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If you sell or transfer or have sold or transferred all of your Ordinary Shares, please forward this Document (but not the personalised Form of Proxy), as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

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NETSCIENTIFIC PLC

(Incorporated in England and Wales with registered number 08026888)

Proposed cancellation of admission of Ordinary Shares to trading on AIM

Notice of General Meeting

Re-registration as a private limited company

and

Adoption of New Articles

This Document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company set out in Part I of this Document which includes a recommendation of the Directors that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company, to be held at 11 a.m. on 4 March 2019 at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2AG, is set out at the end of this Document. If you are unable to attend and vote at the General Meeting, a Form of Proxy for use at the meeting is enclosed. To be valid, the Form of Proxy must be completed, signed and returned so as to be received by the Company's registrar, Link Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible but in any event no later than 11 a.m. on 28 February 2019, being 48 hours (excluding weekends) before the time fixed for the General Meeting. The return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish. Please refer to the detailed notes contained in the Notice of General Meeting and the Form of Proxy.

IMPORTANT NOTICE

This Document includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms anticipates, believes, could, estimates, expects, intends, may, plans, projects, should or will, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Document and include, but are not limited to, statements regarding the Company and its intentions, beliefs or current expectations concerning, among other things, the business, results of operations, prospects, growth and strategies of the Group.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of operations of the Group, and the developments in the industries in which they operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Document. In addition, even if the results of operations of the Group, and the developments in the industries in which they operate are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in law and regulation, currency fluctuations, changes in business strategy and political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Document reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group and its operations, results of operations and growth strategy. Shareholders should specifically consider the factors identified in this Document which could cause actual results to differ before making a decision on the Proposals.

Other than in accordance with its legal or regulatory obligations, the Company is not under any obligation and the Company expressly disclaims any intention or obligation (to the maximum extent permitted by law) to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾⁽²⁾

Publication and posting of this Document and related Form of Proxy to Shareholders	15 February 2019
Latest time and date for receipt of completed Forms of Proxy in respect of the General Meeting	11 a.m on 28 February 2019
Time and date of the General Meeting	11 a.m on 4 March 2019
Expected last day of dealings in Ordinary Shares on AIM	15 March 2019
Expected time and date of Cancellation	7 a.m. on 18 March 2019

Notes:

- (1) All of the times referred to in this Document refer to London time, unless otherwise stated.
- (2) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

DIRECTORS AND ADVISERS

Directors	Sir Richard Sykes Francois Martelet Ian Postlethwaite Professor Stephen Smith Barry Wilson	<i>Non-Executive Chairman</i> <i>Chief Executive Officer</i> <i>Chief Financial Officer</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	Ian Postlethwaite	
Registered office and principal place of business	Anglo House Bell Lane Office Village Bell Lane Amersham Buckinghamshire HP6 6FA	
Nominated adviser and broker to the Company	WH Ireland Limited 24 Martin Lane London EC4R 0DR	
Legal adviser to the Company	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA	
Registrar	Link Asset Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	

DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

“Act”	Companies Act 2006, as amended from time to time;
“AIM”	AIM, the market operated by the London Stock Exchange;
“AIM Rules”	the rules and guidance for companies whose shares are published by the London Stock Exchange, as amended from time to time;
“Business Day”	a day (excluding Saturday, Sunday and public holidays in England and Wales) on which banks are generally open for business in London for the transaction of normal banking business;
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM, subject to passing of the Resolution and in accordance with Rule 41 of the AIM Rules;
“Company” or “NetScientific”	NetScientific plc, a company incorporated in England and Wales with registered number 08026888;
“CREST”	the <i>relevant system</i> (as defined in the CREST Regulations) in respect of which Euroclear is the <i>operator</i> (as defined in the CREST Regulations);
“CREST Manual”	the rules governing the operation of CREST as published by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“Current Articles”	the articles of association of the Company currently in force at the date of this Document;
“Directors” or “Board”	the directors of the Company as at the date of this Document;
“Document”	this shareholder circular (including the Notice of General Meeting);
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“General Meeting”	the General Meeting of the Company convened for 11 a.m. on 4 March 2019 by the notice set out at the end of this Document or any reconvened meeting following any adjournment thereof;
“Form of Proxy”	the form of proxy accompanying this Document for use by Shareholders in connection with the General Meeting;
“Group”	NetScientific plc and its subsidiaries, the Portfolio Companies and the investments in certain other companies;
“Link Asset Services”	Link Asset Services Limited, the Company’s registrar;
“London Stock Exchange”	London Stock Exchange plc;
“New Articles”	the new articles of association of the Company to be adopted subject to the passing of the Resolution and upon the re-registration taking effect;
“Notice of General Meeting”	the notice of General Meeting which is set out at the end of this Document;
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company, and any one of them;
“Portfolio Companies”	Vortex Biosciences, Inc., Wanda, Inc., ProAxis Ltd, Glycotest, Inc. and PDS Biotechnology Corporation;
“Re-registration”	the re-registration of the Company as a private limited company;

