THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000, as amended (“FSMA”), who specialises in advising on the acquisition of shares and other securities, if you are in the United Kingdom, or any appropriately authorised person under applicable laws, if you are located in any other jurisdiction. This document, which is an AIM admission document prepared in accordance with the AIM Rules for Companies, has been issued in connection with the application for Admission. Admission will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA or the Prospectus Rules published by the Financial Conduct Authority (“FCA”) (as amended) and accordingly this document does not constitute a prospectus for these purposes and has not been pre-approved by the United Kingdom Listing Authority pursuant to section 85 of FSMA. The Company (whose registered office appears on page 16 of this document) and the Directors (whose names appear on page 16 of this document) accept responsibility, both individually and collectively, for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document no person is authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will be effective and that dealings in the Ordinary Shares will commence on 2 April 2015.

Motif Bio PLC
(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 09320890)

Placing and Subscription of 64,238,442 new Ordinary Shares each at a price of 20p per share and Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser                  Broker

Cairn Financial Advisers LLP Northland Capital Partners Limited
Authorised and regulated by the Financial Conduct Authority Authorised and regulated by the Financial Conduct Authority

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION
64,238,442 issued and fully paid Ordinary Shares of one penny each

Cairn Financial Advisers LLP and Northland Capital Partners Limited, which are both regulated in the UK by the FCA, are acting as the Company’s nominated adviser and broker, respectively, in connection with the proposed Admission. Cairn Financial Advisers LLP’s responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers and Northland Capital Partners Limited responsibilities as the Company’s broker under the AIM Rules for Companies are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document without limiting the statutory rights of any person to whom this document is issued. No representation or warranty, express or implied, is made by Cairn Financial Advisers LLP or Northland Capital Partners Limited as to, and no liability whatsoever is accepted by Cairn Financial Advisers LLP or Northland Capital Partners Limited for, the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Neither Cairn Financial Advisers LLP nor Northland Capital Partners Limited will be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of any acquisition of Ordinary Shares. Copies of this document will be available free of charge during normal business hours on any day (except Saturdays and public holidays) at the offices of Cairn Financial Advisers LLP, 61 Cheapside, London, EC2V 6AX from the date of this document and shall remain available for a period of one month from Admission.
IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This document should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this document may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

The delivery of this document or any subscriptions or purchases made hereunder and at any time subsequent to the date of this document shall not, under any circumstances, create an impression that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct.

PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ, IN PARTICULAR, THE INFORMATION ON THE GROUP SET OUT IN PART 1 AND THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT.

The distribution of this document outside the UK may be restricted by law. No action has been taken by the Company, the holders of the Ordinary Shares, Cairn Financial Advisers LLP or Northland Capital Partners Limited that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for those purposes is required. Persons outside the UK who come into possession of this document should inform themselves about and observe any restrictions on the holding of Ordinary Shares and/or the distribution of this document in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document and wishing to make an application for Ordinary Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

This document does not constitute an offer to sell or an invitation to subscribe for, or a solicitation of an offer to subscribe or buy, Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer, invitation or solicitation. In particular, this document is not for distribution (directly or indirectly) in or into the Prohibited Territories, and should not be forwarded or transmitted to or into the Prohibited Territories or to any resident, national, citizen or corporation, partnership or other entity created
or organised under the laws thereof or in any other country outside the United Kingdom where such
distribution may lead to a breach of any legal or regulatory requirement. The distribution of this document
may be restricted and accordingly persons into whose possession this document comes are required to
inform themselves about and to observe such restrictions.

United States
This document is not for distribution in or into the United States. The Ordinary Shares have not been
registered with any securities regulatory authority of any state or other jurisdiction of the United States
and, may not be offered for sale or subscription or placed or sold or subscribed directly or indirectly
within the United States. The securities described herein have not been and will not be registered under
the US Securities Act. The Ordinary Shares may not be offered, sold, resold, delivered or transferred
within the United States or to, or for the account or benefit of, US persons (as such term is defined in
Regulation S under the US Securities Act (“Regulation S”)) except in accordance with the US Securities
Act or an exemption there from. The Ordinary Shares are generally only being offered and sold outside
the United States to persons who are not US Persons (within the meaning of Regulation S) in transactions
complying with Regulation S, which provides an exemption from the requirement to register the offer and
sale under the US Securities Act. The Ordinary Shares have not been approved or disapproved by the
US Securities and Exchange Commission, any state securities authority or any other regulatory authority,
nor have any of the foregoing passed upon or endorsed the merits of this document. Any representation
to the contrary is unlawful.
FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Company’s future prospects, developments and business strategies.

These forward-looking statements are identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will” or the negative of those variations, or comparable expressions, including references to assumptions. These statements are contained in all sections of this document. The forward-looking statements in this document, including statements concerning projections of the Company’s future results, operating profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks relating to the Group are specifically described in Part II “Risk Factors”. If one or more of these risks or uncertainties arises, or if underlying assumptions prove incorrect, the Company’s actual results may vary materially from those expected, estimated or projected. Given these uncertainties, potential Shareholders should not place over-reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. The Company undertakes no obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or applicable law, whether as a result of new information, future events or otherwise.
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DEFINITIONS

The following words and expressions shall have the following meanings in this document, unless the context otherwise requires:

“Act” the Companies Act 2006 (as amended);

“Admission” the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;

“AIM” AIM, a market of that name operated by the London Stock Exchange;

“AIM Rules” the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context requires);

“AIM Rules for Companies” the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time;

“AIM Rules for Nominated Advisers” the rules which set out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time;

“Amphion” Amphion Innovations plc, a public limited company incorporated and registered in the Isle of Man with registered number 113646C, whose registered office is at Fort Anne, Douglas, Isle of Man, IM1 5PD;

“Amphion Concert Party” (1) Amphion; (2) MSA; (3) Amphion US; (4) Richard Morgan; (5) Charlotte Morgan; (6) Anna Mary Morgan; (7) Oliver David Eversfield Morgan; (8) Jennifer S Goddard; (9) Robert Bertoldi; and (10) Robert James Macaleer as further described in paragraph 6.2 of Part VI of this document;

“Amphion US” Amphion Innovations US, Inc., a domestic for profit corporation incorporated in the US state of Delaware on 19 August 2005 with corporation number 4018201 and having its registered office at 2711 Centerville Rd Suite 400, Wilmington, Newcastle, DE 19808;

“Amphion Warrants” the warrants granted to Amphion and Amphion US which with effect from Admission will have the right to subscribe for 416,645 Ordinary Shares at US$0.56 per Ordinary Share pursuant to the Amphion Warrant Instrument;

“Amphion Warrant Instruments” the common stock purchase warrants dated 31 December 2010 granted to Amphion and Amphion US respectively constituting the Amphion Warrants, which sets out the terms and conditions of the Amphion Warrants granted to Amphion and Amphion US;

“Articles” the articles of association of the Company, as amended from time to time;

“Board” the board of directors of the Company as at the date of this document, whose names are set out on page 16;

“Business Day” any day which is not a Saturday, Sunday or a public holiday in the USA or UK;
“Cairn” Cairn Financial Advisers LLP, nominated adviser to the Company, whose details are set out on page 16 of this document;

“certificated” or “in certificated form” a share or other security which is not in uncertificated form (i.e. not in CREST);

“Company” Motif Bio plc, a company incorporated on 20 November 2014 in England and Wales with registered number 09320890, and having its registered office at One Tudor Street, London, EC4Y 0AH;

“Completion” completion of each of the Motif Merger Agreement and the Nuprim Merger Agreement in accordance with their respective terms;

“CPN” convertible promissory note as described in paragraphs 13.10 and 14.3 of Part VI of this document;

“CPN Warrant Instrument” the warrant instrument adopted by the Company on 1 April 2015 constituting the CPN Warrants which sets out the terms and conditions of the CPN Warrants granted to the CPN Warrantholders;

“CPN Warrantholders” in relation to the CPN Warrants, the person or persons who is or are for the time being the registered holder or joint holders of such CPN Warrants;

“CPN Warrants” non-assignable warrants to subscribe for 499,570 Ordinary Shares at 20 pence per Ordinary Share pursuant to the CPN Warrant Instrument;

“CREST” the electronic settlement system to facilitate the holding and transfer of title of shares in dematerialised form operated by Euroclear UK & Ireland Limited;

“CREST Regulations” the Uncertificated Securities Regulations 2001 (SI 2001 no. 3755), as amended;

“Dealing Day” any day the London Stock Exchange is open for the transaction of business;

“Directors” Richard Morgan, Graham Lumsden, Robert Bertoldi, Charlotta Ginman-Jones, Jonathan Gold, Zaki Hosny, Mary Lake Polan, John Stakes III and Bruce Williams and a “Director” means any one of them;

“EIS” the Enterprise Investment Scheme as set out in Part 5 of the Income Tax Act 2007 and sections 150A-150C and Schedule 5B to the Taxation of Chargeable Gains Act 1992;

“EIS Shares” the Placing Shares to be issued by the Company under EIS;

“Enlarged Share Capital” the 64,238,442 Ordinary Shares in issue on Admission (which include the Existing Ordinary Shares, the Placing Shares and the Subscription Shares);

“EU” the European Union;

“Executive Director” Graham Lumsden and Robert Bertoldi;

“Executive Management Team” Graham Lumsden, Robert Bertoldi and David Huang;

“Existing Ordinary Shares” the 50,052,302 Ordinary Shares in the capital of the Company immediately prior to the Placing, Subscription and Admission;
“FCA” the Financial Conduct Authority or any successor thereof, the single statutory regulator under FSMA;

“Former Nuprim Shareholders” Michael Floyd, Khalid Islam, Sergio Lociuro and Brad Spellberg, who together owned the entire issued share capital of Nuprim prior to the acquisition of the company by Motif, Inc. pursuant to the Nuprim Merger Agreement;

“FSMA” the Financial Services and Markets Act 2000, as amended;

“GBP” or “£” or “Pounds Sterling” or “pence” pounds sterling, the formal currency used in the UK;

“Group” the Company and its wholly owned subsidiary, Motif, Inc. and “Group Company” shall mean any of these from time to time;

“HMRC” HM Revenue & Customs;

“ISIN” International Securities Identification Number;

“Jubilant” Jubilant Biosys Limited, an integrated global pharmaceutical and life sciences company and a subsidiary of Jubilant Life Sciences Ltd. registered in Uttar Pradesh on 10 February 1998 with corporate identity number U24110UP1998PLC029591 and which is headquartered at 1A, Sector 16A, Noida- 201 301, Uttar Pradesh, India;

“Locked-in CPN Holders” the two participants of the pre-Admission fundraise who have entered into lock-in agreements, further details of which are set out in paragraph 13.7.4 of Part VI of this document;

“Locked in Persons” the Directors, Amphion, Amphion US, MSA, the Former Nuprim Shareholders, David Huang and the Locked-in CPN Holders;

“London Stock Exchange” London Stock Exchange plc;

“MCS Warrants” the warrants granted to MC Services AG to subscribe for 82,321 Ordinary Shares at the Placing Price per Ordinary Share pursuant to the MCS Warrant Instrument;

“MCS Warrant Exercise Period” the period during which the MCS Warrants can be exercised commencing on Admission and expiring on the fifth anniversary of that date;

“MCS Warrantholders” in relation to the MCS Warrants, the person or persons who is or are for the time being the registered holder or joint holders of such MCS Warrant;

“MCS Warrant Instrument” the warrant instrument adopted by the Company on 1 April 2015 constituting the MCS Warrants which sets out the terms and conditions of the MCS Warrants granted to MC Services AG;

“MIP” the share option plan adopted by Motif, Inc. on 4 December 2014, details of which are set out in paragraph 9.1.2 of Part VI of this document;

“Motif, Inc.” or “Subsidiary” Motif BioSciences, Inc. a domestic for-profit corporation incorporated in Delaware on 2 December 2003 with corporation number 3734188 and having its registered office at 160 Greentree Drive, Suite 101, Dover, Delaware 19904, County of Kent, USA;
“Motif Merger Agreement” an agreement and plan of merger dated 27 March 2015 and entered into between: (i) Motif, Inc.; (ii) the Company; (iii) Motif Acquisition Sub, Inc.; and (iv) Stephen Austin, further details of which are set out at paragraph 13.8 of Part VI of this document;

“MSA” MSA Holdings B.S.C, a 100 per cent. subsidiary of Amphion Innovations plc incorporated in Bahrain in 2007

“Nomad/Broker Warrantholders” in relation to the Nomad/Broker Warrants, the person or persons who is or are for the time being the registered holder or joint holders of such Nomad/Broker Warrant;

“Nomad/Broker Warrant Exercise Period” the period during which the Nomad/Broker Warrants can be exercised commencing on Admission and expiring on the fifth anniversary of that date;

“Nomad/Broker Warrant Exercise Price” the Placing Price per Ordinary Share;

“Nomad/Broker Warrant Instrument” the warrant instrument adopted by the Company on 1 April 2015 constituting the Nomad/Broker Warrants which sets out the terms and conditions of the Nomad/Broker warrants granted to Cairn and Northland;

“Nomad/Broker Warrants” the warrants granted to each of Cairn and Northland to subscribe for 642,384 Ordinary Shares at the Nomad/Broker Warrant Exercise Price pursuant to the Nomad/Broker Warrant Instrument;

“Nominated Adviser Agreement” an agreement entered into between the Company and Cairn, dated 1 April 2015 pursuant to which Cairn has agreed to act as the Company’s nominated adviser for the purpose of the AIM Rules. Further details of this agreement can be found at paragraph 13.2 of Part VI of this document;

“Non-executive Directors” Richard Morgan, Charlotta Ginman-Jones, Jonathan Gold, Zaki Hosny, Mary Lake Polan, John Stakes III and Bruce Williams;

“Northland Capital” or “Northland” or “Broker” Northland Capital Partners Limited, the broker to the Company whose details are set out at page 16 of this document;

“Nuprim” Nuprim, Inc., a corporation incorporated in the state of Maryland on 29 September 2014 with its principal office at 4800 Hampden Lane, Bethesda, MD 20814;

“Nuprim Merger Agreement” an agreement and plan of merger between: (i) Nuprim; (ii) the Former Nuprim Shareholders; (iii) Motif, Inc.; and (iv) Michael Floyd (as Nuprim shareholder representative), dated 31 December 2014, further details of which are set out in paragraph 13.9 of Part VI of this document;

“Nuprim Warrants” non-assignable warrants to subscribe for 9,432,033 Ordinary Shares at the Nuprim Warrant Exercise Price granted to the Former Nuprim Shareholders pursuant to the Nuprim Warrant Instrument and in accordance with the Nuprim Merger Agreement;

“Nuprim Warrantholders” in relation to the Nuprim Warrants, the person or persons who is or are for the time being the registered holder or joint holders of such Nuprim Warrants;
“Nuprim Warrant Exercise Period” the period during which the Nuprim Warrants can be exercised commencing on Admission and expiring on the tenth anniversary of that date;

“Nuprim Warrant Exercise Price” 20 pence per Ordinary Share;

“Nuprim Warrant Instrument” the warrant instrument adopted by the Company on 1 April 2015 constituting the Nuprim Warrants which sets out the terms and conditions of the Nuprim Warrants granted to the Former Nuprim Shareholders;

“Official List” Official List of the UK Listing Authority;

“Options” or “Share Options” options to subscribe for Ordinary Shares, further details of which are set out in paragraph 9 of Part VI of this document;

“Ordinary Shares” ordinary shares of one penny each in the capital of Company;

“Placees” the subscribers for Placing Shares at the Placing Price pursuant to the Placing;

“Placing” the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;

“Placing Agreement” the conditional agreement dated 1 April 2015 between: (i) Northland; (ii) Cairn; (iii) the Company; and (iv) the Directors relating to the Placing, further details of which are set out in paragraph 13.1 of Part VI of this document;

“Placing Price” 20 pence per Placing Share;

“Placing Shares” the 12,490,000 Ordinary Shares to be allotted and issued, conditional on Admission, by the Company pursuant to the Placing;

“Plan” the share option plan adopted by the Company on 1 April 2015, details of which are set out in paragraph 9.3 of Part VI of this document;

“Plumtree” Plumtree Capital Limited, a company incorporated in England and Wales, with company number 07337037 and having its registered office at 39 Temple Fortune Hill, London, NW11 7XP;

“Prohibited Territories” Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and the US;

“Prospectus Rules” rules published by the FCA under section 73A FSMA;

“QCA Guidance” the Corporate Governance Code for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance from time to time;

“Scientific Advisory Board” Jay Tischfield, Ralph Corey, Brad Spellberg and Mark Wilcox;

“Securities Act” United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

“Shareholder” or “Member” a member of the Company holding Ordinary Shares from time to time;

“Significant Shareholder” as defined in the AIM Rules for Companies;

“Subscribers” investors who are subscribing for the Subscription Shares;

“Subscription” the conditional subscription of the Subscription Shares;
<table>
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<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>“Subscription Agreements”</td>
<td>the conditional agreements made between the Company and the Subscribers, details of which are set out in paragraph 13.5 of Part VI of this document;</td>
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<tr>
<td>“Subscription Price”</td>
<td>20 pence per Subscription Share;</td>
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<tr>
<td>“Subscription Shares”</td>
<td>the 1,696,140 Ordinary Shares to be issued at the Placing Price by the Company pursuant to the Subscription;</td>
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<td>“Synergy Partners”</td>
<td>Synergy Partners R&amp;D Solutions LLC, a biopharmaceutical R&amp;D Consulting network based in New Jersey, USA;</td>
</tr>
<tr>
<td>“Takeover Code”</td>
<td>the UK City Code on Takeovers and Mergers as amended from time to time;</td>
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<td>“uncertificated”</td>
<td>the Ordinary Shares recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;</td>
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<tr>
<td>“United Kingdom” or “UK”</td>
<td>the United Kingdom of Great Britain and Northern Ireland;</td>
</tr>
<tr>
<td>“United States” or “US”</td>
<td>the United States of America;</td>
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<tr>
<td>“UK Listing Authority”</td>
<td>the FCA, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA, as amended;</td>
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<td>“US Dollars” or “US$” or “USD”</td>
<td>United States Dollars, the formal currency used in the USA;</td>
</tr>
<tr>
<td>“US” or “USA”</td>
<td>the United States of America;</td>
</tr>
<tr>
<td>“VAT”</td>
<td>Value Added Tax;</td>
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<td>“Warrants”</td>
<td>the Amphion Warrants, the Nomad/Broker Warrants, the Nuprim Warrants, the MCS Warrants and the CPN Warrants; and</td>
</tr>
<tr>
<td>“XC”</td>
<td>Xpharma Consulting LLC.</td>
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## Glossary of Technical Terms

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<tr>
<td>“ABSSSI”</td>
<td>acute bacterial skin and skin structure infections;</td>
</tr>
<tr>
<td>“API”</td>
<td>active pharmaceutical ingredient;</td>
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<tr>
<td>“bactericidal”</td>
<td>means that the compound kills bacteria;</td>
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<tr>
<td>“clinical development”</td>
<td>human testing (healthy volunteers and patients) of pharmaceutical products;</td>
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<tr>
<td>“CRO”</td>
<td>clinical research organisation;</td>
</tr>
<tr>
<td>“cSSSI”</td>
<td>complicated skin and skin structure infections;</td>
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<tr>
<td>“DHFRi”</td>
<td>a dihydrofolate reductase inhibitor (DHFR inhibitor) is a molecule that inhibits the function of dihydrofolate reductase; and is a type of antifolate;</td>
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<tr>
<td>“DOD”</td>
<td>US Department of Defense;</td>
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<tr>
<td>“EMA”</td>
<td>the European Medicines Agency;</td>
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<td>“FDA”</td>
<td>the US Food and Drug Administration;</td>
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<td>“FTEs”</td>
<td>full time equivalents;</td>
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<td>“GAIN Act”</td>
<td>the US Generating Antibiotic Incentives Now Act (which was signed into law on 9 July 2012) which mandates faster review times at the FDA and grants new antibiotics 5 additional years of market exclusivity from the date of approval in the US for a total of 10 years;</td>
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<td>“Glycopeptides, tetracyclines, cephalosporins, quinolones and oxazolidinones”</td>
<td>classes of antibacterials that have different mechanisms or ways of killing/inhibiting bacteria;</td>
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<tr>
<td>“Gram-positive and Gram-negative bacteria”</td>
<td>Gram-positive bacteria are a class of bacteria that take up the crystal violet stain used in the Gram staining method of bacterial differentiation. The thick peptidoglycan layer in the cell wall that encases their cell membrane retains the stain, making definitive identification possible. Gram-negative bacteria are a class of bacteria that do not retain the crystal violet stain used in the Gram staining method of bacterial differentiation, making positive identification possible. The thin peptidoglycan layer of their cell wall is sandwiched between an inner cell membrane and a bacterial outer membrane. In Gram staining, the outer lipid-based membrane of Gram-negative bacteria is removed by an alcohol solution. The alcohol also decolorises the then exposed peptidoglycan layer by dissolving away the previously applied crystal violet. A counterstain (safranin or fuchsine) is then added which recolourises the bacteria red or pink;</td>
</tr>
<tr>
<td>“HABP”</td>
<td>hospital acquired bacterial pneumonia;</td>
</tr>
<tr>
<td>“IND”</td>
<td>investigational new drug application;</td>
</tr>
</tbody>
</table>
“i/v” intravenous therapy (IV therapy or iv therapy in short) is the infusion of liquid substances directly into a vein;

“lead compound” the compound or molecule selected from a series or family of compounds based on specific qualities that are expected to translate into the best potential for a successful medicine;

“JCEM” the Journal of Clinical Endocrinology & Metabolism;

“MAA” Marketing Authorisation Approval;

“mechanism” the way a medicine works;

“MRSA” methicillin-resistant staphylococcus aureus, a type of bacterial infection that is resistant to a number of widely used antibiotics;

“MTF 001” a preclinical stage programme to design a best-in-class dihydrofolate reductase inhibitor (DHFRi);

“NDA” new drug application;

“NIH” National Institute of Health;

“PCC” pre-clinical candidate;

“Phase I study” first stage of clinical testing in healthy volunteers;

“Phase II study” clinical trials in a small number of patients (usually 20–30) to determine safety and efficacy of a new medicine;

“Phase III study” the final stage of clinical trials prior to seeking regulatory approval, to determine efficacy and safety in a large number of patients (usually several hundred);

“preclinical stage programme” laboratory and animal testing prior to being allowed to test the product in humans;

“QIDP” Qualified Infectious Disease Product;

“tractable synthetic chemistry” compounds that can be improved by expert chemists using standard techniques; and

“Type C meeting” a formal meeting between a “sponsor” (usually a pharmaceutical company) and the FDA to agree on specific aspects of drug development.
EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document 27 March
Admission effective and dealings in the Ordinary Shares commence 2 April
Expected date for CREST accounts to be credited (where applicable) 2 April
Definitive share certificates dispatched by no later than 10 April

The above dates are indicative only and may be subject to change.
All references to time in this document are to London time unless otherwise stated.

KEY STATISTICS

Placing Price and Subscription Price (per share) 20 pence
Existing Ordinary Shares* 50,052,302
Placing Shares 12,490,000
Subscription Shares 1,696,140
Enlarged Share Capital 64,238,442
Placing Shares as a percentage of the Enlarged Share Capital 19.44 per cent.
Subscription Shares as a percentage of the Enlarged Share Capital 2.64 per cent.
Gross proceeds of the Placing and Subscription £2,837,228
Number of Ordinary Shares under Option, Warrant or convertible pursuant to the CPNs following the Placing, Subscription and Admission 39,702,610
Number of Ordinary Shares on a fully diluted basis following the Placing, Subscription and Admission** 103,941,052
Market capitalisation of the Company at Admission at the Placing and Subscription Price £12,847,688
ISIN Code for the Ordinary Shares GB00BVVT4H71
AIM Symbol MTFB

* This number assumes all share issues triggered by Admission other than the Placing and Subscription will have taken place prior to Admission.
** On the basis that all Options, Warrants and CPNs in existence on Admission have been exercised.
EXCHANGE RATES

For reference purposes only, the following exchange rate used for all conversions throughout this document: US$1.52 per £1.00.

All amounts in this document expressed in the above currencies have, unless otherwise stated, been calculated using the above exchange rate.
### DIRECTORS, SECRETARY AND ADVISERS

**Directors**
- Richard Cecil Eversfield Morgan  
  *Non-executive Chairman*
- Graham George Lumsden  
  *Chief Executive Officer*
- Robert (“Bob”) Joseph Bertoldi  
  *Chief Financial Officer*
- Charlotte Ginman-Jones  
  *Non-executive Director*
- Jonathan Gold  
  *Non-executive Director*
- Zaki Hosny  
  *Non-executive Director*
- Dr Mary Lake Polan  
  *Non-executive Director*
- Dr John Wilbur Stakes III  
  *Non-executive Director*
- Bruce Andrew Williams  
  *Non-executive Director*

All of 330 Madison Avenue
6th Floor
New York, New York 10017
United States of America

**Company Secretary**
- Stephen Austin LL.B (Hons)

**Registered Office**
- One Tudor Street
  London, EC4Y 0AH
  United Kingdom

**Nominated Adviser**
- Cairn Financial Advisers LLP
  61 Cheapside
  London, EC2V 6AX
  United Kingdom

**Broker**
- Northland Capital Partners Limited
  131 Finsbury Pavement
  London, EC2A 1NT
  United Kingdom

**Financial Adviser**
- Plumtree Capital Limited
  One Tudor Street
  London, EC4Y 0AH
  United Kingdom

**Reporting Accountants and Auditors to the Company**
- Crowe Clark Whitehill LLP
  St Bride’s House
  10 Salisbury Square
  London, EC4Y 8EH
  United Kingdom

**Solicitors to the Company**
- Reed Smith LLP
  Broadgate Tower
  20 Primrose Street
  London, EC2A 2RS
  United Kingdom

**Solicitors to the Nominated Adviser and Broker**
- Pinsent Masons LLP
  30 Crown Place
  London, EC2A 4ES
  United Kingdom
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385 Route 24
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Chester, NJ 07930
United States of America

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United Kingdom

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Farnham
Surrey, GU9 7LL
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PART I

INFORMATION ON THE GROUP

1. Introduction
The Company is a clinical stage biopharmaceutical company which specialises in developing novel antibiotics designed to be effective against serious and life-threatening infections caused by multi-drug resistant bacteria. The Company will, on Admission, have a lead antibiotic candidate, iclaprim, in clinical development and MTF-001, a preclinical stage programme, to design a best-in-class DHFRi. Discussions and negotiations with academic institutions and pharmaceutical companies are under way to build a portfolio of antibiotic candidates through licensing. The Group's main area of operation is the US.

The Company is seeking to confirm in meetings with the FDA and EMA in the first half of 2015, that the clinical development plan for iclaprim meets regulatory guidelines and that two Phase III trials can be conducted. A Type C meeting has been scheduled with the FDA for 14 April 2015. Upon confirmation of the clinical development plan and subject to funding being available, the two Phase III trials are planned to be initiated in the second half of 2015.

Subject to funding being available, the Directors anticipate that iclaprim could be ready for commercialisation within approximately 36 months.

The Company has built a team of scientists and experts with extensive drug development experience and is raising approximately £2.1 million net of expenses through the Placing and Subscription to provide the Group with capital to complete preparations to commence Phase III trials with iclaprim and to provide the Group with additional working capital. Additional funding will be needed to carry out the two Phase III clinical trials on iclaprim and to progress the Group's other drug development programmes.

2. Group Structure and History
The Company was incorporated in England and Wales on 20 November 2014 with company registration number 09320890. The Company's registered office is at One Tudor Street, London, EC4Y 0AH. Motif, Inc., was incorporated in the US State of Delaware on 2 December 2003, and has its registered office at 160 Greentree Drive, Suite 101, Dover, Delaware, 19904. Following Completion and as at Admission, Motif, Inc. will be a wholly owned subsidiary of the Company.

Originally founded as a population genetics company, Motif, Inc. has, since 2009, focused on drug discovery and development. A team of expert scientists was assembled in 2009/2010 with the goal of identifying first-in-class pharmaceutical compounds with significant flaws or deficits that could be fixed using tractable synthetic chemistry. Medicinal chemistry plans and research operating plans were completed for three development programmes – an antibiotic, a product to treat rheumatoid arthritis and a drug for overactive bladder. In each case, a strategy to develop a best-in-class compound was mapped out with the aim of identifying patentable lead compounds within approximately 18 months. On 13 June 2012, a collaboration agreement was executed with Jubilant, pursuant to which Jubilant provides laboratory facilities and personnel to Motif, Inc. to assist in developing one of the three best-in-class compounds (MTF-001): a DHFRi designed to be effective against MRSA and multi-drug resistant bacteria. In late 2013, it was decided that Motif, Inc. should focus exclusively on antibiotics.

In December 2014 Motif, Inc. began its evolution from a preclinical stage company to a late stage clinical company by entering into the Nuprim Merger Agreement. Pursuant to the Nuprim Merger Agreement, Motif, Inc. conditionally agreed to merge with Nuprim, a Maryland corporation owning the exclusive worldwide rights to a potential novel antibiotic called iclaprim, into Motif, Inc. The completion of this merger is subject to Admission. Iclaprim completed clinical development and in 2008 a NDA and a MAA were submitted seeking approval to market in the US and EU, respectively. In 2009 the FDA declined to approve iclaprim based on the data submitted and subsequently the MAA was withdrawn in Europe. The scientific experts at Motif, Inc. have reviewed the data package for iclaprim and have concluded that by addressing certain deficiencies in the original development programme, iclaprim can be returned to...
clinical development and re-submitted for review by the FDA and by the EMA. Providing funding is available to complete the Phase III trials and regulatory approval is granted, the Directors anticipate that iclaprim could be marketed within approximately 36 months.

3. Business and Investment Opportunity

The net proceeds of the Placing and Subscription will be used to complete preparations to enter Phase III trials with iclaprim and to provide working capital. An additional fundraising or a strategic partnership with another pharmaceutical company is planned for later in 2015 in order to raise additional capital and fund the Phase III trials with iclaprim.

Resistance to antibiotics is a major global public health threat. The world’s pipeline of novel antibiotics has not kept pace with the ability of certain bacteria to resist treatment with existing products. The Group has a clinical stage antibiotic, iclaprim, which has been designed to be effective against multi-drug resistant bacteria.

I claprim is being designed to be administered in hospitals as an intravenous infusion. The Directors believe the most urgent need for novel antibiotics effective against multi-drug resistant bacteria is in the hospital setting where patients often succumb to serious, life-threatening infections that require immediate treatment with the best available antibiotic. In the case of HABP, mortality rates for infected patients are currently between 20 per cent. and 50 per cent. Extended hospital stays pose a burden to healthcare systems and can increase hospital costs by an average of approximately £26,000 per patient. In the Directors’ experience, commercialisation of hospital products is relatively easy and can be done with fewer resources than commercialisation in the community because there are fewer hospital healthcare professionals to communicate with, compared to launching and educating the larger number of primary care and general practitioners in most countries.

Assuming that Motif, Inc. receives regulatory approval to start Phase III testing in the second half of 2015, the Directors believe that iclaprim offers a rapid path to commercialisation, which could be expected to occur in 2018 subject to funding or a strategic partnership with a pharmaceutical company. A follow-on pipeline of preclinical antibiotics is being built to follow iclaprim as additional funding becomes available. Should the FDA approval be delayed or rejected, the Directors would consider alternative plans to progress iclaprim and would also focus on progressing the Company’s other pre-clinical drug programmes.

