the accounts.
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors <i>Definition of Accounting Estimates</i>	The amendments introduce a definition for accounting estimates which is ‘monetary amounts in financial statements that are subject to measurement uncertainty’. Measurement uncertainty will arise when monetary amounts required to apply an accounting policy cannot be observed directly. In such cases, accounting estimates will need to be developed using judgements and assumptions.
Amendments to IAS 12 – Income Taxes <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	This amendment to IAS 12 Income Taxes introduces an exception to the “initial recognition exemption” when the transaction gives rise to equal taxable and deductible temporary differences.
Amendments to IAS 12 – Income Taxes <i>International Tax Reform – Pillar Two Model Rules</i>	This amendment to IAS 12 Income Taxes introduces disclosures to help investors better understand a company’s exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

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3. SEGMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the year ended 31 December 2023 the Group operated in two business segments being polymer development and production in Slovenia and corporate functions in the UK.

	United Kingdom	Slovenia	Total
	£'000	£'000	£'000
Revenue	-	587	587
Cost of sales	-	(329)	(329)
	-	258	258
Operational costs	-	(213)	(213)
Depreciation & amortisation	-	(179)	(179)
Administrative expenses	(1,736)	(409)	(2,145)
Impairment charge	-	(838)	(838)
Operating loss from continued operations per reportable segment	(1,736)	(1,381)	(3,117)
Finance costs	-	(3)	(3)
Loss for the year from continuing operations	(1,736)	(1,384)	(3,120)
Reportable segment assets	2,111	323	2,434
Reportable segment liabilities	(150)	(258)	(408)
Total	1,961	65	2,026

4. REVENUE

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Product Sales Revenue		
Slovenia	5	41
Europe	355	415
Rest of the world	66	-
	426	456

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Services Sales Revenue		
Slovenia	161	86
	161	86
Total Sales Revenue	587	542

5. OPERATING COSTS AND ADMINISTRATIVE EXPENDITURE

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Operating costs		
Depreciation	(179)	(113)
Operational costs	(213)	(238)
	(392)	(351)
Administrative costs		
Directors remuneration	(754)	(1,162)
Salary and wages	(276)	(111)
Professional and consulting fees	(389)	(703)
Travel expenses	(21)	(6)
Foreign exchange	(69)	(10)
Other expenses	(267)	(336)
Share based payments*	(369)	(339)
	(2,145)	(2,667)

**£268k of share based payments are shown in directors remuneration to reconcile to the remuneration report on page 23. Remaining amount relates to external consultants.*

6. AUDITORS REMUNERATION

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Fees payable to the Group's auditor for the audit of parent company and consolidated financial statements	(50)	(46)
	(50)	(46)

7. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Directors' remuneration and staff costs are referenced below. Directors remuneration can also be

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reference in the remuneration report:

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Directors salaries	252	319
Directors bonus	-	103
Directors pension	1	1
Directors fees	233	220
Share based payments	268	519
Employee costs	204	111
	958	1,273

On average, excluding directors, the Group employed 3 technical staff members (31 December 2022: 6) and 4 administration staff members (31 December 2022: 3).

The highest paid director received remuneration of approximately £224,000 (31 December 2022: £454,000).

8. FINANCE COSTS

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
Finance charge on leased assets	(3)	(4)
Finance costs	(3)	(4)

9. TAXATION

No liability to income taxes arise in the period.

The current tax for the year differs from the loss before tax at a standard rate of corporation tax in the UK.

The differences are explained below:

	Year ended 31 Dec 2023 £'000	Year ended 31 Dec 2022 £'000
The charge for year is made up as follows:		
Corporation tax on the results for the year	-	-

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A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:

Loss per the financial statements	(3,120)	(2,705)
Tax credit at the weighted average of the standard rate of corporation tax in Slovenia of 19% and UK of 19% - being 19% (31 Dec 2022: 19%)	(592)	(514)
Non-deductible expenses	234	163
Current year losses for which no deferred tax asset is	(358)	(351)
Income tax charge for the year	-	-

Deferred tax assets carried forward have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered. The accumulated tax losses are estimated to amount to approximately £6,127,000 (31 Dec 2022: £1,958k) and the carried forward deferred tax asset is estimated to amount to approximately £1,164,000.

No deferred tax assets in respect of tax losses have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Loss for the year/period from continuing operations – £'000	(3,120)	(2,705)
Weighted number of ordinary shares in issue	104,057,299	103,589,479
Basic earnings per share from continuing operations – pence	(3.00)	(2.61)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

11. INTANGIBLE ASSETS

Group and Company

	£'000
Cost and carrying value – 1 January 2022	2,068
Additions	-
Impairment	-
At 31 December 2022	2,068

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Additions	-
Impairment	-
At 31 December 2023	2,068

The additions in 2018 relates to the issue of 22,500,000 shares to founding director Victor Bolduev on the acquisition of his Know-how and patents that have been transferred to the Group. In line with International Accounting Standard 36 (IAS 36) the Directors have undertaken an assessment of these intangible assets to discern whether they are impaired.

The assessment encompasses various aspects such as preparing detailed cashflow forecasts that include revenue projections from agreements with entities like Argent BioPharma and potential royalties from products such as ArtemiC™ and CannEpil-IL™.

The Directors also considered that despite challenges like lower than forecasted revenue from its Slovenian subsidiary and competitive market pressures, several factors indicate the assets retain significant value. These include licensing agreements yielding royalties, such as with Argent BioPharma for drug delivery systems; research and supply partnerships; a major investment supporting commercial exploitation of existing patents; and continuity with key personnel like Victor Bolduev.

Although the Directors are confident in the future revenues to be derived from the know-how they do recognise the inherent risk in these forecasts. As a result of this they have applied a conservative discount rate of 18% to the forecasts giving them extra confidence over the future revenues

Ultimately whilst recent performance would suggest impairment indicators, management has concluded the intangible assets should not be impaired given the various factors mentioned above.

12. LEASES

Group

	31 Dec 2023 £'000	31 Dec 2022 £'000
<i>Right-of-use assets</i>		
Motor vehicles	39	27
	39	27
<i>Lease liabilities</i>		
Current	12	4
Non-current	22	18
	34	22

Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

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	31 Dec 2023 £'000	31 Dec 2022 £'000
<i>Motor vehicles</i>		
Opening balance	27	-
Additions	24	32
Amortisation	(12)	(5)
	39	27

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	31 Dec 2023 £'000	31 Dec 2022 £'000
Opening balance	22	-
Additions	25	28
Finance charge	3	2
Repayments	(16)	(8)
	34	22

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 January 2022	-	537	537
Additions	85	352	437
Exchange impact	4	48	52
At 31 December 2022	89	937	1,026
Additions	15	201	216
Disposals	-	(27)	(27)
Impairment	(107)	(1,117)	(1,224)
Exchange impact	3	6	9
At 31 December 2023	-	-	-
Depreciation			
At 1 January 2022	-	(227)	(227)
Charge for the period	(27)	(81)	(108)
Exchange impact	(2)	(15)	(17)

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At 31 December 2022	(29)	(323)	(352)
Charge for the year	(11)	(143)	(154)
Disposals	-	6	6
Impairment	40	463	503
Exchange impact	-	(3)	(3)
At 31 December 2023	-	-	-
Net book value at 31 December 2022	60	614	674
Net book value at 31 December 2023	-	-	-

14. INVENTORY

Group	31 Dec 2023 £'000	31 Dec 2022 £'000
Raw materials	51	123
Finished goods	-	64
	51	187

*An amount equal to approximately £117,000 was impaired in the period

15. INVESTMENTS

Company

	£'000
Cost and carrying value – 1 January 2022	1,304
Additions	-
Impairment	-
At 31 December 2022	1,304
Additions	-
Impairment	(1,304)
At 31 December 2023	-

**Immaterial investment in Graft Polymer IP Limited & GraftBio Limited of £1 each*

Investments in subsidiary relate to the investment in Graft Polymer D.o.o which is the wholly owned subsidiary operating out of Slovenia. At each period end, the Directors assess the investment for any indicators of impairment and have concluded that due to the recent performance of the subsidiary that it needs to be fully impaired and hence the entire value has been written off at period end.

Company subsidiary undertakings

The Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

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Name	Business Activity	Country of Incorporation	Registered Address	Percentage Holding
Graft Polymer d.o.o.	Polymer development and production	Slovenia	Emonska Cesta 8, 1000, Ljubljana, Slovenia	100%
Graft Polymer IP Limited	Intellectual property	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%
GRAFTBIO Limited	Bio-Polymer development and production	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%

16. TRADE AND OTHER RECEIVABLES

GROUP	31 Dec 2023 £'000	31 Dec 2022 £'000
Trade receivables	65	35
Other taxes and social security	16	55
Prepayments	21	232
Other receivables	6	8
	108	330

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 Dec 2023 £'000	31 Dec 2022 £'000
UK Pounds	30	45
Euros	78	285
	108	330

COMPANY	31 Dec 2023 £'000	31 Dec 2022 £'000
Other taxes and social security	4	21
Prepayments	21	-
Other receivables	6	24
	31	45

As at 31 December 2023 all trade and other receivables were fully performing and hence no provision has been processed. Trade receivables have the following aging:

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	31 Dec 2023 £'000	31 Dec 2022 £'000
Current	65	39
1 – 3 months	-	-
3 – 6 months	-	-
> 6 months	-	6
	65	45

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short term deposits held with banks with a A-1+ rating. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

GROUP	31 Dec 2023 £'000	31 Dec 2022 £'000
Cash and cash equivalents	155	1,640
	155	1,640

COMPANY	31 Dec 2023 £'000	31 Dec 2022 £'000
Cash and cash equivalents	12	1,548
	12	1,548

18. TRADE AND OTHER PAYABLES

GROUP	31 Dec 2023 £'000	31 Dec 2022 £'000
Trade payables	159	185
Accruals	68	114
VAT payable	22	23
	249	322

COMPANY	31 Dec 2023 £'000	31 Dec 2022 £'000

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Trade payables	66	34
Accruals	51	114
	117	148

19. Provisions

GROUP	31 Dec 2023 £'000	31 Dec 2022 £'000
HMRC obligations	32	-
	32	-

In the month of the December, Directors and other senior management waived fees owed to them with the intention of having shares issued at a later date. Directors fees in their usual circumstance would attract tax and or national insurance contributions. The shares have not been issued as of period end so the Company has raised a provision to allow for potential obligations that may occur in the future. The issue of these shares is contingent on the preparation of a prospectus which at the publishing of this has not been completed.

20. SHARE CAPITAL

	31 Dec 2023 £'000	31 Dec 2022 £'000
Issued and fully paid ordinary shares with a nominal value of 0.1p (31 Dec 2022: 0.1p)		
Number of shares	104,097,299	104,097,299
Nominal value (£'000)	41	41

Change in issued Share Capital and Share Premium:

	Number of shares	Share capital £'000	Shares capital to issue £'000	Share premium £'000	Total £'000
Ordinary shares					
Balance at 1 January 2023	104,097,229	41	-	7,001	7,042
Waiver of fees ¹	-	-	175	-	-
Balance at 31 December 2023	104,097,229	41	175	7,001	7,042

¹In the month of the December, Directors and other senior management waived fees owed to them with the intention of having shares issued at a later date. The issue of the shares is contingent on the preparation of a prospectus to allow for sufficient headroom in line with the London Stock Exchange general rules.

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The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

21. SHARE BASED PAYMENTS RESERVE

	Company £'000	Group £'000
At 31 December 2021	-	-
Advisor warrants issued	143	143
Employee options issued ¹	715	715
At 31 December 2022	858	858
Employee options ¹	369	369
At 31 December 2023	1,227	1,227

¹On 6 January 2022, 11,173,611 employee options were granted to a number of employees within the Group. These options have different vesting conditions based on performance milestones. The charge that relates to the 2023 year has been brought to account above.

Warrants

As at 31 December 2023		
	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2023	22p	2,031,008
Granted in period		-
Outstanding at 31 December 2023	22p	2,031,008
Exercisable at 31 December 2023	22p	2,031,008

The weighted average time to expiry of the warrants as at 31 December 2023 is 233 days.

