

10 April 2025

Solvonis Therapeutics plc
("Solvonis" or the "Company")

Posting of Circular and Notice of General Meeting

Solvonis Therapeutics plc (LSE: SVNS), an innovative biotechnology company co-developing therapeutics for mental health disorders, announces that it is today posting a Circular (containing a notice of general meeting) (the "Circular") and a form of proxy to the Company's shareholders setting out further details on seeking authority to issue shares for the proposed acquisition, by the Company, of the entire issued share capital of Awakn Life Sciences Corp. ("Awakn") pursuant to the terms of the Arrangement Agreement dated 22 February 2025 between the Company and Awakn (the "Proposed Acquisition") and the enlarged group's working capital requirements.

The General Meeting is due to be held at the offices of Orana Corporate LLP at Eccleston Yards, 25 Eccleston Place, London, United Kingdom, SW1W 9NF at 11:00 a.m. on 28 April 2025.

Extracts from the Circular are appended to this announcement. The Circular will shortly be available on the Company's website: <https://solvonis.com/investor-relations/shareholder-circulars>.

Capitalised terms in this announcement have the meaning ascribed to them in the Definitions section of the Circular.

Enquiries:

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Nick Naylor / Nick Athanas / Ashur Joseph (Corporate Finance) | Guy McDougall (Sales)

About Solvonis Therapeutics plc

Solvonis Therapeutics plc is an innovative biotechnology company focused on developing intellectual property related to the treatment of mental health and substance use disorders, and co-developing therapeutics for mental health disorders. Solvonis' mission is to improve outcomes for individuals suffering from mental health disorders, with an initial focus on trauma-related mental health conditions, such as PTSD. PTSD affected approximately 13 million adults in the U.S. in 2020, with the Company estimating a current affected population of 20 million across the U.S., UK, and key EU markets.

www.solvonis.com | [LinkedIn](#) | [X \(formerly Twitter\)](#)

About Awakn Life Sciences Corp.

Awakn Life Sciences Corp. is a clinical-stage biotechnology company developing therapeutics targeting substance use and mental health disorders. Awakn has a near-term focus on AUD, a condition affecting approximately 29 million adults in the US with Awakn estimating a current affected population of 40 million in the US and US and key European markets for which the current standard of care is inadequate. Awakn's goal is to provide breakthrough therapeutics to addiction sufferers in desperate need and its strategy is focused on commercialising its R&D pipeline across multiple channels.

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LETTER FROM CHAIRMAN

1. Introduction

On 16 December 2024, the Company announced that it had entered into a binding Letter of Agreement with Awakn in relation to its proposed acquisition of Awakn. The Letter of Agreement was superseded by the Arrangement Agreement, which was announced by the Company on 24 February 2025.

Under the terms of the Arrangement Agreement, the Company is proposing to issue approximately 2,074,378,592 Consideration Shares as consideration for the acquisition of all of the issued and outstanding Awakn Common Shares, all of the Awakn DSUs and all of the Awakn RSUs. Completion of the Proposed Acquisition remains subject to and conditional upon the satisfaction of various conditions by no later than the Long Stop Date (being 15 May 2025 or such later date as may be agreed in writing by the parties to the Arrangement Agreement).

As announced by the Company on 24 February 2025, one of the conditions of the Proposed Acquisition is the completion of an equity fundraising by the Company to raise sufficient working capital for the requirements of the Enlarged Group for a period of at least 12 months. At the date of this document the Company has not, as yet, raised the necessary funds in connection with the Proposed Acquisition however it has appointed advisers in connection with the Proposed Fundraise and the Company is seeking to procure investors for the Proposed Fundraise over the coming weeks. Solvonis and Awakn aim to satisfy all conditions of the Proposed Acquisition during the second quarter of 2025.

The purpose of this document is, amongst other things, to explain the background to and reasons for the Proposed Acquisition and the Proposed Fundraise and to explain why the Directors believe that the Proposed Acquisition and the Proposed Fundraise will promote the growth and success of the Company for the benefit of the Shareholders as a whole, and to seek Shareholders' approval to the passing of the Resolutions at the General Meeting.