Recent mergers and acquisitions demonstrate the increased activity within the antibiotic field. Paratek listed on Nasdaq in 2014, raising approximately US$100 million to develop a tetracycline antibiotic called omadacycline, whose Phase III studies are set to re-start in the first half of 2015. Paratek’s market cap increased to approximately US$574 million following the acquisition in January 2015 of Cubist by Merck & Co., Inc. for US$9.5 billion. Durata Therapeutics Inc. (NASDAQ: DRTX) was acquired by Actavis (NYSE: ACT) in October 2014 for US$675 million plus contingent value rights, following the approval for its first antibiotic in May 2014.

The Directors believe, assuming that iclaprim successfully completes Phase III trials, that the Company should be an attractive candidate for a strategic partnership with a large pharmaceutical company with commercialisation expertise and capabilities.

4. Management and Organisation

The Company comprises an Executive Management Team, Non-executive Directors, a Scientific Advisory Board and a team of scientific consultants covering all of the required drug development intellectual property and regulatory disciplines needed to successfully pursue the Group’s drug development programmes. This team will be supplemented as needed by experts from Synergy Partners with which Motif has a consultancy agreement.

Dr. David Huang, Motif, Inc.’s Chief Medical Officer, leads the clinical development programme for iclaprim. Once funded or partnered, Motif, Inc. intends to contract with a leading CRO to conduct the clinical trials. Motif, Inc.’s Regulatory Consultant, Dr. Robert McCormack, is leading the regulatory interactions with FDA.
Motif, Inc.’s scientific consultants will direct and guide the dedicated team of scientists at Jubilant. Motif, Inc. and Jubilant have a contractual relationship to develop MTF-001, further details of which are set out in paragraph 13.17 of Part VI of this document.

Executive management team
- Graham Lumsden, BVM&S, MRCVS, Dip. M., MCIM – Chief Executive Officer. 
  Former Merck & Co., Inc. senior executive with commercial leadership experience across several worldwide businesses;
- Robert Bertoldi, BA, CPA – Chief Financial Officer. 
  Senior financial executive and experienced public company Chief Financial Officer. Mr Bertoldi is currently Chief Financial Officer to Amphion; and
- David Huang, MD, Ph.D., MBA, JD – Chief Medical Officer (not a board member). 
  Experienced Chief Medical Officer and former Global Medical Director at Pfizer Inc.

Non-executive Directors
- Richard Morgan – Chairman. 
  Co-founder and former board member of Celgene Corporation. Mr. Morgan is currently an Executive Director of Amphion; and
- Charlotte Ginman-Jones, Jonathan Gold, Zaki Hosny, Mary Lake Polan, John W. Stakes III and Bruce Williams.

Further information on the Directors is set out in the section headed “Directors” in this Part I.

Scientific Advisory Board
- Jay Tischfield, M.Phil, Ph.D, FFACMG, – MacMillan Distinguished Professor of Genetics, Pediatrics and Psychiatry. Executive Director, Human Genetics Institute of New Jersey. Chief Executive Officer and Scientific Director RUCDR Infinite Biologics;
- G. Ralph Corey, M.D. – Professor of Medicine and Infectious Diseases, Duke University Medical Center; Durham, North Carolina, USA;
- Brad Spellberg M.D. – Chief Medical Officer, LAC and USC Medical Center, Professor of Clinical Medicine, Keck School of Medicine at the University of Southern California, Los Angeles, California, USA; and
- Mark Wilcox, B Med Sci, BM, BS, MD, FRCPath. – Consultant, Head and Professor of Medical Microbiology, Leeds Teaching Hospitals and University of Leeds, UK; Lead on C. difficile, Public Health England, UK.

Scientific Consultants
  Medicinal Chemistry
  - Timothy A. Blizzard, Ph.D., Medicinal Chemistry Consultant
  - Matthew J. Wyvratt, Ph.D., Drug Discovery Consultant
  - Jerauld S. Skotnicki, Ph.D., Medicinal Chemistry Consultant
  - Mark L. Greenlee, Ph.D., Medicinal Chemistry Consultant
  Pharmacology
  - Euan MacIntyre, Ph.D., Pharmacology Consultant
  Toxicology
  - James S. MacDonald, Ph.D., Toxicology Consultant
  Clinical
  - John M. Amatruda, M.D., Clinical Consultant
5. **Scientific and Market Background**

Resistance to antibiotics is a major global health threat. So-called “superbugs” are developing resistance to currently available antibiotics faster than new, effective antibiotics are being developed. In June 2013, Dr Margaret Chan, Director-General of the World Health Organisation stated that, “*a post-antibiotic era means, in effect, an end to modern medicine as we know it. Things as common as strep throat or a child's scratched knee could once again kill. Some sophisticated interventions, like hip replacements, organ transplants, cancer chemotherapy, and care of preterm infants, would become far more difficult or even too dangerous to undertake.***

The worldwide antibacterial market was valued at US$43.9 billion in 2010. There are many antibiotics in the market today and two have annual sales of more than US$1 billion, Zyvox (linezolid, Pfizer) and Cubicin (daptomycin, Merck & Co.). Since iclaprim was designed to be effective against bacteria resistant to trimethoprim, the only other commonly used antibiotic with the same mechanism, iclaprim should be well positioned to compete in this commercially attractive market. The GAIN Act, which was signed into law on 9 July 2012, mandates faster review times at the FDA and grants new antibiotics an additional 5 years on top of the 5 years of “Hatch-Waxman” exclusivity giving a total of 10 years of market exclusivity from the date of approval in the US.
6. Product Portfolio

The Group is committed to helping resolve the looming public health crisis by developing novel antibiotics designed to be effective against multi-drug resistant bacteria. The initial focus of the Group’s team is on the development of iclaprim.

**Information on iclaprim**

Iclaprim is a potential novel antibiotic, designed to be effective against bacteria that have developed resistance to other antibiotics, including trimethoprim, the only other commonly used antibiotic that shares the same mechanism. Iclaprim is bactericidal and has a low risk for resistance development. Originally discovered by F. Hoffman-La Roche Ltd, iclaprim is a DHFRi. Iclaprim was licensed to and developed by Arpida AG (“Arpida”) and in 2008, a request to the FDA and the EMA was submitted for approval to market the compound. On the basis of the submitted data, iclaprim was not approved and ceased to be developed.

The Group has completed due diligence, including a review of the preclinical and clinical data plus the US and European regulatory correspondence, and the Directors believe that iclaprim can be rapidly returned to late stage clinical testing with some improvements to the original development programme. The final clinical development plan will be confirmed in meetings with the FDA and the EMA, which are expected to take place within 6 months of Admission. The Group has a copy of the “Complete Response Letter” received by Arpida in January 2009 which confirms the reasons that iclaprim was not approved by the FDA based on the data submitted in 2008. This confidential information, together with the improved regulatory environment and the need for novel antibiotics that are effective against multi-drug resistant bacteria, support the Group’s plan for a rapid return to clinical development for iclaprim.

Assuming that funds can be raised (or a partnership be entered into) to carry out clinical development and that the clinical trials are successful, the Directors believe that it is feasible to achieve approval to market within 36 months.

**Information on MTF-001**

MTF-001 is a programme to design a best-in-class DHFRi that will be effective against multi-drug resistant bacteria, with the aim of marketing a novel once daily antibiotic that can be administered by injection and taken orally in pill form. This programme will commence once funding is available.

Based on iclaprim and other lead compounds, the Group will establish a proprietary lead series with the objective of identifying a best-in-class DHFRi that is effective against a broad spectrum of Gram positive bacteria, including those resistant to currently available antibiotics, that can be administered once daily in injectable (i/v) and orally in pill formulations. Iclaprim and other potent DHFRi lead compounds are known and are amenable to rapid analogue synthesis and lead optimisation to improve biological and physical properties. Furthermore, crystal structure data is available on *Staphylococcus aureus* DHFRi to guide structure-based design. Ample free intellectual property space exists around the lead structures allowing significant freedom to operate.

**Additional portfolio plans**

In addition to the two DHFRi programmes, iclaprim and MTF-001, that are ongoing, the Group also intends to build a portfolio of novel antibiotics by licensing preclinical programmes from academic centres and pharmaceutical companies specialising in antibacterial research. Several programmes are under discussion, including compounds designed to be effective against Gram-positive and Gram-negative bacteria.

**Information on Nuprim**

Nuprim is a Maryland corporation which was incorporated on 29 September 2014 by the former leadership team at Arpida (including the Chief Executive Officer, the Chief Scientific Officer and the US Agent) for the sole purpose of acquiring the iclaprim assets from Acino Pharma AG (“Acino”). Motif, Inc. entered into a conditional merger agreement with Nuprim on 31 December 2014, pursuant to which Nuprim, will immediately prior to Admission merge with and into Motif, Inc. with Motif, Inc. acquiring the exclusive worldwide rights to Nuprim’s “iclaprim assets”, and the rights to acquire 600 kilograms of iclaprim API over a period ending 31 December 2017.
The Former Nuprim Shareholders were issued an aggregate of 1,513,040 shares of common stock in the capital of Motif, Inc. upon executing the term sheet on 17 October 2014 (the “Initial Shares”) such Initial Shares to be held in escrow pending closing upon Admission. At Completion Motif, Inc. will issue to the Former Nuprim Shareholders 9,805,400 Ordinary Shares and 9,432,033 Nuprim Warrants. Upon completion of the first Phase III trial, a milestone payment of US$500,000 is due to be paid by Motif, Inc. to Acino, pursuant to the sale and purchase agreement described in paragraph 15.2 of Part VI of this document. In addition, it is anticipated that a royalty payment, estimated by the Directors to be approximately 5 per cent. of net sales in relation to iclaprim, may be due during the initial commercialisation period in accordance with the sale and purchase agreement described at paragraph 15.1 of Part VI of this document. In the event that Motif, Inc. fails to advance the development of iclaprim by commencing clinical development by 15 February 2017, the Former Nuprim Shareholders have the right to acquire the iclaprim assets for a purchase price of US$10,000.

Further details on the Nuprim Merger Agreement are set out in paragraph 13.9 of Part VI of this document.

**Regulatory background**

Iclaprim completed clinical development and marketing applications to the FDA and the EMA were submitted in 2008. At that time and based on the data submitted, iclaprim failed to gain approval from the FDA or the EMA. Three other new antibiotics also failed to gain approval for commercialisation around this time: dalbavancin, oritavancin and omadacycline. Additional clinical trials were completed with dalbavancin and oritavancin and they were both approved by the FDA in May and August 2014 respectively. Omadacycline is expected to re-enter the Phase III trials in the first half of 2015.

In 2007, telithromycin (Ketek) was approved as a novel antibiotic, and then associated with severe liver injury and fraudulent safety data which resulted in two of three Ketek indications being withdrawn and the Directors believed this led to a slowdown in new drug approvals. In recent years, the Directors believe that the regulatory environment for antibiotics has become more favourable to the approval of potential antibiotic compounds. The urgent need for novel antibiotics is well recognised, with the passing in 2012 of the GAIN Act, which mandates accelerated approval times and extended market exclusivity in the US, and the publication by the FDA of revised, clear clinical trial guidelines. The Directors believe this development is a major improvement compared to the situation at the time of the earlier antibiotic submissions in 2008 and that this greatly enhances the likelihood of approval, assuming that the clinical trials are completed successfully.

**Next steps**

Iclaprim: Motif, Inc. has developed a clinical and regulatory strategy which the Directors believe addresses the deficiencies in the original development programme, with the intention of re-entering clinical testing with an i/v formulation for use in hospitals. The Company is seeking to confirm in meetings with the FDA and the EMA in the first half of 2015 that the clinical development plan for iclaprim meets regulatory guidelines and that two Phase III trials can be conducted as proposed. A Type C meeting has been scheduled with the FDA for the 14 April 2015. Similar discussions are planned to take place with the EMA in the first half of 2015.

The two initially proposed indications are:

- **ABSSSI**, a common serious infectious disease involving multi-drug resistant bacteria. Within the US hospitalised patients, skin and soft tissue infections were estimated to have increased by 176 per cent. from 1997 to 2009. The two Phase III trials with iclaprim, completed in 2008, demonstrated efficacy and safety in patients with cSSSI; and

- **HABP**, a serious infection with a mortality rate between 20 per cent. and 50 per cent. and can lead to an increase hospital costs by an average of approximately £26,000 per patient. Iclaprim’s Phase II trial demonstrated excellent efficacy in patients with HABP and iclaprim was more effective and led to fewer drug-related adverse events than those treated with vancomycin.

The two trial protocols have been developed to be consistent with the latest published FDA and EMA guidelines.
Upon confirmation of the clinical development plan, the first of the two Phase III trials is planned to be initiated in the second half of 2015. The existing API is being re-qualified to ensure adherence to current global regulations for characterisation of compounds for clinical use. Assuming that this existing material can be used to manufacture clinical trial supplies, the Phase III programme will be ready to start before the end of 2015. Once the clinical development plan is finalised following the FDA and EMA meetings, including the number of patients required to be included, and negotiations with CROs have been completed, the final clinical costs will be confirmed. The Company is intending to seek to raise additional capital or enter into a strategic partnership with another pharmaceutical company in order to fund the Phase III trials. Several development programmes and indications will be undertaken with the iclaprim assets and the Directors’ ambition is to have other new indications, formulations and combinations in clinical development by the end of 2016.

MTF-001: Once funding has been obtained, the Company expects to initiate a medicinal chemistry programme at Jubilant, with the goal of identifying a tractable lead series of compounds in relation to MTF-001 within 6 months of starting the programme, the lead compound and provisional patent filing is expected to be completed within 12 months of initiation and a final preclinical candidate is expected to be ready within 18 months of starting the programme. With additional preclinical studies, the team anticipates submitting the first IND within a total of 36 months of starting the programme.

7. Intellectual Property
Although the original patents for iclaprim were abandoned, the Directors believe that iclaprim will be granted market and/or data exclusivity representing a high barrier to entry for competitors. The Company will apply for QIDP status for iclaprim in the US. Assuming that this is granted, iclaprim will receive 10 years of marketing exclusivity from the time of the FDA approval by virtue of Hatch-Waxman and the GAIN Act. In Europe, the generation of additional data in clinical trials can result in 10 years of data exclusivity.

Assuming completion of the Nuprim Merger Agreement, the Group will have exclusive access to the complete US and European data packages for iclaprim, generated to support the original regulatory submissions in 2008. In addition to providing critical input into the Group’s clinical and regulatory strategy development, the Directors believe the existing data will provide supportive information to future regulatory reviews. Having access to this existing data will avoid the need for the Group to complete an entire development programme starting from scratch, representing a considerable advantage in terms of time and cost compared to more traditional drug development programmes.

With an intellectual property lawyer on the Company’s core team, the Directors intend that an additional patent estate will be sought for the iclaprim assets as development progresses.

Upon identification of a lead series for the MTF-001 programme, a provisional application for a composition of matter patent will be filed.

The Company’s patent attorney will be engaged to review and identify additional intellectual property protection opportunities and to file patents and other intellectual property protections as development of both programmes progresses.

8. Competition and Competitive Landscape
Bacteria continue to develop resistance to currently available antibiotics, hence there is an urgent need for new products which are effective against these superbugs.

The Directors are not currently aware of any other company developing DHFRi’s for antibacterial use.

Other companies are developing antibiotics that are not DHFRi’s and that work differently to the Group’s compounds. For example, Durata Therapeutics, Inc. developed and gained approval for dalbavancin and The Medicines Company developed and gained approval for oritavancin. Both antibiotics are glycopeptides, the same class as vancomycin, one of the most commonly prescribed antibiotics. Other companies are developing tetracyclines (Tetraphase, Paratek), cephalosporins (Basilea, GSK, Cubist),
quinolones (Melinta, Actavis) and oxazolidinones (Melinta, Cubist). To avert the pending antibiotic crisis, several classes with different mechanisms will be needed and it is the Directors’ intention that the Group’s products will assist in diversifying the antibiotic products available on the market.

9. Summarised Historical Financial Information

The Group is focused on the development of its two lead products, iclaprim and MTF-001, and therefore no revenue has been generated in the review period. The development strategy of these products is outlined above. To date, the Group’s largest expenditure has been general and administrative costs, which include expenses charged by Amphion, and outside consultancy fees from Jubilant, Synergy Partners and engaged consultants who lead the development of products.

The Group receives support with general affairs and strategic partnership development through a consulting and advisory agreement with Amphion US which is dated 1 April 2015. The Company is able to utilise Amphion US staff to administer its finance function and in addition to this the Company has a separate agreement with Amphion who provide Mr Bertoldi’s services to the Company to fulfil the role of Chief Financial Officer. Amphion has also provided the Company with workspace within its office in New York. Amphion is an investment company focused on high growth companies in the medical and technology sectors.

Since incorporation, Motif, Inc. has been funded through the issue of new equity and loan note instruments. Further details of these agreements can be found in paragraphs 13.10 and 14.3 of Part VI of this document.

Prior to Admission, Amphion and Amphion US partly funded the development of both the Company and Motif, Inc., lending approximately US$9.5 million, mostly under CPNs, US$6 million of which are to be converted into Ordinary Shares at Admission. The balance of the monies which will not be converted at Admission which also includes certain advances of expenses and interest, being US$3,550,785.69, remains outstanding and Motif, Inc. has issued a new CPN to Amphion which covers the terms and conditions under which these funds are provided to Motif, Inc. Further details of the terms of the CPNs are set out in paragraph 14.3.2 of Part VI of this document.

Pursuant to the collaboration agreement with Jubilant, dated 13 June 2012, Jubilant has agreed to cover 50 per cent. of the laboratory and scientists’ costs of the development of MTF-001, providing that if a PCC is executed, the parties will split all MTF-001 revenues 50:50. Further details of the collaboration agreement can be found at paragraph 13.17 of Part VI of this document.

On 31 December 2014, Motif, Inc. conditionally agreed to acquire the exclusive worldwide rights to Nuprim’s “iclaprim assets”, consisting of intellectual property, know-how of the partners and 600 kilograms of iclaprim API, such acquisition to be effected by way of a merger between Motif, Inc. and Nuprim. Nuprim was incorporated on 29 September 2014 and was not involved in any trading between incorporation and the merger with Motif, Inc.

Nuprim will cease to exist with effect from completion of the merger with Motif, Inc. which is expected to take place immediately prior to Admission. Nuprim has not produced any financial information.

The Directors have agreed to defer part of their remuneration entitlements until additional funds have been raised.

The Company is to become the parent company of Motif, Inc. at Completion which is expected to occur on 1 April 2015 prior to Admission on 2 April 2015. The Company has not traded since incorporation and has not therefore prepared any financial information.

In January 2015, Motif, Inc. raised a further US$715,000 (£470,298) (before expenses) of funding.

Historical financial information on Motif, Inc. is set out in Part IV of this document, along with further information on the Company and Nuprim. An unaudited pro-forma statement of net assets showing the hypothetical net assets of the Group following the merger of Motif, Inc. and Nuprim and the Placing and Subscription is set out in Part V of this document.
10. Directors
The Company’s Board is comprised as follows. Further details on the Directors are set out in paragraphs 7 and 11 of Part VI of this document.

Richard Cecil Eversfield Morgan, Non-executive Chairman (aged 70)
Richard Morgan is Chairman of the Company and is also Chief Executive Officer of Amphion. Amphion is the successor firm to VennWorks LLC and Amphion Capital Partners LLC, which Mr Morgan also co-founded. Over the course of his career, Mr Morgan has been directly involved in the start-up and development of more than 30 companies in the information technology, healthcare and biotechnology industries. These include MediSense, Sequus Pharmaceuticals, Celgene, Quidel and Vortech Data. Prior to this Mr Morgan spent 15 years with Schroders plc as a board member and head of the Schroders Strategy Group, which he founded. Mr Morgan was a co-founder of Celgene Corporation, and held a board position with the company from 1987 to 2008. Mr Morgan currently serves as Chairman of four other Amphion Partner Companies (Axcess, FireStar, Private Markets and WellGen) and is also a director of DataTern.

Graham George Lumsden, Chief Executive Officer (aged 55)
Graham Lumsden, Chief Executive Officer of the Company, is responsible for all aspects of the strategy, management, and operations of the Company. Prior to joining the Company, Mr Lumsden was a senior executive at Merck & Co., Inc. where he held commercial leadership positions in multi-billion dollar worldwide businesses. Mr Lumsden has a proven record of success leading change and delivering results in subsidiary and global leadership positions, including new product launches, pre-clinical and clinical development, regulatory strategy, IP strategy and litigation, and strategic sales and marketing. Mr Lumsden is a member of the Royal College of Veterinary Surgeons (MRCVS), holds a postgraduate diploma from the Chartered Institute of Marketing (MCIM) and is a dual citizen of the UK and US.

Robert (“Bob”) Joseph Bertoldi, Chief Financial Officer (aged 60)
Bob Bertoldi is Chief Financial Officer of the Company. He is also Chief Financial Officer of Amphion and was a founder President and continues to be the Chief Financial Officer of Amphion Capital Partners LLC (the predecessor of Amphion) and VennWorks LLC. Mr Bertoldi is also a general partner of Amphion Partners LLC (formerly known as Wolfensohn Partners, LP). Prior to that, Mr Bertoldi served as Chief Financial Officer for James D. Wolfensohn, Inc. and Hambro America Inc. Mr Bertoldi currently serves as a director of three other Amphion Partner Companies, m2m, WellGen and Axcess and is also a director of DataTern.

Mr Bertoldi began his career at KPMG and left as a manager in the investment services department. Mr Bertoldi obtained a B.A. in Accounting and Economics from Queens College, New York in 1976 and became a Certified Public Accountant in 1978. He is a member of the AICPA and NYSCPA.

Bruce Andrew Williams, Non-executive Director (aged 60)
Bruce Williams has significant operational experience in the pharmaceutical and biotech industries. Mr Williams was an executive director of Ortho Biotech where he led the marketing of this Johnson & Johnson subsidiary’s lead product Procrit (epoetin alfa) from pre-launch to its fifth year on the market, realising in excess of US$1 billion of revenue. Mr Williams was previously Senior Vice President of Sales and Marketing at Celgene Corporation where he built the company’s commercial and distribution infrastructure to support the launch of its first product Thalomid (thalidomide). Mr Williams was previously Senior Vice President, Sales and Marketing at Genta Incorporated where he led the negotiation of a licensing and co-development/co-marketing agreement with Aventis for the company’s lead product. The company realised over US$300 million in proceeds from this agreement.

Mr Williams currently serves on the boards of Motif, Inc. and Afaxys Incorporated.
Dr Mary Lake Polan, Non-executive Director (aged 71)

Dr Mary Lake Polan served as the chair of the Department of Obstetrics and Gynaecology at the Stanford University School of Medicine and is currently a Clinical Professor in the Department of Obstetrics, Gynaecology and Reproductive Medicine at the Yale University School of Medicine.

Dr Polan specialises in reproductive endocrinology and infertility and hormonal issues related to gynaecology patients and menopause. She received her bachelor’s degree from Connecticut College and her Ph.D. in Molecular Biophysics and Biochemistry and M.D. from Yale University. Dr Polan completed her residency and Reproductive Endocrine Fellowship in the Department of Obstetrics and Gynaecology at the Yale University School of Medicine. Dr Polan received her M.P.H. (Maternal and Child Health Programme) from the University of California, Berkeley.

Dr Polan served on the board of Wyeth Pharmaceuticals prior to its acquisition by Pfizer and currently serves on the board of Quidel Corp, San Diego, CA and on the boards of several privately held life sciences companies. She chairs a Scientific Advisory Board in Women’s Health for the Proctor and Gamble Company and several other advisory boards of private life sciences companies. She is also a Managing Director of Golden Seeds, an angel investing group which invests in women led companies.

Dr Polan’s research has involved ovarian and urologic function with many publications in both areas. She is a member of the Institute of Medicine of the National Academy of Sciences and has served on a number of NIH and university committees. She has a long-standing interest in women’s health research and has been actively involved in international public health.

Dr John Wilbur Stakes III, Non-executive Director (aged 65)

Dr John Stakes III is a cum laude graduate of Williams College, A.B., Phi Beta Kappa, with a major in Biology. He is a graduate of Cornell University Medical College, MD, Alpha Omega Alpha. He thereafter completed two residencies in Internal Medicine and Neurology at Massachusetts General Hospital (MGH), and is Board Certified in both as well as in Sleep Disorders Medicine. Dr Stakes was Co-Chief Resident in Neurology at MGH, and has also trained in Electroencephalography (EEG) and evoked potentials during a fellowship at MGH. He has been on the clinical teaching staff of Harvard Medical School since 1982. Dr Stakes currently is a Neurologist on the MGH Staff.

Dr Stakes was Director of Specialty Care Development from 1995 until 2013, working for the Massachusetts General Physicians Organisation and with the business development staff of the MGH, currently serving as a senior advisor and a Physician Director of Network Development and Integration. He is a Trustee of Nantucket Cottage Hospital, a MGH affiliate.

Dr Stakes was a member of the Board of Directors of Beijing Med-Pharm Sunstone, (which was a Nasdaq listed company prior to its sale to Sanofi-Aventis), during which time he also served on the Governance and Compensation Committees.

Zaki Hosny, Non-executive Director (aged 66)

Zaki Hosny is an independent consultant to life sciences companies. Mr Hosny spent most of his career at Merck & Co. in marketing and general management positions around the world, including management responsibility for the company’s business in major markets in Europe. He also held senior marketing roles with worldwide responsibility for cardiovascular and other franchises, and was closely involved in the clinical development of some of the company’s major products.

Mr Hosny was Chief Executive Officer of Motif, Inc. between 2006 and 2013, and Deputy Chairman of its Board of Directors. Mr Hosny continues to serve on the Board of Directors for Motif, Inc. Mr Hosny is currently a Senior Advisor to the Albright Stonebridge Group, a strategic consultancy firm based in Washington, DC, Business Development Advisor to ClinTec International Ltd, a clinical research organisation based in Glasgow, Scotland, and a consultant to Harel Consulting of New Jersey and Mettle Consulting Limited of the UK.

Mr Hosny is based in Princeton, New Jersey and is a graduate of Cambridge University with an M.A. in History and Law. He has joint UK and US citizenship and is fluent in French.
Charlotta Ginman-Jones, Non-executive Director (aged 49)
Charlotta Ginman-Jones has substantial experience in financial and operational management gained during her career in investment banking and global telecommunications. Joining Ernst & Young and later appointed to senior roles with JP Morgan, Deutsche Bank and UBS, Ms Ginman-Jones progressed to director of finance at Nokia Corporation, overseeing a number of acquisitions and led the successful sale of Nokia’s luxury mobile phone division, Vertu Corporation, to a private equity group. During the last two years she has been appointed as a non-executive director onto the boards of Wolfson Microelectronics plc (until its sale to Cirrus Logic in August 2014), Kromek Group plc, an AIM quoted company, where she also acts as chair of the audit committee as well as onto the board of Pacific Assets Trust plc, Polar Capital Technology Trust plc, and Consort Medical plc, all UK based listed companies. A qualified chartered accountant in England and Wales, Ms Ginman-Jones also holds an MSc. in Economics from the Swedish School of Economics and Business Administration in Helsinki. Ms Ginman-Jones resides in London but is a Finnish national.

Jonathan Gold, Non-executive Director (aged 42)
Jonathan Gold is a Managing Director of JEG Capital LLC, a family office and asset manager. Previously he was a Portfolio Manager for the Federated Kaufmann Funds from 2004 until 2012. The Federated Kaufmann Funds are growth mutual funds which currently have approximately US$10 billion in assets under management. Prior to that Mr Gold was a partner in Amphion Capital Partners LLC (the predecessor of Amphion) and Wolfensohn Partners (originally affiliates of James D. Wolfensohn Inc) where he was active in financing and growing early stage life sciences and information technology companies from 1995 to 2004.

Early in his career, Mr Gold was a financial analyst for Prudential’s Realty Group, which managed equity and mortgage real estate investments. Mr Gold received his Bachelor of Science and MBA in Finance from New York University’s Stern School of Business.

11. Key Management

Dr David Huang, Chief Medical Officer (aged 40)
Dr Huang is a senior pharmaceutical research executive, and the former Chief Medical Officer at ContraFect Corporation where he had the responsibility for the development of biologic anti-infectives, including bacteriophage lysins and monoclonal antibodies. Dr Huang also led drug development groups in anti-infectives at Pfizer and Boehringer-Ingelheim. Dr Huang has 15 years of clinical, academic and research experience in medicine and in the subspecialty of infectious diseases. He has served as a faculty member at Baylor College of Medicine and currently as an adjunct Assistant Professor at Rutgers New Jersey Medical School. His research interests include bacteriology and virology, especially the epidemiology, pathogenesis and treatment of multidrug resistant organisms. He is well versed in the design, execution and close out of Phase I–III clinical trials for both antibacterials and antiviral agents.

Dr Huang completed his medical school at the University of Texas at Houston Medical School, and completed his internship and residency in internal medicine at the University of Texas Southwestern and fellowship in infectious diseases at Baylor College of Medicine.

Scientific Advisory Board
The Scientific Advisory Board consists, at the time of Admission, of four qualified experts, three of whom are experienced anti-infective clinicians. The Scientific Advisory Board provides independent expert advice and guidance to the Company. The names and qualifications of the Scientific Advisory Board are set out on page 19 of this Part I.

12. Scientific And Commercial Consultants

Medicinal Chemistry

Dr Timothy A. Blizzard, Ph.D., Medicinal Chemistry Consultant
Dr Blizzard is a medicinal and organic chemist with experience in multiple therapeutic areas, including antibacterials, antiparasitics, oestrogen receptors, diabetes, obesity, hypertension, thrombosis and animal health. He led chemistry teams at Merck that discovered 6 preclinical candidates, including relebactam
(MK-7655), a beta-lactamase inhibitor that is currently in Phase II clinical trials in combination with Primaxin™ for the treatment of Gram-negative bacterial infections and two carbapenem antibiotic preclinical candidates for the treatment of MRSA infections. Dr Blizzard was a key contributor to the discovery of several compounds of interest, has extensive knowledge of organic reaction mechanisms and structure determination techniques, and has directed external teams of up to 25 chemists at two contract research organisations. He is an experienced reviewer of grant applications for NIH and DOD.

Dr Matthew J. Wyvratt, Ph.D., Drug Discovery Consultant
Dr Wyvratt concluded a distinguished career of over 30 years at Merck Research Laboratories in late 2008. His achievements include playing a significant role on the teams that developed two major drug classes: angiotensin-converting inhibitors (Vasotec™ and Prinivil™), and DPP-IV inhibitors (Januvia™). Dr Wyvratt also made important contributions to several other research projects including coccidiostats, growth promoters, immunoregulants, growth hormone secretagogues, antiobesity agents, and gonadotropin releasing hormone antagonists. Over his career, Dr Wyvratt was associated with over 20 pre-clinical candidates and is the inventor of 84 issued US patents. Dr Wyvratt is the author or co-author of 146 publications.

In 2008, Dr Wyvatt received the Duquesne University Distinguished Alumni Award. He also holds a Ph.D. in Organic Chemistry from Ohio State University.