Options

As at 31 December 2023		
	Weighted average exercise price	Number of options
Brought forward at 1 January 2023	-	11,000,000
Granted in period	-	-
Outstanding at 31 December 2023	0.1p	11,000,000
Exercisable at 31 December 2023	-	-

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The weighted average time to expiry of the warrants as at 31 December 2023 is 7 days.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, commodity and liquidity risks. Sensitivity analysis has not been performed because the potential impact is not considered material. The management of these risks is vested to the Board of Directors.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company and Group are bank balances and trade receivables. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
	£'000	£'000	£'000	£'000
Cash and cash equivalents	155	155	1,640	1,640
Trade receivables	65	65	35	35
	220	220	1,675	1,675

Currency Risk

The Group operates in a global market with income and costs possibly arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales

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or purchases by operating companies in currencies other than the Companies' functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in US Dollars and Euros. Accordingly, movements in the Sterling exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition. Such changes are not considered likely to have a material effect on the Group's financial position at 31 December 2023. Funds of the parent company are held with HSBC which has the following credit ratings (Fitch: A+, Stable, Moody's A3, Stable, S&P A-, stable)

Currency risk is managed by maintaining some cash deposits in currencies other than Sterling. The table below shows the currency profiles of cash and cash equivalents:

	31 Dec 2023 £'000	31 Dec 2022 £'000
<i>Cash and cash equivalents</i>		
Sterling	12	1,548
Euro	143	92
	<u>155</u>	<u>1,640</u>

The table below shows an analysis of the currency of the monetary asset and liabilities in Sterling being the functional currency of the Group:

	31 Dec 2023 £'000	31 Dec 2022 £'000
<i>Balance denominated in</i>		
Sterling	(27)	1,520
Euro	50	(60)
	<u>23</u>	<u>1,460</u>

Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at period end as below:

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	31 Dec 2023 £'000	31 Dec 2022 £'000
Cash and cash equivalents	155	1,640
	<u>155</u>	<u>1,640</u>

The table below sets out the maturity profile of the financial liabilities at 31 December:

	31 Dec 2023 £'000	31 Dec 2022 £'000
Due in less than one month	(34)	(56)
Due between one and three months	(93)	(129)
Due between three months and one year	(32)	-
	<u>(159)</u>	<u>(185)</u>

Interest Rate Risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	31 Dec 2023 £'000	31 Dec 2022 £'000
Bank balances	155	1,640
	<u>155</u>	<u>1,640</u>

The Group is not materially reliant on interest revenue on cash and cash equivalents and therefore represents a low volume of risk.

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

GROUP	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2023			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	81	-	81
Cash and cash equivalents	155	-	155
Trade and other payables ²	-	(159)	(159)
	<u>236</u>	<u>(159)</u>	<u>77</u>

¹ Trade and other receivables excludes prepayments

² Trade and other payables excludes accruals, taxes and social security

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GROUP	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2022			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	90	-	90
Cash and cash equivalents	1,640	-	1,640
Trade and other payables ²	-	(203)	(203)
	1,730	(203)	1,527

COMPANY	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2023			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	4	-	4
Cash and cash equivalents	12	-	12
Trade and other payables ²	-	(66)	(66)
	16	(66)	(50)

COMPANY	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 Dec 2022			
Financial assets / (liabilities)	£'000	£'000	£'000
Trade and other receivables ¹	45	-	45
Cash and cash equivalents	1,548	-	1,548
Trade and other payables ²	-	(34)	(34)
	1,593	(34)	1,559

24. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2023.

25. CONTINGENT LIABILITIES

GRAFT POLYMER (UK) PLC – COMPANY NUMBER 10776788**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2023**

In December 2021 the Company entered a royalty agreement with Victor was replaced by a Profit Share Agreement, whereby Victor is due 7% of the Company's annual operating profit that accrues on a monthly basis, up to an aggregate amount of €3,500,000, which will commence upon the Company achieving monthly operating profit of €20,000.

Other than above, there were no further contingent liabilities at 31 December 2023.

26. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 31 December 2023.

27. RELATED PARTY TRANSACTIONS

The Group's investments in subsidiaries have been disclosed in note 15.

During the year the Company entered into the following transactions with other Group companies:

	Amounts owed by / (to) group companies			
	Opening Balance £'000	Movement in year £'000	Provisions in year £'000	Closing Balance £'000
Graft Polymer d.o.o. – 31 Dec 2022	302	1,412	-	1,714
Graft Polymer d.o.o. – 31 Dec 2023	1,714	330	(2,044)	-
Graft Polymer IP Limited – 31 Dec 2022	(29)	-	-	(29)
Graft Polymer IP Limited – 31 Dec 2023	(29)	29	-	-

At 31 December 2023 the Company did not have any amounts receivable from Graft Polymer d.o.o. (31 Dec 2022 approximately £1,714k).

Details of directors' emoluments are set out in the directors remuneration report.

Argent BioPharma Ltd

During the period the Group received €185,425 of revenue from Argent BioPharma Ltd (formerly MGC Pharmaceuticals Ltd). Roby Zomer was a director of Graft Polymer (UK) Plc before his resignation on 8 January 2024 and remains a Director of Argent BioPharma Ltd.

28. EVENTS SUBSEQUENT TO PERIOD END**Issue of equity**

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On 5 January 2024 the Company issued 20,666,667 ordinary shares at a placing price of £0.006 to CMC Markets Plc in turn raising £124,000.

Directorate change

On 15 March 2024, Roby Zomer, the Non-Executive Chairman of the Company, and Alex Brooks a Non-Executive Director resigned from the Board. Nicholas Nelson was appointed as a director of the Company replacing Mr Zomer as Non-Executive Chairman of the Company with immediate effect.

Implementation of Loan facility

On 15 March 2024 provision of a £100,000 working capital loan facility to the Company by Nicholas Nelson and another private individual (the "Loan Facility"). The Loan Facility is intended to be drawn down in full against expenses incurred by the Company as they arise, and it attracts an interest rate of 10% per month. On 23 April 2024 the loan facility was increased by a further £100,000.

29. CONTROL

In the opinion of the Directors as at the year end and the date of these financial statements there is no single ultimate controlling party.

UNAUDITED RESULTS FOR NINE MONTHS ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024**

		Unaudited Nine months to 30 Sep 2024 £'000	Unaudited Nine months to 30 Sep 2023 £'000
	Note		
Continuing operations			
Revenue	5	-	380
Cost of sales		-	(294)
Gross profit		-	86
Operational costs	6	(31)	(150)
Administrative expenses	6	(1,142)	(1,229)
Gain on deconsolidation	14	139	-
Operating loss		(1,034)	(1,293)
Depreciation		-	(132)
Finance costs		(64)	(3)
Loss before taxation		(1,098)	(1,428)
Income tax		-	-
Loss for the period from continuing operations		(1,098)	(1,428)
Loss from discontinuing operations	14	(157)	-
Total loss for the period attributable to equity holders of the parent		(1,255)	(1,428)
<i>Other comprehensive income</i>			
Foreign currency translation		76	1
Derecognition of foreign exchange reserve	14	(123)	-
Other comprehensive income (net of tax) for the year		(47)	1
Total comprehensive loss for the period attributable to equity holders of the parent		(1,302)	(1,427)
Loss per share (p)	7	(0.14)	(1.37)

The notes form an integral part of the Condensed Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024

		Unaudited Nine months to 30 Sep 2024 £'000	Audited as at 31 Dec 2023 £'000
	Note		
Non-current assets			
Property, plant and equipment	8		
Intangible assets	9	2,068	2,068
Other non-current assets		-	13
Right of use assets		-	39
Total non-current assets		2,068	2,120
Current assets			
Cash and cash equivalents		940	155
Trade and other receivables		402	108
Inventory		-	51
Total current assets		1,342	314
TOTAL ASSETS		3,410	2,434
Non-current liabilities			
Lease liability		-	22
Total non-current liabilities		-	22
Current liabilities			
Trade and other payables		138	249
Deferred Income		-	93
Lease liability		-	12
Provisions		-	32
Total current liabilities		138	386
Total liabilities		138	408
NET ASSETS		3,272	2,026
Equity			
Issued share capital	12	2,233	41
Share premium	12	7,362	7,001
Share capital to issue		-	175
Share based payments reserve		1,652	1,227
Capital reduction reserve		2,500	2,500
Foreign exchange reserve		-	47
Accumulated losses		(10,475)	(8,965)
TOTAL EQUITY		3,272	2,026

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024

	Unaudited Nine months to 30 Sep 2024 £'000	Unaudited Nine months to 30 Sep 2023 £'000
Cash flow from operating activities		
Loss before tax	(1,255)	(1,428)
<i>Adjustments for:</i>		
Depreciation	-	131
Finance charge	64	-
Share based payments	171	-
Settlement of fees through issue of equity	230	-
Gain on deconsolidation	(139)	-
Foreign exchange movements	-	62
<i>Changes in working capital:</i>		
Decrease in trade and other receivables	29	(99)
Increase / (decrease) in in trade and other payables	(81)	(6)
Increase in inventories	-	60
Net cash outflow from operating activities	(981)	(1,280)
Cash flow from investing activities		
Loan advance to Awakn	(300)	-
Purchase of property, plant and equipment	-	(197)
Repayments on right of use assets	(4)	(12)
Disposed subsidiary cash balance	(13)	-
Net cash outflow from investing activities	(317)	(209)
Cash flows from financing activities		
Net proceeds from issue of shares	1,883	-
Proceeds from issue of convertible note	200	-
Net cash inflow from financing activities	2,083	-
Net (decrease) in cash and cash equivalents	785	(1,489)
Cash and cash equivalents at beginning of period	155	1,640
Foreign exchange impact on cash	-	4
Cash and cash equivalents at the end of the period	940	155

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Shares to be issued £'000	Share premium £'000	Capital Reduction reserve £'000	SBP reserve £'000	Foreign exchange Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2022	41	-	7,001	2,500	858	(1)	(5,845)	4,554
Loss for period	-	-	-	-	-	-	(1,428)	(1,428)
Other comprehensive income	-	-	-	-	-	1	-	1
Total comprehensive loss for year	-	-	-	-	-	1	(1,428)	(1,427)
Transactions with owners in own capacity								
Transactions with owners in own capacity	-	-	-	-	-	-	-	-
Balance at 30 September 2023	41	-	7,001	2,500	858	-	(7,273)	3,127
Balance at 31 December 2023	41	175	7,001	2,500	1,227	47	(8,965)	2,026
Loss for period	-	-	-	-	-	-	(1,255)	(1,255)
Other comprehensive income	-	-	-	-	-	(47)	-	(47)
Total comprehensive loss for year	-	-	-	-	-	(47)	(1,255)	(1,302)
Transactions with owners in own capacity								
Shares issued during the year	2,192	(175)	361	-	-	-	-	2,378
Employee and consultant options	-	-	-	-	170	-	-	170
Transactions with owners in own capacity	2,192	(175)	361	-	170	-	-	2,548
Balance at 30 September 2024	2,233	-	7,362	2,500	1,397	-	(10,220)	3,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDING 30 SEPTEMBER 2024

1. GENERAL INFORMATION

Solvonis Therapeutics Plc (“the Company” or “Solvonis”) – formerly Graft Polymer (UK) plc – was incorporated in England and Wales as a limited company on 18 May 2017 as Graft Polymer (UK) Limited and was re-registered as a public limited company on 1 July 2021 and renamed Solvonis on 10 January 2025. The Company is domiciled in England and Wales with its registered office at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF. The Company’s registered number is 10776788.

At the beginning of the period the principal activities of the Company and all of its subsidiaries (collectively referred to as “the Group”) were the research and development of polymer modification technologies and polymer modification techniques. However towards the end of the period the board of directors undertook a review of its business and operations, pursuant to which it was decided that Graft Polymer Slovenia (“Graft Polymer D.O.O”) (principally, an industrial polymer products manufacturer) was considered no longer commercially viable due to forecasted negative cashflow as a result of falling sales and rising costs, with no immediate prospect of becoming profitable in the short to medium term and as a result the decision was made to dispose of Graft Polymer D.O.O on 2 May 2024.