“Regulatory Information Service”	has the meaning given to it in the AIM Rules for any of the services approved by the London Stock Exchange for the distribution of AIM announcements and included within the list maintained on the website of the London Stock Exchange;
“Resolution”	the resolution to be proposed at the General Meeting in the form set out in the Notice of General Meeting;
“Shareholders”	holders of Ordinary Shares from time to time and “Shareholder” means any one of them;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Takeover Panel”	The Panel on Takeovers and Mergers; and
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.

PART I

Letter from the Chairman of NetScientific plc (Incorporated in England and Wales with registered no. 08026888)

Directors:

Sir Richard Sykes (*Non-Executive Chairman*)
Francois Martelet (*Chief Executive Officer*)
Ian Postlethwaite (*Chief Financial Officer*)
Professor Stephen Smith (*Non-Executive Director*)
Barry Wilson (*Non-Executive Director*)

Registered Office:

Anglo House
Bell Lane Office Village
Bell Lane, Amersham
Buckinghamshire, HP6 6FA

15 February 2019

Dear Shareholder,

Proposed cancellation of admission of Ordinary Shares to trading on AIM Notice of General Meeting Re-registration as a private limited company and Adoption of New Articles

1. Introduction

As announced by the Company today, and for the reasons set out in more detail in paragraph 2 below, the Directors have concluded that it is in the best interests of the Company and its Shareholders as a whole to cancel the admission of the Ordinary Shares to trading on AIM, re-register the Company as a private limited company and amend the Company's Current Articles to reflect the Company's new status as a private limited company (the "**Proposals**"). In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

The Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out at the end of this Document.

The Company is seeking Shareholders' approval of the Resolution at the General Meeting, which has been convened for 11 a.m. on 4 March 2019 at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2AG. If the Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7 a.m. on 18 March 2019.

The purpose of this Document is to seek Shareholders' approval for the Resolution, to provide information on the background to and reasons for the Proposals, to explain the consequences of the Proposals and to set out why the Directors unanimously consider the Proposals to be in the best interests of the Company and its Shareholders as a whole.

The Cancellation will not proceed if the Resolution is not passed at the General Meeting. If the Cancellation does not proceed and the Company is unable to secure additional financing for its activities or an alternative solution to address its current financial position, the Board considers that the Company will not have sufficient finances to fund its activities beyond 31 March 2019. Shareholders are strongly advised to read in full paragraph 2 of this Part I, which describes the background to and reasons for the Cancellation, and paragraph 11 of this Part I, which highlights the importance of the vote.

The Notice of the General Meeting is set out at the end of this Document.

2. Background to and reasons for the Cancellation

On 26 November 2018, the Company announced that it had decided to conduct a review (the "**Strategic Review**") of the various strategic options open to it (the "**Strategic Options**"), including a sale of the Company to be conducted within the formal sale process framework under the Takeover Code (the "**FSP**") or a sale of certain of its portfolio companies, to maximise value for Shareholders.