Dr Jerauld S. Skotnicki, Ph.D., Medicinal Chemistry Consultant
Dr Skotnicki spent more than 30 years at Wyeth Research (now Pfizer), with individual contributions impacting programmes in several therapeutic areas including infectious diseases and immuno-inflammatory diseases. Dr Skotnicki’s achievements include the design and synthesis of novel rapamycin analogs culminating in the discovery of Torisel™ (temsirolimus, CCI-779). As the Director of Medicinal Chemistry, his department led programmes in infectious diseases, oncology, and most notably in the inflammation and musculoskeletal diseases area, resulting in the discovery of several preclinical candidates. As Senior Director of Chemical Sciences Interface, Dr Skotnicki provided scientific leadership to the Discovery Synthetic Chemistry and the Physical Chemical Characterisation groups, with primary responsibility for research activities at the juncture of discovery and development. In his most recent position as Senior Director and Head of External Chemistry, Dr Skotnicki was responsible for the Wyeth-GVKBio partnership involving 150 FTEs. He received the Thomas Edison Patent Award in 2004 and the American Chemical Society’s Heroes of Chemistry Award in 2008 for his contributions to the development of Torisel™. Dr Skotnicki is the author or co-author of 71 publications and co-inventor of 45 issued US patents.

Dr Skotnicki received a Ph.D. degree in Chemistry from Princeton University.

Dr Mark L. Greenlee, Ph.D., Medicinal Chemistry Consultant
Dr Greenlee is a highly experienced medicinal chemist who has led drug discovery teams in a variety of therapeutic areas including infectious diseases, women’s health and inflammation. Over a 25 year career at Merck Research Laboratories, Dr Greenlee’s experience in drug discovery spanned a broad spectrum from early stage lead identification and lead optimisation through the advancement of candidates into clinical development. A significant focus of Dr Greenlee’s research was in the area of novel antifungal and antibacterial agents including enfumafungin-based antifungal agents, metallo-beta-lactamase inhibitors and anti-MRSA carbapenems. He also made important contributions to projects directed at glucocorticoid receptor modulators for inflammation and oestrogen receptor-beta agonists for menopausal symptoms. Over his career, Dr Greenlee made enabling contributions to eight preclinical development compounds, five of which advanced into clinical trials. He is the author of 16 publications and co-inventor of 32 issued US patents.

Dr Greenlee received his Ph.D. in Chemistry from Harvard University and completed a post-doctoral fellowship at Columbia University.
Dr Catherine Strader Ph.D., Drug Development Consultant

Dr Strader is an accomplished scientific and business leader with experience in building and heading successful biopharmaceutical research and development organisations. She is an experienced Chief Scientific Officer and research executive with strategic and operational responsibility for global pharmaceutical drug discovery and early development and is an advisor to biotech and start-up companies in building portfolios and successfully guiding programmes from discovery through IND and beyond. Dr Strader has held senior leadership positions, including Vice President, External Basic Research, Senior Vice President, Science and Technology, Chief Scientific Officer and Executive Vice President, Discovery Research at Schering Plough Corporation and Merck & Co., Inc.

Dr Strader obtained a Bachelor of Science in Chemistry from the University of Virginia, received her Ph.D. in Chemistry from California Institute of Technology and was a Howard Hughes Fellow in the Lefkowicz Laboratory at Duke University.

Pharmacology

Dr Euan MacIntyre, Ph.D., Pharmacology Consultant

Dr MacIntyre is the former Vice President of Basic Research-Pharmacology, at Merck Research Laboratories and currently Senior Vice President and Head of Drug Discovery at Galleon Pharmaceuticals Inc. His experience in drug discovery over the past 24 years includes the design, coordination and execution of assays to report indices of pharmacodynamics, efficacy and tolerability of lead compounds. Dr MacIntyre has significant expertise in the translational aspects of pre-clinical pharmacology and has provided leadership for programmes in several therapeutic areas including immunology and rheumatology, respiratory, obesity, diabetes, cardiovascular disease, endocrinology, urology and pain. He and his group at Merck made significant contributions to the early development of important marketed drugs including Januvia™ and Emend™, and to identifying the mechanism of action of Zetia. Dr MacIntyre is the author or co-author of over 140 publications and patents in the area of pharmacology and its application to drug discovery.

Dr MacIntyre received his Ph.D. in Pharmacology and Experimental Pathology from Cambridge University and completed post-doctoral fellowships at Cambridge and Harvard Universities.

Toxicology

Dr James S. MacDonald, Ph.D., Toxicology Consultant

Until his retirement in 2008, Dr MacDonald was Executive Vice President of Preclinical Development, at Schering-Plough Research Institute. Over a 15-year period at Schering-Plough, Dr MacDonald was responsible for directing activities surrounding the movement of new potential therapeutic entities from discovery research into and through the development process. This role encompassed all therapeutic areas as well as licensing and acquisition programmes. Several hundred compounds were evaluated during this tenure, with dozens entering clinical trials, several currently marketed globally, and many more continuing in development. His direct line responsibility during this tenure was for the toxicology and drug metabolism groups, which built on his previous experience at Merck. In this earlier role, Dr MacDonald spent 17 years Merck Research Laboratories, ending as Executive Director of Toxicology, and had extensive experience with many important, currently marketed medicines.

Dr MacDonald co-founded Synergy Partners R&D Solutions in 2014 with Dr Strader to utilise a broad range of technical expertise to facilitate the development of innovative new medicines with a focus on bringing new molecular entities from discovery through clinical development that meet urgent unmet medical needs.

Clinical

Dr John M. Amatruda, M.D., Clinical Consultant

Dr Amatruda is a senior pharmaceutical research executive, and the former Senior Vice President and Franchise Head for Diabetes and Obesity at Merck Research Laboratories. In this executive position he had responsibility for compounds from target discovery to patent expiration, including basic research, experimental medicine, clinical development, external alliances and licensing. Dr Amatruda led drug development groups in diabetes, obesity, atherosclerosis and cardiovascular disease. Under Dr Amatruda’s
leadership, the development programme and regulatory approvals of Januvia™ and Janumet™, the first compounds in the important class of DPP-IV inhibitors for Type 2 diabetes, were successfully initiated and completed. Prior to joining Merck, Dr Amatruda was Vice President and Therapeutic Area Head for Metabolic Disorders research at Bayer, where he worked for 10 years. Dr Amatruda has also had a successful career in academic medicine at the University of Rochester School of Medicine and was Principal Investigator on several NIH funded research projects. Dr Amatruda is often published in leading peer-reviewed journals and has served as a reviewer for several journals including Diabetes Care and JCEM.

Dr Amatruda was educated at Yale University and The Medical College of Wisconsin, and completed his internship and residency in Internal Medicine and fellowship in Endocrinology and Metabolism at The Johns Hopkins Hospital.

Intellectual Property

Dr Palaiyur S. Kalyanaraman ("Kaly"), Ph.D., J.D., Intellectual Property Consultant

Dr Kalyanaraman is an intellectual property attorney with more than 20 years legal experience in the pharmaceutical, polymer and chemical industries.

Before joining the Company, Dr Kalyanaraman served as Senior Director of Patents, for Merck & Co. (formerly Schering-Plough Corporation), where he was in charge of all chemistry patent activities. His responsibilities included pharmaceutical patent application preparation and prosecution, preparation of patentability, infringement and validity opinions, due diligence for licensing, as well as managing a team of eight patent attorneys. He was responsible for patent protection for Schering’s global drug discovery programmes and chemistry-related development activities in therapy areas such as cardiovascular, central nervous system, oncology, infectious diseases, allergy, respiratory diseases, immunology and inflammation. Dr Kalyanaraman has more than 200 granted US patents and several more internationally. Earlier, as Associate General Counsel for Hoechst Celanese Corporation, Dr Kalyanaraman was responsible for intellectual property activities for the advanced technology division.

Dr Kalyanaraman achieved a Ph.D. in Organic Chemistry from University of Madras, India, and a J.D. *cum laude* from Seton Hall University, and completed post-doctoral fellowships at Florida State University and University of Pennsylvania.

Regulatory

Dr Robert J. McCormack, Ph.D., Regulatory Consultant

Dr McCormack is a regulatory professional with more than 25 years’ experience in the pharmaceutical sector. Currently a Consultant in Regulatory Affairs and Quality Assurance, Dr McCormack provides strategic planning for clinical development, FDA meetings, IND, and NDA/BLA filings, planning, preparation and/or review of regulatory submissions including INDs, Type 2 DMFs, CMC Technical Data Sections for INDs, ANDAs and NDA’s, preparation of FDA meeting dossiers, represents clients at FDA meetings, and performs due diligence activities related to the in licensing of various compounds for development. Dr McCormack was previously Vice President of Regulatory Affairs and Quality and Vice President, Development, at Cubist Pharmaceuticals, a successful antibiotic company recently acquired by Merck & Co., Inc. for over US$9 billion.

Drug Development

Dr Sergio Lociuro, Ph.D., Development Consultant

Dr Lociuro received his laurea in Chemistry at the University of Rome and obtained his Ph.D. in chemistry from the University of New Brunswick (Canada). He has more than 20 years of experience in anti-infectives and in drug discovery, and among his roles, he was Head of Research in Arpida AG and has held senior research and development management positions in major pharmaceutical companies such as Marion Merrell Dow and GlaxoSmithKline where he was responsible for the chemistry and the project management of novel anti-infective programmes. Dr Lociuro is the author of numerous publications and holds several patents in the field of pharmaceuticals.
Commercial
Lewis Barrett III, BS Biology., MBA., Commercial Consultant

Mr Barrett is President of LL Barrett Biopharmaceutical Consulting LLC and Senior Vice President of Commercial Strategy Synthetic Biologics, Inc. Prior to his current assignment, Mr Barrett was responsible for the ZOSYN Tazocin franchise at Wyeth (now Pfizer) and was Vice President US and Global Business Manager for Infectious Diseases (ID) at Wyeth. In his roles Mr Barrett was responsible for worldwide strategy for ZOSYN and the pre-launch and launch of Tygacil and led global marketing efforts for ID. Mr Barrett was the commercial lead on infectious disease teams including drug development, medical affairs, regulatory, lifecycle management/IP, manufacturing and licensing. He also held the role of Assistant Vice President US for the transplant, oncology and hemophilia franchises.

Mr Barrett received his MBA from Temple University, he has a BS Biology degree from Stockton College.

13. Reasons for Placing, Subscription and Admission

The net proceeds of the Placing and Subscription will assist the Group in its development by providing funding to advance idcram to be ready to re-enter Phase III trials and to provide working capital. The two Phase III clinical trials for idcram (as described above, in this Part I) will be funded following Admission and possibly through a strategic partnership with another pharmaceutical company.

The Directors believe that Admission will assist the Group in its development by:

- enabling the Group to complete development work prior to initiation of the first Phase III trial with idcram, subject to regulatory approval;
- raising its profile in the sector in which it operates;
- increasing access to capital required to fund further product development and clinical trials; and
- providing a market on which the Ordinary Shares can be traded, which will give increased liquidity and potentially a market valuation for the Company’s equity which, in conjunction with the employee option schemes, will assist the Group in attracting, retaining and incentivising high calibre employees.

14. Details of the Placing and Subscription

On Admission the Company will have 64,238,442 Ordinary Shares in issue and a market capitalisation of approximately £12.8 million. The Company will have raised £2.8 million (before expenses) by the issue of 12,490,000 Placing Shares at the Placing Price, and 1,696,140 Subscription Shares at the Subscription Price.

Northland has conditionally agreed, pursuant to the Placing Agreement and as broker for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed with institutional and other investors. The Placing Shares will represent 19.44 per cent. of the Enlarged Share Capital. The Placing has not been underwritten and is conditional, inter alia, on Admission occurring no later than 14 April 2015 and on the Placing Agreement not being terminated in accordance with its terms. Further details of the Placing Agreement are set out in paragraph 13.1 of Part VI of this document.

Through the Subscription, 1,696,140 Subscription Shares, raising £339,228 before expenses, have been subscribed for by high net worth and other investors at the Subscription Price, conditional on Admission. The Directors subscribed for a total of 113,820 Subscription Shares under the Subscription at the Subscription Price. Further details of the Subscription Agreements can be found at paragraph 13.5 of Part VI of this document.

EIS and VCT investors should be aware that, whilst advance assurance has been obtained from HMRC, the advance assurance is based on certain assumptions and the Directors cannot guarantee that the Placing Shares and the Subscription Shares will be able to be treated as qualifying for relief under EIS or as qualifying holdings within the meaning of Part 6 of the Income Tax Act 2007 (VCT) (as applicable). For further details on EIS and VCT, please refer to paragraphs 17.5 and 17.6 of Part VI of this document.
It is expected that the appropriate CREST accounts of Placees to whom Placing Shares and Subscription Shares are issued will be credited on or around 2 April 2015. In the case of Placees requesting Placing Shares or Subscribers requesting Subscription Shares in Certificated Form, it is expected that certificates in respect of the Placing Shares and Subscription Shares will be despatched by post within seven days of the date of Admission.

15. Admission, Settlement and CREST

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective, and that dealings in the Enlarged Share Capital will commence, at 8.00 a.m. on 2 April 2015.

The Company has applied for the Enlarged Share Capital to be admitted to CREST with effect from Admission. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a Shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective. The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. Accordingly, settlement of transactions in Ordinary Shares held in uncertificated form following Admission will take place within the CREST system.

The ISIN number of the Ordinary Shares is GB00BVVT4H71. The TIDM (or EPIC) is MTFB.

16. Lock-In and Orderly Market Agreements

Lock-in and orderly market agreements have been entered into by the Locked-in Persons, who in aggregate will, on Admission, hold 42,313,150 Ordinary Shares (representing 65.8 per cent. of the Enlarged Share Capital).

The Directors, David Huang, Amphion, Amphion US and MSA have entered into agreements pursuant to which they have each agreed with the Company, Cairn and Northland that for the period of 12 months following Admission they will not (without prior written consent) dispose of any interest in Ordinary Shares except in certain specified circumstances. They have also agreed that for a further 12 months (following the expiry of the initial 12 month period) that they will only dispose of any interest in Ordinary Shares through Northland (or the Company’s broker at the relevant time if it is not Northland) and in such manner as Northland (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

The Former Nuprim Shareholders have entered into a lock-in agreement pursuant to which they have agreed not to dispose of any interest they hold in Ordinary Shares for a period of 12 months, subject to certain exceptions. The Scientific Advisory Board, with the exception of Brad Spellberg who has entered into the lock-in for the Former Nuprim Shareholders described above, have entered into an orderly market agreement pursuant to which they will only dispose of any interest they hold in Ordinary Shares through the Company’s Broker and in accordance with the Broker’s requirements for the maintenance of an orderly market.

The Locked-in CPN Holders, have agreed that they will not dispose of their Ordinary Shares for 12 months after Admission except where the share price of the Ordinary Shares reaches 25 pence for 10 consecutive trading days.

Further details of such lock-in and orderly market agreements can be found in paragraph 13.7 of Part VI of this document.
17. **Dividend Policy**

Following Admission, when it is commercially prudent to do so and subject to the availability of distributable reserves, the Directors may approve the payment of dividends. However, at present, the Directors consider that it is more prudent to retain cash to fund the expansion of the Company and, as a result, feel it is inappropriate to give an indication of the likely level or timing of any future dividend payments.

18. **Options**

Prior to 4 December 2014, the Group did not operate a formal stock option scheme, however certain options over common stock in Motif, Inc. were granted to the directors, employees and consultants of Motif, Inc. on an ad hoc basis pursuant to individual option agreements (the “Non-Plan Options”). As at 4 December 2014, Motif, Inc. had granted 4,171,939 Non-Plan Options under individual option agreements and 1,470,680 of these stock options remain unvested at the date of this document.

On 4 December 2014, the Company adopted the MIP pursuant to which stock options can be granted to employees, consultants and directors of Motif, Inc. with a maximum of 12,933,000 shares of common stock in Motif, Inc. to be issued. Since the MIP was adopted on 4 December 2014, the only stock options granted by any Group Company have been stock options granted under the MIP. As at the date of this document 9,304,575 stock options have been granted under the MIP.

The 13,476,514 stock options granted by Motif, Inc. (both Non-Plan Options and MIP share options) are to be converted into 13,476,514 share options over Ordinary Shares, at Admission and will represent 21.0 per cent. of the Enlarged Share Capital.

From Admission the Company will adopt the Plan which will be administered by the Board. Participation in the Plan will be limited to employees of the Group. Share options granted to non-employees (consultants and directors) will be by way of a sub-plan, governed by the same rules as the Plan mutatis mutandis unless the context otherwise provides. As at the date of this document no share options have been granted under the Plan.

Further details of the share option schemes for both Motif, Inc. and the Company and the share option migration, including key terms, are set out in paragraph 9 of Part VI of this document.

19. **Warrants**

The Company has, conditional on Admission, granted 9,432,033 Nuprim Warrants to the Former Nuprim Shareholders in accordance with the terms of the Nuprim Merger Agreement. In addition, the Company has granted 642,384 Nomad/Broker Warrants to Northland and 642,384 Nomad/Broker Warrants to Cairn in accordance with the Placing Agreement and the Nominated Adviser Agreement. 82,321 MCS Warrants have been granted by the Company to MC Services AG in accordance with the terms of the MCS Warrant Instrument. 499,570 CPN Warrants have been granted by the Company to the CPN Warrantholders in accordance with the terms of the CPN Warrant Instrument. Motif, Inc. has granted 98,096 Amphion Warrants to Amphion and 318,549 Amphion Warrants to Amphion US. Further details of the Warrants are set out in paragraph 8 of Part VI of this document.

20. **Corporate Governance**

The Directors intend to take account of the requirements of the QCA Guidance, to the extent that they consider it appropriate and having regard to the Company’s size, board structure, stage of development and resources.

The Company will hold regular board meetings and the Directors will be responsible for formulating, reviewing and approving the Company’s strategy, budget and major items of capital expenditure. The Directors have established an audit committee, a remuneration committee and a nomination committee with formally delegated rules and responsibilities. Each of these committees will meet as and when appropriate save in the case of the remuneration and audit committees which will meet at least twice each year.
The Audit Committee will comprise of Charlotta Ginman-Jones (who will be the chair), Richard Morgan and Jonathan Gold. The Audit Committee will, inter alia, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company’s auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Company’s auditors relating to the half yearly and audited annual accounts and the accounting and the internal control systems in use throughout the Group.

The Remuneration Committee will comprise of Zaki Hosny (who will be the chair), Bruce Williams and Richard Morgan. The Remuneration Committee will review and make recommendations in respect of the Directors’ remuneration and benefits packages, including share options and the terms of their appointment. The remuneration committee will also make recommendations to the Board concerning the allocation of share options to employees under the intended share option schemes.

The Nomination Committee will comprise of John Stakes III (who will be the chair) and Mary Lake Polan. The Nomination Committee will monitor the size and composition of the Board and the other Board committees and be responsible for identifying suitable candidates for Board membership.

Under the terms of the Nominated Adviser Agreement, Cairn may, at its absolute discretion, require the Company to form an AIM Compliance Committee to liaise with Cairn regarding compliance with the AIM Rules. An AIM Compliance Committee will not be established at the time of Admission as the Company and Cairn have agreed that such a committee is not required at this time.

21. Share Dealing Code

The Company will, with effect from Admission, adopt a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules) and the Company will take all reasonable steps to ensure compliance by the Directors, related parties and any relevant employees.

22. Takeover Code

The Takeover Code applies to all offers for companies which have their registered offices in the UK if any of their securities are admitted to trading on a regulated market in the UK. The Company will, on Admission, be such a company and Shareholders are therefore entitled to the protections afforded by the Takeover Code.

Following Admission, certain Shareholders (the “Amphion Concert Party”) are deemed to be acting in concert for the purposes of the Takeover Code in relation to their shareholdings in the Company.

Further information on the Takeover Code and the Amphion Concert Party is set out in paragraph 6 of Part VI of this document.

A relationship agreement has been entered into between Amphion, the Company and Cairn to regulate the relationship between them on an arm’s length and normal commercial basis. Further details of the relationship agreement are set out in paragraph 13.6 of Part VI of this document.

23. Taxation

The Company has received advance assurance from HMRC that the Placing Shares and Subscription Shares to be issued pursuant to the Placing and Subscription will rank as “eligible shares” for the purposes of EIS and are capable of being a “qualifying holding” for the purposes of investment by Venture Capital Trusts. However, neither the Company nor the Directors nor any of the Company’s advisers give any warranties or undertakings that such reliefs will be available or continue to be available and not be withdrawn at a later date. Further, it should be noted that the advance assurance referred to above is based on certain assumptions and does not cover all aspects of EIS or VCT. In particular, the advance assurance does not take into account the precise structure of the Placing and Subscription or any changes to the structure of the Group since the date of the advance assurance (10 December 2014), in particular the acquisition of and merger with Nuprim.
Your attention is drawn to paragraph 17 of Part VI of this document, which is intended only as a general guide to the current tax position under UK taxation law and practice. If an investor is in any doubt as to his or her tax position he or she should immediately consult his or her own independent financial adviser.

24. Further Information and Risks

You should read the whole of this document which provides additional information on the Company, and the Placing and Subscription and not rely on summaries or individual parts only. Your attention is drawn, in particular, to the Risk Factors set out in Part II, the Technical Report in Part III, the Accountants Report on the Group in Part IV, the Pro-forma Statement of Net Assets in Part V and the Additional Information in Part VI of this document.
PART II
RISK FACTORS

In addition to all other information set out in this document, the following specific risk factors should be considered carefully by potential investors in evaluating whether to make an investment in the Company. The investment described in this document may not be suitable for all of its recipients. Before making a final decision, investors in any doubt are advised to consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to FSMA if resident in the UK or, if not, another appropriately authorised independent financial adviser.

You should carefully consider the risks described below and ensure that you have read this document in its entirety before making a decision to invest in the Company.

Prospective investors should be aware that an investment in the Company is speculative and involves a high degree of risk. In addition to the other information contained in this document, the Directors believe that the following risk factors are the most significant for potential investors and should be considered carefully in evaluating whether to make an investment in the Company. If any of the risks described in this document actually occurs, the Company may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company. In particular, the Company’s performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. The risks listed below are not set out in any particular order of priority.

Risks Relating to the Company’s Business

Uncertainty related to regulatory approvals

The Company will need to obtain various regulatory approvals (including FDA and EMA) and otherwise comply with extensive regulations regarding safety, quality and efficacy standards in order to market its future products. These regulations, including the time required for regulatory review, vary from country to country and can be lengthy, expensive and uncertain. While efforts will be made to ensure compliance with government standards, there is no guarantee that any products will be able to achieve the necessary regulatory approvals to promote that product in any of the targeted markets and any such regulatory approval may include significant restrictions for which the Company’s products can be used. In addition, the Company may be required to incur significant costs in obtaining or maintaining its regulatory approvals. Delays or failure in obtaining regulatory approval for products would be likely to have a serious adverse effect on the value of the Company and have a consequent impact on its financial performance.

There is no certainty that the FDA or EMA will allow the Company to proceed to Phase III and conduct clinical trials. A formal “Type C Meeting” has been scheduled with the FDA for 14 April 2015. In the event that regulatory approvals are not obtained the Directors would review whether iclaprim could be reworked or represented to facilitate Phase III trials and would focus on its pre-clinical assets. Similar discussions are planned to take place with EMA in the first half of 2015.

Intellectual property and proprietary technology

No assurance can be given that any future patent applications will result in granted patents, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company’s patents will be held valid if challenged or that third parties will not claim rights in or ownership of the patents and other proprietary rights held by the Company.
Since the original iclaprim patents were abandoned, the lead drug development programme of the Company relies on achieving QIDP status as part of the GAIN Act to be eligible for 10 years of market exclusivity in the US, and on generating data that qualify for up to 10 years of exclusivity in Europe.

When patents, trademarks or other proprietary rights are obtained, the Company may be subject to claims in relation to infringement of these. Adverse judgments against the Company may give rise to significant liability in monetary damages, legal fees and an inability to manufacture, market or sell products either at all or in particular territories using existing trademarks and/or particular technology. Where the Company has given assurances to customers that its products do not infringe proprietary rights of third parties, any such infringement might also expose the Company to liabilities to those customers. Even claims without merit could deter customers and have a detrimental effect on the Company’s business as well as being costly and time consuming to defend and diverting Company resources.

Further, there can be no assurance that others have not developed or will not develop similar products, duplicate any of the Company’s products or design around any patents held by the Company. Others may hold or receive patents which contain claims having a scope that covers products developed by the Company (whether or not patents are issued to the Company).

The Company may rely on patents to protect, among other things, its products. These rights act only to prevent a competitor from copying but not from independently developing products that perform the same functions. No assurance can be given that others will not independently develop or otherwise acquire substantial equivalent techniques or otherwise gain access to the Company’s unpatented proprietary technology or disclose such technology or that the Company can ultimately protect meaningful rights to such unpatented proprietary technology.

**Future funding requirements**

The Company will need to raise additional funding or enter into a strategic partnership with another pharmaceutical company to undertake work beyond that being funded by the Placing and Subscription. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect Shareholders.

**Dependence on key personnel**

The success of the Company, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Directors, the Scientific Advisory Board, the Executive Management Team, the partners and the consultants. However, the retention of such key personnel cannot be guaranteed. Should key personnel leave, the Company’s business, prospects, financial condition or results of operations may be materially adversely affected.

**Stage of operations**

The Company is a biopharmaceutical company specialising in developing novel antibiotics which are currently at preclinical and clinical stages. There can be no guarantee that the Company will be able to, or that it will be commercially advantageous for the Company to, develop its products. Further, the Company has no positive operating cash flow and its ultimate success will depend on the Director’s ability to implement successfully the drug development programmes, gain the necessary regulatory approvals, protect its intellectual property and know-how and generate cash flow in accordance with the Company’s strategy as well as being able to raise additional capital from equity markets. Whilst the Directors are optimistic about the Company’s prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Company will not generate any material income until commercialisation of its products has successfully commenced, which will not be for some years and in the meantime the Company will continue to expend its cash reserves. There can be no assurance that the Company’s proposed operations will be profitable or produce a reasonable return, if any, on investment.
Technology and products
The Company is a drug discovery and development company. The development and commercialisation of its proprietary technology and future products, which are in varying stages of development, will require clinical trials and there is a risk that safety issues may arise when the products are tested. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful.

Research and development risk
The Company will be operating in the biopharmaceutical development sector and will look to exploit opportunities within that sector. The Company will therefore be involved in complex scientific research. Industry experience indicates that there may be a very high incidence of delay or failure to produce results. The Company may not be able to develop new products or identify specific market needs that can be addressed by technology solutions developed by the Company. The ability of the Company to develop new technology relies, in part, on the recruitment of appropriately qualified staff as the Company grows. The Company may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop as planned.

Reliance on third parties
The business model for the Company anticipates that it will have limited internal resources over the next few years and that it will use third party providers wherever possible to conduct the research, development, registration, manufacture, marketing and sales of its proposed products. The commercial success of the Company’s products will depend upon the performance of these third parties. The Company cannot guarantee that the third parties will be able to carry out their obligations under the relevant arrangements. Disagreements between the Company and any of these third parties could lead to delays in the Company’s research and development programme and/or commercialisation plans. If any of those third parties were to terminate their relationship with the Company, the Company would be required to obtain development and/or commercialisation services from other parties or develop these functions internally. The process of entering into such similar relationships or developing these functions internally could require significant expenditure and, while the Directors believe that the Company would be able to enter into arrangements with other companies within a reasonable period of time, upon commercially reasonable terms, and in compliance with applicable regulatory requirements, no assurance can be given that it would be able to do so, and failure to do so, or failure to do so in a timely manner, could materially and adversely affect the Company’s business, operating results and financial condition.

Manufacturing
There can be no assurance that the Company’s proposed products will be capable of being manufactured in commercial quantities, in compliance with regulatory requirements and at an acceptable cost. The Company intends to outsource the manufacture of the raw materials required in connection with the research and development of its proposed products and, as such, will be dependent upon third parties for the provision of adequate facilities and raw material supplies. In addition, where the Company is dependent upon third parties for manufacture, its ability to procure the manufacture of the drugs in a manner which complies with regulatory requirements may be constrained, and its ability to develop and deliver such products on a timely and competitive basis may be adversely affected.

Product development timelines
Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Directors; if such delays occur the Company may require further working capital. The Directors will seek to minimise the risk of delays by careful management of projects.

Liability and insurance
The nature of the Group’s business means that the Company may be exposed to potentially substantial liability for damages in the event of product failure or side effects. Any such liability could have a materially adverse effect on the Company’s business and financial condition. There can be no assurance that future insurance cover will be available to the Company at an acceptable cost, if at all, nor that in
the event of any claim, the level of insurance carried by the Company now or in the future will be adequate or that a product liability or other claim would not materially and adversely affect the business of the Company.

RISKS RELATING TO THE MARKETS IN WHICH THE COMPANY OPERATES

Economic, political, judicial, administrative, taxation or other regulatory factors
The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Company will operate.

Currency risk
The Company expects to present its financial information in US Dollars although part of its business may be conducted in other currencies. As a result, it will be subject to foreign currency exchange risk due to exchange rate movements which will affect the Company’s transaction costs and the translation of its results. The Company’s ordinary shares will be traded in Pounds Sterling.

General legal and regulatory issues
The Company’s operations are subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines relating to, amongst other things, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of illness and injury, environmental protection and animal and human testing. There can be no assurance that future legislation will not impose further government regulation, which may adversely affect the business or financial condition of the Company.

Pharmaceutical pricing environment
In common with other biopharmaceutical companies, the ability of the Company and any of its licensees or collaborators to market its products successfully depends in part on the extent to which reimbursement for the cost of such products and related treatment will be available from government health administration authorities, private health coverage insurers and other organisations. There is uncertainty as to the reimbursement status of newly approved healthcare products, and there is no assurance that adequate health administration or third party coverage will be available for the Company or its licensees or collaborators to obtain satisfactory price levels to realise an appropriate return on the Company’s investment.

Adverse public opinion
Government bodies and regulatory agencies require that potential pharmaceutical products are subject to preclinical studies, including animal testing, prior to conducting human trials. Such work can be subject to adverse public opinion and has attracted the attention of special interest groups, including those of animal rights activists.

There can be no assurance that such groups will not, in the future, focus on the Company’s activities or those of its licensees or collaborators, or that any such public opinion would not adversely affect the Company’s operations.

The pharmaceutical industry is frequently subject to adverse publicity on many topics, including corporate governance or accounting issues, product recalls and research and discovery methods, as well as to political controversy over the impact of novel techniques and therapies on humans, animals and the environment. Adverse publicity about the Company, its collaborators, its products, or any other part of the industry may adversely affect the Company’s public image, which could harm its operations, impair its ability to gain market acceptance for its products or cause the Company’s share price to decrease.

Competition
Technological competition from pharmaceutical companies, biotechnology companies and universities is intense and can be expected to increase. Many competitors and potential competitors of the Company have substantially greater product development capabilities and financial, scientific, marketing and human resources than the Company. The future success of the Company depends, in part, on its ability to maintain a competitive position, including an ability to further progress through the necessary pre-clinical and clinical trials towards regulatory approval for sale and commercialisation. Other companies
may succeed in commercialising products earlier than the Company or in developing products that are more effective than those which may be produced by the Company. While the Company will seek to develop its capabilities in order to remain competitive, there can be no assurance that research and development by others will not render the Company’s compounds and products obsolete or uncompetitive.

RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

Investment in AIM Securities
Although the Company is applying for the admission of its Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

AIM Rules for Companies
The AIM Rules for Companies are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Volatility of share price
The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, announcements of innovations or new services by the Group or its competitors, variations in operating results, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group’s markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and market conditions in the industry, the industries of customers and the economy as a whole. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group’s performance.