Post the divestment the Company has focussed its attention and resources on its Graft Bio division, which represents strong prospectivity through its intellectual property (IP), licensing agreements, and sales contracts, has entered into a Letter of Agreement (“LOA”) to acquire the entire ordinary share capital of Awakn Life Sciences Corp (“Awakn”).

The condensed consolidated interim financial statements (“interim financial statements”) were approved for issue by the Board of Directors on 23 February 2025.

2. ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

3. BASIS OF PREPARATION

The interim financial statements of Solvonis Therapeutics Plc for the nine-month period ended 30 September 2024 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023, which was prepared in accordance with UK adopted International Accounting Standards (IFRS) and the Companies Act 2006, and any public announcements made by Solvonis Therapeutics Plc during the interim reporting period and since.

These interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group’s statutory financial statements for the year ended 31 December 2023 prepared under IFRS have been filed with the Registrar of Companies. The auditor’s report on

those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the Company's subsidiary (which was disposed of on 2 May 2024) was the Euro. The presentational currency of the Group is Pounds Sterling as this is the functional currency of the parent entity and also the currency in which equity fundraising has been facilitated. Amounts have been rounded to the nearest £'000.

The interim financial statements have not been audited.

The business is not considered to be seasonal in nature.

3.1. CRITICAL ACCOUNTING ESTIMATES

The preparation of these interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosure of contingent assets and liabilities at the end of the reporting period.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that applied to the financial statements for the period ended 31 December 2023 (unless specifically detailed below) with the nature and amounts of such estimates have not changed significantly during the interim period. New critical accounting estimates considered by management for the interim period were:

Disposal of Graft Polymer D.O.O

On 2 May 2024, the board of directors undertook a review of its business and operations, pursuant to which it was decided to dispose of Graft Polymer D.O.O on 2 May 2024. On contemplation of various factors relating to Graft Polymer D.O.O the board decided there was not significant value in the subsidiary and hence decided to dispose of it for nominal consideration.

4. SEGMENT REPORTING

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segments based on the reports reviewed by the Board.

The Board considers that during the six month period ended 30 June 2024, the Group operated in two segments being the corporate function in the United Kingdom and polymer development and production in Slovenia.

However, due to the disposal of the Slovenian operations on 2 May 2024, the contributions from the Slovenian operating segment are not reported in the loss from continuing operations in the statement of comprehensive income. For details of the contribution of the Slovenian operations during the period up until the point of disposal, refer to Note 14.

5. REVENUE

	Period to 30 Sep 2024 £'000	Period to 30 Sep 2023 £'000
Sales revenue	-	380
	-	380

For details of the revenue from the Slovenian operations during the period up until the point of disposal refer to Note 14.

6. OPERATING LOSS

Operating loss from continued operations is stated after (charging):

	Period to 30 Sep 2024 £'000	Period to 30 Sep 2023 £'000
Operational costs	(31)	(150)
Director and employee costs	(422)	(866)
Share based payments	(170)	-
Professional and consulting fees	(384)	(183)
Corporate and administrative costs	(159)	(93)
Other expenses	(7)	(31)
Foreign exchange	-	(56)
Gain on deconsolidation	139	-
	(1,034)	(1,379)

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

	Period to 30 Sep 2024 £'000	Period to 30 Sep 2023 £'000
Loss for the period from continuing operations – £ '000s	(1,098)	(1,428)
Weighted number of ordinary shares in issue	774,227,470	104,097,229
Loss per share from continuing operations – p	(0.14)	(1.37)

Share options and warrants could potentially dilute basic earnings per share in the future. These were not included in the calculation and no diluted earnings per share presented as the Group is loss making and additional equity instruments are anti-dilutive for the periods presented.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 January 2023	89	937	1,026
Additions	15	201	216
Disposals	-	(27)	(27)
Impairment	(107)	(1,117)	(1,224)
Exchange impact	3	6	9
At 31 December 2023 (audited)	-	-	-
Impairment	107	1,117	1,224
Disposal on derecognition of subsidiary	(107)	(1,117)	(1,224)
At 30 September 2024 (unaudited)	-	-	-
Depreciation			
At 1 January 2023	(29)	(323)	(352)
Charge for the year	(11)	(143)	(154)
Disposals	-	6	6
Impairment	40	463	503
Exchange impact	-	(3)	(3)
At 31 December 2023 (audited)	-	-	-
Impairment	(40)	(463)	(503)
Disposal on derecognition of subsidiary	40	463	503
At 30 September 2024 (unaudited)	-	-	-
Net book value at 31 December 2023 (audited)	-	-	-
Net book value at 30 September 2024 (unaudited)	-	-	-

9. INTANGIBLE ASSETS

	Unaudited 30 Jun 2024 £'000	Audited 31 Dec 2023 £'000
Opening balance	2,068	2,068
	2,068	2,068

Intangible assets relate to the issue of 22,500,000 shares to founding director Victor Bolduev on the acquisition of his "Know-how" and patents that have been transferred to the Group.

At each period end, the Directors assess the intangible assets for any indicators of impairment and have concluded no presence of such indicators. Consequently no impairment charge has been processed during the period (31 Dec 2023: £nil).

10. INVESTMENTS

Company subsidiary undertakings

The Group owned interests in the following subsidiary undertakings, which are included in the financial statements:

Name	Business Activity	Country of Incorporation	Registered Address	Percentage Holding
Graft Polymer IP Limited	Intellectual property	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%
GRAFTBIO Limited	Bio-Polymer development and production	England and Wales	Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF	100%

11. LOAN NOTE

	Unaudited 30 Sep 2024 £'000	Audited 31 Dec 2023 £'000
Opening balance	-	-
Principal drawn down	200	-
Interest charged	64	-
Principal repaid	(264)	-
	-	-

On 15 March 2024, the Company entered into a £100,000 working capital loan facility, which was subsequently increased by a further £100,000 in April 2024. The facility has been drawn down in full and attracts an interest rate of 10% per month. The loan was repayable on demand, together with accumulated interest which was settled in July 2024.

12. SHARE CAPITAL

	Unaudited 30 Sep 2024	Audited 31 Dec 2023
Number of shares	2,295,930,633	104,097,299
Nominal value (£'000)	2,233	41

Issued and fully paid ordinary shares with a nominal value of £0.001 (2023: £0.001)

Changes in issued Share Capital and Share Premium:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary shares				
Opening balance at 31 December 2023	104,097,299	41	7,001	7,042
Issue of shares at placing price of 0.6	20,666,667	21	103	124
Issue of shares at placing price of 0.1	1,800,000,000	1,800	-	1,800
Issue of shares on conversion of loan ¹	264,000,000	264	-	264
Issue of shares to settle outstanding fees ²	59,666,667	60	298	358
Issue of shares to settle outstanding fees ³	47,500,000	47	-	47
Share issue costs	-	-	(40)	(40)
Closing balance at 30 June 2024	2,295,930,633	2,233	7,362	9,595

¹ Shares issued as full repayment of working capital loan and accrued interest

² Shares issued in satisfaction of fees owed to Directors as at 31 March in connection to the July 24 transaction

³ Shares issued to various directors and advisors in lieu of fees owed

13. SHARE BASED PAYMENT RESERVE

Warrants

	As at 30 September 2024	
	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2024	22.0p	2,031,008
Granted in period	1.0p	10,333,333
Granted in period	0.6p	1,500,000
Granted in period	0.1p	294,500,000
Expired during period	22.0p	(775,194)
Outstanding at 30 September 2024	0.2p	307,589,147
Exercisable at 30 September 2024	0.2p	307,589,147

The following table lists the Black Scholes inputs to the model used for valuation of the warrants:

	0.1p warrants	1p warrants	0.6p warrants
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	92.1%	92.4%	92.4%
Risk-free interest rate (%)	3.8%	3.6%	3.6%
Time to maturity	2-3 years	2 years	2 years
Exercise price (£)	0.001	0.01	0.006
Share price at grant date (£)	0.001	0.006	0.006

Options

	As at 30 September 2024	
	Weighted average exercise price	Number of warrants
Brought forward at 1 January 2024	0.1p	11,000,000
Granted in period	0.1p	55,000,000
Expired during period	0.1p	(11,000,000)
Outstanding at 30 September 2024	0.1p	55,000,000
Exercisable at 30 September 2024	0.1p	18,333,333

The following table lists the Black Scholes inputs to the model used for valuation of the options:

	0.1p warrants
Dividend yield (%)	0%
Expected volatility (%)	92.1%
Risk-free interest rate (%)	3.8%
Time to maturity	2 years
Exercise price (£)	0.001
Share price at grant date (£)	0.0022

14. BUSINESS COMBINATIONS

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income.

The Board recently undertook a review of its business and operations, pursuant to which it was decided that the Slovenian operation, Graft Polymer D.O.O (principally, an industrial polymer products manufacturer), was considered no longer commercially viable due to forecasted negative cashflow as a result of falling sales and rising costs, with no immediate prospect of becoming profitable in the short to medium term. The Group disposed of Graft Polymer D.O.O on 2 May 2024.

A gain on deconsolidation as at date of disposal of £139k was recognised and taken to the Statement of Comprehensive Income.

Gain on deconsolidation of Graft Polymer D.O.O

	2 May 2024 £'000
Consideration received	
Cash	-
Carrying amount of net liabilities sold	16
	16
Reclassification of foreign exchange reserve	123
Gain on deconsolidation	139

Financial Performance for Graft Polymer D.O.O

	Unaudited Four months to 2 May 2024 £'000	Unaudited Nine months to 30 Sep 2023 £'000
Revenue	221	380
Cost of sales	(162)	(294)
Gross profit	59	86
Operational costs	(17)	(150)
Depreciation	(57)	(132)
Administrative expenses	(141)	(295)
Operating loss	(156)	(491)
Finance costs	(1)	(3)
Loss before taxation	(157)	(494)
Income tax	-	-
Loss for the period from discontinuing operations	(157)	(494)

Assets and liabilities of Graft Polymer D.O.O

	Unaudited 2 May 2024 £'000	Audited 31 Dec 2023 £'000
Non-current assets		
Right of use assets	38	39
Other non-current assets	13	13
Total non-current assets	51	52
Current assets		
Cash and cash equivalents	13	143
Trade and other receivables	44	78
Inventory	11	50
Total current assets	68	271
TOTAL ASSETS	119	323
Non-current liabilities		
Lease liability	-	22
Total non-current liabilities	-	22
Current liabilities		
Trade and other payables	71	132
Deferred Income	36	93
Lease liability	28	12
Total current liabilities	135	237
Total liabilities	135	259
NET ASSETS	(16)	64

SOLVONIS THERAPEUTICS PLC MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Ended – 30 September 2024

and

Fiscal Years Ended

31 December 2022 and 2023

**SOLVOLNIS THERAPEUTICS PLC MANAGEMENT
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The following management discussion and analysis was prepared for the nine months ended 30 September 2024 and should be read in conjunction with Solvonis's annual audited financial statements and notes thereto for the years ended 31 December 2023 and 2022. These accounts, including comparatives, have been prepared using accounting policies consistent with UK-adopted International Accounting Standards.

This Management Discussion and Analysis contains may contain forward-looking statements. Forward-looking statements are statements which relate to future events. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our industry, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable United Kingdom law Solvonis does not intend to update any of the forward-looking statements to conform these statements to actual results.

Further information is available on the Companies House website:

[hVps://www.gov.uk/government/organisations/companies-house](https://www.gov.uk/government/organisations/companies-house)

and Solvonis's website: www.solvonis.com

Description of Business

Solvonis Therapeutics plc ("Solvonis") was incorporated as Graft Polymer (UK) Limited in England and Wales on 17 May 2017 and changed its name to Graft Polymer (UK) plc on 1 July 2021 and then to Solvonis Therapeutics plc on 10 January 2025. Solvonis is a reporting issuer in the United Kingdom on the London main market ('LSE') under the symbol "SVNS".

Solvonis has historically been active in research, development and polymer modification technologies and polymer modification from its established production and development facilities in Slovenia. During this time, the Solvonis Group also developed intellectual property of Biopharma and pharmaceutical applications to broaden its commercial. In March 2024, the board was restructured, working capital loan funding provided and Solvonis undertook a comprehensive operational review to chart a sustainable path forward.