On 20 December 2018, the Company provided an update on the progress of the Strategic Review and FSP (the "**Update Announcement**"), informing the market that the Company had not received any binding or non-binding offers for any of its portfolio companies nor was it in receipt of any approaches or in discussions with any potential offeror regarding a sale of the Company, and that, accordingly, the Board was continuing to assess all of its Strategic Options, which included the possibility of seeking a delisting of the Company's Ordinary Shares from admission to AIM in order to reduce further the Company's costs.

On the same date, the Company also announced that it expected to have (i) available cash resources of approximately £3 million as at 31 December 2018, (ii) central costs of approximately £2 million per annum and (iii) investments of up to approximately £5 million in its Portfolio Companies in each of 2019 and 2020, should they fail to raise external financing.

On 15 January 2019, the Company announced that the status of the Strategic Review remained as set out in the Update Announcement and that the Board was not aware of any parties who might make an approach or initiate discussions regarding the sale of the Company, and that it had therefore decided to close the FSP.

As at 31 December 2018, the available cash resources of the Company were approximately £3.3 million.

As announced by the Company today, the Board has now concluded its Strategic Review, including a review of the benefits and drawbacks to the Company and its Shareholders in retaining its quotation on AIM and the Board has concluded it is in the best interest of the Company and its Shareholders as a whole to adopt a revised strategy. That revised strategy is to seek to maximise shareholder value from the Portfolio Companies based upon the remaining cash resources of the Company by:

- (a) reducing the Company's central functions and costs significantly such that as much of the remaining cash as possible can be allocated to the Portfolio Companies on the basis detailed below and the Company can continue to operate for as long as is reasonably possible whilst it seeks to generate Shareholder value from the Portfolio Companies (the "**Revised Strategy**");
- (b) assessing the funding requirements of each Portfolio Company against its prospects of generating a Shareholder return within the anticipated lifespan of the Company; and
- (c) subsequently allocating the Company's remaining cash to managing the Company's stakes in those Portfolio Companies which the Board believes provide the most realistic prospects of delivering Shareholder returns within the anticipated lifespan of the Company.

Further details of the Revised Strategy are set-out in paragraph 6 of this Part I.

In line with the Revised Strategy, the Board has concluded that the Proposals are in the best interests of the Company and its Shareholders as a whole.

In reaching this conclusion, the Directors have considered the following key factors:

- (a) the failure to generate any interest in a sale of the Company or elicit any binding or non-binding offers for any of its Portfolio Companies;
- (b) the Company's limited cash resources compared to its expected aggregate expenditure as referred to above and the need to reduce costs significantly in line with the Revised Strategy;
- (c) the reluctance of the market to provide funds of sufficient quantum to the Company on terms which the Directors believe would give the Company a realistic prospect of delivering greater value to its Shareholders than the Directors believe may be achieved by adopting the Revised Strategy;
- (d) the Board's view that there is a limited investor appetite for investing in listed IP commercialisation companies, such as the Company;
- (e) the considerable cost, management time, and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM which are, in the Directors' opinion, disproportionate to the benefits that its AIM quotation now provides to the Company; and
- (f) the Directors' belief that a wind-down of the Company now would be unlikely to generate material value for Shareholders.

The Directors believe, having discussed in principle the Revised Strategy with the Company's major Shareholders, that the Revised Strategy has the most realistic potential to deliver value for the Shareholders. The Directors have therefore concluded that it is in the best interest of the Company and Shareholders as a whole to seek the proposed Cancellation at the earliest opportunity.

3. Process for, and principal effects of, the Cancellation

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. **Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.**

However, the Company intends to make arrangements for an off-market trading facility to facilitate Shareholders to trade in the Ordinary Shares, which will be put in place from the date of the Cancellation for at least one year. The details of this trading facility will be announced prior to the date of the Cancellation.

Under the AIM Rules, the Company is required to give at least 20 Business Days' notice of the Cancellation. Additionally, the Cancellation will not take effect until at least five Business Days have passed following the passing of the Resolution. If the Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 14 March 2019 and that the Cancellation will take effect at 7 a.m. on 18 March 2019.