The purpose of the Resolutions is to put in place sufficient authorities to enable the Company to issue the Consideration Shares and to provide the Company with sufficient headroom to enable the Company to implement the Proposed Acquisition and the Proposed Fundraise. In addition, the authorities being sought will provide headroom for potential future conversion of the New Warrants. The headroom sought is based on the Directors' anticipation of the likely funds required to be raised and possible terms of the Proposed Fundraise, however at this stage the Directors do not have certainty on the funds to be raised nor the terms of the Proposed Fundraise as discussions with regards to the Proposed Fundraise remain at a preliminary stage.

This document also contains the Directors' recommendation that Shareholders vote in favour of the Resolutions. Notice of the General Meeting, at which the Resolutions will be proposed, is set out at the end of this document. A Form of Proxy is also enclosed with this document for use at the General Meeting.

The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings in the Company which amounts in aggregate to 167,500,000 Ordinary Shares and represent approximately 7.30 per cent. of the Company's current voting rights. The Directors believe that the Proposed Fundraise is the most appropriate way to raise funds for the Enlarged Group. The Directors believe that the passing of the Resolutions will enable the Company to have sufficient authorities in place to be able to implement the Proposed Fundraise in the coming weeks and will also allow the Company to be able to complete on the Proposed Acquisition in a more efficient and timely manner.

Should the Resolutions not be passed at the General Meeting, the Company would not be able to satisfy one of the conditions of the Proposed Acquisition set out in the Arrangement Agreement and the Company would not be able to proceed with the Proposed Acquisition. Shareholders should note that, pursuant to the Arrangement Agreement, the Company is potentially liable to pay a £540k (CAD 1 million) termination fee to Awakn should the Proposed Acquisition not proceed.

In relation to the issue, allotment and Admission of the New Ordinary Shares in connection with the Proposed Acquisition and the Proposed Fundraise, the Company is required to have a prospectus approved by the Financial Conduct Authority.

2. Terms of the Proposed Acquisition

On 24 February 2025, the Company announced that it had entered into the Arrangement Agreement in connection with the Proposed Acquisition.

Pursuant to the Proposed Acquisition, the Company is proposing to acquire all issued and outstanding Awakn Common Shares, all outstanding Awakn RSUs, and all outstanding Awakn DSUs immediately prior to the completion of the Proposed Acquisition. The Company will issue to Awakn Shareholders 46.67 Consideration Shares for every one Awakn Common Share held by them. Based on the same Exchange Ratio, the holders of Awakn DSUs and Awakn RSUs will receive 46.67 Consideration Shares for each one Awakn DSU and for each one Awakn RSU held by them.

The Company expects to issue approximately 2,074,378,592 Consideration Shares in satisfaction of the consideration for the acquisition of all outstanding Awakn Common Shares, the Awakn DSUs and Awakn RSUs expected to be in issue immediately prior to completion of the Proposed Acquisition. The Company will not issue fractional entitlements of Consideration Shares and each Awakn Common Shareholder, Awakn DSU holder and Awakn RSU holder will therefore receive Consideration Shares rounded down to a whole number of Consideration Shares (as determined by the Company). The Company's Articles permit the Directors to sell shares representing fractional entitlements. Any Consideration Shares in respect of which there are fractional entitlements will therefore be aggregated and sold in the market for the best price reasonably obtainable on behalf of shareholders entitled to fractions. The Company will distribute the proceeds of such sales in due proportion to any such shareholders in accordance with the Articles.

It is proposed that all the Warrants in Awakn shall be exchanged for new warrants over new Ordinary Shares in the Company based upon the Exchange Ratio and it is anticipated that this will result in the issue of a total of 703,465,432 New Warrants on completion of the Proposed Acquisition. It is intended that Awakn will seek the consent from holders of Awakn stock options to cancel all existing stock options for no consideration.