In addition, if the stock market in general experiences a loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group’s business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

Impact of research on share price
If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company’s share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Group or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Group obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Group’s business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

EIS and VCT status
The Company has received advance assurance from HMRC that the Placing Shares and Subscription Shares to be issued pursuant to the Placing and Subscription will rank as “eligible shares” for the purposes of EIS and are capable of being a “qualifying holding” for the purposes of VCT, as described in
paragraphs 17.5 and 17.6 of Part VI of this document. However, the advance assurance does not cover all aspects of EIS or VCT and does not take into account any changes to the structure of the Group since the date of the advance assurance (10 December 2014), in particular the acquisition of and merger with Nuprim, or the precise structure of this Placing and Subscription. In addition, although it is intended that the Company will be managed so that this status continues, there is no guarantee that such status will be maintained. Changes in the Company’s circumstances may result in such status being withdrawn, in which case investors who had participated in the Placing or Subscription as an EIS or VCT investment may lose the tax benefits associated with such an investment and/or any tax relief that has been claimed may be reduced or withdrawn. Further, it should be noted that the conditions for EIS and VCT relief are complex and depend not only on the qualifying status of the Company but also on the circumstances of individual EIS investors or the characteristics of the Venture Capital Trust concerned (as applicable).

Accordingly, EIS and VCT investors should be aware that, whilst advance assurance has been obtained from HMRC, that assurance is based on certain assumptions and the Directors cannot guarantee that the Placing Shares and/or Subscription Shares will be able to be treated as qualifying for relief under EIS or as a “qualifying holding” for the purposes of VCT (as applicable). For further details on EIS and VCT, please refer to paragraphs 17.5 and 17.6 of Part VI of this document.

Further information on taxation for UK taxpayers is given in paragraph 17 of Part VI of this document.

**Completion of merger between Motif Acquisition Sub, Inc. and Motif, Inc.**

Any former Motif, Inc. shareholders who object to the merger between Motif Acquisition Sub, Inc. and Motif, Inc., who have expressed this objection and who do not wish to accept the Ordinary Shares as consideration for the transfer of their Motif, Inc. common stock have the right under Section 262 of the Delaware General Corporation Law to seek an appraisal for the “fair value” of their Motif, Inc. shares from the Delaware court within 20 days after the date of mailing of the notice of merger (27 March 2015). This may result in a number of Ordinary Shares being retained by the Company as treasury shares or cancelled which would result in fewer Ordinary Shares in total. The merger will complete at Admission and cannot be reversed by any former Motif, Inc. shareholder requesting an appraisal. In addition, former Motif, Inc. shareholders who approved the merger (over 51 per cent. of the shareholders) have waived their rights to an appraisal from the Delaware Court.

**Future payment of dividends**

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and Shareholders of the Company and will depend upon, *inter alia*, the Company’s earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

**Valuation of shares**

The Placing Price and the Subscription Price have been determined by the Company and may not relate to the Company’s net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

**Market perception**

Market perception of the Company may change, potentially affecting the value of investors’ holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

**Suitability**

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their investment decision.
Disapplication of pre-emption rights
The Directors have been granted authority to allot up to 123,212,484 new Ordinary Shares, including up to 19,271,532 new Ordinary Shares for cash, other than on a pre-emptive basis. Accordingly, potential additional investors should consider the risk that, following Admission, Shareholders may be diluted if new Ordinary Shares are issued.

Forward looking statements
This document contains forward-looking statements that involve risks and uncertainties. The Company’s results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company’s business.

The specific and general risk factors detailed above do not include those risks associated with the Company which are unknown to the Directors.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.
I. Overview of Scope and Process

Scope of Expert Report

Synergy Partners has been requested by Motif, BioSciences Inc. to prepare a technical report on Nuprim for inclusion in the AIM Admission Document of Motif. Our report is being prepared pursuant to Rule AR 4 of Schedule 3 of the AIM Rules for Nominated Advisers issued by the London Stock Exchange in order to provide technical comfort to the Members of the Motif Board of Directors and to Cairn Financial Advisers LLP on Nuprim (iclaprim), which forms a material component of the overall value of the Company on Admission to AIM.

Our report provides background information on the history and development of the Nuprim assets to date, summarizes the current stage of development and sets out the remaining steps to be achieved to determine the appropriate development path for the assets. We also summarize the key risks attaching to these steps. The detailed clinical development plans, commercialization plans, CMC package and patent estate are not available to us at present, so these areas are outside the scope of this report.

Assets Available to Motif

• Regulatory Package on Iclaprim: The dossiers on iclaprim have been submitted and withdrawn for both US and EU regulatory approval. These documents were made available to Motif for our review. Although we did not review the entire dossiers page-by-page, both submission dossiers appear to be complete and to include all of the required sections, data tables and summaries to support those initial filings.

• Iclaprim Know-how: Motif has access to the know-how of former Arpida CEO Khalid Islam and former CSO Sergio Lociuro. This team has interacted with Motif and has shared data and insights with us during the diligence process.

• Drug Supply: We are aware that Motif has access to drug supply for iclaprim, but have no independent knowledge of the quality or quantity of the API material.

Data Made Available for Review

We have conducted a high-level review of the available documents describing the iclaprim development program and regulatory submission from Arpida:

• EMEA Marketing Application (including individual study reports on preclinical pharmacology, toxicology and clinical efficacy, pharmacokinetic and safety summary documents, with review of specific study synopses and data as appropriate; 7/22/2008).

• NDA (high level review only; 2008).
Background on Synergy Partners/Consultants
Synergy Partners R&D Solutions is a network of scientists with deep experience and expertise in drug discovery and development. James S. MacDonald, PhD, Founding Partner has a background in toxicology and has led the preclinical development of dozens of new molecular entities during more than 30 years in pharmaceutical development. Catherine D. Strader, PhD, Founding Partner, has a background in biochemistry and has been responsible for drug discovery and early development activities at major pharmaceutical companies across multiple therapeutic areas. Specific anti-infective expertise is provided by Keith A. Bostian, PhD, External Consultant, who has a background in microbiology and has led the antimicrobial drug discovery and development efforts of both large and small biopharmaceutical organizations during his 30 year career.

Synergy Partners has an ongoing consulting relationship with Motif BioSciences and plans to continue consulting for Motif in the future. As part of this arrangement, Dr. MacDonald has vested stock options in the company and all three of the Synergy team members are compensated for their time on an hourly basis.

II. Background on Iclaprim
Summary of Development Program to Date
Preclinical Pharmacology Characterization:
Iclaprim (Nuprim) is a potent, selective microbial DHFR inhibitor that has been under development as an IV agent for the treatment of complicated skin and skin structure infections (cSSSI). It is a diaminopyrimidine derivative in the same pharmacological class as trimethoprim, a well-established antibiotic.

A review of the preclinical pharmacology data indicates that iclaprim exhibits potent activity against Gram-positive clinical isolates of many genera of staphylococci (including methicillin sensitive staphylococci (MSSA) and methicillin resistant staphylococci (MRSA)), streptococci (including Streptococcus pyogenes, Streptococcus agalactiae) and enterococci (Enterococcus faecalis) and is also active against bacterial isolates resistant to antibiotics in use clinically. Overall, iclaprim can be considered to have antibacterial activity consistent with a ‘targeted spectrum antibiotic’ covering Gram-positive causative pathogens of cSSSI and of hospital pneumonia, including MRSA.

Iclaprim is a much more potent DHFR inhibitor than trimethoprim (TMP), and is at least as active as the drug combination trimethoprim/sulfamethoxazole (TMP/SMX). It also overcomes resistance to TMP in Staphylococcus aureus, which is due primarily to a single point mutation in the DHFR gene. Iclaprim shows synergistic action with sulfonamides and no antagonism with other antibiotic classes.

Iclaprim is also active against several intracellular bacteria including Chlamydia pneumoniae, Chlamydia trachomatis and Listeria monocytogenes, as well as the fungal pathogen Pneumocystis jiroveci, formerly known as Pneumocystis carinii.

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Iclaprim is active against a variety of Gram-negative organisms, including \textit{Haemophilus influenzae}, \textit{Moraxella catarrhalis}, \textit{Legionella pneumophila} and \textit{Neisseria gonorrhea}, but exhibits only modest activity against \textit{Enterobacteriaceae}, and is inactive against non-fermenters including \textit{Pseudomonas aeruginosa} and \textit{Stenotrophomonas maltophilia}.

Iclaprim exhibits rapid bactericidal activity, a significant post-antibiotic effect and post-antibiotic sub-MIC effect, low human plasma protein binding, and a low propensity for resistance emergence. In a number of murine infection models, including systemic lethal, peritonitis, abscess, and pneumonia, iclaprim shows efficacy, although at high concentrations, due to thymidine antagonism (not seen in humans) and rapid elimination of iclaprim in rodents. Rodent PK/PD studies show that the primary markers correlating with efficacy in vivo are AUC/MIC and T>MIC, and not Cmax/MIC.

\textbf{Clinical Pharmacology Characterization:}

The pharmacokinetics of iclaprim were characterized in single and multiple ascending dose Phase 1 studies after IV infusion or oral administration. The mean terminal T1/2 is approximately 3 hours, with no accumulation or changes in clearance noted upon multiple BID dosing. The volume of distribution, 1.4 L/kg is consistent with good tissue penetration of the compound in humans, supported by ADME characterization in marmosets. The mechanism of clearance is predominantly as conjugated metabolites in the urine. There is a modest drug interaction with the 3A4 inhibitor ketoconazole, which increases the AUC of iclaprim by ~1.7 fold, and a moderate increase in systemic exposure in patients with hepatic insufficiency or obesity.

The safety profile of iclaprim in these studies is discussed below.

In addition to the IV program, iclaprim was tested orally in single and multiple rising dose studies in healthy volunteers. The multiple dose study showed significant elevations in liver enzyme levels after oral dosing (see below); therefore the dosing in patients in Phase 2 and 3 studies has been limited to IV only.

\textbf{Clinical Efficacy Characterization:}

In a Phase 2 study in cSSSI, comparing intravenous iclaprim at 0.8 or 1.6 mg/kg, BID to vancomycin (1 g fixed dose, BID) with ~30 patients per arm treated for 10 days, iclaprim compared favorably to vancomycin, with efficacy at end of treatment of 90-93% for all three treatment arms. A similar study in patients with hospital acquired pneumonia also showed comparable efficacy to vancomycin in that population, with end of treatment cure rates in the ITT population of 63% and 74% for 0.8 and 1.2 mg/kg iclaprim vs 52% for vancomycin.

The efficacy of iclaprim was characterized in two parallel Phase 3 studies in cSSSI (ASSIST-1, run primarily in the US with some sites in Russia, and ASSIST-2, a multi-national study), each comparing intravenous iclaprim, 0.8 mg/kg BID to 600 mg linezolid, BID for 10-14 days. The rationale for the change in comparator between Phase 2 and Phase 3 was that linezolid is a more potent drug that vancomycin, so presumably the Sponsor thought that demonstration of non-inferiority to linezolid would have given a marketing advantage vs. the competition. The Phase 3 studies were powered for a pre-defined non-inferiority margin of 12.5%, with the plan that a combined analysis of both studies would meet the FDA/EMEA criteria of -10%. Iclaprim failed to demonstrate non-inferiority to linezolid in the pivotal studies. The lower bound of the confidence intervals met the prespecified endpoint of <12.5% in both studies and was <10% in the combined analysis, but did not meet the 10% criterion for one of the two pivotal studies. In addition, the outcome with iclaprim was numerically worse for almost all of the endpoints and was significantly worse for some subpopulations. Therefore it appears that this dose of iclaprim is not as effective as linezolid in this treatment paradigm.
Potential safety issues:

1. Transaminase signals with iclaprim

   A finding of concern in the available data on iclaprim was an increase in transaminase levels in treated patients in the clinical trials with this agent. While the incidence of elevated transaminase levels with IV iclaprim was not different from that observed with linezolid or vancomycin and was never accompanied by elevated bilirubin or clinical signs of liver disease, the oral program showed a different profile.

   Approximately 7% of patients treated with iclaprim intravenously showed elevated transaminase levels during the Phase 3 studies, similar to the incidence observed with linezolid. A dose-ranging safety study with iclaprim dosed orally at 160 mg and 320 mg BID, however, showed more significant effects on transaminase activity, with 2 subjects at the 160 mg dose having SAEs of enzyme elevations of 20-46X ULN that lasted for 70 and 110 days and all subjects at the 320 mg dose having prolonged elevations, resulting in discontinuation. The enzyme levels in these patients remained elevated for up to several months after dosing was stopped. While none of these patients had elevated bilirubin levels, clinical signs of hepatotoxicity were reported in several patients. Importantly, in a Phase 1 crossover study, the AUC of iclaprim at the 160 mg PO dose was similar to that at the IV dose used in Phase 3 trials (2090 ng.h/mL for 60 mg IV vs. 2340 ng.h/mL for 160 mg PO), suggesting that there is no safety margin for this effect in the oral dosing regimen.

   The preclinical data did not show any substantial evidence of a hepatotoxicity signal in either rats or marmosets dosed daily by the oral route for up to 13 weeks at systemic exposure multiples from approximately 7 – 13X at the NOAEL doses. At very high doses in rats (400 mg/kg/day), hepatocellular hypertrophy was seen but there were no reports of cellular damage. The metabolic profile in these species is essentially comparable to that seen in humans. The NOAEL doses in both species provided acceptable exposure multiples for the anticipated human therapeutic dose (exposure) with no particular concern for any organ system toxicity.

   No clear mechanism for the apparent hepatotoxic insult after oral dosing of patients with iclaprim is apparent. Similar or greater systemic exposure is attained after IV administration without the appearance of the significantly elevated ALT activity seen after oral administration. There is some suggestion in the clinical data that an altered dosage regimen (step-dosing paradigm) may be associated with a lower risk but this has not been adequately explored at this point. A clinical expert hepatologist report submitted in 2007 by Dr. James Lewis concluded that there is an acceptable safety profile to proceed with IV iclaprim to explore efficacy. Because the hepatic effects are not seen preclinically, any future oral formulation with this drug would require careful clinical experimentation with thorough safety monitoring in both single and multiple-dose clinical studies.

2. QTc prolongation

   The IC_{50} for inhibition of the human cardiac potassium channel Kv11.1 (hERG) by iclaprim was determined to be 0.86 µM in vitro in CHO cells. A similar study with the enantiomer AR-101 determined the IC_{50} for inhibition of this specific K+ channel to be 4.5 µM, a 5.2 fold reduction in potency. Other cardiac ion channels (Na+ and Ca++) did not show a similar inhibitory sensitivity with IC_{50} values > 45 µM. In isolated rabbit Purkinje fibers, the action potential duration was increased at concentrations above 1 nM. No effect on electrocardiographic parameters was detected in instrumented dogs at doses up to 10 mg/kg IV.
As suggested by the *in vitro* preclinical data, there was a clear, dose-dependent increase in QTc in all of the clinical studies in which this parameter was measured. The magnitude of the prolongation (4-11 msec) at the recommended dose of 0.8 mg/kg IV was similar to that observed with linezolid, although 12% of patients on iclaprim had an increase of up to 30 msec. At higher doses (1.6 and 3.2 mg/kg IV), there was a further dose-dependent increase in this parameter. While this finding was expected from the preclinical and clinical pharmacology studies, these data suggest that the dose used in the clinical trials was appropriately limited to avoid more serious pro-arrhythmic effects.

**Regulatory feedback on iclaprim submission:**

**EMEA:** The EMEA concluded in their Withdrawal Assessment of iclaprim for infusion that there was insufficient evidence for non-inferiority to the chosen comparator agent linezolid for treatment of complicated skin and soft tissue infections.

The primary safety concern identified by the reviewers was the cardiac signal from the consistently prolonged QTc interval across studies. In addition, the reviewers concluded that, while there was a similar incidence of elevated transaminase activity in the iclaprim and comparator groups, “the possibility of a narrow hepatic safety margin cannot be dismissed” (from EMEA Withdrawal Assessment Report, December, 2009). The principal issue in the case of both of these potential AEs was what was repeatedly referred to as a limited patient safety database.

**FDA:** The FDA concluded that non-inferiority to linezolid was not demonstrated in the Phase 3 trials. The FDA Advisory Committee focused on the dose-dependent increase in QTc in the clinical trials; the incidence of this finding was approximately double that seen with the comparator linezolid. Unlike the EMEA, however, there was no specific focus on possible hepatotoxicity signals with the IV infusion.

**III. Overview of Potential Development Options**

**Rationale for Engaging in Further Development**

The regulatory environment for antibiotic drug development has changed considerably since the unsuccessful filings for iclaprim in 2008, reflecting the widely recognized and reported failure of antibiotic development over the past two decades to keep pace with the evolution of bacterial pathogens, and constituting a public health crisis. These include the Generating Antibiotic Incentives Now (GAIN) Act of 2012, which provides priority review, fast-track designation and extended market exclusivity for Qualified Infectious Disease Products (QIDPs), political changes from a focus on limiting antibiotic use to reinvigorating product development, efforts by the FDA to streamline requirements for antibacterial clinical trials, and new pathways for approval of drugs for emerging, rare, and multiple drug resistant (MDR) pathogens.

Despite the recent approval of several new agents for the treatment of MRSA, the medical need for additional agents, especially for those with different mechanisms and resistance patterns, is still widely recognized. In addition, the FDA has issued guidance on the development of antibiotics for the treatment of SSSI, with more quantitative and robust endpoints than those used in the previous iclaprim development program.

The continued high medical need for additional antibiotics and the substantial clinical and preclinical data package that exists for iclaprim has prompted Motif to consider alternate paths to approval for iclaprim, and we see several as having the potential to be successful (details redacted for confidentiality). Each of the possible paths forward for the program comes with inherent opportunities and risks.
IV. Overall Conclusion: Assets, Paths Forward and Risks

We have reviewed the documentation provided by Motif on iclaprim. Iclaprim is a potent, selective DHFR inhibitor with potent activity against Gram-positive clinical isolates of many genera of *staphylococci, streptococci and enterococci*, including against bacterial isolates resistant to antibiotics in use clinically. In preclinical studies, the compound exhibits rapid bactericidal activity and shows a low propensity for resistance emergence. Iclaprim is also a potent hERG channel blocker \( \text{EC}_{50} = 0.86 \text{ uM} \), which translates to dose-limiting QTc prolongation in the clinic. The compound has a relatively short plasma half life in humans (~3 hours) and is not tolerated when given orally due to unexpected findings of liver enzyme elevations, so was administered by BID IV infusion in clinical trials.

When administered IV, the compound was active in a dose-ranging Phase 2 study and in two well-controlled Phase 3 clinical trials in cSSSI. Iclaprim failed to demonstrate non-inferiority to linezolid in the pivotal studies, achieving the prespecified endpoint of <12.5% but failing to meet the FDA/EMEA approval criterion of <10% for one of the two pivotal studies. In addition, the outcome with iclaprim was numerically worse for almost all of the endpoints and was significantly worse for some subpopulations. Therefore it appears that this dose of iclaprim is not as effective as linezolid in this treatment paradigm.

The continued high medical need for additional antibiotics and the substantial clinical and preclinical data package that exists for iclaprim has prompted Motif to consider alternate paths to approval for iclaprim, and we see several as having the potential to be successful (details redacted for confidentiality). Each of the possible paths forward for the program comes with inherent opportunities and risks.

In addition to the scientific and medical opportunities and risks, there are parallel commercial opportunities and risks, which are outside the scope of this scientific diligence and have not been evaluated in the context of this review. We also have not commented on the patent estate, which we have not assessed.

In summary, iclaprim represents a molecule with a proven track record of clinical efficacy and some significant liabilities, which have been well characterized. We believe that there are viable development paths forward for IV iclaprim; these paths need to be assessed in the overall context of the IP estate and commercial potential of the opportunities.

The present version of the report has been redacted to remove confidential information.

Respectfully Submitted,

James S. MacDonald, PhD  
*Founding Partner*

Catherine D. Strader, PhD  
*Founding Partner*

Keith A. Bostian, PhD  
*External Consultant*
Section A: Accountants’ Report On Motif, Inc.

Crowe Clark Whitehill

The Directors
Motif Bio plc
One Tudor Street
London
EC4Y 0AH
United Kingdom

The Partners
Cairn Financial Advisers LLP
61 Cheapside
London
EC2V 6AX

27 March 2015

Dear Sirs

Introduction
We report on the financial information of Motif BioSciences Inc (‘Motif, Inc.’) set out in Section B of this Part IV as at and for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 and the six months ended 30 June 2014. This financial information has been prepared for inclusion in the AIM Admission Document dated 27 March 2015 (the “Document”), of Motif Bio plc (the ‘Company’) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the “AIM Rules”) and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities
The directors of the Company (the “Directors”) are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS”).

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion
We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant
estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion
In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of Motif, Inc. as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 1 to the financial information.

Declaration
For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully

Crowe Clark Whitehill LLP
Chartered Accountants
## Section B: Historical Financial Information on Motif, Inc.

### Statements of comprehensive income

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<thead>
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<td>Revenue</td>
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<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cost of revenue</td>
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<td>—</td>
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<td>—</td>
</tr>
<tr>
<td>Gross margin</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td>—</td>
</tr>
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<td>General and administrative</td>
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<td>(712,262)</td>
<td>(303,555)</td>
<td>(670,122)</td>
<td>(325,025)</td>
</tr>
<tr>
<td>Operating loss</td>
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<td>(928,740)</td>
<td>(712,262)</td>
<td>(303,555)</td>
<td>(670,122)</td>
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<tr>
<td>Interest expense, net</td>
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<td>(421,349)</td>
<td>(429,768)</td>
<td>(222,529)</td>
<td>(444,328)</td>
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<td><strong>Loss before income taxes</strong></td>
<td>(1,350,089)</td>
<td>(1,142,030)</td>
<td>(526,084)</td>
<td>(1,114,450)</td>
<td>(546,117)</td>
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<td>Income tax</td>
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<td>(851)</td>
<td>(1,227)</td>
<td>(229)</td>
<td>(1,046)</td>
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<tr>
<td><strong>Net loss for the period</strong></td>
<td>(1,350,940)</td>
<td>(1,143,257)</td>
<td>(526,313)</td>
<td>(1,115,496)</td>
<td>(546,117)</td>
</tr>
<tr>
<td><strong>Net comprehensive loss for the period</strong></td>
<td>(1,350,940)</td>
<td>(1,143,257)</td>
<td>(526,313)</td>
<td>(1,115,496)</td>
<td>(546,117)</td>
</tr>
<tr>
<td><strong>Loss per share (cents)</strong></td>
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<td>(0.16)</td>
<td>(0.13)</td>
<td>(0.06)</td>
<td>(0.13)</td>
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<tr>
<td>Basic and diluted*</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

* In accordance with IAS33 “Earnings per share”, where the entity has reported a loss for the period, the shares are not diluted
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Property and equipment, net</td>
<td>38</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Current assets</td>
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<tr>
<td>Prepaid expenses and other receivables</td>
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<td>34,254</td>
<td>33,101</td>
<td>—</td>
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<tr>
<td>Cash</td>
<td>247</td>
<td>92</td>
<td>44</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>34,539</td>
<td>33,193</td>
<td>44</td>
<td>99</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Current liabilities</td>
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<tr>
<td>Trade and other payables</td>
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<td>2,053,361</td>
<td>2,819,839</td>
<td>3,505,253</td>
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<td>Other interest-bearing loans and borrowings</td>
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<td>6,478,232</td>
<td>6,619,684</td>
<td>6,771,090</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>8,531,593</td>
<td>9,439,523</td>
<td>10,276,343</td>
<td>10,764,692</td>
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<tr>
<td><strong>Net liabilities</strong></td>
<td>(8,497,054)</td>
<td>(9,406,330)</td>
<td>(10,276,299)</td>
<td>(10,764,593)</td>
</tr>
<tr>
<td><strong>STOCKHOLDERS’ DEFICIT</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>12</td>
<td>859</td>
<td>859</td>
<td>844</td>
</tr>
<tr>
<td>Retained deficit</td>
<td>(12,223,855)</td>
<td>(13,133,131)</td>
<td>(13,969,350)</td>
<td>(14,457,644)</td>
</tr>
<tr>
<td><strong>Total stockholders’ deficit</strong></td>
<td>(8,497,054)</td>
<td>(9,406,330)</td>
<td>(10,276,299)</td>
<td>(10,764,593)</td>
</tr>
</tbody>
</table>
### Statements of changes in equity

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>As at 1 January 2011</strong></td>
<td>859</td>
<td>3,725,942</td>
<td>(11,310,270)</td>
<td>(7,583,469)</td>
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<tr>
<td>Loss for the period</td>
<td></td>
<td></td>
<td>(1,350,940)</td>
<td>(1,350,940)</td>
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<tr>
<td>Total comprehensive loss for the period</td>
<td></td>
<td></td>
<td>(1,350,940)</td>
<td>(1,350,940)</td>
</tr>
<tr>
<td>Stock based payments</td>
<td></td>
<td>437,355</td>
<td></td>
<td>437,355</td>
</tr>
<tr>
<td><strong>As at 31 December 2011</strong></td>
<td>859</td>
<td>3,725,942</td>
<td>(12,223,855)</td>
<td>(8,497,054)</td>
</tr>
<tr>
<td>Loss for the period</td>
<td></td>
<td></td>
<td>(1,143,257)</td>
<td>(1,143,257)</td>
</tr>
<tr>
<td>Total comprehensive loss for the period</td>
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<td></td>
<td>(1,143,257)</td>
<td>(1,143,257)</td>
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<tr>
<td>Stock-based payments</td>
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<td>233,981</td>
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<td>233,981</td>
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<tr>
<td><strong>As at 31 December 2012</strong></td>
<td>859</td>
<td>3,725,942</td>
<td>(13,133,131)</td>
<td>(9,406,330)</td>
</tr>
<tr>
<td>Loss for the period</td>
<td></td>
<td></td>
<td>(1,115,496)</td>
<td>(1,115,496)</td>
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<tr>
<td>Total comprehensive loss for the period</td>
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<td></td>
<td>(1,115,496)</td>
<td>(1,115,496)</td>
</tr>
<tr>
<td>Stock-based payments</td>
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<td>(33,735)</td>
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<td>(33,735)</td>
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<td><strong>As at 31 December 2013</strong></td>
<td>844</td>
<td>3,692,207</td>
<td>(13,969,350)</td>
<td>(10,276,299)</td>
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<tr>
<td>Loss for the period</td>
<td></td>
<td></td>
<td>(546,117)</td>
<td>(546,117)</td>
</tr>
<tr>
<td>Total comprehensive loss for the period</td>
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<td></td>
<td>(546,117)</td>
<td>(546,117)</td>
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<tr>
<td>Stock based payments</td>
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<td>57,823</td>
<td></td>
<td>57,823</td>
</tr>
<tr>
<td><strong>At 30 June 2014</strong></td>
<td>844</td>
<td>3,692,207</td>
<td>(14,457,644)</td>
<td>(10,764,593)</td>
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</tbody>
</table>

Common stock represents the aggregate par value of the company’s issued common stock.

Share premium represents the excess issue price over and above the par values of the company’s common stock.

Retained deficit represent the aggregate retained deficit of Motif, Inc.
## Cash flow statements

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Operating activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating loss for the period</td>
<td>(928,740)</td>
<td>(712,262)</td>
<td>(303,555)</td>
<td>(670,122)</td>
<td>(325,025)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>655</td>
<td>38</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Stock-based payments</td>
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<td>233,981</td>
<td>134,305</td>
<td>279,277</td>
<td>57,823</td>
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<tr>
<td>Interest expense</td>
<td>(421,349)</td>
<td>(429,768)</td>
<td>(222,529)</td>
<td>(444,328)</td>
<td>(221,092)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
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<td>1,153</td>
<td>33,101</td>
<td>33,101</td>
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<tr>
<td>Accounts payable and other accrued liabilities</td>
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<td>766,478</td>
<td>346,841</td>
<td>685,414</td>
<td>367,375</td>
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<td><strong>Net cash used in operating activities</strong></td>
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<td>(140,380)</td>
<td>(11,837)</td>
<td>(116,658)</td>
<td>(120,919)</td>
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<td><strong>Net cash used in investing activities</strong></td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Taxation paid</strong></td>
<td>(851)</td>
<td>(1,227)</td>
<td>(229)</td>
<td>(1,046)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Financing activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of promissory notes</td>
<td>97,644</td>
<td>141,452</td>
<td>45,796</td>
<td>151,406</td>
<td>120,974</td>
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<tr>
<td>Forfeiture of common stock</td>
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<td>—</td>
<td>(33,750)</td>
<td>(33,750)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>97,644</td>
<td>141,452</td>
<td>12,046</td>
<td>117,656</td>
<td>120,974</td>
</tr>
<tr>
<td><strong>Net change in cash</strong></td>
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<td>(155)</td>
<td>(20)</td>
<td>(48)</td>
<td>55</td>
</tr>
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<td>Cash, beginning of period</td>
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<td>247</td>
<td>92</td>
<td>92</td>
<td>44</td>
</tr>
<tr>
<td><strong>Cash, end of period</strong></td>
<td>247</td>
<td>92</td>
<td>72</td>
<td>44</td>
<td>99</td>
</tr>
</tbody>
</table>
1. Summary of significant accounting policies

General information
Motif BioSciences Inc. (“Motif, Inc.”) is a company incorporated and domiciled in the USA, engaged in applying proprietary technology and expertise in medicinal chemistry, biology and genomics to discover and develop best-in-class small molecule drugs and novel genetic targets that can be partnered out to the pharmaceutical industry for further development.

Basis of preparation
The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in this financial information.

a. Basis of preparation
The financial information has been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with this basis of preparation. This basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU). The financial information has been prepared under the historical cost convention. A summary of the more important company accounting policies is set out below.

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenue and expenses during the period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

b. Standards, amendments and interpretations to published standards not yet effective
Certain changes to IFRS will be applicable for the company’s financial information in future periods. To the extent that these have not been adopted early in the preparation of the financial information, they will not have a material affect the company’s reported profit or equity but they may affect disclosures.

The directors have considered those standards and interpretations, which have not yet been applied in the financial information but are relevant to the company’s operations, that are in issue but not yet effective and do not consider that any will have a material impact on the future results of Motif, Inc.

Numerous other minor amendments to standards have been made as a result of the IASB’s annual improvement project.

c. Segment reporting
The chief operating decision-maker is considered to be the Board of Directors of Motif, Inc. The chief operating decision-maker allocates resources and assesses performance of the business and other activities at the operating segment level.

The chief operating decision maker has determined that Motif, Inc. has one operating segment, the development and commercialisation of pharmaceutical formulations. All activities take place in the USA.

d. Internally generated intangible assets – research and development costs
Costs on research activities are recognised as an expense in the period in which they are incurred. An internally generated intangible asset arising from the development of pharmaceutical formulations is recognised only if all of the following conditions are met:

− It is probable that the asset will create future economic benefits;
− The development costs can be measured reliably;
− Technical feasibility of completing the intangible asset can be demonstrated;
There is the intention to complete the asset and use or sell it;

There is the ability to use or sell the asset; and

Adequate technical, financial and other resources to complete the development and to use or sell the asset are available.