The principal effects of the Cancellation will be that:

- (a) there will be no formal market mechanism enabling Shareholders to trade Ordinary Shares. While the intention is to implement an off-market trading facility, details of which will be announced prior to the date of the Cancellation, the opportunity for Shareholders to realise their investment in the Company will be more limited;
- (b) while the Ordinary Shares will remain freely transferrable, it is likely that the liquidity and marketability of the Ordinary Shares will, in the future, be even more constrained than at present and the value of such shares may be adversely affected as a consequence;
- (c) in the absence of a formal market and quote, it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- (d) the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply to the Company;
- (e) Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain events, such as substantial transactions and related party transactions, and the requirement that the Company seek shareholder approval for certain corporate actions, including reverse takeovers and fundamental changes in the Company's business;
- (f) the standards of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM;
- (g) the Company will cease to have an independent nominated adviser and corporate broker;
- (h) the Company's CREST facility is expected to remain in place post the Cancellation, and the Ordinary Shares will remain transferable through CREST; and
- (i) the Cancellation may have future personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The Company will remain registered with the Registrar of Companies in England & Wales in accordance with and subject to the Act, notwithstanding the Cancellation. Shareholders should also note that the Takeover Code will continue to apply to the Company following the Cancellation for the period of 10 years from the date of Cancellation.

The Takeover Code and the Takeover Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted and is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets

The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the Takeover Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights of an offeree company to make a general offer for that company. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires any additional shares which increase his percentage of the voting rights. Other than with the consent of the Takeover Panel, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and be conditional only on securing sufficient acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights in the offeree company.

The Resolution to be proposed at the General Meeting includes the adoption of the New Articles with effect from completion of the Cancellation. A summary of the principal changes being made by the adoption of the New Articles is included in Part II of this Document.

The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

The Company currently intends to continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company. The Company will:

- (a) continue to communicate information about the Company (including annual accounts) to its Shareholders, as required by the Act and proposes to communicate by electronic means in the future as permitted by the New Articles. You will find enclosed with this Circular a letter requesting your consent to receive all future communication from the Company by electronic means; and
- (b) continue, for at least 12 months following the Cancellation, to maintain its website, <https://netscientific.net/> and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information or to update the website as it is currently required by the AIM Rules.

4. Transaction in the Ordinary Shares prior to and post the Cancellation

4.1 Prior to Cancellation

Shareholders should note that they are able to trade in the Ordinary Shares on AIM prior to Cancellation.

4.2 Following Cancellation

The Board is aware that the Cancellation, should it be approved by Shareholders at the General Meeting, would make it more difficult for Shareholders to buy and sell Ordinary Shares should they wish to do so.

Therefore, the Company intends to make arrangements for an off-market trading facility, to facilitate Shareholders to trade in the Ordinary Shares, which will be put in place from the date of the Cancellation for at least a year. The details of this trading facility will be announced prior to Cancellation.

4.3 Re-registration and adoption of New Articles

Following the Cancellation, the Board believes that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company.

In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

Application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will not issue the certificate of incorporation on Re-registration until the Registrar of Companies is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company.

The Cancellation, Re-registration and adoption of New Articles are inter-conditional such that it will not be possible for Shareholders to approve one without another.

5. Current Trading

The Company released its interim results for the six months ended 30 June 2018 on 28 September 2018.

Since that date there have been the following updates on the Company and its Portfolio Companies:

- (a) central costs have continued to be incurred at a similar rate;
- (b) Vortex Biosciences (“**Vortex**”) entered into a global manufacturing partnership agreement with STRATEC Consumables GmbH to produce a customised chip, a crucial component of Vortex's automated liquid biopsy platform, VTX-1. Vortex also presented a study that demonstrates the feasibility of combining its technology with impedance spectroscopy to improve the analysis of circulating tumour cells (“**CTCs**”). The researchers believe the results provide feasibility for label-free, reliable, fully-integrated cell enumeration, whilst keeping the cells collected intact for downstream transcriptomic, genomic or proteomic analysis;
- (c) Glycotest, Inc. (“**Glycotest**”) agreed to a \$10m Series A financing round with Shanghai Fosun Pharmaceutical Co., Ltd., a leading healthcare group based in China. The transaction has been approved by the Chinese ODI (outbound direct investment) committee and the first tranche of investment has been received;

