

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 ("FSMA") or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.**

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this Circular and the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. However, these documents should not be forwarded or sent in, into or from the United States, Canada, Australia, New Zealand, Japan, South Africa or any other state or jurisdiction in which release, publication or distribution would be unlawful and therefore persons into whose possession this Circular and any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this Circular and the accompanying Form of Proxy and contact the stockbroker, bank or other agent through or by whom the sale or transfer was effected immediately.

**This Circular does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, Ordinary Shares or an invitation to buy, acquire or subscribe for Ordinary Shares (or any other securities) in any jurisdiction. This Circular has not been examined or approved by the Financial Conduct Authority ("FCA"), the Belgian Financial Services and Markets Authority ("Belgian FSMA") or any other regulatory authority.**

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## **Acacia Pharma Group plc**

*(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 9759376)*

### **Proposed Authorities to Allot Shares and Disapply Pre-emption Rights**

**and**

### **Notice of General Meeting**

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**This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which recommends that you vote in favour of the Resolutions.**

Notice of a General Meeting of the Company to be held at the offices of Stephenson Harwood LLP at 10.00 a.m. on 25 September 2018 is set out at the end of this Circular. Whether or not you intend to be present at the General Meeting you are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, so as to be received by the Company's Registrar, Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU, as soon as possible and in any event by no later than 10.00 a.m. on 21 September 2018. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.

The distribution of this Circular and/or the accompanying Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession this Circular and/or the accompanying Form of Proxy comes should inform themselves and observe such restrictions. Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction.

This document will be available on the Company's website ([www.acaciapharma.com](http://www.acaciapharma.com)) from the date of this document, free of charge. Neither the content of the Company's website nor any website accessible by hyperlinks to or on the Company's website is incorporated in, or forms part of, this document.

#### **FORWARD-LOOKING STATEMENTS**

This Circular contains forward-looking statements. These relate to the Company's future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such

as "believe", "could", "envisage", "intend", "anticipate", "seek", "target", "may", "plan", "expect", "will" or the negative of those, variations of or comparable expressions, including by references to assumptions. The forward-looking statements in this Circular are based on current expectations and are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those statements.

### **IMPORTANT NOTICE**

This Circular is not for distribution in or into the United States and should not be sent, forwarded or otherwise transmitted in or into the United States. The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 and may not be offered, sold or otherwise transferred in the United States absent registration or an exemption therefrom.

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## LETTER FROM THE NON-EXECUTIVE CHAIRMAN

# Acacia Pharma Group plc

*(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 9759376)*

### *Directors:*

Patrick Vink (Non-Executive Chairman)  
Dr Julian Gilbert (Chief Executive Officer)  
Christine Soden (Chief Financial Officer)  
Dr John Brown (Senior Independent Non-Executive Director)  
Pieter van der Meer (Non-Executive Director)  
Professor Johan Kördel (Non-Executive Director)  
Scott Byrd (Non-Executive Director)  
Edward Borkowski (Non-Executive Director)

*Registered Office:*  
The Officers' Mess  
Royston Road, Duxford  
Cambridge  
CB22 4QH

7 September 2018

Dear Shareholder

## **Proposed Authorities to Allot Shares and Disapply Pre-emption Rights**

**and**

## **Notice of General Meeting**

### **1. Introduction**

The Company today announced its financial results for the six-month period ending 30 June 2018. As set out within those results, our progress since our IPO has been excellent and we are delivering on the plans laid out in the prospectus published in connection with the IPO. The FDA has set a target PDUFA date - the date by which it expects to review the majority of NDA submissions - for BARHEMSYS™ of 5 October 2018.

The purpose of this letter is to: (i) provide you details of, background to and reasons for the proposed changes to the powers vested in the Directors to issue new Ordinary Shares and related shareholder rights; and (ii) provide you with information in respect of the Resolutions to be proposed at the General Meeting.

The actions that you should take to vote on the Resolutions, and the recommendation of your Board, are set out in paragraphs 4 and 5 of this letter.