At this time Motif, Inc. does not meet all conditions and development costs are recorded as expense in the period in which the cost is incurred.

e. **Measurement convention**

The financial information has been prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

f. **Classification of financial instruments issued by the company**

Under IAS32, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable to the company; and

(b) where the instrument will or may be settled in the company’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company’s own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company’s own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

g. **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand, and form an integral part of the Motif, Inc.’s cash management, are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

h. **Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

i. **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives range from 3 to 5 years.

j. **Interest-bearing borrowings**

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.
k. **Share-based payment transactions**

The grant date fair value of options granted to employees, directors and consultants is recognised as an expense, with a corresponding increase in equity, over the period in which the option holders become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

l. **Financial income and expenses**

Financial income comprises interest receivable on funds invested. Financial expenses comprise interest payable. Interest income and interest payable are recognised in the income statement as they accrue, using the effective interest method.

m. **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

n. **Earnings per share**

The company presents basic and diluted earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shares of the company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shares, which comprise share options and warrants granted to employees and non-employees. Where the company makes a loss, diluted EPS equates to basic EPS.

o. **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Debt issuance costs on loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.
Use of assumptions and estimates

In preparing the financial information, the directors have to make judgments on how to apply the company’s accounting policies and make estimates about the future. The critical judgments that have been made in arriving at the amounts recognised in the financial information and the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below.

Capitalisation of intangible assets

The directors have to make judgments when deciding to capitalise an internally generated intangible fixed asset arising from the development of software. This is done when all the conditions for capitalising research and development are met. At this time, the company does not meet all conditions and development costs are recorded as expense in the period in which the cost is incurred. All other intangible assets are capitalised at cost when they are acquired which can be measured reliably.

Stock based payments

The directors have to make judgments when deciding on the variables to apply in arriving at an appropriate valuation of stock based compensation and similar awards including appropriate factors for volatility, risk free interest rate and applicable future performance conditions and exercise patterns.

2. Operating loss

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee costs (Note 3)</td>
<td>168,493</td>
<td>174,372</td>
<td>133,605</td>
<td>126,398</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>656</td>
<td>38</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Motif, Inc. has not previously been subject to audit and no fees were therefore been paid to the company’s independent auditors in the period ended 30 June 2014.

3. Employee numbers and costs

The average number of persons employed by Motif, Inc. (including executive directors but excluding non-executive directors) and key management personnel during the period, analysed by category, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors and key management personnel</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Non-executive directors</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
<td><strong>7</strong></td>
<td><strong>7</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

The aggregate payroll costs of those persons were as follows:

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short term benefits:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>164,500</td>
<td>164,500</td>
<td>110,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Social security costs</td>
<td>2,030</td>
<td>7,885</td>
<td>2,955</td>
<td>—</td>
</tr>
<tr>
<td>Stock based payments</td>
<td>1,963</td>
<td>1,987</td>
<td>21,310</td>
<td>6,398</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>168,493</strong></td>
<td><strong>174,372</strong></td>
<td><strong>133,605</strong></td>
<td><strong>126,398</strong></td>
</tr>
</tbody>
</table>
4. Directors’ remuneration

The Directors did not receive any salaries for the years ended 31 December 2011, 2012, 2013 and the six months ended 30 June 2014. The Directors of Motif have, however, been awarded rights to subscribe for stock in Motif as set out below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of options</th>
<th>Exercise price</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>At 1 January 2011</td>
<td>At 31 December 2011</td>
<td>US $</td>
</tr>
<tr>
<td>Richard C.E. Morgan</td>
<td>101,900</td>
<td>101,900</td>
<td>0.50</td>
</tr>
<tr>
<td>Richard C.E. Morgan</td>
<td>—</td>
<td>8,600</td>
<td>0.50</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>75,000</td>
<td>75,000</td>
<td>0.50</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>20,000</td>
<td>20,000</td>
<td>0.50</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>—</td>
<td>3,600</td>
<td>0.50</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>100,000</td>
<td>100,000</td>
<td>0.06</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>102,300</td>
<td>102,300</td>
<td>0.50</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>—</td>
<td>8,300</td>
<td>0.50</td>
</tr>
<tr>
<td>Gerard Moufflet</td>
<td>100,000</td>
<td>100,000</td>
<td>0.06</td>
</tr>
<tr>
<td>Gerard Moufflet</td>
<td>100,800</td>
<td>100,800</td>
<td>0.50</td>
</tr>
<tr>
<td>Dr. Mary Lake Polan</td>
<td>100,000</td>
<td>100,000</td>
<td>0.06</td>
</tr>
<tr>
<td>Dr. Mary Lake Polan</td>
<td>93,300</td>
<td>93,300</td>
<td>0.50</td>
</tr>
<tr>
<td>Dr. Mary Lake Polan</td>
<td>—</td>
<td>7,600</td>
<td>0.50</td>
</tr>
<tr>
<td>Dr. John Stakes III</td>
<td>100,000</td>
<td>100,000</td>
<td>0.06</td>
</tr>
<tr>
<td>Dr. John Stakes III</td>
<td>86,800</td>
<td>86,800</td>
<td>0.50</td>
</tr>
<tr>
<td>Dr. John Stakes III</td>
<td>—</td>
<td>3,900</td>
<td>0.50</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>18,600</td>
<td>18,600</td>
<td>0.50</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>75,000</td>
<td>75,000</td>
<td>0.50</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>—</td>
<td>3,900</td>
<td>0.50</td>
</tr>
</tbody>
</table>

**At 1 January 2012**

<table>
<thead>
<tr>
<th>Name</th>
<th>At 31 December 2012</th>
<th>Exercise price</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard C.E. Morgan</td>
<td>110,500</td>
<td>0.50</td>
<td>Between 2020-2021</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>98,600</td>
<td>0.50</td>
<td>Between 2019-2021</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>210,600</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Gerard Moufflet</td>
<td>200,800</td>
<td>0.06-0.50</td>
<td>Between 2014-2020</td>
</tr>
<tr>
<td>Dr. Mary Lake Polan</td>
<td>200,900</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Dr. John Stakes III</td>
<td>190,700</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>237,500</td>
<td>0.50</td>
<td>Between 2020-2021</td>
</tr>
</tbody>
</table>

**At 1 January 2013**

<table>
<thead>
<tr>
<th>Name</th>
<th>At 31 December 2013</th>
<th>Exercise price</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard C.E. Morgan</td>
<td>110,500</td>
<td>0.50</td>
<td>Between 2020-2021</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>98,600</td>
<td>0.50</td>
<td>Between 2019-2021</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>150,000</td>
<td>0.10</td>
<td>30 January 2023</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>210,600</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Gerard Moufflet</td>
<td>200,800</td>
<td>0.06-0.50</td>
<td>Between 2014-2020</td>
</tr>
<tr>
<td>Dr. Mary Lake Polan</td>
<td>200,900</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Dr. John Stakes III</td>
<td>190,700</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>237,500</td>
<td>0.50</td>
<td>Between 2020-2021</td>
</tr>
</tbody>
</table>

**At 1 January 2014**

<table>
<thead>
<tr>
<th>Name</th>
<th>At 30 June 2014</th>
<th>Exercise price</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard C.E. Morgan</td>
<td>110,500</td>
<td>0.50</td>
<td>Between 2020-2021</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>248,600</td>
<td>0.10-0.50</td>
<td>Between 2019-2023</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>210,600</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Gerard Moufflet</td>
<td>200,800</td>
<td>0.06-0.50</td>
<td>Between 2014-2020</td>
</tr>
<tr>
<td>Dr. Mary Lake Polan</td>
<td>200,900</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Dr. John Stakes III</td>
<td>190,700</td>
<td>0.06-0.50</td>
<td>Between 2014-2021</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>237,500</td>
<td>0.50</td>
<td>Between 2020-2021</td>
</tr>
</tbody>
</table>
5. **Interest expense**

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense on financial liabilities at amortised cost</td>
<td>421,349</td>
<td>429,768</td>
<td>444,328</td>
<td>221,092</td>
</tr>
</tbody>
</table>

6. **Income tax expense**

Recognised in the income statement:

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current tax expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year/period</td>
<td>—</td>
<td>876</td>
<td>817</td>
<td>—</td>
</tr>
<tr>
<td>Adjustments for prior periods</td>
<td>851</td>
<td>351</td>
<td>229</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current tax expense</strong></td>
<td>851</td>
<td>1,227</td>
<td>1,046</td>
<td>—</td>
</tr>
</tbody>
</table>

**Reconciliation of effective tax rate**

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss for the period</td>
<td>(1,350,940) US$</td>
<td>(1,143,257) US$</td>
<td>(1,115,496) US$</td>
<td>(546,117) US$</td>
</tr>
<tr>
<td>United States corporation tax at 34%</td>
<td>459,030</td>
<td>388,290</td>
<td>378,913</td>
<td>185,680</td>
</tr>
<tr>
<td>Effects of: Unrecognised deferred tax asset</td>
<td>(459,030)</td>
<td>(388,290)</td>
<td>(378,913)</td>
<td>(185,680)</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>851</td>
<td>1,227</td>
<td>1,046</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total effective tax rate</strong></td>
<td>851</td>
<td>1,227</td>
<td>1,046</td>
<td>—</td>
</tr>
</tbody>
</table>

7. **Loss per share**

Basic loss per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of common stock in issue during the period. In accordance with IAS 33, where the company has reported a loss for the period, the shares are not diluted. The number of potentially dilutive instruments, share options and CPNs, are detailed in notes 11 and 12 respectively.

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss after taxation</td>
<td>(1,350,940) US$</td>
<td>(1,143,257) US$</td>
<td>(1,115,496) US$</td>
<td>(546,117) US$</td>
</tr>
<tr>
<td>Basic weighted average shares in issue</td>
<td>8,593,340</td>
<td>8,593,340</td>
<td>8,455,258</td>
<td>8,443,340</td>
</tr>
<tr>
<td><strong>Basic and diluted loss per share (cents)</strong></td>
<td>(0.16)</td>
<td>(0.13)</td>
<td>(0.13)</td>
<td>(0.06)</td>
</tr>
</tbody>
</table>

8. **Prepaid expenses and other receivables**

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due within one year</td>
<td>34,254</td>
<td>33,101</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other receivables and prepayments</td>
<td>34,254</td>
<td>33,101</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

The maximum exposure to credit risk at the end of each reporting period is the fair value of each class of receivables set out above. The company held no collateral as security. The Directors estimate that the carrying value of receivables approximated their fair value.
9. **Trade and other payables**

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due within one year</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Trade payables</td>
<td>21,277</td>
<td>20,355</td>
<td>20,368</td>
<td>20,244</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,577,216</td>
<td>1,913,738</td>
<td>2,153,679</td>
<td>2,298,754</td>
</tr>
<tr>
<td>Accrued interest expenses</td>
<td>446,197</td>
<td>875,965</td>
<td>1,320,293</td>
<td>1,541,385</td>
</tr>
<tr>
<td>Amounts due to affiliates</td>
<td>8,671</td>
<td>9,781</td>
<td>10,913</td>
<td>12,245</td>
</tr>
<tr>
<td></td>
<td>2,053,361</td>
<td>2,819,839</td>
<td>3,505,253</td>
<td>3,872,628</td>
</tr>
</tbody>
</table>

Included in trade and other payables were amounts due to affiliates in respect of accrued interest on loan notes (see note 10) and other liabilities as follows:

| Amounts due to Amphion Innovations PLC | 367,014 | 742,297 | 1,122,378 | 1,314,542 |
| Amounts due to Amphion Innovations US Inc | 44,335 | 88,792 | 133,128 | 155,113 |
|                      | 411,349 | 831,090 | 1,255,506 | 1,469,655 |

10. **Other interest bearing loans and borrowings**

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due within one year</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>CPNs</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Notes payable to affiliates</td>
<td>6,278,232</td>
<td>6,419,684</td>
<td>6,571,090</td>
<td>6,692,064</td>
</tr>
<tr>
<td></td>
<td>6,478,232</td>
<td>6,619,684</td>
<td>6,771,090</td>
<td>6,892,064</td>
</tr>
</tbody>
</table>

The CPNs were issued in July 2008 and matured in July 2011 but remain unpaid. The notes accrued interest at 5 per cent. per annum until maturity and accrue interest at 7 per cent. after maturity. In the event the company receives aggregate gross proceeds that equal or exceed US $4,000,000 from the financing that includes the offering of the notes including conversion of the company’s existing debt, the principal amount of these notes and the accrued but unpaid interest shall automatically be converted into shares of the company’s Series D preferred stock, at a per share price equal to the less of US $4.00 and the lowest sales price of the company’s preferred stock in the offering immediate subsequent to a qualified financing.

At any time prior to the occurrence of a mandatory conversion, the note holder may convert the principal and accrued but unpaid interest into shares of the company’s Series D preferred stock at a per share price equal to the less of US $4.00 and the lowest sales price of the company’s preferred stock in the immediate subsequent offering by the company.

The notes payable to affiliates are demand notes from a shareholder of the company – Amphion Innovations PLC and its subsidiary undertaking, Amphion Innovations US Inc. The notes accrue interest at 5 per cent. per annum. If the principal or accrued interest remains outstanding at such time as the company concludes an equity financing that equals or exceeds one million US dollars, the note holder may convert all or part of the principal balance plus accrued but unpaid interest into the securities of the company issued in the financing at a conversion rate equal to the price per security at which the securities are issued in the financing.
11. **Stock based payments**

Motif, Inc. has issued options and warrants to employees, directors, consultants and note holders. The life of the options and warrants range from 7 to 10 years.

<table>
<thead>
<tr>
<th>Outstanding at 1 January 2011</th>
<th>Number of share options</th>
<th>Weighted average exercise price US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted during the period</td>
<td>7,866,186</td>
<td>0.592</td>
</tr>
<tr>
<td>Forfeited during the period</td>
<td>35,900</td>
<td>0.500</td>
</tr>
<tr>
<td>Expired during the period</td>
<td>(166,664)</td>
<td>0.500</td>
</tr>
<tr>
<td>Expired during the period</td>
<td>(30,000)</td>
<td>1.500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outstanding at 31 December 2011</th>
<th>7,705,422</th>
<th>0.590</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted during the period</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Forfeited during the period</td>
<td>(583,316)</td>
<td>0.311</td>
</tr>
<tr>
<td>Expired during the period</td>
<td>(75,000)</td>
<td>1.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outstanding at 31 December 2012</th>
<th>7,047,106</th>
<th>0.609</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted during the period</td>
<td>1,350,000</td>
<td>0.100</td>
</tr>
<tr>
<td>Forfeited during the period</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Expired during the period</td>
<td>(55,000)</td>
<td>1.330</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outstanding at 31 December 2013</th>
<th>8,342,106</th>
<th>0.522</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted during the period</td>
<td>300,000</td>
<td>0.100</td>
</tr>
<tr>
<td>Forfeited during the period</td>
<td>(370,830)</td>
<td>1.220</td>
</tr>
<tr>
<td>Expired during the period</td>
<td>(486,000)</td>
<td>0.469</td>
</tr>
</tbody>
</table>

| Outstanding at 30 June 2014      | 7,785,276 | 0.528 |

The fair value of options and warrants has been valued using the Black Scholes option pricing model. Volatility has been estimated by reference to historical stock price data.

The assumptions for each option grant were as follows:

<table>
<thead>
<tr>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
</table>

| Weighted average share price ($) | 0.50 | — | 0.10 | 0.10 |
| Weighted average exercise price ($) | 0.50 | — | 0.10 | 0.10 |
| Expected volatility (%)          | 48.65% | — | 87–88% | 83.57% |
| Expected life                    | 10 years | — | 10 years | 10 years |
| Risk free rate                   | 3.69% | — | 2.19–2.30% | 2.64% |
| Expected dividends                | — | — | — | — |

The range of exercise prices of the options at 30 June 2014 were $0.06–$3.00 (31 December 2013, 2012, 2011 – $0.06 – $3.00). The weighted average remaining contractual life of the outstanding options is 5.2 years.

The total expense recognized for the periods arising from stock-based payments are as follows:

<table>
<thead>
<tr>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
</table>

| Stock based payment expense | 437,355 | 233,981 | 279,277 | 57,823 |

63
12. Capital

<table>
<thead>
<tr>
<th>-year ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td></td>
</tr>
</tbody>
</table>

**Authorised capital:**
- 30,000,000 common stock of $0.0001 each
- 1,250,000 Series A convertible preferred stock of $0.0001 each
- 1,500,000 Series B convertible preferred stock of $0.0001 each
- 333,340 Series C convertible preferred stock of $0.0001 each
- 3,000,000 Series D convertible preferred stock of $0.0001 each
- 3,916,660 preferred stock of $0.0001 each

<table>
<thead>
<tr>
<th>Number</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>392</td>
<td>392</td>
</tr>
<tr>
<td>4,000</td>
<td>4,000</td>
</tr>
</tbody>
</table>

**Allotted, called up and fully paid:**

**In issue at 1 January 2011**
- Common stock of US$.0001 each: 5,760,000, 576
- Series A convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series B convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series C convertible preferred stock of US$.0001 each: 333,340, 33

<table>
<thead>
<tr>
<th>Number</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,760,000</td>
<td>576</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>333,340</td>
<td>33</td>
</tr>
<tr>
<td>8,593,340</td>
<td>859</td>
</tr>
</tbody>
</table>

**In issue at 31 December 2011**
- Common stock of US$.0001 each: 5,760,000, 576
- Series A convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series B convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series C convertible preferred stock of US$.0001 each: 333,340, 33

<table>
<thead>
<tr>
<th>Number</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,760,000</td>
<td>576</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>333,340</td>
<td>33</td>
</tr>
<tr>
<td>8,593,340</td>
<td>859</td>
</tr>
</tbody>
</table>

**In issue at 31 December 2012**
- Common stock of US$.0001 each: 5,610,000, 561
- Series A convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series B convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series C convertible preferred stock of US$.0001 each: 333,340, 33

<table>
<thead>
<tr>
<th>Number</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,610,000</td>
<td>561</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>333,340</td>
<td>33</td>
</tr>
<tr>
<td>8,443,340</td>
<td>844</td>
</tr>
</tbody>
</table>

**In issue at 30 June 2014**
- Common stock of US$.0001 each: 5,610,000, 561
- Series A convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series B convertible preferred stock of US$.0001 each: 1,250,000, 125
- Series C convertible preferred stock of US$.0001 each: 333,340, 33

<table>
<thead>
<tr>
<th>Number</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,610,000</td>
<td>561</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>1,250,000</td>
<td>125</td>
</tr>
<tr>
<td>333,340</td>
<td>33</td>
</tr>
<tr>
<td>8,443,340</td>
<td>844</td>
</tr>
</tbody>
</table>
The holders of common stock are entitled to one vote for each share of common stock held by them. Subject to the rights and preferences of the holders of any preferred stock, the holders of the common stock are entitled to receive dividends.

The holders of the preferred stock have the right to vote on an as-converted basis, with the common stock. Each preferred share is initially convertible into shares of common stock on a one-for-one basis, at the option of the holder at any time. Upon the date when the company’s common stock begins publicly trading, the shares will be automatically converted into shares of common stock. In the event of any liquidation, dissolution or winding up of the company, the holders of preferred stock will be entitled to receive, prior and in preference to any distribution of any of the assets of the company to the holders of shares of any other stock, an amount per share of preferred stock equal to the preferred stock original issue price plus all declared and unpaid dividends. The holders of preferred stock are entitled to receive cash dividends on an as converted basis.

13. Financial instruments

**Categories of financial instruments**

Set out below is a comparison by category of the carrying values and fair values of all the company’s financial assets and financial liabilities.

Financial instruments of the company at each period end are:

<table>
<thead>
<tr>
<th>Financial assets:</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>34,254</td>
<td>33,101</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cash</td>
<td>247</td>
<td>92</td>
<td>44</td>
<td>99</td>
</tr>
</tbody>
</table>

**Financial liabilities:**

<table>
<thead>
<tr>
<th>Financial liabilities:</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>2,053,361</td>
<td>2,819,839</td>
<td>3,505,253</td>
<td>3,872,628</td>
</tr>
<tr>
<td>5% CPNs</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Notes payable</td>
<td>6,278,232</td>
<td>6,429,684</td>
<td>6,571,090</td>
<td>6,692,064</td>
</tr>
</tbody>
</table>

**Foreign currency exchange risk**

The company does not generally undertake foreign currency hedging. The majority of the company’s transactions are denominated in US$ and it uses this as its reporting currency.

**Liquidity risk**

The Directors regularly review the company’s major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Directors take liquidity risk into consideration when deciding on sources of funds.

**Credit risk**

The company had receivables of $nil at 31 December 2013 (2012: $nil) (2011: $33,101). The maximum exposure to credit risk at the end of each reporting period is the fair value of each class of receivables set out above. The company held no collateral as security. The Directors estimate that the carrying value of receivables approximated their fair value.

**Market risk**

The company has minimal exposure to the differing types of market risk. It has no foreign currency denominated monetary assets or liabilities and does not make sales or purchases from overseas countries. The company is not exposed to changes in interest rates as the cash balances that it holds are de-minimis and its financing exposures are at fixed rates of interest.
**Capital risk management**

The directors define capital as the total equity of the company. The directors’ objectives when managing capital are to safeguard the company’s ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain an optimal capital structure, the directors may adjust the amount of dividends paid to stockholders, return capital to stockholders and issue new stock to reduce debt.

14. **Related party transactions**

**Transactions with Amphion Innovations PLC and Amphion Innovations Inc**

At 31 December 2013 Amphion Innovations PLC owned 32.09 per cent. of the issued common stock in Motif, Inc. In addition, Amphion Innovations PLC and its wholly owned subsidiary undertaking, Amphion Innovations US Inc, (together the ‘Amphion Group’) have provided funding for the activities of Motif, Inc. through the issue of convertible interest bearing loan notes. Richard Morgan was a director of both Motif, Inc. and Amphion Innovations PLC in the period. Transactions between Motif, Inc. and the Amphion Group are disclosed below:

<table>
<thead>
<tr>
<th></th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>12 months ended</th>
<th>6 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due to</td>
<td></td>
<td></td>
<td></td>
<td>665</td>
</tr>
<tr>
<td>Amphion Innovations PLC</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Amounts due to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amphion Innovations US Inc</td>
<td>8,671</td>
<td>9,782</td>
<td>10,914</td>
<td>11,581</td>
</tr>
<tr>
<td>Notes payable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amphion Innovations PLC</td>
<td>5,391,524</td>
<td>5,532,977</td>
<td>5,684,383</td>
<td>5,805,357</td>
</tr>
<tr>
<td>Notes payable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amphion Innovations US Inc</td>
<td>886,707</td>
<td>886,707</td>
<td>886,707</td>
<td>886,707</td>
</tr>
<tr>
<td>Interest on loan notes accrued and unpaid in period</td>
<td>411,349</td>
<td>419,741</td>
<td>424,416</td>
<td>214,149</td>
</tr>
</tbody>
</table>

**Transactions with key management personnel**

The directors are responsible for planning, directing and controlling the activities of the company. Transactions between the company and its key management personnel and are disclosed in notes 3 and 4 above.

15. **Post balance sheet events**

On 17 October 2014, Motif, Inc. issued 1,513,040 shares of common stock to the Former Nuprim Shareholders at the execution of an agreed upon term sheet, to be held in escrow until the closing of the merger. Under the term sheet, Motif, Inc. would merge Nuprim, Inc. into Motif, Inc. and acquire the exclusive rights to Nuprim’s iclaprim assets. On 31 December 2014 Motif, Inc. and Nuprim concluded the negotiation of the terms of a definitive agreement setting forth the terms and conditions for the purchase and sale of the Nuprim shares by way of a merger to complete on admission of the Company’s shares to trading on AIM.

In October 2014, 200,000 shares of common stock were issued to two directors upon the exercise of their options at US$.06 per share. One of the directors issued a promissory note for US$6,000 in payment. The note accrues interest at 5 per cent. per annum and is to be repaid within 30 days of the completion of a financing in excess of US$5,000,000 but no later than 31 March 2015.

In December 2014, 100,000 shares of common stock were issued to a director upon the exercise of his options at US$.06 per share. The director issued a promissory note for US$6,000 in payment. The note accrues interest at 5 per cent. per annum and is to be repaid within 30 days of the completion of a financing in excess of US$5,000,000 but no later than 31 March 2015.
In December 2014, options were exercised to purchase 250,000 shares of common stock at US$0.06 per share for a total of US$15,000.

In December 2014, the company established a Stock Option Plan. On 4 December 2014, 12,950,000 options were issued to employees and consultants of the company. The options were issued with an exercise price of US$0.10 and will mature ten years from the date of grant. The options will vest over three years.

On 12 January 2015, Motif, Inc. entered into four CPNs as part of a pre-Admission fundraising for a total of US$715,000 (£470,000) (before expenses) to fund the costs of Admission.

16. Ultimate controlling party
During the period ended 30 June 2014 the directors of Motif, Inc. do not consider that the company had any single ultimate controlling party.

17. Nature of financial information
The financial information on Motif, Inc. presented above does not constitute statutory financial statements for Motif, Inc. for either of the three years ended 31 December 2011, 31 December 2012 and 31 December 2013 or for the six months ended 30 June 2014.
Section C: Nuprim.

Nuprim, was incorporated on 29 September 2014 under the laws of the state of Maryland, USA.

Since the date of its incorporation, Nuprim, has not yet commenced operations and, save as indicated below, it has no material assets or liabilities, and therefore no financial statements have been prepared as at the date of this document and no separate historical financial information on Nuprim, is presented in this document.

Nuprim, was formed to hold legal and commercial title to the know-how of the vendors, certain intellectual property rights to iclaprim and the beneficial ownership of certain associated materials, including API. On 17 October 2014, Motif, Inc. issued 1,513,040 shares of common stock to the Former Nuprim Shareholders at the execution of an agreed upon term sheet. Under the term sheet, Motif, Inc. would merge Nuprim, into Motif, Inc. and acquire the exclusive rights to Nuprim’s iclaprim assets, the issued shares of common stock in Motif, Inc. to be held in escrow until the closing of the merger. On 31 December 2014 Motif, Inc. and Nuprim, concluded the negotiation of the terms of a definitive agreement setting forth the terms and conditions for the purchase and sale of the Nuprim shares by way of a merger procedure, as set out in section 252, of the Delaware General Corporation Law, between Motif, Inc. and Nuprim, with Motif, Inc. as the surviving corporation, the merger to complete unconditionally on admission of the Company’s shares to trading on AIM, at which point Nuprim, ceased to exist.

Under the terms of the merger, Motif, Inc. issued to the Former Nuprim Shareholders will be issued with a further 9,805,400 Ordinary Shares in Motif Bio plc in addition to the 1,513,040 shares issued on 17 October 2014. In addition, 9,432,033 non-assignable warrants over Ordinary Shares were issued to the Former Nuprim Shareholders with an expiration date 10 years from the closing date.

Please refer to paragraphs 3 and 4 of Part VI of this document for information on the detail and mechanics of the share exchange and reorganisation process.
Section D: Motif Bio plc

The Company was incorporated (as Motif Bio Limited) on 20 November 2014 under the Act with a financial year end of 31 December.

Since the date of its incorporation, the Company has not yet commenced operations and, save as indicated below, it has no material assets or liabilities, and therefore no financial statements have been prepared as at the date of this document and no separate historical financial information on the Company is presented in this document.

On 27 March 2015 the statutory merger procedure as set out in section 251 and section 252, respectively, of the Delaware General Corporation Law was used to effect a merger between a specially incorporated merger acquisition subsidiary, Motif Acquisition Sub, Inc. and Motif, Inc. to acquire the entire issued common stock of Motif, Inc. Under these arrangements, all equity interests in Motif, Inc. were exchanged for equivalent participation in the Company. Thereafter, alongside certain other steps taken to facilitate Admission, the Company converted to a public limited company.

Please refer to paragraphs 3 and 4 of part VI of this document for information on the detail and mechanics of the share exchange and reorganisation process.
PART V
PRO-FORMA STATEMENT OF NET ASSETS

Section A: Accountants’ Report on the Group

Crowe Clark Whitehill

The Directors
Motif Bio plc
One Tudor Street
London
EC4Y 0AH
United Kingdom

The Partners
Cairn Financial Advisers LLP
61 Cheapside
London
EC2V 6AX

27 March 2015

Dear Sirs

Introduction
We report on the unaudited pro forma statement of net assets of Motif Bio plc (the “Company”) and its subsidiaries (together, the “Group”) (the “Pro Forma Financial Information”) set out in Section B of this Part V of the Company’s AIM Admission Document dated 27 March 2015 (the “Document”). The Pro Forma Financial Information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the placing and Admission of the Company and its securities to trading on AIM, might have affected the financial information presented on the basis of the accounting policies adopted by the Company as at 30 June 2014. This report is required by Schedule Two of the AIM Rules for Companies (the “AIM Rules”) and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities
It is the responsibility of the directors of the Company (the “Directors”) to prepare the Pro Forma Financial Information. It is our responsibility to form an opinion on the Pro Forma Financial Information as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion
We conducted our work in accordance with the Standards for Investment Reporting 4000 as issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors.
We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

**Opinion**

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**Crowe Clark Whitehill LLP**

*Chartered Accountants*
Section B: Unaudited Pro-Forma Statement Of Net Assets

The unaudited pro-forma statement of net assets of the Company set out below has been prepared on the basis set out in the notes to illustrate the impact of the Placing of shares as at 30 June 2014 as if it had taken place at that date.

The unaudited pro-forma information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent Motif, Inc.’s actual operating position or results.

The unaudited pro-forma information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this section B of Part V (Unaudited Pro-Forma Net Asset Statement).

In addition, the unaudited pro-forma financial information does not purport to represent what Motif’s financial position and results of operations actually would have been if the Placing of shares had been completed on the dates indicated nor do they purport to represent the results of operations for any future period or the financial condition at any future date.

<table>
<thead>
<tr>
<th>Unaudited pro-forma statement of net assets</th>
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<tbody>
<tr>
<td>Motif, Inc. at Merger with Placing Nuprim Adjustments Placing proceeds Pro-forma net assets at</td>
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<tr>
<td>30 Jun 2014 (Note 1) (Note 2) (Note 3) (Note 4) 30 Jun 2014</td>
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<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td>Non-current assets</td>
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<tr>
<td>Intangible assets</td>
</tr>
<tr>
<td>Current assets</td>
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<tr>
<td>Cash</td>
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<tr>
<td>Total assets</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Current liabilities</td>
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<tr>
<td>Trade and other payables</td>
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<tr>
<td>Other interest-bearing loans and borrowings</td>
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<tr>
<td>Total liabilities</td>
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<td>Non-current liabilities</td>
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<tr>
<td>Trade and other payables</td>
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<tr>
<td>Other interest-bearing loans and borrowings</td>
</tr>
<tr>
<td>Total liabilities</td>
</tr>
<tr>
<td>Net (liabilities)/assets</td>
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</table>
The financial information on Motif, Inc. has been extracted, without material adjustment, from the audited financial information on Motif, Inc. for the period ended 30 June 2014 in Section B of Part IV of this document.

The directors consider the merger between Motif, Inc. and Nuprim described in Section C of Part IV of this document with Motif, Inc. as the surviving corporation, as a consequence of which the Group acquired the exclusive worldwide rights to Nuprim’s iclaprim assets, know-how and certain ancillary materials, is unlikely to meet the definition of an acquisition of a business as set out in IFRS3 and will therefore be accounted for as the acquisition of an asset or a group of assets that does not constitute a business.