- (d) ProAxis Ltd (“**ProAxis**”) had two products selected for inclusion in the BRIDGE study, a major upcoming clinical trial funded by the European Respiratory Society (“**ERS**”), following receipt of a CE Mark for its ProteaseTag® Active Proteinase-3 Immunoassay;
- (e) Wanda, Inc. (“**Wanda**”) launched its new digital health application, Wanda CareLink™. This application allows the Wanda Patient Management solution to be used on a wide variety of internet-enabled devices including iOS and Android devices. This enhances the ability for patients and doctors alike to improve clinical and financial outcomes. Wanda has signed a pilot contract with ACO Florida, and 50 patients have been enrolled thus far. Wanda also has several pilot contracts pending with key home health agencies; and
- (f) PDS BioTechnology (“**PDS**”) announced that the respective boards of directors of PDS and Edge Therapeutics, Inc. approved a definitive merger agreement, which is expected to close in the first quarter of 2019.

6. Revised Strategy

The Revised Strategy is to seek to maximise shareholder value from the Portfolio Companies based upon the remaining cash resources of the Company by:

- (a) reducing the Company’s central functions and costs significantly such that as much of the remaining cash as possible can be so allocated to the Portfolio Companies and the Company can continue to operate for as long as is reasonably possible whilst it seeks to generate shareholder value from the Portfolio Companies on the basis detailed below. This includes implementing each of the Proposals. In addition, it is the intention to restructure the Board, as more fully explained in paragraph 7 of this Part 1;
- (b) assessing the funding requirements of each Portfolio Company against its prospects of generating a Shareholder return within the anticipated lifespan of the Company. At this stage, Glycotest, ProAxis and PDS do not require further funding from the Company. However, Wanda and Vortex do require further funding and, currently, have not secured such funding from third parties; and
- (c) subsequently allocating the Company’s remaining cash to managing the Company’s stakes in those Portfolio Companies which the Board believes provide the most realistic prospects of delivering Shareholder returns within the anticipated lifespan of the Company. At this stage, those Portfolio Companies would be Glycotest, ProAxis and PDS.

Notice has been served to terminate the lease of the Company’s headquarters at 6 Bevis Marks London EC3A 7BA.

7. Changes to the Board of Directors

In the event that the Resolution is approved, the Board has agreed that, upon Cancellation:

- (a) Francois Martelet will resign as a Director;
- (b) the employment contract of Francois Martelet will be terminated in accordance with its terms;
- (c) Ian Postlethwaite will remain Chief Finance Officer of the Company for a transitional period until 1 June 2019, at which point his employment will be terminated in accordance with its terms and he will resign as a director;
- (d) Barry Wilson will resign as a Non-Executive Director; and
- (e) Sir Richard Sykes and Professor Stephen Smith will continue as Non-Executive Directors on terms to be agreed.

From 1 June 2019, the Company intends to engage a consultant who will be responsible for managing the Company’s interests in the Portfolio Companies under the supervision of the Non-Executive Directors.

8. Process for Cancellation

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at a general meeting. Accordingly, the Notice of General Meeting set out at the end of this Document contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and, separately, the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Resolution being passed at the General Meeting, to cancel the admission of the Ordinary Shares to trading on AIM on 18 March 2019. Accordingly, if the Resolution is passed, the Cancellation is expected to become effective at 7 a.m. on 18 March 2019. If the Cancellation becomes effective, WH Ireland Limited will cease to be nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

9. General Meeting

The General Meeting will be held at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2AG commencing at 11 a.m. on 4 March 2019. Voting on the Resolution will be taken on a poll rather than a show of hands, to reflect the number of shares held by a Shareholder, whether or not the Shareholder is able to attend the meeting.

The Resolution requires the approval of not less than 75 per cent. of the votes cast (in person or by proxy) at the General Meeting in order to be passed.

The Resolution is set out in full in the Notice of General Meeting at the end of this Document.