In May 2024, Anthony Tennyson joined as CEO, bringing a mandate to reduce overheads, streamline operations, and build out Solvonis's IP portfolio to capitalise on the growing potential of our Graft Bio division, with the repositioning of Solvonis as a biotechnology company with a specific focus on mental health and substance use disorders.

Subsequently, Solvonis entered into binding letter of agreement (the "LOA") to acquire 100% of the issued share capital of Awakn Life Sciences Corp. ("Awakn"), a clinical-stage biotechnology company developing therapeutics for substance use and mental health disorders, with a view to Solvonis acquiring Awakn by way of a plan of arrangement pursuant to the British Columbia Business Corporations Act (the "Plan of Arrangement"). The Proposed Acquisition will be conditional on the satisfaction (or waiver) of certain conditions on or before the Long Stop Date, including:

the satisfactory completion, by each of the parties to the transaction, of legal, financial and commercial due diligence;

- approval of the boards of both Graft Polymer and Awakn of the definitive transaction documents;
- the receipt of all necessary regulatory consents and approvals required for the Proposed Acquisition;
- the approval of the Plan of Arrangement by the British Columbia court;

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- the approval of Awakn's shareholders;
- the consent of holders of stock options in Awakn to the cancellation of such stock options;
- obtaining the necessary regulatory approvals of the Financial Conduct Authority in relation to a prospectus which is required pursuant to the Prospectus Regulation rules in order for Graft Polymer to issue the Consideration Shares;
- the approval of the Company's shareholders, at a general meeting of the Company (to be convened), of resolutions to provide authority to the Directors to issue and allot the Consideration Shares, otherwise than on a pre-emptive basis;
- the parties agreeing, signing and exchanging the Definitive Agreement; and
- the admission of Consideration Shares to trading on the Main Market of the London Stock Exchange and to listing on the equity shares (transition) category of the FCA's Official List ("Admission").

Solvonis continues to trade on the LSE whilst it works with Awakn and all advisors to satisfy the various conditions above. During the this time, Solvonis advanced to Awakn £300,000 on an unsecured basis pursuant to a collaboration agreement dated 17 July 2024 ("**Collaboration Agreement**"). On 22 February 2025, Awakn and Solvonis executed the Arrangement Agreement as required under Canadian law, to effect the Plan of Arrangement and acquisition.

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Overall Performance

Introduction

Solvonis's primary activities during the fiscal year of 2024 were:

- (i) Board changes undertaken, including appointment of Anthony Tennyson as Chief Executive Officer;
- (ii) Completion of an operational review, leading to a strategic focus on the healthcare industry, specifically developing intellectual property relating to the treatment of mental health and substance use disorders, and the co-development of therapeutics for mental health disorders;
- (iii) Disposal of non-core, underperforming industrial polymer division to streamline operations and focus on higher-growth sectors;
- (iv) Successful £1.8 million fundraising, through the publication of a prospectus and placement of new shares;
- (v) Entered a commercial collaboration agreement with Awakn Life Sciences Corp. ("**Awakn**") to co-develop a new class of therapeutics targeting trauma related mental health disorders such as Post-Traumatic Stress Disorder ("PTSD") and subsequently entered into a binding Letter of Agreement ("**LOA**") to acquire the entire share capital of Awakn; and
- (vi) Strengthening of the intellectual property portfolio with four new patent applications related to mental health and substance use disorders

This compares to the two previous years, where efforts were focused on the development of the industrial polymer operations in Slovenia, in conjunction with the development of the Graftbio division, resulting in the disposal of the industrial polymer division in May 2024.

Successful Disposal of Graft Polymer doo

Following the appointment of Nicholas Nelson and Anthony Tennyson in the first half of 2024, an operational review was undertaken with the focus on the reduction of overheads, streamlining of operations, and build out the IP portfolio to capitalise on the growing potential of our Graft Bio division.

Following this review, the Group repositioned itself as a biotechnology company with a specific focus on mental health and substance use disorders and consequently resulted in the disposal of Graft Polymer Slovenia D.O.O., a non-core, underperforming industrial plastics subsidiary.

Awakn Acquisition

In conjunction with the LOA on the acquisition of Awakn, a loan has been provided to Awakn to support its operations.

Solvonis and Awakn entered into a binding LOA providing for the potential acquisition of the issued and outstanding securities of Awakn by Solvonis.

On 22 February 2025 Solvonis and Awakn entered into an Arrangement Agreement to enable Awakn to be acquired by Solvonis. Pursuant to the Arrangement Agreement, Solvonis will acquire all of the issued and outstanding common shares of Awakn by way of a court-approved plan of arrangement under the British Columbia Business Corporations Act.

Selected Annual Information

The following tables set forth selected consolidated financial information for Solvonis for the last three completed financial years ended 31 December 2022, 2023 and 2024. The reporting currency used throughout is UK Pounds Sterling. This information has been derived from Solvonis's unaudited management accounts from 30 September 2024, presented in a similar format to its interim financial statement for the six month period ended 30 June 2024 and its audited financial statements for 2023, and 2022 and should be read in conjunction with those financial statements and the notes thereto.

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Summary Financial Information for the last three years.

	Year ended 31 December 2022	Year ended 31 December 2023	9 months ended 30 September 2024
	(£'000)	(£'000)	(£'000)
	(audited)	(audited)	(unaudited)
Cash	1,640	155	940
Current assets	2,157	314	1,342
Non-current assets	2,120	2,782	2,068
Total assets	4,939	2,434	3,410
Total liabilities	385	408	138
Shareholders equity	4,554	2,026	3,272

Results for the three years have been prepared using UK-adopted International Accounting Standards. The functional currency and presentation currency for Solvonis is Sterling ("£").

Detailed Consolidated Expenditure Statements for the last three periods:

	Year ended 31 December 2022	Year ended 31 December 2023	9 months ended 30 September 2024
	(£'000)	(£'000)	(£'000)
	(audited)	(audited)	(unaudited)
Revenue	542	587	-
Cost of sales	(329)	(329)	-
Gross profit	300	258	-
Other revenue	17	-	139
Operational costs	(238)	(213)	(31)
Depreciation and amortization	(113)	(179)	-
Administrative expenses	(2,667)	(2,145)	(1,142)
Impairment	-	(838)	-
Operating loss	(2,701)	(3,117)	(1,034)
Finance costs	(4)	(3)	(64)
Loss before income tax	(2,705)	(3,120)	(1,098)
Income tax	-	-	-
Loss after income tax from continuing operations	(2,705)	(3,120)	(1,098)
Loss from discontinued operations	-	-	(157)
Loss after income tax	(2,705)	(3,120)	(1,255)

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During the nine months ended 30 September 2024, Solvonis disposed of its Slovenian operation subsidiary, Graft Polymer d.o.o. resulting in the gain on deconsolidation of this subsidiary of £139,000 as reflected in other income. With revenue in previous years being solely generated from Graft Polymer d.o.o., nil revenue was generated in the nine months to 30 September 2024, as the total loss from the discontinued operations was recognised after the loss generated from continuing operations.

Operational costs of the reporting periods above had been predominantly incurred by Graft Polymer d.o.o., with a small amount being incurred by plc, hence this is reflected in the significant reduction on such costs in the nine months to 30 September 2024.

As noted earlier, following the appointment of Nicholas Nelson and Anthony Tennyson in the first half of 2024, an operational review was undertaken with the focus on the reduction of overheads across the Group. The outcome of this review has seen a significant reduction in administrative expenses for the nine month period ended 30 September 2024.

- Director and employee costs decreased from £1,273,000 in 2022 to £958,000 in 2023, due primarily to a bonus in 2022 of £103,000 being paid (nil in 2023) and the value of options issued in 2023 of £519,000 compared to £268,000 value in 2023. These costs decreased further for the nine months to 30 June 2024 to £422,000, due primarily to the resignation of five board members during the period and the disposal of the Slovenia subsidiary (with all Slovenian related employee costs being captured in the loss from discontinued operations line).
- Professional and consulting fees decreased from £703,000 in 2022 to £389,000 in 2023, predominantly due to 2022 being the first year as a listed entity, whilst the same costs for the nine months to 30 September of £384,000 are similar to the full year for 2023. This is due to the increase in corporate activity seen in this period due to the restructuring of the business in conjunction with the £1.8m capital raise mid 2024 under a prospectus that incurred the requisite associated professional fees in support of this.
- Remaining other expenses saw a drop from £336,000 in 2022 to £267,000 in 2023 and further decrease to £166,000 to the nine months to 30 September 2024.

Subsequent to the year ended 31 December 2023, as mentioned above, the Group undertook a review of its operations and determined that there was no value in the property plant and equipment as at 31 December 2023, and as a result the Group impaired its leasehold improvements in full by £67,000 and plant and equipment in full by £654,000. Additionally on review of the value of finished goods inventory at 31 December 2023, inventory to the value of £117,000 was impaired. The results of the above impairment review saw a total impairment charge of £838,000 incurred in the year ended 31 December 2023.

Financial Analysis:

Discussion of Operations

As described above, up until the appointment of Nicholas Nelson and Anthony Tennyson, Solvonis was focused on the development of the industrial polymer operations in Slovenia, in conjunction with the development of the Graftbio division. Subsequently, following a strategic review of all of Solvonis's operations, the industrial polymer division was disposed of in May 2024, followed soon thereafter by a successful capital raise for £1,800,000.

Summary of Quarterly Results

As Solvonis is not currently a reporting issuer in Canada or the US and has not been required to provide quarterly results, this section is not applicable.

Liquidity and Capital Resources

Cash and Solvency

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As at 30 September 2024, Solvonis had cash and equivalents of £940,000 compared to £155,000 at 31 December 2023 and £1,640,000 at 31 December 2022. The decrease from 2022 and 2023 was due to the operating losses incurred by Solvonis during that year, whilst the increase from 2023 to 2024, was due primarily to the capital raise in July 2024, raising £1,800,000 before expenses, reduced through the settlement of creditors built up during the first half of 2023, professional fees incurred in the prospectus in support of the capital raise, other operational expenditure and the £300,000 advanced to Awakn .

Following the completion of the acquisition and the fact that neither Solvonis nor Awakn will have sources of operational revenue in the short to medium term, the combined entity will have to rely upon the sale of equity securities, including private placements, exercise of warrants and exercise of options, to provide funding for its business, research and development programme, and for administrative expenses.

Financing Activities

Net cash from financing activities during the nine month period ended 30 September 2024 was £2,083,000. This comprised two placings raising a total of £1,924,000 before expenses of £41,000, couple with loan funding in the form of a convertible loan note received of £200,000. Additionally, Solvonis advanced £300,000 to Awakn pursuant to the Collaboration Agreement.

Investing Activities

Net cash from investing activities used during the nine month period ended 30 September 2024 amounted to a loan of £300,000 to Awakn as part of the Collaboration Agreement along with £13,000 net cash disposed of through the sale of the Company's Slovenia subsidiary during the period.

Off Balance Sheet Transactions

There have been no off-balance sheet transactions within the two years and nine months ended 30 September 2024.

Related Party Transactions

During the current nine month period ended 30 September 2024, there were payments made to the following Directors and Officers:

Director	Fees accrued in	Settled in cash	Settled in shares	Outstanding fees
	period			at 30 Sep 24
	£'000	£'000	£'000	£'000
Anthony Tennyson	29	21	-	8
Nicholas Nelson	20	9	11	-
Dennis Purcell	3	-	-	3
Victor Bolduev	9	9	-	-
Yifat Steuer	58	48	10	-
Pavel Kobzev	14	4	10	-
	133	90	31	11

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Below is a comparative Directors and Officers fees for the previous 2 periods:

Remuneration paid to the Directors' during the year ended 31 December 2023 was:

Director	Base salary £'000	Pension £'000	Service fees £'000	Options* £'000	Total £'000
Roby Zomer	28	-	81	57	166
Victor Bolduev	48	-	103	74	224
Pavel Kobzev	48	-	49	54	150
Alex Brooks	25	-	-	33	58
Yifat Steuer	103	1	-	50	154
	252	1	233	268	754

**Monetary value of options at issue date charged during the current year*

Remuneration paid to the Directors' during the year ended 31 December 2022 was:

Director	Base salary £'000	Bonus £'000	Pension £'000	Service fees £'000	Options £'000	Total £'000
Roby Zomer	41	1	-	-	110	152
Victor Bolduev	52	85	-	143	143	423
Pavel Kobzev	51	1	-	77	104	233
Alex Brooks	33	3	-	-	65	101
Yifat Steuer	142	13	1	-	97	253
	319	103	1	220	519	1,162

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Proposed Transaction

As described in the Overall Performance section above, Solvonis intends to acquire Awakn Lifesciences Corp. in order to finance Awakn's advanced clinical pipeline with medium-term revenue potential through Awakn's lead programme, AWK-001. The acquisition intends to combine complementary expertise and synergies because of both companies' therapeutic focus on addiction and mental health, with the enlarged group's strengthened position in the UK biotechnology ecosystem due to a significant proportion of Awakn's research being conducted in the UK.