IFRS3 requires that in such cases the acquirer shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible assets) and to allocate the cost of the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

The fair value of the assets acquired under the merger arrangement represent the aggregate estimate value of:

- 11,318,439 Ordinary Shares in the Company at the Placing price of 20 pence per share;
- 9,432,033 non-assignable warrants at the Placing price of 20 pence per Ordinary Share; and
- a milestone payment of US$500,000 expected to be paid by Motif to Acino upon completion of the first Phase III trial.

The value of the warrants has been estimated using the Black Scholes option pricing model with appropriate factors for volatility and risk free interest rate. The directors consider the separable value of the active pharmaceutical ingredients is unlikely to constitute a material component of the fair value of the assets acquired. No discount has been applied to the expected milestone payment of US$500,000.

All values have been converted into US$ at the rate of US$1.52:£1.

Adjustments reflect the following:

- conversion by Amphion into Ordinary Shares in the Company and waiver and/or conversion into Ordinary Shares in the Company by other creditors of aggregate net indebtedness of $6,285,719;
- conversion of remaining Amphion interest bearing loan notes of US$3,550,786 into loans payable in more than one year;
- receipt of proceeds from pre-IPO fundraising of US$715,000 converting to Ordinary Shares in the Company on Admission.

The gross proceeds of the Placing and Subscription of £2,837,228 are calculated on the basis that the Company issues 14,186,140 new ordinary shares at a price of 20 pence per share. The net proceeds of the Placing and Subscription of £2,164,937 are net of expenses in connection with the Placing and Subscription of approximately £672,291 and have been converted into US$ at the rate of US$1.52:£1.

The Directors consider the acquisition of the entire issued common stock of Motif, Inc. by the Company in exchange for equivalent equity participation in the Company described in Section D of Part IV of this document to be a group re-organisation and not a business combination and to fall outside the scope of IFRS3. Having considered the requirements of IAS 8 and the relevant UK and US guidance, the transaction is expected to be accounted for on a merger or pooling of interest basis as if both entities had always been combined, using book values, with no fair value adjustments made nor goodwill recognised.

The unaudited pro-forma statement of net assets does not reflect any trading or other transactions undertaken by Motif, Inc. since 30 June 2014.
1. Responsibility
The Company (whose registered office address appears on page 16 of this document) and the Directors, whose names, business address and functions appear on page 16 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company
2.1 The Company was incorporated in England and Wales on 20 November 2014 as a private company limited by shares, with the name Motif Bio Limited and registered number 09320890. On 1 April 2015 the Company will be re-registered as a public company limited by shares and will change its name to Motif Bio plc.

2.2 The Company’s principal activity is that of a holding company.

2.3 Following Completion and as at Admission, the Company will have one wholly-owned subsidiary, Motif, Inc., incorporated in the US state of Delaware, which is a drug discovery and development company aiming to develop solutions against bacteria that are resistant to most currently available antibiotics. Motif, Inc. will be the surviving entity of two merger procedures which are to be completed pursuant to Delaware General Corporation Law.

2.4 On 18 February 2015, the Company incorporated a Delaware subsidiary, with the name Motif Acquisition Sub, Inc. and corporation number 5683512. Motif Acquisition Sub, Inc. will be merged with and into Motif, Inc. which will be the surviving entity of the merger and will be the Company’s wholly-owned subsidiary. Motif, Inc. is a US domestic for-profit corporation incorporated in the state of Delaware on 2 December 2003 with corporation number 3734188. Further details of the merger are set out in paragraph 13.8 of this Part VI. Subsequently, Motif, Inc. is to acquire and merge with Nuprim, further details of which are set out in paragraph 13.9 of this Part VI.

2.5 The principal legislation under which the Company was incorporated and operates is the Act. The liability of the shareholders is limited.

2.6 The Company’s legal and commercial name is Motif Bio plc.

2.7 The registered office of the Company is One Tudor Street, London, EC4Y 0AH. The registered office of the Company’s subsidiary, Motif, Inc., is 160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA and its principal place of business is located at 330 Madison Avenue, 6th Floor, New York, NY 10017. The telephone number of the principle place of business of the Company and the subsidiary is +1 (212) 210-6248.

2.8 The address of the Group’s website, at which the information required by Rule 26 of the AIM Rules can be found, is www.motifbio.com.

3. The Group
3.1 Motif, Inc., which will be the Company’s wholly owned subsidiary following Completion and Admission, will be the surviving entity resulting from two mergers each of which is conditional upon Admission: (i) a merger between Motif, Inc., a Delaware for-profit corporation and Motif Acquisition Sub, Inc., a merger subsidiary incorporated by the Company in the state of Delaware; and (ii) a subsequent merger between Motif, Inc. and Nuprim, a Maryland corporation. Both mergers are to be completed pursuant to the statutory merger procedure as set out in section 251
and section 252, respectively, of the Delaware General Corporation Law. Further details of the Motif Merger Agreement and the Nuprim Merger Agreement are set out at paragraph 13.8 and 13.9 of this Part VI.

3.2 The mergers were both conditionally approved by the Company on 27 January 2015, subject to Admission occurring. The merger between Motif, Inc. and Nuprim was conditionally approved by the board of Motif, Inc. on 31 December 2014. The Nuprim merger was also approved by the Nuprim shareholders prior to the execution of the merger agreement on 31 December 2014.

3.3 With regard to the merger between Motif, Inc. and Motif Acquisition Sub, Inc., the shareholders, of Motif, Inc. were required to pass a resolution approving the merger with at least 51 per cent. of the shares voting in favour of the merger. The requisite resolutions were passed by Motif, Inc. on 13 January 2015.

3.4 As a result of the merger of Motif, Inc. with Motif Acquisition Sub, Inc., the shareholders of Motif, Inc. will each receive one Ordinary Share for each share of Motif, Inc. common stock that they had previously held.

3.5 As consideration for the merger between Motif, Inc. and Nuprim, upon Admission the Former Nuprim Shareholders will receive 9,805,400 Ordinary Shares and 9,432,033 Nuprim Warrants exercisable into 9,432,033 Ordinary Shares. In addition, 1,513,040 shares of common stock in Motif, Inc. were issued to the Former Nuprim Shareholders on 17 October 2014 upon the signing of the term sheet for the transaction. Further details of the Nuprim Merger Agreement can be found at paragraph 13.9 of this Part VI.

3.6 A number of share options were granted by Motif, Inc. prior to the merger with Motif Acquisition Sub, Inc., which upon completion of the merger of the companies are to be assumed and converted into share options to subscribe for Ordinary Shares. Further details about the Group’s share option programmes can be found at paragraph 9 of this Part VI.

4. Share Capital

4.1 The authorised and issued share capital of the Company as at the date of this document and as it will be immediately following Admission, is set out below:

<table>
<thead>
<tr>
<th>Before Admission*</th>
<th>On Admission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Ordinary Shares</td>
<td>50,052,302</td>
</tr>
<tr>
<td>Par value (£)</td>
<td>£500,523.02</td>
</tr>
</tbody>
</table>

* This number assumes all share issues triggered by Admission other than the Placing and Subscription will have taken place prior to Admission.

4.2 The Company was incorporated on 20 November 2014 with one ordinary share of £1.00, which was subscribed for unpaid.

4.3 On 31 December 2014 Motif, Inc. entered into the Nuprim Merger Agreement, pursuant to which 9,805,400 Ordinary Shares and 9,432,033 Nuprim Warrants are to be issued to the Former Nuprim Shareholders conditional on Admission. Further details of the merger agreement are set out at paragraph 13.9 of this Part VI.

4.4 On 12 January 2015, the Company entered into four CPNs for a total of £470,298 each of which will automatically convert upon Admission, resulting in the allotment and issue of 2,612,766 Ordinary Shares. CPN Warrants were also issued in relation to the CPNs, as further detailed in paragraph 13.10 of this Part VI.

4.5 On 21 January 2015, the ordinary share of £1.00 was transferred to Stephen Austin.

4.6 On 27 January 2015, shareholder resolutions of the Company having the following effect were passed:

4.6.1 approval was given for the ordinary share of £1.00 in the capital of the Company to be sub-divided into 100 shares of one penny each resulting in the Company having an issued share capital of 100 Ordinary Shares whilst retaining the paid up share capital of £1.00;
4.6.2 the Directors were authorised to re-register the Company as a public company limited by
shares immediately prior to Admission and to change the name of the Company to Motif
Bio plc; and

4.6.3 the Company approved the adoption of amended articles of association suitable for a public
company limited by shares, with effect from the re-registration of the Company, further
details of which are set out at paragraph 5 of this Part VI.

4.7 On 27 March 2015, conditionally upon Admission occurring not later than 8.00 a.m. on 2 April
2015 (or such later time and/or date as the Company and Cairn may agree) shareholder resolutions
of the Company having the following effect were passed:

4.7.1 the Directors were authorised to allot up to 250,000 Ordinary Shares to YA Global Master
SPV Limited as consideration for their investment of £50,000 in the Company;

4.7.2 the Directors were authorised to allot 36,726,242 Ordinary Shares, in accordance with section
551 of the Act, to the Motif, Inc. shareholders as consideration for the transfer of the entire
issued common stock of Motif, Inc. to the Company;

4.7.3 the Directors were authorised to allot 9,805,400 Ordinary Shares and grant 9,432,033 Nuprim
Warrants over Ordinary Shares in accordance with section 551 of the Act and the Nuprim
Merger Agreement, to the Former Nuprim Shareholders as consideration for the merger of
Motif, Inc. and Nuprim;

4.7.4 the Directors were authorised to allot up to 14,186,140 Ordinary Shares in accordance with
section 551 of the Act in connection with the Placing and Subscription, such authority
expiring (unless previously renewed, revoked, varied or extended) on 14 April 2015;

4.7.5 the Directors were generally and unconditionally authorised, until the conclusion of the
Company’s first annual general meeting or 30 June 2016 whichever is the earlier, to allot
equity securities (as defined in section 560 of the Act) in accordance with section 551 of the
Act up to an aggregate nominal amount of £1,232,124.84; and

4.7.6 the Directors were given the power (pursuant to sections 570 and 573 of the Act) to allot
equity securities (as defined in section 560 of the Act) for cash pursuant to the authority
conferred by the resolution referred to in paragraph 4.7.4 above as if section 561 of the Act
did not apply to any such allotment or sale, such power being limited to allotment or sale in
relation to rights issues and otherwise up to an aggregate nominal amount of £192,715.32.

4.8 On 1 April 2015 the ordinary shares of £1.00 in the capital of the Company will be subdivided
into 100 Ordinary Shares.

4.9 On 1 April 2015, 250,000 Ordinary Shares will be issued to YA Global Master SPV Limited as
consideration for their investment in the Company. These Ordinary Shares will be fully paid up.

4.10 On 1 April 2015, the Company will be re-registered as a public limited company.

4.11 Upon Completion, Motif Acquisition Sub, Inc. will merge with and into Motif, Inc. In consideration
for this merger, which is expected to take effect immediately prior to Admission, the Ordinary
Shares held by Stephen Austin will be transferred to the shareholders of Motif, Inc. and the
Company will allot and issue 36,726,242 Ordinary Shares to the shareholders of Motif, Inc. As of
the completion of the merger all Ordinary Shares will be fully paid up. Further details of the merger
are set out at paragraph 13.8 of this Part VI.

4.12 As at Admission, the issued share capital of the Company will be 64,238,442 Ordinary Shares including
the Ordinary Shares to be issued pursuant to the Motif Merger Agreement, the Nuprim Merger
Agreement, the agreements referred to in paragraphs 13.8 and 13.9 of this Part VI and the Placing
Shares and Subscription Shares, each having a par value of one penny and all of which are fully paid
up or credited as fully paid.

4.13 The Ordinary Shares are in registered form and are in certificated form, except where shares are
held in CREST in accordance with the CREST Regulations.
4.14 The Ordinary Shares have been created under the Act and shall have the rights and be subject to the restrictions referred to in paragraph 5 of this Part VI.

4.15 Save as set out in this paragraph 4 and paragraphs 7, 8 and 9 of this Part VI, at Admission the Company will not have any Ordinary Shares in issue, under option or under warrant.

4.16 The Placing Shares to be issued or sold under the Placing and the Subscription Shares to be issued under the Subscription will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of this document. The Placing Shares to be issued or sold under the Placing and the Subscription Shares to be issued under the Subscription will be freely transferable in accordance with the Articles (see paragraph 5 of this Part VI).

4.17 As at Admission, the Company will not hold any Ordinary Shares in treasury.

4.18 The Company does not have in issue any securities not representing share capital.

4.19 Between 3 July 2008 and 30 September 2014, Motif, Inc. issued a number of CPNs to Amphion for sums which had been advanced to Motif, Inc. On 1 April 2015, Amphion, exercised the options in some of the CPNs which had been issued to it and converted US$6 million of the outstanding debt into 24,538,058 shares of Motif, Inc. common stock. At Admission a total of US$1,471,700 will remain outstanding to Amphion and Motif, Inc. will enter into a CPN with Amphion dated 1 April 2015 in relation to these outstanding monies. Further details of this CPN can be found at paragraph 14.3.1 of this Part VI.

4.20 Amphion US was also granted CPNs by Motif, Inc. for sums advanced to the Company and monies owed under the terms of a consultancy and advisory agreement dated 1 April 2004. At the date of Admission, a total of US$2,079,085.69 will be outstanding to Amphion US, and Motif, Inc. will enter into a CPN with Amphion US dated 1 April 2015 in relation to these outstanding monies. Further details of this CPN can be found at paragraph 14.3.2 of this Part VI.

4.21 The Company has issued:

4.21.1 9,432,033 Nuprim Warrants to the Former Nuprim Shareholders as part of the consideration for the merger of Nuprim with and into Motif, Inc.;

4.21.2 642,384 Nomad/Broker Warrants to Cairn in part consideration for it acting as nominated advisor to the Company;

4.21.3 642,384 Nomad/Broker Warrants to Northland in part consideration for it acting as the Company’s Broker;

4.21.4 82,321 MCS Warrants to MC Services AG, in consideration for their fundraising efforts for the Company; and

4.21.5 499,570 CPN Warrants to the participants of the pre-Admission fundraise, in consideration for their participation in the pre-Admission fundraising.

4.22 The Nuprim Warrants, the Nomad/Broker Warrants, the MCS Warrants and the CPN Warrants were issued with an exercise price of 20 pence (such price being equal to the Placing Price). The Nuprim Warrants can be exercised at any time between the date of execution of the Nuprim Merger Agreement and the date 10 years from the closing date of the transaction. The Nomad/Broker Warrants and the MCS Warrants can be exercised at any time from Admission until the fifth anniversary of Admission. The CPN Warrants can be exercised at any time from Admission until 31 December 2016. Further details of the Nuprim Warrants, the Nomad/Broker Warrants, the MCS Warrants and the CPN Warrants issued by the Company can be found at paragraph 8 of this Part VI.

4.23 98,096 Amphion Warrants have been granted by Motif, Inc. to Amphion and 318,549 Amphion Warrants have been granted by Motif, Inc. to Amphion US pursuant to the Amphion Warrant Instruments dated 31 December 2010. The Amphion Warrants were issued with an exercise price of US$0.56 per share and can be exercised at any time prior to 31 December 2017. The Amphion
Warrants were convertible into shares of common stock in Motif, Inc., however, following Admission, the Amphion Warrants will be convertible into Ordinary Shares. Further details of the Amphion Warrants issued by Motif, Inc. can be found at paragraph 8.1.3 of this Part VI.

4.24 Other than as disclosed in paragraphs 4.18 to 4.23 above, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.

4.25 No person has any acquisition right over, and the Company has incurred no obligation over, the Company’s authorised but unissued share capital or given any undertaking to increase the Company’s capital.

4.26 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.27 Save as disclosed in this Part VI:

4.27.1 no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;

4.27.2 no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

4.27.3 no commission, discount, brokerage or any other special term has been granted by the Company or any of its subsidiaries or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company or any of its subsidiaries;

4.27.4 no fee and no founder, management or deferred shares have been issued by the Company; and

4.27.5 there has been no change in the amount of the issued share capital of the Company since incorporation.

5. Articles

The Articles, which will be adopted by the Company on 1 April 2015, contain provisions to the following effect:

5.1 Objects of the Company

The Articles do not provide for any objects of the Company, and accordingly the Company’s objects are unrestricted. The Articles also do not state any purposes for which the Company was established and therefore the Company is able to undertake any activities permitted by the laws of England and Wales.

5.2 Issue of shares and share rights

Shares may be issued, subject to applicable laws, the Articles and without prejudice to any rights or privileges attached to any existing class of shares, with such rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if the Company has not so determined, as the directors may determine.

Subject to applicable laws, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the holder or the Company, on such terms and in such manner as the Company may by special resolution determine.

5.3 Alteration of share capital

The Company is entitled to increase, consolidate and divide its share capital as it may from time to time by ordinary resolution decide. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, capital redemption reserve, share premium accounts or other undistributable reserves in any manner. In the event that any consolidation or sub-division of shares results in any Shareholder being entitled to fractions of shares, the directors have the right to settle the matter as they see fit.
5.4 **Modifications to share class rights**

If the Company’s share capital is divided into shares of different classes, any rights attached to any class of shares may (subject to the rights attached to the shares of the class) be varied or abrogated in any manner, either with the written consent of the holders of not less than three-quarters in nominal value of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such class of shares.

5.5 **Share transfers**

A Shareholder may transfer their certificated shares to another person by a written instrument of transfer in any usual form (or any other form approved by the directors) executed by or on behalf of the Shareholder and, in the case of a share which is not fully paid, by or on behalf of the transferee. The board may refuse to register the transfer of a certificated share which is in respect of a partly paid share, in respect of more than one class of share, in favour of more than four joint transferees, a minor or to an entity which is not a natural or legal person, or if the transfer document is not duly stamped or not delivered for registration with appropriate evidence of the transferor’s title to the Company’s registered office or its share registrars.

A Shareholder may transfer uncertificated shares without a written instrument if such shares are a participating security held in uncertified form in accordance with the CREST Regulations. Uncertificated shares must be transferred by means of the relevant system in which the shares are held, subject to the rules of that system and the CREST Regulations. The board is required to register a transfer of any uncertificated share in accordance with those regulations. The board may refuse to register any such transfer which is in favour of more than four persons jointly or in any other circumstance permitted by the CREST Regulations.

5.6 **Share warrants**

The Company has the right to issue share warrants in accordance with the provisions of the Act with such rights or restrictions as the Directors may prescribe and from time to time vary.

5.7 **Dividends and other distributions**

Subject to the rights attached to any ordinary share, all dividends and other distributions, including any surplus in the event of a liquidation, are to be apportioned and paid pro-rata according to the amounts paid up on the ordinary shares, or otherwise in accordance with the terms concerning entitlement to dividends on which shares were issued. Any dividend unclaimed for 12 years from the date on which it became payable shall revert to the Company.

The board may, where authorised by an ordinary resolution of the Company, offer scrip dividends to Shareholders, whereby Shareholders can opt to receive an allotment of new ordinary shares in lieu of any dividend declared by the board.

5.8 **Interests in shares not disclosed to the Company**

If a Shareholder or any person appearing to be interested in a share has been duly served with a notice under section 793 of the Act and has failed in relation to any shares to give the Company the information thereby required within the prescribed period from the date of the service of the notice, then, unless the board determines otherwise, the Shareholder shall not be entitled to attend or vote at any general meeting or any separate meeting of the holders of that class of shares or on a poll.

Where the holding represents at least 0.25 per cent. of the issued shares of that class, except in liquidation of the Company, no payment shall be made of any sums due from the Company on the shares including in respect of dividends or other distributions and such member shall not be entitled to transfer such shares unless the Shareholder himself is not in default, the transfer is an approved transfer or the registration of the transfer is required under the CREST Regulations.

5.9 **Calls on shares and lien and forfeiture of shares**

Subject to the terms on which shares are allotted, the board may make calls on Shareholders in respect of any monies unpaid on their shares. Each Shareholder shall (subject to receiving at least 14 days’ notice) pay to the Company the amount called on his shares. If a call or any instalment of
a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

The Company has a first and paramount lien on every share which is not fully paid for all amounts payable to the Company (whether actually or contingently and whether presently or not) in respect of that share. The board may forfeit or sell any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within the period set out in the notice sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

5.10 Appointment of directors

Unless otherwise determined by the Company by ordinary resolution, the total number of directors at any time may not be less than two nor more than ten. The Company may by ordinary resolution appoint as a director a person who is willing to act as such, either to fill a vacancy or as an addition to the existing directors. The board may appoint as a director any person who is willing to act as such, either to fill a vacancy or as an addition to the existing board. Any director so appointed by the board is required to retire at the next annual general meeting. He will be eligible to stand for election as a director at that meeting and will not be taken into account in determining the number or identity of directors who are to retire by rotation at it.

5.11 Retirement by rotation and removal of directors

At each annual general meeting of the Company one-third of the directors who are subject to retirement by rotation in accordance with the Articles or, if their number is not three or a multiple of three, the number nearest to one-third, are required to retire from office. Directors who have been in office for a continuous period of nine years or more at the date of the meeting shall also retire from office but shall not be taken into account when determining the number of directors required to retire by rotation. A director who retires at an annual general meeting may, if willing to act, be reappointed at it.

The Company may remove any director from office and appoint as a director another person who is willing to act as such in his place, in each case by ordinary resolution.

5.12 Directors’ benefits

Other than for executive directors appointed in accordance with the Articles, the maximum aggregate amount of fees that the Company may pay to directors for their services as such is £500,000 per annum, or such larger amount as the Company may by ordinary resolution decide. These fees are to be divided among the directors as the board decides or, if no decision is made, equally. An executive director may receive from the Company a salary or other remuneration in addition to or instead of such fees.

The directors are entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties as directors.

The board may provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors of the Company and their spouses and dependants.

5.13 Powers of the board

Subject to the provisions of the Act, the Articles and any directions given by the Company acting by special resolution, the Company’s business is to be managed by the board. The board may exercise all the Company’s powers and may do on its behalf anything that can be done by the Company or on its behalf which is not required by law or the Articles to be exercised or done by the Company in general meeting.
The board may delegate to any director or any committee consisting of one or more directors any of its powers on such terms as it thinks fit. The board may grant to a director the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. Any powers delegated may be revoked or altered.

5.14 **Disclosure of interests in ordinary shares**

5.14.1 Subject to the provisions of the Act, a director is not required (provided he has disclosed his interest in the matter) to account to the Company for any benefit which he derives from or in connection with: (i) any transaction or arrangement with the Company or in which the Company is otherwise interested; (ii) acting by himself or his firm in a professional capacity for the Company, otherwise that as auditor, and being entitled to such remuneration as the board may arrange; or (iii) being a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.

5.14.2 A director may not vote on, or be counted in the quorum in relation to, any resolution of the board concerning a matter in which he has an interest which is to his knowledge a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following:

5.14.2.1 the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

5.14.2.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part, alone or jointly with others under a guarantee or indemnity or by the giving of security;

5.14.2.3 his interest arises in relation to the subscription or purchase by him of shares, debentures or other securities of the Company under an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of them;

5.14.2.4 his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription, purchase or exchange;

5.14.2.5 the resolution relates to a proposal concerning any other body corporate in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this article to be a material interest in all circumstances);

5.14.2.6 the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by HMRC for taxation purposes;

5.14.2.7 the resolution relates to any contract or arrangement for the benefit of employees of the Company or of any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to whom the contract or arrangement relates; or
5.14.2.8 the resolution relates in any way to insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons who include the directors.

5.14.3 The board may authorise any matter proposed to it which, if not authorised, would involve a breach by a director of his duty to avoid conflicts of interest under the Act. The board may make such authorisation subject to any limits or conditions it expressly imposes, but the authorisation is otherwise to be given to the fullest extent permitted. The authorisation may be varied or terminated by the board at any time.

5.15 Indemnification of Directors
The directors, the company secretary and other officers of the Company or an associated company (other than auditors), including persons formerly holding such positions, shall, to the fullest extent permitted under the Act, be indemnified by the Company against all costs, charges, expenses or liabilities incurred in the exercise, execution or discharge of his powers or duties for the Company.

5.16 Borrowing powers
The board may exercise all of the Company’s powers to borrow money and to mortgage or charge the Company’s undertaking, property and uncalled capital of the Company, or any part thereof and (subject to applicable laws) to create and issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of a third party.

5.17 Meetings of Shareholders and Shareholder Voting
Meetings of the Shareholders can be called by the board whenever they deem fit, including on requisition of the Shareholders, pursuant to the provisions of the Act. In addition, the board is required to convene annual general meetings in accordance with the Act. The Company is required to give notice of a general meeting to each Shareholder (other than a person who, under the Articles or pursuant to any restrictions imposed on any shares, is not entitled to receive such a notice or to whom the Company, in accordance with applicable law, has not sent and is not required to send its latest annual accounts and reports), to the Directors and to the auditors. For these purposes Shareholders are the persons registered in the Company’s register of members as being holders of Ordinary Shares at any particular time on any particular record date fixed by the board that (in accordance with the CREST Regulations) is not more than 21 days before the sending out of the notices. The notice of a general meeting may specify a time by which a person must be entered on the Company’s register of members in order to have the right to attend or vote at the meeting.

Every Shareholder who is present at a general meeting in person or by proxy is entitled to one vote on a resolution put to the meeting on a show of hands and to one vote for every Ordinary Share of which he is the holder on a resolution put to the meeting on a poll. If two or more joint holders of an Ordinary Share tender a vote in respect of the same Ordinary Share, the vote tendered by the first named of those holders in the register of members will be accepted to the exclusion of the votes of the other joint holders. Shareholders will not be permitted to vote unless all sums payable by him in respect of his Ordinary Share have been paid.

A Shareholder who is entitled to attend and vote at a general meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting.

6. Takeover Code
6.1 Mandatory bid
The Takeover Code will apply to the Company from re-registration as a public company on 1 April 2015. Under the Takeover Code, if an acquisition of Ordinary Shares or interests therein were to increase the aggregate holding of any person (together with its concert parties) to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, its concert parties would be required under Rule 9 of the Takeover
Code (except where an exemption is obtained from the UK Takeover Panel) to make a cash offer for the remaining Ordinary Shares at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months.

This requirement would also be triggered by any acquisition of Ordinary Shares or interests therein by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person’s percentage of the total voting rights in the Company.

6.2 Amphion Concert Party

Following Admission, certain Shareholders (the “Amphion Concert Party”) have been deemed to be acting in concert for the purposes of the Takeover Code in relation to their shareholdings in the Company, namely: (1) Amphion; (2) MSA Holdings BSC; (3) Amphion US; (4) Richard Morgan; (5) Charlotte Morgan; (6) Anna Mary Morgan; (7) Oliver David Eversfield Morgan; (8) Jennifer S Goddard; (9) Robert Bertoldi; and (10) Robert James Macaleer who between them have an interest in 29,123,139 Ordinary Shares.

On Admission, the Amphion Concert Party’s shareholding will amount to approximately 45.3 per cent. of the Enlarged Share Capital.

The table below shows the holdings of the members of the Amphion Concert Party:

<table>
<thead>
<tr>
<th>No. of Ordinary Shares held on Admission</th>
<th>Percentage of Enlarged Share Capital</th>
<th>Options and Warrants held on Admission</th>
<th>Convertible promissory notes (CPNs)</th>
<th>Total</th>
<th>Percentage holding following exercise of warrants and options and conversion of CPNs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amphion*</td>
<td>27,961,625</td>
<td>43.5</td>
<td>98,096</td>
<td>6,014,303</td>
<td>34,074,024</td>
</tr>
<tr>
<td>MSA Holdings B.S.C**</td>
<td>359,250</td>
<td>0.6</td>
<td></td>
<td>359,250</td>
<td>0.4</td>
</tr>
<tr>
<td>Amphion US*</td>
<td>—</td>
<td>0.0</td>
<td>318,549</td>
<td>8,496,467</td>
<td>8,815,016</td>
</tr>
<tr>
<td>Richard Morgan***</td>
<td>241,013</td>
<td>0.4</td>
<td>726,044</td>
<td>967,057</td>
<td>1.2</td>
</tr>
<tr>
<td>and family</td>
<td>61,251</td>
<td>0.1</td>
<td>305,362</td>
<td>366,613</td>
<td>0.5</td>
</tr>
<tr>
<td>Robert Bertoldi***</td>
<td>500,000</td>
<td>0.8</td>
<td></td>
<td>500,000</td>
<td>0.6</td>
</tr>
<tr>
<td>Robert James Macaleer***</td>
<td>500,000</td>
<td>0.8</td>
<td></td>
<td>500,000</td>
<td>0.6</td>
</tr>
</tbody>
</table>

| Total                                   | 29,123,139                          | 45.3                                  | 1,448,051                           | 14,510,770  | 45,081,960                               | 56.2  |

* Amphion and Amphion US’s CPNs entitle them to convert into new ordinary shares as shown in the table above.

** MSA Holdings B.S.C. is a wholly owned subsidiary of Amphion.

***Directors of Amphion

On Admission, the Amphion Concert Party will own less than 50 per cent. of the voting rights in the Company and members of the concert party may not therefore acquire further shares so as to increase the concert party’s combined holding in the Company without giving rise to an obligation under Rule 9 of the Takeover Code.

As set out above, assuming exercise of all options and warrants and conversion of all CPNs held by members of the Amphion Concert Party and assuming no other subscriptions rights are exercised by other Motif shareholders, the Amphion Concert Party would hold 56.2 per cent. of the Enlarged Share Capital.

Where a concert party holds over 50 per cent. of the voting rights in a company, no obligation under Rule 9 normally arises from acquisitions by any member of the concert party. However, the acquisition by a single member of the concert party who holds between 30 per cent. and 50 per cent. of the voting rights may be regarded by the Panel as giving rise to an obligation to make an offer for the entire company.
6.3  *Squeeze-out*

Under the Act, if an offeror were to acquire 90 per cent. or more of the ordinary shares within the period specified by the Act, it could then compulsorily acquire the remaining ordinary shares. It would do so by sending a notice to the relevant Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold such consideration on trust for such Shareholders.

The consideration offered to Shareholders whose ordinary shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the relevant takeover offer, unless such Shareholders can show that the offer value is unfair.

6.4  *Sell-out*

The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all of the ordinary shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the ordinary shares, any holder of ordinary shares to which such offer relates who has not accepted the offer can by written communication to the offeror require it to acquire those ordinary shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. If a Shareholder exercises its right to be bought out, the offeror is bound to acquire the relevant ordinary shares on the terms of the offer or on such other terms as may be agreed.