10. Action to be taken

Your participation is important to the Directors and you are encouraged to vote ahead of the General Meeting. You will find enclosed with this Document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's registrar, Link Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible but, in any event, to be received no later than 11 a.m. on 28 February 2019. Completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

11. Importance of the vote

Your attention is drawn to the fact that the Proposals are conditional on the Resolution being passed at the General Meeting. Accordingly, if a sufficient number of Shareholders do not vote in favour of the Resolution at the General Meeting, the Proposals cannot be implemented by the Company.

If the Cancellation does not proceed and the Company is unable to secure additional financing for its activities or an alternative solution to address its current financial position, the Board considers that the Company will not have sufficient finances to fund its activities beyond 31 March 2019, and the Company would likely be required to commence an orderly wind-up of its business. In such a scenario, the Directors consider it unlikely that there would be any material value available for distribution to Shareholders.

12. Recommendation

Accordingly, the Directors consider that the Cancellation and the passing of the Resolution are in the best interests of the Company and its Shareholders as a whole and therefore unanimously recommend that you vote in favour of the Resolution to be put at the General Meeting as those Directors who hold Ordinary Shares intend to do, or procure, in respect of their own beneficial holdings amounting to, in aggregate 189,333 Ordinary Shares representing approximately 0.24% per cent. of the total voting rights in the Company.

Yours sincerely,

Sir Richard Sykes
Chairman

PART II

Effect of Re-Registration on Shareholders and Adoption of New Articles

The following are the principal effects which the Re-registration of the Company as a private limited company and the adoption of the proposed New Articles would have on the rights and obligations of Shareholders and the Company:

1. **Accounts**

As a public company, the Company is currently required to produce its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended to nine months following the end of the financial year). The New Articles permit for such communication by electronic means.

2. **General meetings and resolutions**

A public company is required to hold an annual general meeting of Shareholders each year. However, no equivalent requirement exists for private limited companies and nor will the New Articles require the Company to hold annual general meetings. In addition, after the Re-registration, shareholder resolutions of the Company may be obtained as written resolutions by obtaining the approval in writing to that resolution of the holders of a simple majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of 75 per cent. of the voting shares then in issue (in the case of special resolutions).

3. **Directors and company secretary**

The Current Articles contain provisions requiring at least one third of Directors to retire by rotation at every annual general meeting. These provisions have been removed in the New Articles. In addition, private companies are not required to have a company secretary.

4. **Shares**

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the Re-registration and adoption of the New Articles. However, a private limited company is not permitted to offer shares to the public.

5. **Financial assistance, reductions of capital and purchase of own shares out of capital**

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-registration, these restrictions will no longer apply. In addition, the Company must currently obtain the confirmation of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-registration, the Company will be able to take advantage of the more flexible provisions applicable to private companies, which do not require the confirmation of the Court. Similarly, following Re-registration, the Company will be able to effect buy backs of shares out of capital, which it is currently prohibited from doing as a public limited company.

6. **Removal of unnecessary provisions and simplification of articles**

The New Articles will not contain many of the detailed provisions of the Current Articles which are common for listed companies and which will not be necessary for the Company following the Cancellation. Many of these provisions duplicate provisions of company law or can be simplified. These include (but are not limited to) provisions relating to:

- (a) the form of resolutions; and
- (b) the requirement to keep accounting records.

Company No. 08026888

NetScientific plc (the “Company”)

Notice of General Meeting

NOTICE IS HEREBY GIVEN THAT a General Meeting of the Company (the “**General Meeting**”) will be held at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2AG on 4 March 2019 at 11 a.m. to consider and, if thought fit, pass the resolution set out below, which is proposed as a special resolution.

Special Resolution

THAT:

- (a) in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM (the market of that name operated by the London Stock Exchange plc) of the ordinary shares of 5 pence each in the capital of NetScientific plc (the “**Company**”) be and is hereby approved and the directors of the Company be authorised to take all such action as they consider in their absolute discretion may be necessary, expedient or desirable to effect such cancellation; and
- (b) subject to and conditional upon such cancellation becoming effective:
 - (i) pursuant to the provisions of section 97 of the Companies Act 2006, the Company be re-registered as a private limited company under the name of “NetScientific Limited”; and
 - (ii) in connection with such re-registration, new articles of association produced to the meeting and initialled by the chairman of the meeting for the purposes of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

By order of the Board

Ian Postlethwaite
Company Secretary
15 February 2019

Registered Office: Bell Lane Office Village, Bell Lane, Amersham Buckinghamshire, HP6 6FA

Registered in England and Wales, with company number 08026888

Notes

1. You are entitled to appoint another person as your proxy to exercise all or any of your rights to attend and to speak and vote at the General Meeting. You may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you.