It is intended that the Proposed Acquisition will be effected by way of a Canadian Plan of Arrangement, which provides for the Company to acquire 100% of Awakn Common Shares, the Awakn DSUs and Awakn RSUs in an efficient manner. The Proposed Acquisition will be conditional on the satisfaction (or waiver) of certain conditions on or before the Long Stop Date, including:

- a) the Court of British Columbia approval being granted in respect of the Plan of Arrangement;
- b) Awakn's Shareholders approving the terms of the transaction at a shareholder meeting due to take place on 22 April 2025;
- c) the Proposed Fundraise completing;
- d) the Resolutions being approved; and
- e) Admission.

Related party transaction

The Company's CEO, Anthony Tennyson, also serves as CEO of Awakn and has a shareholding in Awakn equal to 4.85 per cent of Awakn's Common Shares. Anthony Tennyson does not have an interest in the share capital of the Company. The corporate board of Awakn comprises five directors, of which there are 4 independent non-executive directors. It is noted that Anthony Tennyson is, nevertheless, a member of the key management personnel of Awakn and as a consequence could be deemed to have a significant influence over Awakn. Accordingly, Awakn could be considered a related party of the Company given that Anthony Tennyson is a member of the key management personnel of Awakn.

As Anthony Tennyson is the Company's CEO he is deemed to be a related party of the Company. Anthony Tennyson will, should the Proposed Acquisition complete, receive approximately 108,400,689 Consideration Shares based upon his current holdings in Awakn (being valued at approximately, £260,161 based on the issue price set out in the Arrangement Agreement).

In addition, Dennis Purcell, the non-executive chairman of the Company, is a holder of 30,000 Awakn Common Shares and 30,000 outstanding Awakn 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 Therapeutics, each with an exercise price of 0.814 pence. Notwithstanding his holding of Awakn Common Shares and the Purcell Warrants, Dennis Purcell is not considered to be a related party of Awakn, with 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.

On the basis of Anthony Tennyson's position as CEO of Awakn, and his interest in Awakn Common Shares, the Proposed Acquisition could therefore constitute a material related party transaction for the purpose of Rule 7.3 of the FCA's Disclosure Guidance and Transparency Rules. This material related party transaction has been approved by the directors independent of the Proposed Acquisition, being Dennis Purcell (Chairman) and Nicholas Nelson (Non-Executive Director). Anthony Tennyson recused himself from the Company board's consideration of the Arrangement Agreement and did not vote on the relevant board resolution.

3. Details on Awakn

Awakn was incorporated in British Columbia, Canada on 21 June 2018 with company number 747462711. Awakn is a clinical-stage biotechnology company developing therapeutics targeting substance use and mental health disorders. Awakn has a near-term focus on Alcohol Use Disorder, a condition affecting approximately 29 million adults in the US and approximately 40 million in the US and key European markets for which the current standard of care is inadequate. Awakn's goal is to provide breakthrough therapeutics to addiction sufferers in desperate need and Awakn's strategy is focused on commercialising their R&D pipeline across multiple channels.

The Awakn Common Shares started trading on the Canadian Securities Exchange on 13 February 2024 under the symbol "AWKN." The Awakn Common Shares also trades on the OTCQB Venture market under the ticker symbol "AWKNF" and on the Boerse Frankfurt exchange under the Symbol "954."

Awakn's registered office and principal place of business is located at 301-217 Queen Street, Toronto, Ontario, M5V 0R2. Awakn's website is <https://awaknlifesciences.com> and its contents does not form part of this document.

Financial Information on Awakn

The tables below set out Awakn's summary financial information for the financial year ended 31 January 2024, along with comparatives for the year ended 31 January 2023 and the unaudited interim financial results for the nine month period ended 31 October 2024. The information has been extracted from Awakn's published financial information.

a) Table 1 - Consolidated Income Statement for Awakn

	<i>Nine Months ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 October 2024</i>	<i>31 January 2024</i>	<i>31 January 2023</i>
	<i>(unaudited)</i>	<i>CAD '000</i>	<i>CAD '000</i>
	<i>CAD '000</i>		
Total revenue	35	87	-
Operating loss	(376)	(3,671)	(4,957)
Net loss	(376)	(5,103)	(9,652)
Earnings per share - cents	(0.01)	(0.13)	(0.20)