7.  *Interests of Directors*

7.1  As at the date of this document the Directors do not have any interests in any Ordinary Shares, because completion of the Motif Merger Agreement and the migration of the share option plans (further details of which are set out in paragraph 9 below) have not yet occurred. Completion is expected to occur immediately prior to Admission. Following Completion and immediately prior to Admission, assuming that all share issues triggered by Admission other than the Placing and Subscription, will have occurred immediately prior to Admission, and immediately following Admission (taking into account the allotment of the Placing Shares and the Subscription Shares), the interests of the Directors (including persons connected with the Directors within the meaning of section 252 of the Act) in the Company's issued share capital will be as follows:

7.1.1  Before Admission and on Admission, the Directors (including persons connected with the Directors within the meaning of section 252 of the Act) will be interested in the Ordinary Shares as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of issued Ordinary Shares</th>
<th>Percentage of issued Ordinary Shares</th>
<th>No. of issued Ordinary Shares</th>
<th>Percentage of issued Ordinary Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Morgan</td>
<td>89,936</td>
<td>0.18</td>
<td>190,916</td>
<td>0.30</td>
</tr>
<tr>
<td>Graham Lumsden</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Robert Bertoldi</td>
<td>61,251</td>
<td>0.12</td>
<td>61,251</td>
<td>0.10</td>
</tr>
<tr>
<td>Charlotta Ginman-Jones</td>
<td>—</td>
<td>—</td>
<td>125,000</td>
<td>0.19</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>148,608</td>
<td>0.30</td>
<td>148,608</td>
<td>0.23</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>215,550</td>
<td>0.43</td>
<td>215,550</td>
<td>0.34</td>
</tr>
<tr>
<td>Mary Lake Polan</td>
<td>—</td>
<td>—</td>
<td>13,000</td>
<td>0.02</td>
</tr>
<tr>
<td>John Stakes III</td>
<td>71,850</td>
<td>0.14</td>
<td>71,850</td>
<td>0.11</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>71,850</td>
<td>0.14</td>
<td>105,350</td>
<td>0.16</td>
</tr>
</tbody>
</table>

* These numbers assume all share issues triggered by Admission other than the Placing and Subscription will have taken place prior to Admission.

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7.1.2 Before and on Admission the Directors (including persons connected with the Directors within the meaning of section 252 of the Act) will hold options over Ordinary Shares as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of Share Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Morgan</td>
<td>582,344</td>
</tr>
<tr>
<td>Graham Lumsden</td>
<td>3,448,800</td>
</tr>
<tr>
<td>Robert Bertoldi</td>
<td>305,362</td>
</tr>
<tr>
<td>Charlotte Ginman-Jones</td>
<td>251,475</td>
</tr>
<tr>
<td>Jonathan Gold</td>
<td>330,941</td>
</tr>
<tr>
<td>Zaki Hosny</td>
<td>430,094</td>
</tr>
<tr>
<td>Mary Lake Polan</td>
<td>323,971</td>
</tr>
<tr>
<td>John Stakes III</td>
<td>316,642</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>422,118</td>
</tr>
</tbody>
</table>

7.1.3 As at the date of this document and immediately following Admission, none of the Directors (including persons connected with the Directors within the meaning of section 252 of the Act) will hold any warrants to subscribe for Ordinary Shares.

7.2 Save as set out in paragraphs 13 and 14 of this Part VI, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company during the current or immediately preceding financial year and which was affected by the Company and remains in any respect outstanding or unperformed.

7.3 There are no loans made or guarantees granted or provided by the Company or the Subsidiary to or for the benefit of any Director which are outstanding.

7.4 Neither the Directors nor any major Shareholders have different voting rights to the other Shareholders.

7.5 None of the Directors or members of their family has a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

8. Warrants

8.1 At Admission, the Company will grant 9,432,033 Nuprim Warrants to the Former Nuprim Shareholders, 642,384 Nomad/Broker Warrants to Cairn, 642,384 Nomad/Broker Warrants to Northland, 82,321 MCS Warrants to MC Services AG and 499,570 CPN Warrants to the participants of the pre-Admission fundraise. Motif, Inc. has granted 98,096 Amphion Warrants to Amphion and 318,549 Amphion Warrants to Amphion US, all of which are to be settled upon exercise by issue of Ordinary Shares as described in this paragraph 8.1 below.

8.1.1 Nuprim Warrant Instrument

The Nuprim Warrant Instrument which the Nuprim Warrants will be issued pursuant to has the following principal terms:

8.1.1.1 Nuprim Warrantholders will have the right to subscribe for one Ordinary Share for each Nuprim Warrant that they hold at the Nuprim Warrant Exercise Price;

8.1.1.2 Nuprim Warrants can be exercised at any time during the Nuprim Warrant Exercise Period in consideration for payment of the Nuprim Warrant Exercise Price and any Nuprim Warrants which have not been exercised during this period shall lapse;

8.1.1.3 the Company shall use its reasonable endeavours to procure that the Ordinary Shares issued on exercise of the Nuprim Warrants are issued to the Nuprim Warrantholders within 10 Business Days after the exercise of the Nuprim Warrants and that Admission occurs not later than 20 Business Days after the issue of such Ordinary Shares. All Ordinary Shares issued on the exercise of Nuprim Warrants will be fully paid, free from any rights of pre-emption, shall participate in full in
all dividends paid, made or declared in respect of profits made in the financial year during which the Ordinary Shares were subscribed and the Ordinary Shares will otherwise rank pari passu in all respects with the fully-paid Ordinary Shares in issue on the date of exercise;

8.1.1.4 if any offer is made to all holders of Ordinary Shares to acquire the whole or a proportion of the Ordinary Shares, the Company will as soon as possible give notice of this offer to the Nuprim Warrantholders to exercise their Nuprim Warrants and confirmation that a like offer is extended in respect of any Ordinary Shares issued upon the exercise of the Nuprim Warrants;

8.1.1.5 all unexercised Nuprim Warrants will lapse and shall cease to be valid on the effective date of the relevant resolution in the case of a voluntary liquidation and on the date of the relevant court order in the case of an involuntary liquidation or dissolution. In the case of a voluntary liquidation, Nuprim Warrantholders will be given notice to exercise their outstanding Nuprim Warrants prior the passing of a resolution for voluntary liquidation. If an order is made or a resolution is passed before the expiry of the Nuprim Warrant Exercise Period for the voluntary winding up of the Company, Nuprim Warrantholders will be entitled to be treated as if they had exercised their Nuprim Warrants immediately prior to the date of the resolution and shall be entitled to receive out of the assets of the Company available in liquidation pari passu with the other holders of Ordinary Shares;

8.1.1.6 meetings of Nuprim Warrantholders may be requested in writing by a Nuprim Warrant holder holding not less than one-tenth of the principal amount of outstanding Nuprim Warrants. At least 14 days’ notice will be given to Nuprim Warrantholders of any meeting and at least two Nuprim Warrantholders must be present in person or by proxy to form a quorum. An extraordinary resolution will require not less than three-quarters of those voting to pass the motion. The chairman of the meeting, as appointed by the Nuprim Warrantholders, will have a casting vote; and

8.1.1.7 the Nuprim Warrant Instrument is governed by the law of England and Wales.

8.1.2 Nomad/Broker Warrant Instrument

The Nomad/Broker Warrant Instrument has the following principal terms:

8.1.2.1 Nomad/Broker Warrantholders will have the right to subscribe for one Ordinary Share at the Placing Price for each Nomad/Broker Warrant that they hold;

8.1.2.2 Nomad/Broker Warrants can be exercised at any time during the Nomad/Broker Warrant Exercise Period in consideration for payment of the Nomad/Broker Warrant Exercise Price and any Nomad/Broker Warrants which have not been exercised during this period shall lapse. The Nomad/Broker Warrants are transferable in multiples of one warrant at any time during the Nomad/Broker Warrant Exercise Period;

8.1.2.3 the Company shall use its reasonable endeavours to procure that the Ordinary Shares issued on exercise of the Nomad/Broker Warrants are issued to the Nomad/Broker Warrantholders within 10 Business Days after the exercise of the Nomad/Broker Warrants. All Ordinary Shares issued on the exercise of Nomad/Broker Warrants will be issued fully paid and free from any encumbrance, shall participate in full in all dividends or other distributions paid, made or declared in respect of profits after the date of the allotment of the Ordinary Shares and the Ordinary Shares will otherwise rank pari passu in all respects with the fully-paid Ordinary Shares in issue on the date of exercise;
8.1.2.4 if any offer is made to all holders of Ordinary Shares to acquire the whole or a proportion of the Ordinary Shares, the Company will as soon as possible give notice of this offer to the Nomad/Broker Warrantholders to exercise their Nomad/Broker Warrants and confirmation that a like offer is extended in respect of any Ordinary Shares issued upon the exercise of the Nomad/Broker Warrants;

8.1.2.5 in the event that changes are made to the share capital of the Company prior to the Nomad/Broker Warrants being exercised, for example the share capital being subdivided or consolidated, a capitalisation of reserves or profits occurring or shares being issued for no consideration, the Nomad/Broker Warrant Instrument allows for the subscription rights attaching to the shares to be altered to take account of the changes;

8.1.2.6 all unexercised Nomad/Broker Warrants will lapse and shall cease to be valid if they have not been exercised at the commencement of any voluntary winding-up proceedings. In such a case, Nomad/Broker Warrantholders will be given notice to exercise their outstanding Nomad/Broker Warrants prior to any meeting to discuss the passing of a resolution for voluntary winding-up of the Company;

8.1.2.7 the rights attaching to the Nomad/Broker Warrants can be altered or abrogated with the consent in writing of the Company and with either the consent in writing of any Nomad/Broker Warrantholders entitled to subscribe for not less than 75 per cent. of the Ordinary Shares which are subject to outstanding Nomad/Broker Warrants or with the sanction of a special resolution (a resolution proposed at a meeting of the Nomad/Broker Warrantholders duly convened and held and passed by a majority consisting of not less than 75 per cent. of the votes cast, whether on a show of hands or on a poll) of the Nomad/Broker Warrantholders;

8.1.2.8 meetings of Nomad/Broker Warrantholders may be requested by a Nomad/Broker Warrantholder in accordance with the provisions in the Articles which relate to General Meetings with the following amendments:

(i) the necessary quorum shall be the Nomad/Broker Warrantholders (present in person or by proxy) entitled to subscribe for at least 51 per cent. in nominal amount of the Ordinary Shares subject to outstanding Nomad/Broker Warrants;

(ii) every Nomad/Broker Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and on a poll every such Nomad/Broker Warrantholder present in person or by proxy at any such meeting shall be entitled to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Nomad/Broker Warrants; and

(iii) any Nomad/Broker Warrantholder(s) holding 10 per cent. or more of the Ordinary Shares as are the subject of outstanding Nomad/Broker Warrants present in person or by proxy may demand or join in demanding a poll; and

8.1.2.9 the Nomad/Broker Warrant Instrument is governed by the law of England and Wales.

8.1.3 Amphion Warrant Instrument

The Amphion Warrant Instrument which the Amphion Warrants were issued pursuant to has the following principal terms:

8.1.3.1 Amphion Warrantholders have the right to subscribe for one Ordinary Share at an exercise price of US$0.56, in respect of each Amphion Warrant held;

8.1.3.2 Amphion Warrants can be exercised at any time before 17:00 New York City time on 31 December 2017 in consideration for payment of an exercise price of US$0.56 per share, subject to any adjustments to be made for the consolidation
or subdivision of shares as set out in the Amphion Warrant Instrument, and any Amphion Warrants which have not been exercised during this period shall lapse; and

8.1.3.3 the Amphion Warrant Instrument is governed by the laws of the state of Delaware.

Whilst the Amphion Warrants were granted by Motif, Inc. giving the option for Amphion and Amphion US to subscribe for shares of common stock in Motif, Inc., on 27 January 2015, conditionally upon Admission occurring, the Company approved the amendment of the Amphion Warrant Instrument, with effect from Admission, to permit the Amphion Warrantholders to receive 416,645 Ordinary Shares in aggregate upon the exercise of all of their Amphion Warrants. As a result of this amendment, Motif, Inc. will remain a wholly owned subsidiary of the Company.

8.1.4 MCS Warrant Instrument

The MCS Warrant Instrument has the following principal terms:

8.1.4.1 MCS Warrantholders will have the right to subscribe for one Ordinary Share at the Placing Price for each MCS Warrant that they hold;

8.1.4.2 MCS Warrants can be exercised at any time during the MCS Warrant Exercise Period in consideration for payment of the Placing Price per Ordinary Share and any MCS Warrants which have not been exercised during this period shall lapse. The MCS Warrants are transferable in multiples of one warrant at any time during the MCS Warrant Exercise Period;

8.1.4.3 the Company shall use its reasonable endeavours to procure that the Ordinary Shares issued on exercise of the MCS Warrants are issued to the MCS Warrantholders within 10 Business Days after the exercise of the MCS Warrants. All Ordinary Shares issued on the exercise of MCS Warrants will be issued fully paid and free from any encumbrance, shall participate in full in all dividends or other distributions paid, made or declared in respect of profits after the date of the allotment of the Ordinary Shares and the Ordinary Shares will otherwise rank pari passu in all respects with the fully-paid Ordinary Shares in issue on the date of exercise;

8.1.4.4 if any offer is made to all holders of Ordinary Shares to acquire the whole or a proportion of the Ordinary Shares, the Company will as soon as possible give notice of this offer to the MCS Warrantholders to exercise their MCS Warrants and confirmation that a like offer is extended in respect of any Ordinary Shares issued upon the exercise of the MCS Warrants;

8.1.4.5 in the event that changes are made to the share capital of the Company prior to the MCS Warrants being exercised, for example the share capital being subdivided or consolidated, a capitalisation of reserves or profits occurring or shares being issued for no consideration, the MCS Warrant Instrument allows for the subscription rights attaching to the shares to be altered to take account of the changes;

8.1.4.6 all unexercised MCS Warrants will lapse and shall cease to be valid if they have not been exercised at the commencement of any voluntary winding-up proceedings. In such a case, MCS Warrantholders will be given notice to exercise their outstanding MCS Warrants prior to any meeting to discuss the passing of a resolution for voluntary winding-up of the Company;

8.1.4.7 the rights attaching to the MCS Warrants can be altered or abrogated with the consent in writing of the Company and with either the consent in writing of any MCS Warrantholders entitled to subscribe for not less than 75 per cent. of the Ordinary Shares which are subject to outstanding MCS Warrants or with the sanction of a special resolution (a resolution proposed at a meeting of the MCS
Warrantholders duly convened and held and passed by a majority consisting of not less than 75 per cent. of the votes cast, whether on a show of hands or on a poll) of the MCS Warrantholders;

8.1.4.8 meetings of MCS Warrantholders may be requested in by an MCS Warrantholder in accordance with the provisions in the Articles which relate to General Meetings with the following amendments:

(i) the necessary quorum shall be the MCS Warrantholders (present in person or by proxy) entitled to subscribe for at least fifty one per cent. in nominal amount of the Ordinary Shares subject to outstanding MCS Warrants;

(ii) every MCS Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and on a poll every such MCS Warrantholder present in person or by proxy at any such meeting shall be entitled to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the MCS Warrants; and

(iii) any MCS Warrantholder(s) holding 10 per cent. or more of the Ordinary Shares as are the subject of outstanding MCS Warrants present in person or by proxy may demand or join in demanding a poll; and

8.1.4.9 the MCS Warrant Instrument is governed by the law of England and Wales.

8.1.5 **CPN Warrant Instrument**

The CPN Warrant Instrument which CPN Warrants were issued pursuant to has the following principal terms:

8.1.5.1 the CPN Warrantholders have the right to subscribe for one Ordinary Share at an exercise price of 20 pence in respect of each CPN Warrant held;

8.1.5.2 the CPN Warrants can be exercised at any time between 2 April 2015 and 31 December 2016 and any CPN Warrants which have not been exercised during this period shall lapse;

8.1.5.3 the CPN Warrant does not give the CPN Warrantholders the right to vote or to consent or to receive notice as a shareholder in respect of meetings for the election of individuals to the board and no dividends are payable; and

8.1.5.4 the CPN Warrant Instrument will be interpreted in accordance with the internal laws of the state of New York.

9. **Share Option Plans**

9.1 **Existing Group Share Option Schemes**

9.1.1 **Prior to 4 December 2014**

9.1.1.1 Prior to 4 December 2014, the Group did not operate a formal share option scheme, however, certain share options were granted to the directors, employees and consultants of Motif, Inc. on an ad hoc basis pursuant to individual option agreements (the “Non-Plan Options”). As at 4 December 2014, Motif, Inc. had granted 4,171,939 Non-Plan Options under individual option agreements. 1,470,680 of these share options remain unvested at the date of this document each of which are to be converted and assumed by the Company as described in paragraph 9.2 below.

9.1.1.2 Contingent upon the completion of the merger between Motif Acquisition Sub, Inc. and Motif, Inc., the holders of Non-Plan Options entered into agreements with Motif, Inc. under which the option holders agreed to modify the Non-Plan Options to allow the assumption and conversion of their Non-Plan Options by the Company into options over Ordinary Shares.
9.1.2 Motif, Inc. Stock Option Plan

9.1.2.1 On 4 December 2014, Motif, Inc. adopted the MIP.

9.1.2.2 Pursuant to the MIP, share options can be granted to employees, consultants and directors of Motif, Inc. with a maximum of 12,993,000 shares of common stock available to be issued. The share options are exercisable in accordance with the terms and conditions set by the board in the option agreement (“Option Agreement”) relating to that share option on and after the initial vesting date as provided for in the Option Agreement. Share options cannot be exercised after 10 years from the date of grant of the share option. In addition, termination of the option holder’s service as a consultant, director or employee of Motif, Inc. will result in termination of unvested share options and an abbreviated period for the exercise of vested share options. The exercise price for the share options is decided by the board but is required to be at least fair market value.

9.1.2.3 Exercise of the share options can be accelerated in certain circumstances, including upon a change of control of Motif, Inc. In the event of a change of control, the acquiring entity may assume Motif, Inc.’s rights and obligations in relation to the share options that have been granted under the MIP or to terminate the MIP. The board of Motif, Inc. also has the absolute discretion on a change of control to determine whether any share options outstanding immediately prior to a change of control should be cancelled in return for payment.

9.1.2.4 Motif, Inc. has a right of repurchase and a first right of refusal on any shares acquired by way of exercise of an option under the MIP.

9.1.2.5 As at the date of this document 9,304,575 share options had been granted under the MIP (the “MIP Share Options”) each of which are to be assumed and converted by the Company into options over Ordinary Shares as described in paragraph 9.2 below.

9.2 Share Option Migration

9.2.1 The merger agreement between Motif Acquisition Sub, Inc. and Motif, Inc., to be dated 27 March 2015 sets out, that at Admission, each outstanding share option granted by Motif, Inc. (both Non-Plan Options and MIP Share Options (collectively referred to as “Motif, Inc. Share Options”)) will be assumed and converted by the Company into options to subscribe for Ordinary Shares.

9.2.2 Once granted, the converted Motif, Inc. Share Options will only be capable of being exercised to subscribe for Ordinary Shares. Accordingly, the only options to subscribe for the share capital of any member of the Group will be the converted Motif, Inc. Share Options which grant the right, upon exercise, to subscribe for 13,476,503 Ordinary Shares in aggregate.

9.2.3 The number of Ordinary Shares issuable upon exercise of the converted Motif, Inc. Share Options will be determined by multiplying the number of shares of common stock in Motif, Inc. that were subject to the Motif, Inc. Share Options immediately prior to the completion of the merger by the conversion ratio (as defined below).

9.2.4 The per share exercise price for the Company shares issuable upon exercise of the converted Motif, Inc. Share Options will be determined by dividing the per share exercise price set forth in the converted Motif, Inc. Share Option agreements immediately prior to the completion of the merger by the conversion ratio (as defined below).

9.2.5 The “conversion ratio” described herein is 1:1.

9.3 Company’s Share Option Plan

9.3.1 At Admission the Company is to adopt the Plan which will be administered by the Board of Directors. Participation in the Plan is limited to employees of the Group. Options granted to non-employees (consultants and directors) will be by way of a sub-plan, governed by the same rules of the Plan mutatis mutandis unless the context otherwise provides.
9.3.2 The Plan has the following key terms:

9.3.2.1 the Board may only grant share options: (i) within 42 days of Admission, beginning with the Dealing Day after Admission; (ii) on the Dealing Day after the date on which the Company announces its annual or half-yearly results for any period; or (iii) at any time when the board considers that circumstances are sufficiently exceptional to justify the grant. Where the Company is restricted by statute, order or regulation from granting a share option, the share option may be granted at any time during the period of 42 days after the removal of such restriction;

9.3.2.2 the number of shares that may be allocated on any day shall not, when added to the aggregate number of shares allocated under the Plan in the previous 10 years and any other employees’ share option scheme adopted by the Company, exceed the number of shares that represents 10 per cent. of the ordinary share capital of the Company in issue immediately prior to that day;

9.3.2.3 the maximum total number of shares that may be issued under the Plan is 12,993,000 and such share options shall consist of authorised but unissued or reacquired shares or any combination thereof;

9.3.2.4 the exercise price for each share option will not be less than the nominal value of the relevant shares if the share options are to be satisfied by a new issue of shares by the Company. The exercise price is to be established by the Board, however, must not be less than the fair market value at the effective date of grant of the share option, as judged by the board if the Company’s shares are not listed on a securities exchange, or by reference to a closing price, if the Company’s shares are listed on a securities exchange;

9.3.2.5 the share options may be exercised at such time or times, or upon such event or events and subject to such terms, conditions, performance criteria and restrictions as determined by the board and set out in the share option agreements evidencing the share options. However, no share option shall be exercisable after the expiration of 10 years after the effective date of grant;

9.3.2.6 subject to earlier termination of a share option as otherwise provided by the Plan, an option shall terminate upon the option holder’s termination of service to the Company, whether as employee, director or consultant. A share option terminated in this way must be exercised within three months after the date on which the share option holder’s service to the Company terminated;

9.3.2.7 upon a change of control of the Company, the board may provide for acceleration of the exercisability and/or vesting in connection with any share options acquired pursuant to the change of control. The board also has the absolute discretion to determine that any share options outstanding immediately prior to a change of control shall be cancelled in return for payment. The entity acquiring the Company may assume or continue the Company’s rights and obligations in relation to each share option that has been granted; and

9.3.2.8 the board may amend, suspend or terminate the Plan at any time.

9.3.3 As at Admission no share options will have been granted under the Plan.
10. Directors’ Service Agreements and Letters of Appointment

10.1 Executive Director’s Service Agreement

On 1 April 2015 (the “Commencement Date”) the Company will enter into a service agreement with Graham Lumsden pursuant to which Mr Lumsden will be employed as Chief Executive Officer of the Board on a full-time basis.

Under the terms of the agreement Mr Lumsden’s gross annual salary will be US$360,000 per annum, of which US$240,000 per annum will be deferred until the Company has: (i) raised funds of at least £4.3 million; or (ii) the board resolves to pay the additional amount, in the event that the Company raises funds in excess of £1.5 million but less than £4.3 million, all amounts being calculated from the total of the funds raised at Admission and the funds raised in any secondary fundraise conducted by the Company after Admission whether on AIM or any other market (a “Secondary Fundraise”). In addition, in the event that the Company raises £3 million or more (calculated from the total of funds raised at Admission and the funds raised in any Secondary Fundraise) Mr Lumsden will be paid a one-off bonus of US$150,000.

Mr Lumsden will be eligible to participate in the Company’s discretionary annual bonus scheme in an amount to be determined by the Remuneration Committee at its absolute discretion.

Mr Lumsden will be employed by the Company on a permanent contract and his employment will continue until terminated by either party giving notice to the other as follows:

10.1.1 for the first two years of the employment (i.e. from the Commencement Date until the second anniversary of the Commencement Date), the employment can be terminated by one party giving the other three months’ notice of termination of the agreement; and

10.1.2 thereafter (i.e. at any time after the second anniversary of the Commencement Date) the employment can be terminated by one party giving the other one month’s notice for each complete year of the Mr Lumsden’s period of continuous employment up to a maximum of twelve months’ notice.

In addition, the Company may terminate Mr Lumsden’s employment without notice in certain circumstances. The agreement also contains garden leave provisions which can be utilised in event that Mr Lumsden’s employment is terminated by the Company. The agreement contains confidentiality, non-competition and non-solicitation provisions effective for a period of 12 months following the termination of Mr Lumsden’s employment.

10.2 Non-Executive Directors’ Letters of Appointment

With the exception of Robert Bertoldi whose services are to be provided by Amphion as described at paragraph 14.1 of this Part VI, each of the Non-executive Directors of the Company, being Richard Morgan, Charlotta Ginman-Jones, Jonathan Gold, Zaki Hosny, Mary Lake Polan, John Stakes III and Bruce Williams, will enter into a letter of appointment with the Company on 1 April 2015, under the terms of which they each agreed to act as a Non-executive Director of the Company with effect from Admission.

The Non-executive Directors have agreed to act for a period of three years from Admission (subject to re-election by Shareholders as required by the Articles), however, the appointment can be terminated prior to the end of this three year period by either party giving one month’s prior written notice of termination to the other. The Company also has the right to terminate the appointment without notice in certain specified circumstances. At the end of the initial three year appointment term, the parties may agree, by mutual consent, to renew the appointment for a further term.

Richard Morgan shall receive a fee of £55,000 for his participation as the Non-executive Chairman of the Company and his participation in the audit and remuneration committees. Each of the other Non-executive Directors shall receive a fee of £20,000 per annum for their services as a Non-executive Director and an additional fee of £2,500 for their participation with a committee of the Board. The committee chairs will also receive an additional fee of £2,500 for their participation
as committee chairs. All sums due to the Non-executive Directors will accrue but will not be paid by the Company until the Company has: (i) raised funds of at least £4.3 million; or (ii) the board resolves to pay the additional amount, in the event that the Company raises funds in excess of £1.5 million but less than £4.3 million, all amounts being calculated from the total of the funds raised at Admission and the funds raised in any secondary fundraise conducted by the Company after Admission whether on AIM or any other market.

11. **Additional information in relation to the Directors**

11.1 The Directors (in addition to their directorships of the Company) are or have been a member of the administrative, management or supervisory bodies, or directors or partners of the following companies or partnerships, within the five years immediately prior to the publication of this document:

<table>
<thead>
<tr>
<th>Name</th>
<th>Current directorships and partnerships</th>
<th>Previous directorships and partnerships</th>
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</thead>
<tbody>
<tr>
<td>Richard Morgan</td>
<td>Amphion Capital Partners LLC</td>
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<td>Amphion Capital Management LLC</td>
<td>Kromek Group plc</td>
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<td>Amphion Innovations US Inc.</td>
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<td></td>
<td>Amphion Partners LLC</td>
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<td></td>
<td>Antiope Partners LLC</td>
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<td>Axcess International, Inc.</td>
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<td>DataTern Inc.</td>
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<td>FireStar</td>
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<td>Jacaranda Holdings Ltd</td>
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<td>Motif BioSciences, Inc.</td>
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<td>PMI</td>
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<td>WellGen Inc.</td>
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<td>Graham Lumsden</td>
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<td>Robert Bertoldi</td>
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<td>VennWorks LLC</td>
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<td>Charlotta Ginman-Jones</td>
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<td>Pacific Asset Trust plc</td>
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<td>Polar Capital Technology Trust plc</td>
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<td>Jonathan Gold</td>
<td>Marks JCH</td>
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<td>UJA Federation of New York</td>
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<tr>
<td>Zaki Hosny</td>
<td>Motif BioSciences, Inc.</td>
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<td>Name</td>
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<td>Previous directorships and partnerships</td>
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</tr>
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<td>Mary Lake Polan</td>
<td>Epi EP One, Mira DX Corp, Motif BioSciences, Inc., Qindel Corp, Rovat</td>
<td>Wyeth Pharma</td>
</tr>
<tr>
<td>John Stakes III</td>
<td>Motif BioSciences, Inc.</td>
<td>BMP Sunstone Corp</td>
</tr>
<tr>
<td>Bruce Williams</td>
<td>Afaxys, Motif BioSciences, Inc., Rutgers Preparatory School</td>
<td>Women’s Health &amp; Counseling Center</td>
</tr>
</tbody>
</table>

11.2 Richard Morgan and Robert Bertoldi are former directors of Vennworks Ltd, which was placed into voluntary liquidation and dissolved in February 2005. It was the wholly-owned UK subsidiary of Vennworks LLC, of which they are currently directors. Vennworks LLC was formed in 1999.

11.3 Ontos Inc. ("Ontos") was a portfolio investment of Vennworks LLC and Amphion Ventures LP of which Richard Morgan and Robert Bertoldi were directors. In September 2001, certain assets of Ontos were sold to FireStar Software, Inc. for cash and the assumption of shareholder debt. In June 2002, two former directors commenced proceeding against Ontos, its directors and FireStar alleging a breach of employment contracts and alleging fraud in the sale of assets to FireStar. In January 2004 Ontos filed for Chapter 7 liquidation and in March 2005, the court appointed Trustee in Bankruptcy agreed to settle all claims for US$50,000.

11.4 In 2000 Richard Morgan was a director and investor (with others) in Idaya Limited ("Idaya"), a UK software company. He became the sole director in 2002 by which time he was the only remaining active investor. Idaya was placed in a creditors’ voluntary liquidation in December 2002 having failed to raise new funds. All creditors have since been paid.

11.5 Robert Bertoldi was a director of Ethentica, Inc. from 2000 to 2001. In 2001 Ethentica, Inc. was placed in voluntary Chapter 11 bankruptcy reorganisation. It was purchased out of Chapter 11 by Security First Corporation and continues to trade as Ethentica, Inc.

11.6 Save as disclosed, none of the Directors:

11.6.1 is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the 5 years immediately preceding the date of this document;

11.6.2 has any unspent convictions for any indictable offences;

11.6.3 has been declared bankrupt or has entered into an individual voluntary arrangement;

11.6.4 was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors’ voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;

11.6.5 was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration, or voluntary arrangement or that partnership;

11.6.6 has had any asset which has been subject to a receivership or was a partner at the time of or within the 12 months preceding any asset of the partnership being subject to a receivership; or

11.6.7 has been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
12. Significant Shareholders

12.1 Insofar as is known to the Company and the Directors, as at the close of business on 26 March 2015 (being the latest practicable date prior to the publication of this document), the following persons are, and will following Admission, the Placing and Subscription, be interested directly or indirectly, in 3 per cent. or more of the Ordinary Shares:

<table>
<thead>
<tr>
<th></th>
<th>Before Admission**</th>
<th>On Admission</th>
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<tbody>
<tr>
<td></td>
<td>No. of issued</td>
<td>Percentage of Issued</td>
</tr>
<tr>
<td></td>
<td>Ordinary Shares</td>
<td>Share capital</td>
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<tr>
<td>Amphion group</td>
<td>28,320,875</td>
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<tr>
<td>Michael Floyd</td>
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<td>Spreadex Limited</td>
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<td>37,941,549</td>
<td>75.80</td>
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</tbody>
</table>

* The collective holding by the Amphion group before Admission is made up of the holdings of Amphion which holds 27,961,625 Ordinary Shares and has 55.86 per cent. of the Company’s issued share capital and MSA, a 100 per cent. subsidiary of Amphion which holds 359,250 Ordinary Shares and has 0.72 per cent. of the Company’s issued share capital.

** These numbers assume all share issues triggered by Admission other than the Placing will have taken place prior to Admission.

12.2 No major holder of Ordinary Shares, as listed above in paragraph 12.1, has voting rights different to other Shareholders.

12.3 Save as disclosed in paragraph 12.1 of this Part VI, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

12.4 To the best knowledge of the Company there are no arrangements which may at a date subsequent to Admission result in a change of control of the Company.

13. Material Contracts

Set out below is a summary of: (i) each material contract entered into by any member of the Group other than those entered into in the ordinary course of business to which the Company or any other member of the Group is a party within the two years immediately preceding the date of this document; and (ii) all material subsisting agreements which are included within or which relate to the assets and liabilities of the Company and/or the Group.

13.1 Placing Agreement

On 1 April 2015, the Company and the Directors will enter into the Placing Agreement with Cairn and Northland pursuant to which the Company has agreed to issue the Placing Shares at the Placing Price pursuant to the Placing, and Northland has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price pursuant to the Placing. The Placing will not be underwritten by Northland. Pursuant to the terms of the agreement, the Company agrees to use reasonable endeavours to procure Admission by 8.00 a.m. on or before 2 April 2015 and Cairn agrees that it will provide reasonable assistance to the Company to assist it in doing so.