Financial Instruments

Solvonis does not use financial instruments to hedge or otherwise manage cashflow risk. The only financial instrument used is cash and this is subject to currency fluctuations, notably between GBP, CAD and EUR.

Outstanding Share Data

As at 30 September 2024, there were:

- 2,295,930,633 ordinary shares outstanding.
- 306,333,333 warrants outstanding broken down as follows;
 - 10,333,333 warrants to purchase 10,333,333 ordinary shares of Solvonis at £0.010 and expire 3 January 2026;
 - 1,500,000 warrants to purchase 15,000,000 ordinary shares of Solvonis at £0.006 and expire 3 January 2026; and
 - 294,500,000 warrants to purchase 294,500,000 ordinary shares of Solvonis at £0.001 and expire 3 January 2026 (of which director Nicholas Nelson holds 142,500,000).
- 55,000,000 options outstanding of which 18,333,333 are exercisable having vested during the nine months ended 30 September 2024 and are broken down as follows:
 - 10,000,000 options to purchase 10,000,000 ordinary shares of Solvonis at £0.001 with expiry 3 years from grant. These options were granted under Solvonis's Long Term Incentive Plan and vest in 3 equal tranches with one tranche vesting upon appointment (being 30 July 2024) and the remaining two tranches vesting on the 1 and 2 year anniversary of grant. These were granted to director Dennis Purcell.
 - 45,000,000 options to purchase 45,000,000 ordinary shares of Solvonis at £0.001 with expiry 3 years from grant. These options were granted under Solvonis's Long Term Incentive Plan and vest in 3 equal tranches with one tranche vesting upon appointment (being 26 September 2024) and the remaining two tranches vesting on the 1 and 2 year anniversary of grant.

Subsequent Events

Subsequent to 30 September 2024, Solvonis:

- Entered a research agreement with the University of Nottingham. The research will be conducted in vivo and will evaluate the potential of the Company and Awakn's aminoindane new chemical entity ("NCE") co-lead series to enhance social cognition and pro-social behaviors, a critical step in developing a new class of medicines for treating trauma-related disorders such as Post-Traumatic Stress Disorder ("PTSD").
- Entered into a binding letter of agreement for the proposed acquisition of the entire issued share capital of Awakn Life Sciences Corp. with the intention to issue approximately 2,074,378,592 new ordinary shares of £0.001 each as consideration for the proposed acquisition

The Board of Directors of Solvonis has approved this Management Discussion and Analysis.

G-24
SCHEDULE "B"

AUDIT COMMITTEE CHARTER

(see attached)

SOLOVONIS THERAPEUTICS PLC (FORMERLY GRAFT POLYMER (UK) PLC)

COMPANY NUMBER: 10776788

TERMS OF REFERENCE FOR THE AUDIT AND RISK COMMITTEE

1. CONSTITUTION

- 1.1 The Audit and Risk committee (**Committee**) was constituted as a committee of the board of directors (**board**) of Graft Polymer (UK) PLC (**Company**) at a full meeting of the board held on 2021 in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

2. ROLE

The role of the Committee is to assist the board in fulfilling its oversight responsibilities by reviewing and monitoring:

- 2.1 The integrity of the financial and narrative statements and other financial information provided to shareholders.
- 2.2 The Company's system of internal controls and risk management.
- 2.3 The internal and external audit process and auditors.
- 2.4 The processes for compliance with laws, regulations and ethical codes of practice.
- 2.5 The Company's attitude to and appetite for risk and its future risk strategy.
- 2.6 How risk is reported internally and externally.

3. DUTIES AND TERMS OF REFERENCE

The Committee shall have oversight of the Company and its subsidiaries (**Group**) as a whole and (unless required otherwise by regulation) carry out the following duties for the Group as appropriate:

3.1 Financial reporting

The Committee shall:

- 3.1.1 monitor the integrity of the financial statements of the Group, including:
 - (a) the annual and half-yearly reports; and
 - (b) any other formal statements relating to its financial performance;
- 3.1.2 review and report to the board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain having regard to matters communicated to it by the external auditor;
- 3.1.3 review and challenge where necessary:
 - (a) the application and appropriateness of significant accounting policies,
 - (b) any changes to significant accounting policies both on a year on year basis and across the Company and the Group, including the application of new accounting policies in interim accounts, and the plan to communicate those changes to shareholders and the market;
 - (c) management's assessment of the impact of new accounting policies on the distributable reserves of the Company and the Group;

- (d) whether the Company has made appropriate estimates and judgements, taking into account the external auditor's views;
 - (e) the clarity and completeness of financial reporting disclosures and any changes to those disclosures, including the review of any correspondence between the Company and the external auditor;
 - (f) the methods used to account for significant or unusual transactions (including any off balance sheet arrangements) where different approaches are possible;
 - (g) significant adjustments resulting from the external audit;
 - (h) the assumptions or qualifications in support of the going concern statement (including any material uncertainties as to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements) and the longer term viability statement (including an assessment of the prospects of the Group looking forward over an appropriate and justified period), including the robustness of stress-testing and scenario planning, and disclosures around such analysis; and
 - (i) the legality of any proposed dividend and the company's ability to pay it and remain a going concern;
- 3.1.4 monitor compliance with financial reporting standards and the LSE Rules and related guidance and other financial and governance reporting requirements;
 - 3.1.5 review all material information presented with the financial statements, such as the strategic report and the corporate governance statements, insofar as it relates to audit and risk management;
 - 3.1.6 review first any other statements that contain financial information and require board approval, if carrying out a review before board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the LSE Rules; and
 - 3.1.7 where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, report its views to the board.

4. NARRATIVE REPORTING

Where requested by the board, the Committee shall review the content of the annual report and accounts and advise the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy and whether it informs the board's statement in the annual report on these matters that is required under the UK Corporate Governance Code.

5. RISK MANAGEMENT SYSTEMS AND INTERNAL CONTROLS

The Committee shall:

5.1 Risk assessment and management

- 5.1.1 on behalf of the board (which retains overall responsibility for risk management), review and monitor the Company's risk management systems and overall risk framework and processes on a continuous basis;
- 5.1.2 consider the appropriate risk appetite for the Company across all major activities, taking into account the overall strategy of the Company, its future plans and other internal information, as well as the external environment, including economic, political and industry information;
- 5.1.3 oversee and advise the board on and consider how the remuneration of executives shapes their view of risk;

- 5.1.4 ensure that a robust assessment of the emerging and principal risks facing the Company has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity and reputation), ensure that procedures are in place to identify emerging risks, and provide advice on the management and mitigation of those risks;
- 5.1.5 oversee the current and prospective risks faced by the Company and its strategy in relation to future risks;
- 5.1.6 ensure that risk management is properly considered in board decisions;
- 5.1.7 review the methodology for reporting risk to the board, including both quantitative and qualitative measures;
- 5.1.8 set triggers for reporting and escalation of significant emerging risks which may be critical to the Company and assess the Company's ability to manage new risks;
- 5.1.9 ensure the risk management function is properly resourced, with adequate information rights and sufficient independence such that it is free from management interference;
- 5.1.10 assess whether risks have been properly considered in relation to all major transactions (as defined by the board) by the Company, including but not limited to mergers and acquisitions, disposals, joint ventures, significant expenditure on property, plant and equipment and material multi-year service contracts. This should involve consideration of whether all due diligence and/or procurement processes have been carried out, including obtaining external advice, as well as an assessment of whether the transaction meets the Company's risk appetite criteria and the implications for future risk tolerance; and
- 5.1.11 review all material adverse crystallisation of risks, including those involving breaches of the Company's procedures, carrying out root cause analysis and introducing lessons learned into the risk management system.

5.2 Internal controls

review the Company's internal financial controls and internal control systems and at least annually, carry out a review of its effectiveness;

5.3 On-going viability

provide advice on how, taking into account the Company's position and principal risks, the Company's prospects have been assessed, over what period and why the period is regarded as appropriate. The Committee shall also advise on whether there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the said period, drawing attention to any qualifications or assumptions as necessary and taking into account relevant scenario planning and stress-testing;

5.4 Management and internal and external audit reports

- 5.4.1 review the assurance reports from management on the effectiveness of the internal control and risk management systems and from the internal audit, the external auditor and others on the operational effectiveness of matters related to risk and control. The Committee should satisfy itself that these sources of assurance and information are sufficient and objective and are enough to enable the board to satisfy itself that they are operating effectively; and
- 5.4.2 review the timeliness of, and reports on, the effectiveness of corrective action taken by management in response to any material external or internal audit recommendation;

5.5 Disclosures

- 5.5.1 review and approve the statements to be included in the annual report concerning internal controls, risk management and the viability statement, and ensure that

relevant disclosures are given in the directors' report as to the Company's risk management and strategy in relation to financial instruments;

- 5.5.2 consider any necessary disclosure implications of the process that has been applied by the board to deal with material internal control aspects of any significant problems disclosed in the annual report and accounts; and
- 5.5.3 consider the major findings of any relevant internal investigations into risk and control weaknesses, fraud, or misconduct and management's response, and also consider whether any such failings or weaknesses are significant and therefore require disclosure, the basis and accuracy of explanations given as to what actions are being taken to address them, and whether the level of disclosure of such actions is appropriate.

5.6 Internal audit

The Committee shall monitor and review the effectiveness of the Company's internal audit function as well as approve the appointment/removal of the head of the internal audit function and make any recommendation to the board explaining how internal assurance is achieved and how this affects the external audit work to the board for disclosure in the annual report. The Committee shall assess whether the internal audit function has adequate resources and appropriate access to information and whether the internal auditors are free from management or any other restrictions to ensure that the internal controls systems are functioning as intended.