b) Table 2 - Consolidated Balance Sheet for Awakn

	<i>Nine Months ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 October 2024</i>	<i>31 January 2024</i>	<i>31 January 2023</i>
	<i>(unaudited)</i>	<i>CAD '000</i>	<i>CAD '000</i>
	<i>CAD '000</i>		
Total assets	669	544	4,394
Total equity	(1,523)	(1,530)	(50)
Total liabilities	2,192	2,074	4,444

c) Table 3 - Consolidated Cash Flow Statement for Awakn

	<i>Nine Months ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 October 2024</i>	<i>31 January 2024</i>	<i>31 January 2023</i>
	<i>(CAD '000)</i>	<i>CAD '000</i>	<i>CAD '000</i>
Net Cash used in operating activities	(1,092)	(2,381)	(7,363)
Net cash used in investing activities	-	(20)	(95)
Net cash from financing activities	1,178	2,456	6,402

4. Rationale for the Proposed Acquisition

In reaching their decision to proceed with the Proposed Acquisition, the independent Directors have considered the following:

- Awakn's advanced clinical pipeline with medium-term revenue potential through Awakn's lead programme, AWKN-001;
- complementary expertise and synergies because of both companies' therapeutic focus on addiction and mental health; and
- 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.

5. Strategy of the Enlarged Group

Awakn currently has three key research and development programmes with a significant majority of its activities occurring within the United Kingdom. On the completion of the Proposed Acquisition, the Enlarged Group will focus on developing these three core research programmes in addition to carrying on the business of the Company.

6. The Proposed Fundraise

One of the required conditions for completion of the Proposed Acquisition is the completion (subject to Admission) of an equity fundraising by the Company to raise sufficient working capital for the requirements of the Enlarged Group for a period of at least 12 months from the date upon which the Proposed Acquisition becomes effective pursuant to the Arrangement Agreement.

As such, the Company is seeking authority to issue new Ordinary Shares pursuant to the Proposed Fundraise.

The Company will make further announcements with regards to the Proposed Fundraise at the appropriate time.

7. Use of proceeds

The net proceeds of the Proposed Fundraise, once the Proposed Fundraise has been consummated, will be used to:

- satisfy the working capital requirements of the Enlarged Group for a period of at least 12 months, as required pursuant to the Arrangement Agreement;
- research and development purposes to progress the 3 assets towards the next development milestones; and
- general working capital purposes.

8. General Meeting

Notice of the General Meeting of the Company to be held at the offices of Orana Corporate LLP at 25 Eccleston Place, London, SW1W 9NF at 11 a.m. on 28 April 2025 is set out at the end of this document.

At the General Meeting, Shareholders will consider the Resolutions outlined in the notice of meeting.

9. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Shareholders are requested to complete and return the enclosed Form of Proxy as soon as possible.

To be valid, Forms of Proxy for use at the General Meeting must be completed and returned in accordance with the instructions printed thereon to the Company's Registrars, Share Registrars Ltd, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX as soon as possible and, in any event, so as to arrive no later than 11 a.m. on 24 April 2025 (or, in the case of an adjournment, not later than 48 hours (excluding weekends and public holidays) before the time fixed for the holding of the adjourned meeting). CREST members can also vote by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should they subsequently wish to do so.

The results of the votes cast at the General Meeting will be announced as soon as possible, once known, through a Regulatory Information Service.

10. Recommendation

THE BOARD CONSIDERS THE PROPOSED ACQUISITION AND THE PROPOSED FUNDRAISE TO BE IN THE BEST INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS AS A WHOLE AND THEREFORE THE DIRECTORS UNANIMOUSLY RECOMMEND THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE GENERAL MEETING, AS THEY INTEND TO DO IN RESPECT OF THEIR OWN AND ASSOCIATED HOLDINGS OF 167,500,000 ORDINARY SHARES (REPRESENTING APPROXIMATELY 7.30 PER CENT. OF THE COMPANY'S CURRENT VOTING RIGHTS).

Shareholders should note that in the event that the Resolutions are not be passed at the General Meeting, the Company will not be able to proceed with the Proposed Acquisition and the Proposed Fundraise. Should the resolutions not be passed the Company is potentially liable to pay a £540k (CAD 1 million) termination fee to Awakn.

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