The purpose of this letter is also to set out the reasons why the Directors believe that these proposals are in the best interests of the Company and its Shareholders as a whole and, therefore, why the Directors unanimously recommend that Shareholders vote in favour of the Resolutions at the General Meeting, as they will do in respect of their direct and indirect interests in the shares in the Company, which in aggregate total 803,053 Ordinary Shares representing 1.5 per cent of the Company's issued share capital.

### **2. Background to and reasons for the Resolutions**

Acacia Pharma is a hospital pharmaceutical company focused on the development and commercialisation of new nausea and vomiting treatments for surgical and cancer patients seeking the improvement of patient outcomes and reduction of hospital costs. Post-operative nausea and vomiting ("PONV") often results in delayed recovery, increased morbidity and increased hospital costs as well as being a major cause of patient distress. Hospitals are

now placing increasing emphasis on the benefits of moving patients more quickly through the hospital systems both in terms of the benefits seen to patients in terms of improved outcomes and in reducing hospital costs. Reducing PONV can offer a real advantage to enhanced recovery after surgery. Chemotherapy – induced nausea and vomiting (“CINV”) is one of the most common and feared side effects of cancer chemotherapy. In patients receiving highly emetogenic chemotherapy (“HEC”), such as cisplatin for lung and bladder cancers and the combination of an anthracycline and cyclophosphamide in women with breast cancer, the incidence of CINV is over 90 per cent. Your Board remains convinced of the medical and commercial opportunities for bringing to market new treatments for these debilitating conditions.

In the prospectus prepared as part of the IPO we set out our intention to allocate the net proceeds of the IPO to developing the infrastructure for the launch of lead product candidate BARHEMSYS, preparing APD403 for a Phase 2 trial, repaying the Silicon Valley Bank debt and other corporate activities. Furthermore, we also made clear our intention to raise additional capital following approval by the FDA of BARHEMSYS in order to fund activities relating its launch and commercialisation, to include: hiring an initial hospital sales force comprising approximately 60 sales representatives at commercial launch (which is currently expected to occur in the second quarter of 2019), rising to 100 over 3 years; funding ongoing BARHEMSYS development activities, including further post-marketing and Phase 4 studies to strengthen product positioning as well as conducting a paediatric programme; advancing the clinical development of APD403 (including the completion of a Phase 2 dose ranging study expected to be undertaken in 2019 in advance of pivotal Phase 3 studies in CINV); and funding general and administrative support for these operations.

As we approach the FDA’s target PDUFA date of 5 October 2018, we are seeking to ensure that we are in a position to execute our business strategy effectively. In order so to do we believe it is important to be in a position to access further equity and debt capital in an efficient manner. Your Board is also keen to be able to take advantage of potential investment from large capital markets, including the United States. In order to maximise the Company’s ability to raise capital in this manner and its flexibility to do so efficiently and without undue constraints as to sizing and timing, your Board believes it would be in the best interests of the Company for it to be able to raise equity capital without the obligation to offer existing shareholders the right to invest on pre-emptive terms.

Accordingly, we are seeking authority from you, our shareholders to issue up to 50 per cent of our existing issued share capital for cash to new shareholders without the requirement to first offer existing shareholders the right to subscribe for those shares pro rata to their existing holdings.

### **3. General Meeting**

A General Meeting of the Company, notice of which is set out at the end of this Circular, is to be held at 10.00 a.m. on 25 September 2018 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH at which the Resolutions will be proposed. Please note that the summary and explanation set out below is not the full text of the Resolutions and Shareholders should review the full text of the Resolutions before returning their Forms of Proxy.

The business to be considered at the General Meeting is set out in the Notice of General Meeting together with the explanatory notes to each Resolution below.

Any issue of new Ordinary Shares in the circumstances contemplated above will require shareholder authority in excess of the Company’s existing authority to issue shares for cash on a non-pre-emptive basis.

The Company is therefore proposing that the Shareholders, in addition to all existing unexercised authorities and powers, pass the Resolutions (as an ordinary resolution and as a special resolution, respectively) in order to:

- (1) grant authority to the Directors under section 551 of the Companies Act, to allot Ordinary Shares, up to an aggregate nominal amount of £531,190.61, being the amount required for the purposes of issuing up to 26,559,530 new Ordinary Shares; and
- (2) empower the Directors, pursuant to sections 570 to 573 of the Companies Act, to allot Ordinary Shares up to such aggregate nominal amount of £531,190.61 for cash on a non-pre-emptive basis,

these authorities to expire 18 months from the granting thereof and be in addition to the existing authorities granted on 14 February 2018.