6. EXTERNAL AUDIT

The Committee shall, taking into account any applicable law and legislation, other professional requirements and the Financial Reporting Standard's Revised Ethical Standard 2019 (Ethical Standard):

6.1 Appointment, reappointment and resignation

- 6.1.1 consider and make recommendations to the board, to be put to shareholders for approval at the Company's AGM, on the appointment, reappointment or removal of the Company's external auditor;
- 6.1.2 oversee any tender for the audit services contract to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, develop and oversee the selection process, ensuring that all tendering firms have such access as is necessary to information and individuals during the tendering process;
- 6.1.3 if any external auditor resigns, investigate the issues leading to this and decide whether any action is required; and
- 6.1.4 evaluate the risks to the quality and effectiveness of the financial reporting process in light of the external auditor's communications with the Committee and consider the need to include the risk of the withdrawal of the external auditor from the market in that evaluation;

6.2 Terms of engagement

oversee the relationship with the external auditor and negotiate and agree their terms of engagement, including any engagement letter issued at the start of each audit, the scope of the audit and, in consultation with the executive directors, agree and approve their remuneration (including fees for both the audit and non-audit services) to ensure that the level of fees is appropriate to enable an effective and high quality audit to be undertaken;

6.3 Independence and expertise

- 6.3.1 review and assess on an annual basis;
 - (a) the external auditor's independence and objectivity taking into account the relevant UK law, the Ethical Standard and other professional and regulatory

requirements and the Group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards to mitigate those threats including the provision of any non-audit services; and

- (b) the qualifications, expertise and resources of the external auditor and, taking into account relevant UK professional and regulatory requirements, the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;

6.3.2 seek reassurance from the external auditor and their staff and satisfy itself that they have no relationships with the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;

6.3.3 at least annually, seek information from the external audit firm about, and monitor, the external audit firm's policies and processes for maintaining independence and its compliance with the relevant UK law, regulation and other professional requirements and the Ethical Standard, including guidance on the rotation of the audit partner and staff;

6.3.4 agree with the board the Company's policy on employment of former employees of the Company's external auditor, taking into account the Ethical Standard and legal requirements and monitor the application of this policy;

6.4 Fees of external auditor

monitor the level of fees paid by the Company to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the context of the legal, professional and regulatory requirements, guidance and the Ethical Standard;

6.5 Non-audit services

6.5.1 develop and recommend to the board, and implement, the Company's formal policy on the external auditor's provision of non-audit services, including the Committee's approval of non-audit services and the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include assessment of:

- (a) threats to the external auditor's independence and objectivity and any safeguards in place to eliminate or reduce threats;
- (b) the nature of the non-audit services;
- (c) in light of the external audit firm's skills and experience, whether it is the most suitable supplier of the non-audit service;
- (d) the fees for the non-audit services, both for individual services and in aggregate, relative to the audit fee, including special terms and conditions; and
- (e) the criteria governing compensation of the individuals performing the audit;

6.5.2 ensure that the provision of the non-audit services does not impair the external auditor's independence or objectivity, satisfying itself that there are no relationships between the auditor and the Company outside the ordinary course of business (including the level of non-audit fees) that could adversely affect the auditor's independence and objectivity, or the audit process; and

6.5.3 keep the policy for the provision of non-audit services under review;

6.6 Audit cycle

6.6.1 review and approve the annual audit plan at the start of the audit cycle and ensure it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

- 6.6.2 meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without the executive directors or management being present, to review and discuss the auditor's remit and the findings of the audit including (but not limited to) any major resolved or unresolved issues that arose during the audit, the auditor's explanation of how risks to audit quality were addressed, key accounting and audit judgements, the auditor's view of their interactions with senior management and levels of errors identified during the audit;
- 6.6.3 consider communications from the external auditor on audit planning and findings on material weaknesses in accounting and internal control systems that come to the auditor's attention, including a review of material items of correspondence between the Company and the external auditor;
- 6.6.4 review any representation letter(s) requested by the external auditor before they are signed by management and consider whether, based on its knowledge, the information provided is complete and appropriate;
- 6.6.5 review, before its consideration by the board, the external auditor's report to the directors and their management letter, including management's response to the auditor's findings and recommendations;
- 6.6.6 at the end of the audit cycle, assess the effectiveness of the audit process including:
 - (a) reviewing whether the auditor has met the agreed audit plan and whether the external auditor identified any risks to audit quality and, if so, how these were addressed;
 - (b) understanding reasons for changes to the audit plan;
 - (c) considering the external auditor's robustness and perceptiveness in handling key accounting and audit judgements and responding to the Committee's questions;
 - (d) obtaining feedback from key people on the conduct of the audit; and
 - (e) reviewing and monitoring the content of the external auditor's management letter and reporting to the board on the effectiveness of the audit process;

6.7 Other matters

- 6.7.1 be responsible for the co-ordination between the activities of the external auditor and the internal audit function; and
- 6.7.2 assess and make recommendations through the board to the shareholders on whether the Company should enter into a liability limitation agreement with its external auditor.

6.8 Whistleblowing

The Committee shall review the effectiveness, adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

6.9 Fraud

The Committee shall annually review the Company's procedures for detecting fraud.

6.10 Compliance

The Committee shall review the Company's systems and controls for ethical behaviour and the prevention of bribery and modern slavery and receive reports on non-compliance.

7. MEMBERSHIP

- 7.1 The Committee shall comprise a chair and a minimum of two members and Committee as a whole shall have competence relevant to the section in which the Company operates.
- 7.2 The majority of Committee members shall be an independent non-executive directors as determined by the board (in accordance with the principles of the UK Corporate Governance Code), at least one member shall have recent and relevant experience working with financial and accounting matters.
- 7.3 The board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee chair.
- 7.4 The chair of the board shall not be a Committee member, but may be invited to attend its meetings.
- 7.5 The board shall appoint the chair of the Committee from among the independent non-executive directors and shall determine the period for which the chair of the Committee will hold office. In the absence of the Committee chair and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 7.6 The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 7.7 The company secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

8. ATTENDANCE AT MEETINGS

- 8.1 The Committee shall meet at least three times a year at appropriate times in the Company's financial reporting and audit cycle.
- 8.2 Outside of the formal meeting programme, the Committee chair shall maintain a dialogue with key individuals involved in the Company's governance, including the board chair, the chief executive, the finance director the external audit lead partner and the head of internal audit.
- 8.3 Only Committee members have the right to attend and vote at Committee meetings. However, the finance director head of internal audit and external audit lead partner shall be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meetings as and when appropriate
- 8.4 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.5 Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conference.

9. NOTICE OF MEETINGS

- 9.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or at the request of the finance director, external audit lead partner or head of internal audit.
- 9.2 Unless the Committee otherwise agrees, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chair.

10. QUORUM

- 10.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members present in person or by audio or video conference.
- 10.2 A duly convened Committee meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

11. VOTING ARRANGEMENTS

- 11.1 Subject to Paragraph 11.2 and Paragraph 11.3, each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).
- 11.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 11.3 Except where he or she has a personal interest, the Committee chair shall have a casting vote.
- 11.4 The Committee chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

12. MINUTES OF MEETINGS

- 12.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 12.2 Draft minutes of Committee meetings shall be agreed with the Committee chair and then be circulated promptly to all Committee members, unless in the Committee chair's opinion it would be inappropriate to do so. Once approved, minutes shall be circulated to all other board members unless in Committee chair's opinion it would be inappropriate to do so.
- 12.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

13. ANNUAL GENERAL MEETING

The Committee chair shall attend the annual general meeting to answer shareholder questions on the Committee's activities. In addition, the Committee chair should seek engagement with shareholders on significant matters related to the Committee's area of responsibility.

14. REPORTING RESPONSIBILITIES

The Committee shall:

- 14.1 Report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be included in the board papers for a subsequent board meeting.
- 14.2 Prepare a formal report on its activities and how the Committee has discharged its responsibilities to be included in the Company's annual report, which shall include:
 - 14.2.1 details of the membership of the Committee, number of meetings held and attendance over the course of the year;
 - 14.2.2 a summary of the role and work of the Committee;
 - 14.2.3 how the Committee's performance evaluation has been conducted;
 - 14.2.4 the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the external auditor, the nature and extent of any interaction with the Financial Reporting Council's Corporate Reporting Review team and any significant findings of a review of the Company's audit conducted by the Financial Reporting Council's Audit Quality Review team;

- 14.2.5 an explanation of its assessment of the independence and effectiveness of the external audit process (including the provision of non-audit services and an explanation of how, if the auditors provide non-audit services to the Company and the Group, auditor objectivity and independence is safeguarded) and its approach taken to the appointment or reappointment of the external auditor, length of incumbent auditor's tenure, when a tender was last conducted, advance notice of any retendering plans (and reasons why completing the process in that proposed financial year is in the best interests of the Company's members) and any contractual provisions restricting the Committee's choice of auditor, and the amount of fees paid to the auditor for any of its services;
- 14.2.6 the Committee's policy for approval of non-audit services, how auditor objectivity and independence is safeguarded, the audit fees for the statutory audit for audit related services and other non-audit services, including the ratio of audit to non-audit work, and for each significant engagement, or category of engagements, what the services are and why the Committee concluded that it was in the Company's interests to purchase them from the external auditor;
- 14.2.7 an explanation of how the Committee has addressed the effectiveness of the internal audit process and if there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the work of external audit;
- 14.2.8 all other information requirements set out in the UK Corporate Governance Code and the QCA Corporate Governance Code; and
- 14.2.9 any other issues on which the board has requested the Committee's opinion.
- 14.3 In compiling the report referred to in Paragraph 14.2, exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but include at least those matters that have informed the board's assessment of whether the Company is a going concern and the longer term viability statement.
- 14.4 Make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 14.5 Where disagreements between the Committee and the board cannot be resolved, report the issue to the shareholders as part of the report on the Committee's activities in the annual report referred to in Paragraph 11.2.
- 14.6 Make available to shareholders these terms of reference by placing them on the Company's website.

15. GENERAL MATTERS

The Committee shall:

- 15.1 Consider other duties determined by the board from time to time.
- 15.2 Have access to significant resources to carry out its duties, including access to the company secretary for assistance, as required.
- 15.3 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 15.4 Give due consideration to all applicable laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code, the QCA Corporate Governance Code, PLSA Corporate Governance Policy & Voting Guidelines for Smaller Companies, the requirements of the London Stock Exchange's rules for LSE companies and any other applicable rules, as appropriate.
- 15.5 Work and liaise as necessary with all other board committees, taking particular account of any delegation of the impact of risk management and internal controls to different committees.

- 15.6 Arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

16. AUTHORITY

The board authorises the Committee to:

- 16.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary.
- 16.2 Seek any information it requires from any employee of the Group to perform its duties.
- 16.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.
- 16.4 Call any employee of the Group to be questioned at a Committee meeting as and when required, and all such employees are directed to co-operate with any request made by the Committee.
- 16.5 Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the board.
- 16.6 Commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations.
- 16.7 Collectively and individually have direct access to the group finance director, the head of internal audit and the Company's external auditors.

Adopted on the board meeting of the Company on

2021

APPENDIX H

INFORMATION CONCERNING THE COMBINED COMPANY

The following information is presented on a post-Arrangement basis and reflects the business, financial and share capital position of the Combined Company. See "*Cautionary Note Regarding Forward-Looking Statements and Information*" in this Circular in respect of forward-looking statements that are included in this appendix.

All capitalized terms used in this appendix and not defined herein have the meaning ascribed to such terms in the "*Glossary of Terms*" or elsewhere in this Circular. The information contained in this appendix is given as of March 10, 2025, the date of this Circular.

Corporate Structure

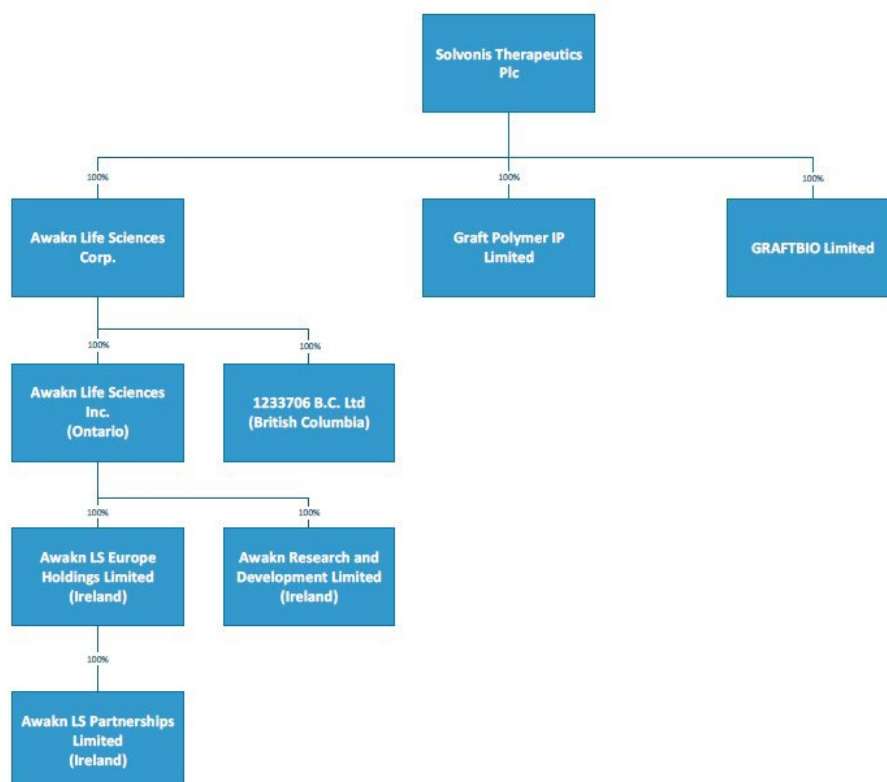
Name, Address and Incorporation

On completion of the Arrangement, the Combined Company will continue the current operations of Solvonis and Awakn under the name of Solvonis. The Combined Company's head office and mailing address is expected to be located at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF.