A proxy need not be a Shareholder of the Company but must attend the General Meeting to represent you. If you wish to appoint someone other than the Chairman of the General Meeting, insert the name of the person you wish to appoint in block capitals in the space provided. Where you appoint someone other than the Chairman, you are responsible for ensuring that they attend the General Meeting and are aware of your voting intentions. If you wish your proxy to make any comments at the General Meeting on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.

The completion and return of the Form of Proxy will not prevent a Shareholder from attending the General Meeting and voting in person.

2. To appoint more than one proxy you may photocopy the Form of Proxy. Please enter in the box next to the proxy holder’s name, the number of shares in relation to which the proxy is authorised to act. If that box is left blank the proxy will be deemed to be authorised in respect of your full voting entitlement. Please also indicate by ticking the box provided that the proxy appointment is one of multiple appointments being given. All forms should be returned together in the same envelope.
3. Any alteration to the Form of Proxy should be initialled.
4. To be effective, the Form of Proxy, fully completed, together with the power of attorney or any other authority under which it is executed (or a notarially certified copy), must be lodged with Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 11 a.m. on 28 February 2019.

5. If the Shareholder is a corporation, the Form of Proxy should be executed under its common seal, or signed on its behalf by a duly authorised officer or attorney.
6. In the case of joint holders the signature on the Form of Proxy of any one holder will suffice but where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, with the first named being the most senior.
7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Please note that the cut-off time for receipt of proxy appointments set out in Note 4 above also applies in relation to amended instructions. Any amended proxy appointment received after the relevant cut-off time will be disregarded.
8. Addresses (including electronic addresses) in this document are included strictly for the purposes provided and not for any other purposes.
9. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the General Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company by close of business on 28 February 2019, or if the General Meeting is adjourned the register of members at the time which is two working days before the time for holding any adjourned meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of the General Meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ("**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Link Asset Services (ID RA-10) by the latest time for receipt of proxy appointments set out in Note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

10. Terms defined in the circular to Shareholders dated 15 February 2019 shall, unless the context otherwise requires, have the same meaning when used in this Notice of General Meeting.
11. A copy of this Notice of General Meeting and other information required by section 311A of the Companies Act 2006, can be found at <https://netscientific.net/>. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, these notes.

12. The following documents are available for inspection at the offices of the Company's solicitors, Ashurst LLP, at Broadwalk House, 5 Appold Street, London, EC2A 2AG during usual business hours on any weekday (Saturday, Sunday and public holidays excluded) from the date of this notice until the General Meeting and will be available for inspection at the place of the General Meeting for at least 15 minutes prior to and during the General Meeting:

- (a) a copy of the Current Articles; and
- (b) a copy of the proposed New Articles referred to in the Resolution.

Total Voting Rights

As at 14 February 2019 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 78,561,866 Ordinary Shares of 5 pence each, carrying one vote each. The Company holds no shares in treasury. Therefore, the total voting rights in the Company as at that time were 78,561,866. On a poll, each holder of Ordinary Shares has one vote per share.

Communications with the Company

Except as provided above, Shareholders who wish to communicate with the Company in relation to the General Meeting should do so by calling Link Asset Services' shareholder helpline on 0871 664 0300. Calls cost 12 pence per minute plus your phone company's access charge. If you are outside the United Kingdom please call +44 (0) 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am–5.30 pm, Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile phones and calls may be recorded and randomly monitored for security and training purposes.

Other than as set out in this Notice of General Meeting, the Form of Proxy or in the Current Articles, no other methods of communication will be accepted. Any electronic communication sent by a Shareholder to the Company or the Company's registrars, Link Asset Services, which is found to contain a virus will not be accepted by the Company.