#### **4. Action to be taken**

You will find enclosed with this Circular a Form of Proxy for use by the Shareholders at the General Meeting. Whether or not you intend to attend the General Meeting in person you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's Registrar, Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU, as soon as possible and in any event by no later than 10.00 a.m. on 21 September 2018. A stamp is not required if posted in Great Britain, Channel Islands or Northern Ireland. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

#### **5. Recommendation**

Your Directors believe that the passing of the Resolutions is in the best interests of the Company and Shareholders taken as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions, as they will do in respect of the Ordinary Shares they own or control in the Company, which in aggregate total 803,053 Ordinary Shares representing approximately 1.5 per cent. of the existing Ordinary Shares. Further, the Board has been informed (via their representative Directors) that Gilde and Lundbeckfond, holding in aggregate a further 29,412,777 Ordinary Shares representing approximately 55.4% of the existing Ordinary Shares, intend to vote in favour of the Resolutions.

Yours faithfully,

**Dr. Patrick Vink**  
*Non-Executive Chairman*

## DEFINITIONS

The following definitions apply throughout this Circular and the accompanying Form of Proxy unless the context otherwise requires:

|                             |  |
|-----------------------------|--|
| "Belgian FSMA"              | the Belgian Financial Services and Markets Authority   |
| "Companies Act"             | the Companies Act 2006, as amended   |
| "Company"                   | Acacia Pharma Group plc  |
| "Directors" or "your Board" | the directors of the Company whose names are set out on page 4   |
| "FCA"                       | the Financial Conduct Authority  |
| "FDA"                       | The US Food and Drug Administration  |
| "Form of Proxy"             | the form of proxy for use in relation to the General Meeting which accompanies this Circular   |
| "FSMA"                      | the Financial Services and Markets Act 2000, as amended  |
| "General Meeting"           | the General Meeting of the Company to be held at 10.00 a.m. on 25 September 2018 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH or any adjournment thereof |
| "Gilde"                     | the funds advised by Gilde Healthcare Partners B.V   |
| "Group"                     | the group of which the Company and its subsidiary undertakings are members   |
| "IPO"                       | the admission of all of the Company's issued and to be issued Ordinary Shares to trading on the regulated market of Euronext Brussels on 6 March 2018                                    |
| "Lundbeckfond"              | Lundbeckfond Invest A/S  |
| "NDA"                       | New Drug Application   |
| "Notice of General Meeting" | the notice convening the General Meeting which is set out at the end of this Circular  |
| "Ordinary Shares"           | the ordinary shares of £0.02 each in the capital of the Company  |
| "PDUFA date"                | the date by which the FDA aims to complete its review of an NDA in accordance with the Prescription Drug User Fee Act  |
| "Resolutions"               | the ordinary resolution and special resolution proposed to be passed at the General Meeting as set out in the Notice of General Meeting  |
| "Shareholder"               | a registered holder of Ordinary Shares   |
| "United States"             | the United States of America, its territories and possessions, any State of the United States and the District of Columbia   |
| "£"                         | the lawful currency of the United Kingdom  |

## NOTICE OF GENERAL MEETING

# Acacia Pharma Group plc

*(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 9759376)*

Notice is hereby given that a General Meeting of Acacia Pharma Group plc (the "**Company**") will be held at to be held at 10.00 a.m. on 25 September 2018 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH to consider and, if thought fit, approve the following resolutions, in the case of Resolutions 1 as an ordinary resolution and in the case of Resolution 2 as a special resolution:

### ORDINARY RESOLUTION

1. **THAT** the directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised, in addition to any existing authorities, pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot ordinary shares of £0.02 each in the capital of the Company ("**Ordinary Shares**"), up to an aggregate nominal amount of £531,190.61 in connection with future offerings of Ordinary Shares, such authority to expire 18 months from the date that this Resolution 1 is passed (unless previously revoked or varied by the Company in general meeting), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