After the Effective Time, Solvonis will own all of the outstanding Awakn Shares. As a result, at the Effective Time, Solvonis will indirectly own all of the property and assets of Awakn. For further information, see the discussion in this Information Circular under "*The Arrangement*".

Intercompany Relationships

The following diagram sets forth the expected corporate structure of the Combined Company following the completion of the Arrangement as of the date hereof:



Description of the Business of the Combined Company

Awakn currently has three key research and development programmes with a significant majority of its activities occurring within the United Kingdom. On the Arrangement completing, the Combined Company will focus on developing these three core research programmes in addition to carrying on the business of Solvonis as described in Appendix G – “*Information Concerning Solvonis*”.

Description of Securities

The authorized share capital of the Combined Company following completion of the Arrangement will continue to be described in Appendix “G” attached to this Circular and the rights and restrictions of the Solvonis Shares will remain unchanged.

Solvonis Financing

Solvonis intends to complete the Solvonis Financing upon (or immediately following) completion of the Arrangement, subject only to Admission. In connection with the issue of the Consideration Shares and the Solvonis Financing Shares Solvonis will publish the Solvonis Prospectus which will be approved by the FCA. After its publication, Awakn Shareholders are encouraged to review the Solvonis Prospectus for additional information relating to Solvonis, the Solvonis Financing. After publication, the Solvonis Prospectus will be able to be reviewed at <https://solvonis.com/investor-relations/shareholder-circulars>.

Dividends

Solvonis has not declared, and the Combined Company does not intend to declare on a post-Arrangement basis, cash dividends or distributions on its securities. Payment of dividends is within the discretion of the board of directors of the Combined Company and will depend upon the Combined Company’s future earnings, if any, its capital requirements and financial condition, and other relevant factors.

Pro Forma Consolidated Capitalization

The following sets out the *pro forma* share capital of the Combined Company after giving effect to the Arrangement on a non-diluted basis (excluding, for the avoidance of doubt, the Solvonis Financing Shares):

Designation of Security	Number of ordinary shares in issue
Ordinary Shares	4,370,309,225

Pro Forma Fully Diluted Share Capital

Description	Number of Solvonis Shares	Percentage of Total Post-Arrangement Solvonis Shares (fully diluted) ⁽¹⁾
Pre-Arrangement Solvonis Shares	2,295,930,633 ⁽¹⁾	42.24%
Solvonis Shares issued to Awakn Shareholders pursuant to the Arrangement	2,074,378,592	38.17%
Solvonis Shares reserved for issuance upon exercise of existing options granted over Solvonis Shares	55,000,000	1.01%
Solvonis Shares reserved for issuance upon exercise of existing warrants granted over Solvonis Shares	306,333,333	5.64%
Solvonis Shares reserved for issuance upon exercise of Solvonis Warrants	703,465,217	12.94%
TOTAL	5,435,107,775⁽¹⁾	100%

Note:

- (1) This issued and outstanding number and percentage figure reflect the issued and outstanding Solvonis Shares as of the date of this Circular which excludes, for the avoidance of doubt, the Solvonis Financing Shares to be issued pursuant to the Solvonis Financing. If Solvonis completes any additional financing, including the Solvonis Financing, prior to or immediately following the Effective Date,

these numbers will change.

Principal Securityholders

Based on the number of Solvonis Shares and Awakn Shares outstanding as of the date of this Circular, to the knowledge of the directors and executive officers of Solvonis, following completion of the Arrangement (excluding, for the avoidance of doubt, the Solvonis Financing Shares) the following persons will beneficially own, directly or indirectly, or exercises control, or direction over, voting securities of the Combined Company carrying 10% or more of the voting rights attached the voting securities of the Combined Company:

Name	No. of Combined Company Shares Owned, Controlled or Directed (non-diluted)	Percentage of Outstanding Combined Company Shares (non-diluted)
William Potts	532,000,000	12.17%

Directors and Management of Solvonis Post-Arrangement

On completion of the Arrangement, the board of directors of the Combined Company is expected to be comprised of three (3) directors consisting of Dennis Purcell, Nicholas Nelson and Anthony Tennyson. The Combined Company will be managed by the following executive officers: Anthony Tennyson (Chief Executive Officer) and Ryan Neates (non-board Finance Director).

Executive Compensation

Following the completion of the Arrangement, it is expected that the Combined Company will maintain the policies of Solvonis with respect to executive and director compensation. See "Director and Executive Compensation" in Appendix G of this Circular.

Corporate Governance

It is expected that the audit committee of the Combined Company following the completion of the Arrangement will be comprised of Nicholas Nelson and Anthony Tennyson, and the Combined Company will maintain the corporate governance policies of Solvonis. See "*Directors and Officers*" in Appendix G to this Circular.

Risk Factors

Following completion of the Arrangement, the risk factors applicable to the Combined Company will be the same as the risk factors currently applicable to Solvonis and Awakn. See "*Risk Factors*" in this Circular and in each of Appendices F and G of this Circular for further information.

Stock Exchange Listing

Following completion of the Arrangement, the Solvonis Shares will continue trading on the LSE under the symbol "SVNS" and it is expected that the Awakn Shares will be de-listed from the CSE as soon as practicable following the Effective Date.

Auditor and Transfer Agent

Kreston Reeves LLP will be the auditors of the Combined Company following the Effective Date. The registrar for the Combined Company Shares will be Share Registrars Limited at its principal offices in Share Registrars, The Courtyard, 17 West Street, Farnham, GU9 7DR.

Unaudited Pro Forma Financial Information

Attached as Appendix I are unaudited pro forma consolidated financial information respecting the Combined Company. These unaudited pro forma consolidated financial statements have been prepared in connection with the Arrangement between Solvonis and Awakn substantially as set forth in the Arrangement Agreement. Pursuant to the

Arrangement Agreement, Solvonis will acquire all of the issued and outstanding Awakn Shares. The Arrangement is expected to close in April 2025.

These unaudited pro forma condensed combined financial statements have been prepared from information derived from, and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma financial information;
- the historical audited financial statements of Solvonis for the fiscal years ended December 31, 2023 and 2022, the unaudited condensed consolidated interim financial statements for Solvonis for the interim period ending September 30, 2024, and the continuous disclosures filed by Solvonis updating Solvonis' financial information subsequent to September 30, 2024, all as filed on Solvonis' website at www.solvonis.com; and
- the unaudited condensed interim consolidated financial statements for Awakn for the interim period ending October 31, 2024, and the continuous disclosures filed by Awakn updating Awakn 's financial information subsequent to October 31, 2024, all as filed under Awakn's issuer profile on SEDAR+ at www.sedarplus.ca.

The pro forma consolidated financial information respecting the Combined Company is presented for informational purposes only. The information is not necessarily indicative of the financial position and results of operations that actually would have been achieved had the Arrangement occurred as of the dates indicated in the accompanying notes to the unaudited pro forma financial information, nor do they purport to project the future financial position and operating results of the Combined Company.

The pro forma consolidated financial information also does not reflect the costs of any integration activities or cost savings or synergies that may be achieved as a result of the Arrangement and, accordingly, do not attempt to predict or suggest future results.

APPENDIX I

COMBINED COMPANY UNAUDITED *PRO FORMA* FINANCIAL STATEMENTS

(see attached)

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION

The unaudited pro forma statement of financial position of Solvonis PLC (the "**Company**") as at September 30, 2024 (the "**Pro Forma Financial Statements**"), have been prepared by management based on historical financial statements prepared in accordance with UK adopted International Accounting Standards ("**UK IAS**"), for illustrative purposes only, after giving effect to the proposed transaction under the Arrangement Agreement dated February 22, 2025 (the "**Agreement**") between the Company and Awakn Life Sciences Corp. ("**Awakn**") on the basis of the assumptions and adjustments described in notes 2, 3, 4 and 5. For the purposes of certain calculations, the share price for the Company used is £0.00175, being the closing price of the Company immediately before the execution of the Agreement for illustration purposes.

The unaudited pro forma statement of financial position have been derived from:

- a) the unaudited condensed consolidated interim financial statements of the Company as at September 30, 2024;
- b) the unaudited condensed consolidated interim financial statements of Awakn as at October 31, 2024; and
- c) unless otherwise noted, the unaudited pro forma statement of financial position and its accompanying notes are presented in GBP to the nearest £'000.

The unaudited pro forma statement, includes adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4 in accordance with IFRS, applied on a basis consistent with the Company's accounting policies, except as otherwise noted. The unaudited pro forma statement is not necessarily indicative of the financial position that would have resulted if the combination had actually occurred on September 30, 2024.

The unaudited pro forma statement should be read in conjunction with the historical financial statements and notes thereto of the Company and Awakn, included elsewhere in this Filing Statement.

The unaudited pro forma statement has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation. It does not purport to represent what the Company's financial position or results of operations actually would have been if the Acquisition and other adjusted items described above had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Appendix I.

	Unaudited Slovonis At 30 Sep 2024 Note 1 £'000	Unaudited Awakn At 31 Oct 24 Note 2 £'000	Acquisition Adjustments Note 3 £'000	Other Transactions Triggered by the Acquisition Note 4 £'000	Proposed Capital Raise Note 5 £'000	Unaudited Pro Forma Adjusted Net Assets of the Combined Company Note 7 £'000
Assets						
Non-current assets						
Intangible assets	2,068	18	-	-	-	2,086
R&D assets	-	-	4,678	-	-	4,678
	<u>2,068</u>	<u>18</u>	<u>4,678</u>	<u>-</u>	<u>-</u>	<u>6,764</u>
Current assets						
Cash and cash equivalents	940	283	-	-	1,840	3,063
Receivables and prepaids	402	73	-	-	-	475
	<u>1,342</u>	<u>356</u>	<u>-</u>	<u>-</u>	<u>1,840</u>	<u>3,538</u>
Total assets	<u>3,410</u>	<u>374</u>	<u>4,678</u>	<u>-</u>	<u>1,840</u>	<u>10,302</u>
Liabilities						
Current liabilities						
Trade and other payables	138	1,228	-	-	-	1,366
Warrant liability	-	-	-	194	-	194
Current liabilities	<u>138</u>	<u>1,228</u>	<u>-</u>	<u>194</u>	<u>-</u>	<u>1,560</u>
Total liabilities	<u>138</u>	<u>1,228</u>	<u>-</u>	<u>194</u>	<u>-</u>	<u>1,560</u>
Net Assets	<u>3,272</u>	<u>(854)</u>	<u>4,678</u>	<u>(194)</u>	<u>1,840</u>	<u>8,742</u>
Shareholders' Equity						
Share capital	2,233	13,010	(9,380)	-	1,840	7,703
Share premium	7,362	-	-	-	-	7,362
Called up share capital	2,500	-	-	-	-	2,500
Contributed surplus	1,652	4,344	(4,150)	(194)	-	1,652
Accumulated other comprehensive loss	-	(149)	149	-	-	-
Deficit	(10,475)	(18,059)	18,059	-	-	(10,475)
Total Shareholders' Equity	<u>3,272</u>	<u>(854)</u>	<u>4,678</u>	<u>(194)</u>	<u>1,840</u>	<u>8,742</u>

Explanatory Notes

The unaudited pro forma statement has been prepared for illustrative purposes and on the following basis:

1. The statement of financial position of the Company as at 30 September 2024 have been extracted without adjustment from the unaudited condensed consolidated interim financial statements for the nine month period ended 30 September 2024 as incorporated by reference as set out in Appendix I of this document.
2. The statement of financial position of Awakn Life Sciences Corp. have been extracted from unaudited condensed consolidated interim financial statements of Awakn Life Sciences Corp. as at 31 October 2024. They are presented in a manner consistent with the accounting policies adopted by the Company in preparing its Audited Financial Statements for the year ended 31 December 2023 as incorporated by reference as set out in Appendix I of this document.
3. For the purposes of this pro forma financial information, no fair value exercise has been undertaken on the Awakn assets and liabilities acquired. Illustrative goodwill (R&D asset) presented reflects the difference between the consideration to be paid to Awakn shareholders of £3,630 and the unaudited book value of the net assets of Awakn as at 31 October 2024, of (£853) as above and per Note 2 and 4. A full Purchase Price Allocation process will be required within 12 months of the acquisition date, in accordance with acquisition accounting stipulated in IFRS 3. This process will consider the fair value of the net assets acquired and also require a valuation of identifiable assets acquired. Consequently, the resulting goodwill (R&D asset) will likely differ from that shown above.
4. As part of the acquisition of Awakn, 15,073,178 Awakn Warrants will be exchanged for Solvonis Warrants at a ratio of 46.67 resulting in 703,465,217 Solvonis Awakn Warrants being issued on Admission. As part of the acquisition, all stock options of Awakn shall be cancelled, and all restricted share units and deferred share units shall be converted into Solvonis Shares.
5. An adjustment has been made to reflect the proceeds of a placing of 1,428,571,429 Ordinary Shares of the Company at an issue price of £0.00175 per Ordinary Share, for gross proceeds of £2,500 net of an adjustment to reflect the payment in cash of Admission costs estimated at approximately £660 inclusive of any non-recoverable sales taxes.
6. No adjustments have been made to reflect any trading or other transactions, other than described above of:
 - The Company since 30 September 2024; and
 - Awakn Life Sciences Corp. since 31 October 2024.
7. This column comprises the sum of the preceding columns and represents the pro forma statement of financial position as at 30 September 2024 assuming Admission, the Placing, the Acquisition and other items outlined above had taken place on that date.