2. **THAT**, subject to the passing of Resolution 1 above, in addition to any existing authorities, the Directors be and are hereby empowered, pursuant to sections 570 to 573 of the Act to allot Ordinary Shares for cash and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in Resolution 1 above as if section 561 of the Act did not apply to any such allotment or sale provided that this authority: (i) shall be limited to the allotment of Ordinary Shares and the sale of Ordinary Shares from treasury for cash up to an aggregate nominal amount of £531,190.61; and (ii) shall expire 18 months from the date that this Resolution 2 is passed (unless previously revoked or varied by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury after the expiry of such power, and the Directors may allot Ordinary Shares or sell Ordinary Shares from treasury in pursuance of such an offer or agreement as if such power had not expired.

#### By Order of the Board

Acacia Pharma Group plc  
Company Secretary

#### Registered Office:

The Officers' Mess  
Royston Road, Duxford  
Cambridge  
CB22 4QH

Dated 7 September 2018

These notes should be read in conjunction with the notes on the Form of Proxy.

**1. Voting record date**

Only members registered in the Register of Members of the Company at 6.30 p.m. on 21 September 2018 shall be entitled to attend and vote at the General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after 6.30 p.m. on 21 September 2018 shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

If the General Meeting is adjourned for no more than 48 hours after the original time, the same voting record date will also apply for the purpose of determining the entitlement of members to attend, speak and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If the General Meeting is adjourned for more than 48 hours, then the voting record date will be the close of business on the day which is two days before the day of the adjourned meeting or, if the Company gives notice of the adjourned meeting, at any time specified in that notice.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

**2. Rights to attend and vote**

Members are entitled to attend and vote at the forthcoming General Meeting or at any adjournment(s) thereof. On a poll each member has one vote for every one share held.

**3. Right to appoint proxies**

Pursuant to section 324 of the Companies Act 2006 (the "**Act**"), a member entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote in its place. Such a member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

A Form of Proxy is enclosed. The completion of the Form of Proxy or any CREST proxy instruction (as described in note 8) will not preclude a shareholder from attending and voting in person at the General Meeting.

If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from shareholders over which he is given discretion and any voting rights in respect of his own shares) is such that he will have a notifiable obligation under the Disclosure Guidance and Transparency Rules of the UK Listing Authority, the Chairman will make the necessary notifications to the Company and to the Financial Conduct Authority. Therefore, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and to the Financial Conduct Authority. However, any member holding 3 per cent. or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules. Section 324 does not apply to persons nominated to receive information rights pursuant to section 146 of the Act. Persons nominated to receive information rights under section 146 of the Act have been sent this Notice of General Meeting and are hereby informed, in accordance with section 149(2) of the Act, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this Meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of shareholders in relation to the appointment of proxies in this paragraph does not apply to nominated persons.

**4. Proxies' rights to vote at the General Meeting**

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, section 285(4) of the Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

**5. Voting by corporate representatives**

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Act provided they do not do so in relation to the same shares.

**6. Receipt and termination of proxies**

To be valid the enclosed Form of Proxy must be lodged with the Company's Registrar (Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU) before 10.00 a.m. on 21 September 2018.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

**7. Communication with the Company**

Members may not use any electronic address provided either in the Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

**8. Electronic receipt of proxies**

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA19) no later than the deadline specified in note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website [www.euroclear.com](http://www.euroclear.com).

**9. Questions at the General Meeting**

Any member attending the General Meeting has the right to ask questions. Section 319A of the Act requires the Directors to answer any question raised at the General Meeting which relates to the business of the General Meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the proceedings of the General Meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

**10. Website**

A copy of the Notice of the General Meeting, including these explanatory notes and other information required by section 311A of the Act, is included on the Company's website, [www.acaciapharma.com](http://www.acaciapharma.com).

**11. Total voting rights at date of notice**

As at 6 September 2018 (being the last practicable date prior to the publication of this Notice) the total number of shares in the Company in issue is 53,119,061. The total number of voting rights on that date is therefore 53,119,061.