APPENDIX J

SECTIONS 237 TO SECTION 247 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**Definitions and application**

237(1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or
 - (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995(5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

- 239**(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

- 240(1)** If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

- 241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent
- (a) a copy of the entered order, and
 - (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

- 242(1)** A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(a), (b), (c), (d), (e) or (f) or (1.1) must,
- (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and

- (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243(1)** A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1)(a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

- 244(1)** A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

- 245(1)** A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or

- (b) the payment would render the company insolvent.

Loss of right to dissent

- 246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:
- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
 - (b) the resolution in respect of which the notice of dissent was sent does not pass;
 - (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
 - (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
 - (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
 - (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
 - (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
 - (h) the notice of dissent is withdrawn with the written consent of the company;
 - (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

- 247** If, under section 244(4) or (5), 245(4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,
- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
 - (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
 - (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

APPENDIX K
CHARTER OF THE AUDIT COMMITTEE
OF
AWAKN LIFE SCIENCES CORP.
(see attached)

Charter of the Audit Committee

Charter of the Audit Committee of the Board of Directors

1. PURPOSE OF THIS CHARTER

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Awakn Life Sciences Corp. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting processes and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- a. conduct such reviews and discussions with management and the external auditors, relating to the audit and financial reporting, as are deemed appropriate by the Committee;
- b. assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- c. ensure that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics;
- d. review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results (“**MD&A**”), and in the case of the annual financial statements and related MD&A, report thereon to the Board for approval of same;
- e. select and monitor the independence and performance of the Corporation’s external auditors, including attending private meetings with the external auditors and reviewing and approving their remuneration and all renewals or dismissals of external auditors; and
- f. provide oversight of all disclosure relating to, and information derived from, financial statements and MD&A.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the Corporation’s expense, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- a. engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b. set and pay the compensation for advisors employed by the Committee; and
- c. communicate directly with the internal and external auditors.

3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission, the Canadian stock exchange upon which the Corporation's common shares trade, the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.

- a. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst themselves, by majority vote of the full Committee, a member who shall serve as Chair.
- b. Each member of the Committee shall be "independent" and each shall be "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement, or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*. A "financially literate" director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can reasonably be expected to be raised in the Corporation's financial statements.
- c. Each member of the Committee shall sit at the appointment of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.
- d. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- e. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- f. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of their powers and responsibilities so long as a quorum remains in office.
- g. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone, or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- h. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- i. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may from time to time appoint any person, who need not be a member, to act as a secretary at any meeting.
- j. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend meetings of the Committee.

- k. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees, which do not require the approval of the Board.
- l. The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- m. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

4. RESPONSIBILITIES

a. Financial Accounting and Reporting Processes and Internal Controls

- i. The Committee shall review the annual audited and interim financial statements and related MD&A before the Corporation publicly discloses this information, in order to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and, in the case of the annual audited financial statements and related MD&A, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding management's accounting principles, practices, and judgements with management and the external auditors, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited and interim financial statements contain no material misstatements and are not misleading or incomplete. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, the review function has been effectively carried out.
- ii. The Committee shall review any internal control reports prepared by management and the evaluation of such reports by the external auditors, together with management's responses thereto.
- iii. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, MD&A and annual and interim earnings press releases, and periodically assess the adequacy of these procedures in consultation with any Disclosure Representatives (as such term is defined in the Corporation's Corporate Disclosure and Insider Trading Policy) of the Corporation.
- iv. The Committee shall review any press releases containing financial information disclosure, if such releases are required to be reviewed by the Committee under any applicable laws or by one of the other Charters, before the Corporation publicly discloses this information.
- v. The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer ("CFO") or, in the absence of a CFO, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, CFO or, in the absence of a

CFO, the officer of the Corporation in charge of financial matters, deems appropriate.

- vi. The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures, and shall assess the steps management has taken to minimize such risks.
- vii. The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- viii. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel and all employees.
- ix. The Committee shall follow procedures established for:
 - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- x. The Committee shall provide oversight to related party transactions entered into by the Corporation.
- xi. The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include assumptions regarding economic parameters that are well supported and that the risks facing the Corporation are taken into consideration, as well as periodic reports from the CFO comparing actual spending to the budget.
- xii. The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

b. Independent Auditors

- i. The Committee shall: recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attestation services for the Corporation; set the compensation for the external auditors; provide oversight of the external auditors; and ensure that the external auditors report directly to the Committee.
- ii. The Committee shall ensure that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions.
- iii. The pre-approval of the Committee shall be required, prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- iv. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors, and shall attempt to resolve disagreements between management and the external auditors regarding financial reporting.
- v. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- vi. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

- vii. The Committee shall obtain timely reports from the external auditors describing: critical accounting policies and practices; alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment thereof; and material written communications between the Corporation and the external auditors.
- viii. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- ix. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- x. The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

c. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

As at June 23, 2021.

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APPENDIX K

BOARD MANDATE
OF
AWAKN LIFE SCIENCES CORP.
(see attached)

Mandate of the Board of Directors

Mandate of the Board of Directors

1. PURPOSE

The Board of Directors (the “**Board**”) of Awakn Life Sciences Corp. (the “**Corporation**”) assumes responsibility for the stewardship of the Corporation.

2. RESPONSIBILITIES

As an integral part of that stewardship responsibility, the Board has responsibility for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

- a. The Board has primary responsibility for the development and adoption of the strategic direction of the Corporation. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks, and the implications of these developments for the strategic direction of the Corporation. The Board reviews and approves the Corporation’s financial objectives, plans and actions, including significant capital allocations and expenditures.
- b. The Board monitors corporate performance, including assessing operating results to evaluate whether the business is being properly managed.
- c. The Board identifies the principal business risks of the Corporation and ensures that there are appropriate systems put in place to manage these risks.
- d. The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and the financial reporting procedures of the Corporation.
- e. The Board is responsible for ensuring appropriate standards of corporate conduct including adopting a corporate code of ethics for all employees and senior management, and monitoring compliance with such code, if appropriate.
- f. The Board is responsible for the review and approval of quarterly and annual financial statements, management’s discussion and analysis related to such financial statements, and forecasts.
- g. The Board is responsible for establishing and reviewing from time to time a dividend policy for the Corporation.
- h. The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director, and for reviewing the compensation of members of senior management to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.
- i. The Board reviews and approves material transactions not in the ordinary course of business.
- j. The Board reviews and approves the budget on an annual basis, including the spending limits and authorizations, as recommended by the Audit Committee.
- k. The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.

- l. The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director.
- m. The Board approves a disclosure policy that includes a framework for investor relations and a public disclosure policy.
- n. The Board is responsible for satisfying itself as to the integrity of the Chief Executive Officer (the “CEO”) and other senior officers, and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives which the CEO is responsible for meeting.
- o. The Board is responsible for developing the Corporation’s approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.
- p. The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation’s governing documents.
- q. Set forth below are procedures relating to the Board’s operations:

Size of Board and selection process – The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Board will present a slate of nominees to the shareholders for election based upon the following considerations:

- i. the competencies and skills which the Board as a whole should possess;
- ii. the competencies and skills which each existing director possesses; and
- iii. the appropriate size of the Board to facilitate effective decision-making.

Any shareholder may propose a nominee for election to the Board, either by means of a shareholder proposal upon compliance with the requirements of the *Business Corporations Act* (British Columbia) (“BCBCA”) and the Corporation’s articles, or at the annual meeting in compliance with the requirements of the BCBCA and the Corporation’s articles.

The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the BCBCA and the Corporation’s articles. Between annual meetings, the Board may appoint directors to serve until the next annual meeting, subject to compliance with the requirements of the BCBCA. Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

Director orientation and continuing education – The Board, together with the Corporate Governance, Nominating and Compensation Committee (the “**Governance Committee**”), is responsible for providing an orientation and education program for new directors which deals with:

- i. the role of the Board and its committees;
- ii. the nature and operation of the business of the Corporation; and
- iii. the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition the Board, together with the Governance Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current, at the request of any individual director.

Meetings – The Board has at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, the Chair of the Board shall circulate an agenda to the Board. The Chair of the Board shall discuss the agenda items for the meeting with the CEO and, if a Lead Director has been appointed, the Lead Director. Materials for each meeting will be distributed to directors in advance of each such meeting. Directors are expected to attend at least 75% of all meetings of the Board held in a given year, and are expected to adequately review meeting materials in advance of all such meetings.

The independent directors or non-management directors may meet at the end of each Board meeting without management and non-independent directors present. The independent directors shall appoint a Chair to chair these meetings, who shall be the Lead Director if one has been appointed.

Committees – The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee, and the Governance Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The Board will appoint the members of each committee and may appoint the chair of each committee annually following the Corporation's annual meeting of shareholders. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed annually by the Board.

Evaluation – The Governance Committee performs an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board, and the contributions of individual directors.

Compensation – The Governance Committee recommends to the Board the compensation and benefits for non-management directors. The Governance Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation, and align the interests of the directors with the best interests of the Corporation.

Nomination – The Governance Committee and the individual directors from time to time will identify and recommend new nominees as directors of the Corporation, based upon the following considerations:

- i. the competencies and skills necessary for the Board as a whole to possess;
- ii. the competencies and skills necessary for each individual director to possess;
- iii. competencies and skills which each new nominee to the Board is expected to bring; and
- iv. whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

Access to independent advisors – The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Governance Committee, retain an outside advisor at the expense of the Corporation.

3. LEAD DIRECTOR

- a. The Board will appoint a Lead Director in circumstances in which the Chair of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.
- b. The Governance Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for approving and appointing the Lead Director.
- c. The Lead Director will hold office at the pleasure of the Board until a successor has been duly elected or appointed, or until the Lead Director resigns or is otherwise removed from the office by the Board.
- d. The Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Corporation's management. Together with the Chair of the Governance Committee, the Lead Director will be responsible for the corporate governance practices of the Corporation.
- e. The Lead Director will:
 - i. in conjunction with the Chair of the Governance Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
 - ii. chair meetings of independent directors or non-management directors following Board meetings;
 - iii. in the absence of the Chair, act as chair of meetings of the Board;
 - iv. recommend, where necessary, the holding of special meetings of the Board;
 - v. review with the Chair and the CEO items of importance for consideration by Board;
 - vi. consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chair, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
 - vii. together with the Chair, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the Chair and the CEO, formulate an agenda for each Board meeting;
 - viii. together with the Chair and the Chair of the Governance Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
 - ix. mentor and counsel new members of the Board to assist them in becoming active and effective directors;
 - x. facilitate the process of conducting director evaluations;
 - xi. promote best practices and high standards of corporate governance; and
 - xii. perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

As at June 23, 2021.