The Placing is conditional, *inter alia*, on:

13.1.1 the Motif Merger Agreement and the Nuprim Merger Agreement becoming unconditional in all respects;

13.1.2 the delivery of certain documentation in connection with the Placing and Admission on or before the date of execution of the Placing Agreement;
13.1.3 each of the warranties set out in the Placing Agreement being true and accurate as at the date of the Placing Agreement and there being no further breach of any of the warranties prior to the date of Admission;

13.1.4 the warranty certificate having been duly executed and delivered to Cairn and Northland on the Business Day immediately prior to the date of Admission; and

13.1.5 Admission taking place on or before 14 April 2015 or such later date as the Company, Northland and Cairn may agree.

The Placing Agreement contains customary warranties and undertakings given by the Company and the Directors to Northland and Cairn as to the accuracy of the information contained in this document and other matters relating to the Placing Shares, the Warrants, the Placing, the Company and its business. In addition, the Company has given an indemnity to Northland and Cairn in respect of certain customary matters.

Northland and Cairn are entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission including, inter alia, if any statement in the document becomes untrue, inaccurate or misleading in a material respect; any of the warranties has ceased or is likely to cease to be true and accurate and not misleading in all material respects; any of the Directors or the Company have failed to comply in any material respect with any of their respective obligations under the agreement; a material adverse change in the financial position or prospects of the Company or any member of the Group has or will occur; or on the occurrence of certain force majeure events.

In consideration of its services in connection with the Placing, the Company has agreed to:

13.1.7 (i) pay to Northland: commission equal to the aggregate of five per cent. of the aggregate value of the Placing Shares issued at the Placing Price to Placees introduced by Northland and one per cent. of the Placing Shares issued at the Placing Price to other Placees (provided that Northland facilitates the investment from such other Placees); (ii) commission equal to the aggregate of five per cent. of the aggregate value of the Subscription Shares issued at the Subscription Price to Subscribers introduced by Northland; and (iii) grant Nomad/Broker Warrants to subscribe for Ordinary Shares equal to one per cent. of the Enlarged Share Capital on Admission at the Placing Price exercisable and transferable at any time following Admission for a period of five years to Northland; and

13.1.8 (i) pay to Cairn: a corporate finance fee of £100,000; and (ii) grant to Cairn Nomad/Broker Warrants to subscribe for Ordinary Shares equal to one per cent. of the Enlarged Share Capital on Admission at the Placing Price exercisable and transferable at any time following Admission for a period of five years to Cairn.

In addition, the Company has agreed to pay or cause to be paid (together with any related value added tax) certain costs, charges, fees (including legal fees) and expenses of, or incidental to, the Placing and Admission.

The Placing Agreement is governed by English law.

13.2 *Nominated adviser agreement (the “Nomad Agreement”) between the Company and Cairn*

The Company will enter into a nominated adviser agreement on 1 April 2015 with Cairn, pursuant to which Cairn will agree to act as nominated adviser to the Company following Admission for a fee of £25,000 per annum. The nominated adviser agreement contains certain undertakings and indemnities given by the Company to Cairn. The appointment of Cairn as nominated adviser can be terminated by either party giving three months’ written notice, however, that the Company may not serve such written notice to Cairn in the first 12 months from Admission, and on shorter notice in certain limited circumstances.
13.3 **Broker agreement (the “Broker Agreement”) between the Company and Northland**

The Company will enter into a broker agreement on 1 April 2015 with Northland, pursuant to which Northland will agree to act as broker to the Company following Admission for a fee of £25,000 per annum. The Broker Agreement contains certain undertakings and indemnities given by the Company to Northland. The appointment of Northland as broker can be terminated by either party giving three months’ written notice and on shorter notice in certain limited circumstances.

13.4 **Registrar Agreement (the “Registrar Agreement”) between the Company and Share Registrars**

On 1 April 2015, the Company will enter into an agreement with the Registrars pursuant to which the Company will appoint Share Registrars Limited as its share registrar to provide, or procure the provision of, share registration services and certain online services with effect from Admission.

Pursuant to the terms of the Registrar Agreement, the Company is to pay certain fees and charges to the Registrar including annual fees, set-up fees and in certain circumstances fees for transfers and insurance.

The Registrar Agreement is for an initial period of 12 months and thereafter will be renewed on an annual basis but will be terminable by either party giving 6 months’ written notice to the other. In certain circumstances the parties will be entitled to terminate the Registrar Agreement without notice. The Registrar Agreement is governed by English law.

13.5 **Subscription Agreements**

The Subscribers are to enter into Subscription Agreements to be dated 1 April 2015 with the Company pursuant to which they have conditionally agreed to subscribe for a total of 1,696,140 Subscription Shares at the Subscription Price. The Subscription Agreements are conditional on:

(i) the Company entering into a placing agreement with Cairn and Northland and that agreement becoming unconditional save as to Admission; and

(ii) Admission occurring on or before 8.00 a.m. London time on 2 April 2015 or such later date as the Company, Cairn and Northland shall agree, not to be later than 14 April 2015. In accordance with the requirements of the Subscription Agreements the Subscribers are required to give certain customary confirmations.

13.6 **Relationship Agreement between the Company, Cairn and Amphion**

On 1 April 2015 the Company will enter into a relationship agreement with Cairn and Amphion to regulate the relationship between the parties, as Amphion is the Company’s major shareholder, and ensure that all transactions and activities between the parties are conducted on an arm’s length and normal commercial basis. Under the terms of the agreement, Amphion will undertake *inter alia,* that for so long as it, or any of its associates has an aggregate interest in 25 per cent. or more of the voting rights attached to the Ordinary Shares it will do all such things as are reasonable to ensure that the Company, and any Group Company, is able to conduct its business independently of Amphion and its associates and will not take any action which would prejudice the Company’s ability to do this. Amphion will agree that in taking decisions relating to the Company it will act in the best interests of the shareholders as a whole independently of what may be in the best interests of Amphion, or any of its associates.

The agreement will terminate in the event that the Ordinary Shares cease to be admitted to trading on AIM or if Amphion or any of its associates cease to have an aggregate interest in 25 per cent. or more of the voting rights attaching to the Ordinary Shares, however, if Amphion or any of its associates later obtain an aggregate interest in 25 per cent. or more of the voting rights attaching to the Ordinary Shares Amphion has agreed that it shall enter into a new agreement with the Company in substantially the same terms as this agreement, to the extent applicable. The agreement is governed by English law.
13.7 **Lock In and Orderly Market Agreements**

The Company has agreed with Cairn and Northland that four categories of person will be subject to a lock-in and/or orderly market agreement: (i) the Directors, applicable employees and related parties, in accordance with Rule 7 of the AIM Rules, and David Huang, as a member of the Executive management team; (ii) members of the Scientific Advisory Board with the exception of Brad Spellberg, who has entered into a lock-in agreement as one of the Former Nuprim Shareholders, who are not on the board of directors but own a proportion of the Ordinary Shares; (iii) the Former Nuprim Shareholders; and (iv) the pre-Admission fundraise participants, together holding legally or beneficially, a total of 42,313,150 Ordinary Shares, representing 65.8 per cent. of the Enlarged Share Capital.

13.7.1 **Directors, applicable employees and related parties**

Under lock-in and orderly market agreements to be dated 1 April 2015, the Directors, applicable employees and related parties, including Amphion, Amphion US and MSA, and David Huang, have undertaken to the Company, Cairn and Northland, subject to certain exceptions:

13.7.1.1 not to dispose of any Ordinary Shares for a period of 12 months from the date of Admission (the “**Lock-In Period**”); and

13.7.1.2 for a further 12 month period commencing at the end of the Lock-In Period, only to dispose of Ordinary Shares having given prior written notice to Cairn (or its successor as nominated adviser) and to dispose of the Ordinary Shares through Northland (or the Company’s brokers at the relevant time) provided that: (i) the price quoted and commission rates charged by the Broker are, in the reasonable opinion of the Shareholder, competitive with the prices being quoted in the market; and (ii) if the Broker is unable to complete the sale within 10 Business Days of being requested to do so, the Shareholder will be free to dispose of the Ordinary Shares through another broker in the market.

The agreement will terminate in the event that the Ordinary Shares are no longer admitted to trading on AIM of, if earlier, on the second anniversary of the date of Admission. The agreement is governed by English law.

13.7.2 **Members of the Scientific Advisory Board**

The members of the Scientific Advisory Board, with the exception of Brad Spellberg who has entered into the lock-in agreement applicable to the Former Nuprim Shareholders (further details of which are at paragraph 13.7.3 below), have undertaken to the Company, Cairn and Northland that, pursuant to an agreement to be dated 1 April 2015, they will give prior written notice to Cairn (or its successor as nominated adviser) before disposing of any Ordinary Shares and will then dispose of the Ordinary Shares through Northland (or the Company’s brokers at the relevant time) subject to: (i) the price quoted and commission rates charged by the Broker being, in the reasonable opinion of the Shareholder, competitive with the prices being quoted in the market; and (ii) being permitted, in the event that the Broker is unable to complete the sale within 10 Business Days of being requested to do so, to dispose of the Ordinary Shares through another broker in the market.

The agreement is governed by English law and will terminate in the event that the Ordinary Shares are no longer admitted to trading on AIM or, if earlier, on the first anniversary of the date of Admission.

13.7.3 **Former Nuprim Shareholders**

On 1 April 2015, the Former Nuprim Shareholders will enter into an agreement with the Company, Cairn and Northland pursuant to which they will undertake, subject to certain exceptions, not to dispose of any Ordinary Shares for a period of 12 months from the date of Admission. The agreement will terminate on the earlier of the first anniversary of Admission or the date on which the Ordinary Shares are no longer admitted to trading on AIM. The agreement is governed by English law.
Pre-Admission fundraise participants

Pursuant to agreements dated 16 March 2015 which are conditional on Admission, two of the participants of the pre-Admission fundraise (which is further described at paragraph 13.10 of this Part VI) have undertaken to the Company, Cairn and Northland that, except in certain pre-agreed circumstances, they will not dispose of any Ordinary Shares for a period of 12 months from the date of Admission. The agreement will terminate on the earlier of: (i) the share price of the Ordinary Shares reaching or exceeding a 25 per cent. premium to the share price at Admission and maintaining this premium for a period of 10 consecutive trading days; (ii) the first anniversary of Admission; or (iii) the date on which the Ordinary Shares are no longer admitted to trading on AIM. The agreement is governed by English law. These Locked-in CPN Holders have received additional CPN Warrants in consideration of their having Locked-in their Ordinary Shares.

Agreement and Plan of Merger for the Acquisition of Motif, Inc.

By way of a conditional agreement and plan of merger to be dated 27 March 2015, Motif, Inc., the Company, Motif Acquisition Sub, Inc. (“Merger Sub”) and Stephen Austin, as the sole shareholder of the Company prior to Admission, have agreed that Motif Acquisition Sub, Inc. will merge with and into Motif, Inc. (the “Merger”) so that Motif, Inc. would continue as the surviving entity of the Merger and would become a wholly owned subsidiary of the Company.

Pursuant to the agreement the former Motif, Inc. shareholders will be issued with Ordinary Shares in exchange for their common stock in Motif, Inc., so that immediately following Completion of the merger the former Motif, Inc. shareholders will own an equivalent number of Ordinary Shares as the number of shares of common stock that they had previously owned in Motif, Inc.

Delaware law provides for Motif, Inc. shareholders who object to the merger between Motif Acquisition Sub, Inc. and Motif, Inc., to seek an appraisal for the “fair value” of their Motif, Inc. shares from the Delaware court within 20 days after the date of mailing of the notice of merger (18 March 2015). It is therefore possible that some former Motif, Inc. shareholders may not accept the Ordinary Shares offered to them, however, more than 50 per cent. of the shareholders have already waived this right by voting in favour of the merger. The Motif Merger Agreement is expected to complete immediately prior to completion of the Nuprim Merger Agreement and Admission.

At the same time, all outstanding, unexercised and vested stock options over shares of common stock in Motif, Inc. which are governed by the terms of the MIP, as well as the Non-Plan Options for which all of the holders expressly agreed to the conversion, are to be converted into options over Ordinary Shares. 13,476,503 stock options over shares of common stock in Motif, Inc. are to be converted into options over 13,476,503 Ordinary Shares.

The merger is conditional upon Admission.

Merger Agreement for the Acquisition of Nuprim

On 31 December 2014, Motif, Inc. entered into the Nuprim Merger Agreement with Nuprim and the Former Nuprim Shareholders pursuant to which Nuprim will merge with and into Motif, Inc., which will be the surviving corporation. Subject to completion of the transaction, Motif, Inc. will obtain the exclusive worldwide rights to the assets owned by Nuprim, including the iclaprim assets, and the rights to acquire 600 kilograms of iclaprim API over a period ending 31 December 2017.

As part of the transaction Motif, Inc. is responsible for costs and expenses related to or arising from the transfer prices of the iclaprim assets, including storage and delivery costs of the physical drug supply and inventory which are due and payable after 17 October 2014 and Motif, Inc. must assume and accept the terms and obligations arising under the Acino-LSMG agreement, including payment obligations. Motif, Inc. is also responsible for any third-party legal or administrative costs incurred by Nuprim in connection with the transaction, up to a maximum of US$25,000 and any obligations arising under a sale and purchase agreement between F. Hoffmann-La Roche Ltd, Hoffmann-LaRoche Inc and Arpida Ltd., dated 1 June 2001.
1,513,040 shares of common stock in Motif, Inc. were issued to the Former Nuprim Shareholders on 17 October 2014 when the term sheet was executed, such shares to be held in escrow pending closing of the merger. These shares of common stock in Motif, Inc. are to be converted into Ordinary Shares in the Company on Admission. Further details of this share exchange can be found at paragraph 13.8 of this Part VI. A further 9,805,400 Ordinary Shares are to be issued to the Former Nuprim Shareholders at Completion and 9,432,033 Nuprim Warrants which, when exercised, will constitute 9,432,033 Ordinary Shares. In the event that Motif fails to advance the development of iclaprim by commencing clinical development by 15 February 2017, the Former Nuprim Shareholders have the right to acquire the iclaprim assets for a purchase price of US$10,000.

13.10 CPNs for pre-Admission fundraising

On 12 January 2015, Motif Inc. entered into four CPNs, as part of a pre-Admission fundraising, for a total of £470,298. The funds raised are to be used to fund the costs of Admission and the development of the pharmaceutical products held by Motif, Inc.

Upon Admission becoming effective the principal amount owed by Motif, Inc. under the CPNs, with all accrued but unpaid interest thereon, will be automatically converted into 2,612,766 Ordinary Shares, with the number of Ordinary Shares being calculated at an exercise price equal to a 10 per cent. discount to the Placing Price. Interest is payable on the principal of the CPNs at a rate of 5 per cent. per annum and any amounts due to the holders of the CPNs at Admission will be paid in cash.

In addition, at Admission, the Company will issue a total of 499,570 CPN Warrants to the holders of the CPNs. The CPN Warrants shall be exercisable at any time between Admission and 31 December 2016 and any CPN Warrants which have not been exercised by 31 December 2016 shall lapse. The Ordinary Shares issued upon exercise of the CPN Warrants shall be subject to, and have all the rights, preferences, privileges and obligations as all of the other Ordinary Shares in existence at that time. Further details of the CPN Warrants can be found in paragraph 8.1.5 of this Part VI.

13.11 Sub-lease Agreement with Plumtree

Motif, Inc. will enter into a sub-lease agreement with Plumtree on 1 April 2015, pursuant to which Plumtree will agree to sub-let a desk, leased to Plumtree by Fox Davies Capital Limited under a lease dated 1 September 2014, on Fifth Floor, One Tudor Street, London, EC4Y 0AH (the “Property”). Motif, Inc. has agreed to pay a monthly fee of £400 for the use of the desk, and in addition to the desk, Motif, Inc. is also entitled to use of the meeting room facilities, Wi-Fi, internet and reception facilities at the Property. The agreement can be terminated by either party on three months’ written notice.

13.12 Employment agreement with Stephen Austin

The Company will engage Stephen Austin to provide his services as the company secretary for the Company by way of an employment agreement to be dated 1 April 2015. Mr Austin will be engaged as required from time to time to provide company secretarial services including: (i) maintaining the statutory books and registers of the Company and making the books and registers available for statutory inspection; (ii) preparing minutes of board and shareholder meetings and preparing the resolutions; (iii) providing reminders of filing deadlines for annual returns and accounts; (iv) providing a registered office facility and inspection address for the company registers; and (v) forwarding official notices served at the registered office to a nominated contact.

Mr Austin’s appointment commenced on 21 January 2015 and Mr Austin will be paid £2,500 per month to provide his services. The agreement can be terminated by three months’ written notice given by either party. The Company has the ability to terminate the agreement without notice in certain circumstances. The agreement contains customary confidentiality obligations and is governed by English law.
13.13 Settlement Agreement with Clintec International Ltd (“Clintec”)  
Motif, Inc. and the Company settled all outstanding obligations with Clintec by way of a settlement agreement dated 9 February 2015. The obligations to provide research services to Motif, Inc. were set out in an agreement between Motif, Inc. and Clintec dated 5 June 2007.

It was agreed between the parties that all outstanding obligations would be released by Clintec in return for payment of US$50,000 in cash and the issue of Ordinary Shares to the value of US$200,000, as calculated at the Placing Price.

13.14 Settlement Agreement with Zaki Hosny  
Under an agreement dated 27 March 2015, Motif, Inc. has agreed with Zaki Hosny that US$484,842 owed to Mr Hosny in connection with his services performed as Chief Executive Officer of Motif, Inc. will be settled as follows: (i) US$195,000 is to be satisfied in cash by no later than 10 Business Days after any secondary fundraise conducted by the Company which raises total funds of US$4.3 million when combined with the total of the funds raised at Admission is completed; and (ii) US$289,842 shall be forgiven by Mr Hosny and no payment shall be made by Motif, Inc. for this sum. With regard to the US$195,000 to be satisfied in cash, in the event that Motif, Inc. raises funds in excess of £1.5 million but less than £4.3 million in any secondary fundraise, Motif, Inc. may decide, at the board’s sole discretion, to settle all or part of the monies with Mr Hosny at that time. The payments to be made to Mr Hosny are in full and final settlement for the sums owed.

13.15 Settlement Agreement with Clay Stephens  
Motif, Inc. agreed with Clay Stephens on 29 November 2014 that the sums due to Mr Stephens for accrued and unpaid wages incurred whilst he was the Chief Scientific Officer of Motif, Inc. shall be settled as follows: (i) US$15,000 of the outstanding monies shall be used to exercise the 179,625 share options that Mr Stephens holds over shares of common stock in Motif, Inc. at an exercise price of US$0.06 per share; and (ii) the remaining US$30,000 will be repaid following any secondary fundraise that the Company completes after Admission which raises funds of US$5 million or more.

13.16 Services Agreement with Ashton Tweed Limited  
Motif, Inc. entered into a services agreement with Ashton Tweed Limited (“AT”) on 14 October 2014 under the terms of which AT is to provide Motif, Inc. with an associate who will act as Chief Medical Officer to the Company. At the date of this document Dr David Huang’s services were being provided to Motif, Inc. under this agreement. AT is to be paid US$525 per hour. The term is undefined and the agreement can be terminated on written notice by AT if Motif, Inc. fails to pay invoices or breaches the agreement. Motif, Inc. can terminate on written notice if Dr Huang does not perform to Motif, Inc.’s reasonable satisfaction.

13.17 Collaboration Agreement with Jubilant Biosys Limited  
On 13 June 2012 Motif, Inc. entered into a collaboration agreement with Jubilant. The parties agreed to collaborate exclusively on developing a dihydrofolate inhibitor for MRSA and Beta 3 receptor agonist for over-active bladder. During the first six-and-a-half months of the term, Motif, Inc. is to pay Jubilant a total of US$385,000 in 6 equal instalments. For the development phase (the following 12 month period) of a project, Jubilant and Motif, Inc. are to each to contribute 50 per cent. of the funding required for implementation of the joint project.

The term shall continue to run until Motif, Inc. pays Jubilant the last required payment in respect of any and all compounds discovered by the parties.

Upon a change of control of Motif, Inc., the surviving entity may terminate the agreement by giving Jubilant notice within 90 days of the change of control that it wants to buy out Jubilant’s rights in all the projects governed by the agreement. There is no right for Jubilant to require Motif, Inc., or any successor company, to acquire Jubilant’s rights. There are also mutual termination rights where either party defaults under the agreement and is unable to remedy the default within 60 days of written notice, where one party is affected by a force majeure event for over 90 days and where one party suffers from an event of insolvency.
13.18 Consulting Services Agreement with Veristat LLC
Motif, Inc. entered into a consulting services agreement on 22 January 2015 with Veristat LLC ("Veristat") under the terms of which Veristat will provide Motif, Inc. with medical writing services, including but not limited to preparing an FDA Meeting Briefing document. Veristat has also agreed to be available for consultations with Motif, Inc. when necessary, and to make reports to Motif, Inc. as reasonable and necessary to fulfil the consulting obligations. Veristat’s obligations under the agreement were to be performed between 22 January 2015 and 28 February 2015.

Motif, Inc. has agreed to pay Veristat an hourly fee for the services subject to a maximum of US$25,000. Veristat has agreed to charge Motif, Inc. only for the hours worked where this is less than a total of US$25,000.

The agreement contains customary confidentiality and indemnity provisions and is governed by New York law.

13.19 Agency Agreement with Seven Hills Capital Limited (“SHC”)
SHC has agreed with the Company to make introductions of potential investors to the Company due to SHC’s knowledge of the industry. Should any investments be made by such investors, the Company together with Cairn, Northland and their advisers will determine whether any fees are payable.

13.20 Corporate Finance Agreement with Anvil Partners LLP
The Company has entered into an agreement with Anvil Partners LLP ("Anvil"), dated 25 September 2014, under which Anvil will act as agent for the Company with regards to the introduction of investors to the Company with the aim of raising capital. The Company will pay fees of between 1 and 5 per cent. on the amount raised in the fundraising in which a party introduced by Anvil participates and issues an equivalent percentage of Ordinary Shares to Anvil upon Admission for the successful introduction of investors.

13.21 Corporate Finance Agreement with MC Services AG
On 2 February 2015 the Company entered into an agreement with, which was amended by mutual consent on 5 March, MC Services AG ("MC") under which MC will act as agent for the Company, introducing possible investors to the Company with the aim of raising capital. The Company has paid MC an upfront retainer fee of €25,000 for the introduction of investors to the Company during the pre-Admission marketing. MC will receive a performance commission of 4 per cent. and MCS Warrants will be granted to MC on any capital contributed to the Company by the investors introduced. A total of 82,321 MCS Warrants are to be granted at Admission pursuant to this agreement.

13.22 Consultancy Agreements
Motif, Inc. has entered into a number of consultancy agreements, a summary of which are set out below. Unless stated otherwise, the agreements contain the following standard terms:

- **Termination provisions** – consultancy agreements are entered into for an initial period of 12 months following which the agreement will renew on a six-monthly basis for six month periods, provided that the parties agree to an extension to the agreement in writing. The agreement shall terminate automatically at the end of the initial term, or if the agreement is extended at the end of a six month renewal term, if no extension is agreed;

- **Indemnities** – the consultant provides standard indemnities to Motif, including indemnifying and holding Motif, Inc. harmless against claims, actions, costs, losses and liabilities suffered as a result of failures of the consultant to comply with the agreement, local or federal laws or as a result of negligence of the consultant;

- **Independence of consultants** – the parties intend that the consultant will remain an independent contractor at all times and will not be subject to Motif, Inc.’s direct supervision or control. Consultants are permitted to undertake work for other entities, and are not hired to work exclusively for Motif, Inc.; and

- **Governing law** – the consultancy agreements are governed by New York law.
13.22.1 Freemind Group LLC

Pursuant to an agreement dated 18 December 2013, Freemind Group Limited ("Freemind") has agreed to conduct an on-going strategic assessment of Motif, Inc.'s research objectives, available research projects, available grants and contracts funding opportunities. Freemind has also agreed to advise and assist the Group in identifying the most suitable funding opportunity, advise on alternatives and apply for such funding opportunity, as well as assisting in the preparation of applications for and filing of any applications for such funding opportunity. Motif, Inc. has agreed to pay a quarterly retainer fee of US$2,500 for these services. Once an application (prepared and submitted by Freemind) is awarded an additional award fee of seven per cent. of the total awarded, to a maximum of US$500,000, will be payable.

The agreement will continue until terminated by either party giving 30 days’ written notice prior to the end of a quarter.

13.22.2 Synergy Partners R&D Solutions

Motif, Inc. entered into a consultancy agreement with Synergy Partners on 19 September 2014, which was subsequently amended on 27 December 2014. Pursuant to the agreement Synergy Partners is required to provide Motif, Inc. with consulting, advisory and related services in the area of drug discovery and development and on specific programs as requested by Motif, Inc.

Motif, Inc. has agreed to pay a monthly fee of US$10,000 to Synergy Partners in consideration for the services with any work which requires input from Synergy Partners significantly over the agreed 3-4 days per month being charged at US$450 per hour. In addition, 287,400 stock options (over 287,400 shares of common stock in Motif, Inc.) have been granted to each of the two Synergy Partners’ founding partners. The stock options are exercisable at fair market value and the first 71,850 of the stock options vested on 31 December 2014 with the rest vesting between December 2015 and December 2017.

The agreement will continue until terminated by either party on 30 days’ prior written notice.

13.22.3 Robert McCormack

Motif, Inc. entered into a consultancy agreement with Robert McCormack ("RM") on 1 October 2014 pursuant to which RM is to provide Motif, Inc. with an expert regulatory opinion and guidance for the successful development of novel antibacterials, RM will be paid an hourly fee of US$210 and travel time is to be remunerated at a rate of US$100 per hour.

13.22.4 Brad Spellberg and Mark Wilcox

On 7 November 2014, Motif, Inc. entered into consultancy agreements with Brad Spellberg and Mark Wilcox (the “Consultants”). The Consultants are to provide Motif, Inc. with expert clinical opinion and guidance on the successful development of novel antibacterials and will be paid a fixed hourly rate of US$500, with the exception of any meeting scheduled to last over 6 hours where the meeting fee will be capped at US$3,000.

13.22.5 BAL Pharma Consulting LLC

On 17 November 2014, Motif, Inc. entered into a consultancy agreement with BAL Pharma. BAL Pharma will provide Motif, Inc. with a commercial assessment with a clinical development strategy/pathway to maximise the valuation of Arpida’s iclaprim. The agreement is governed by the law of the state of New Jersey.

BAL Pharma will be paid US$15,000 in tranches as follows: (i) US$5,000 was paid upon execution of the consultancy agreement; (ii) US$5,000 is to be paid once two thirds of the services have been delivered to Motif, Inc.; and (iii) US$5,000 is to be paid once all consulting services have been delivered and completed.

The initial term of the agreement is 9 months from the date of execution and either party may terminate the agreement by giving 7 days’ notice to the other.
13.22.6 Ralph Corey
On 22 November 2014, Motif, Inc. entered into a consultancy agreement with Ralph Corey (“RC”) pursuant to which RC is to provide Motif, Inc. with an expert clinical opinion and guidance in the successful development of novel antibacterials. RC will be paid an hourly fee of US$500, with the exception of any meeting scheduled to last over 6 hours where the meeting fee will be capped at US$3,000.

13.22.7 Palaiyur Kalyanaraman
Motif, Inc. entered into a consultancy agreement with Palaiyur Kalyanaraman (“PK”) on 30 November 2014 pursuant to which PK has agreed to provide legal advice on domestic and foreign patent strategies for the DHFRi development programme as an independent consultant. Motif, Inc. and PK have agreed that no payments, other than the reimbursement of expenses, shall be made to PK until Motif, Inc. has raised at least US$5 million to execute the DHFR Inhibitor development programme, following which a monthly consultancy fee of US$4,166.67 will be payable to PK. In addition, 287,400 stock options (over 287,400 shares of common stock in Motif, Inc.) have been granted to PK. The stock options are exercisable at fair market value and the first 71,850 of the stock options vested on 31 December 2014 with the rest vesting between December 2015 and December 2017.

13.22.8 D. Euan MacIntyre
On 30 November 2014, Motif, Inc. entered into an agreement with D. Euan MacIntyre (“EM”) for the provision of pharmacology expert input and guidance for the DHFRi programme. EM will be paid a monthly fixed fee of US$4,166.67 once Motif, Inc. has raised at least US$5 million to execute the DHFR Inhibitor development programme with no payments, other than the reimbursement of expenses, being paid to EM prior to this. In addition, 287,400 stock options (over 287,400 shares of common stock in Motif, Inc.), exercisable at fair market value, were granted to PK at the execution of the agreement. The first 71,850 of the stock options vested on 31 December 2014 with the rest vesting between December 2015 and December 2017.

13.22.9 Xpharma Consulting LLC
On 16 December 2014, Motif, Inc. entered into an agreement with XC under the terms of which XC will provide drug development and specific medicinal chemistry expert input and guidance for the DHFRi development programme. Motif, Inc. has agreed to pay XC US$200 per hour for the services and will reimburse any pre-approved business expenses.

13.22.10 Tom File
A consultancy agreement was entered into on 19 December 2014 between Motif, Inc. and Tom File (“TF”) under which TF has agreed to provide an expert clinical opinion and guidance in the successful development of novel antibacterials and will be paid a fixed hourly rate of US$350, with the exception of any meeting scheduled to last over 6 hours where the meeting fee will be capped at US$2,100.

13.22.11 THOT consulting Sagl
Pursuant to an agreement dated 30 December 2014, Motif, Inc. has agreed to engage THOT Consulting Sagl (“THOT”) to provide expert input and guidance for the development of the iclaprim assets acquired by the Company pursuant to the Nuprim Merger Agreement described at paragraph 13.9 above.

The agreement will continue for a period of 24 months from 30 December 2014 and thereafter the agreement shall terminate automatically at the end of the initial term, or if the agreement is extended at the end of a six month renewal term, unless the parties agree to an extension to the agreement in writing.

Motif, Inc. has agreed to pay THOT a monthly fixed fee of US$8,500 and will reimburse THOT for pre-approved business expenses.
13.22.12 W. Tad Archambault
On 8 January 2015 Motif, Inc. entered into an agreement with Virtu Stat, Ltd. for the services of W. Tad Archambault (“TA”) who will provide Motif, Inc. with expert statistical opinions and guidance for the successful development of novel antibacterials. TA will be paid an hourly fee of US$300, with the exception of any meeting scheduled to last over 6 hours where the meeting fee will be capped at US$1,800.

13.22.13 Lewis Barrett III
Under an agreement dated 20 January 2015, Motif, Inc. entered into a consultancy agreement with Lewis Barrett III (“LB”) pursuant to which LB has agreed to provide Motif, Inc. with commercial expert input and guidance for the iclaprim development programme and potential in-licence candidates. LB will be paid an hourly fee of US$425.

13.23 Confidentiality Agreements
Motif, Inc. has entered into a number of confidentiality agreements with third parties it may wish to engage with in relation to its business. These agreements contain standard confidentiality undertakings and oblige the third parties to protect the confidential information of Motif, Inc. that they receive and use it only for the purpose for which it was shared.

13.24 Other Agreements not in the Usual Course of Business
13.24.1 John Amatruda
On 29 September 2014 Motif, Inc. entered into an agreement with John Amatruda pursuant to which John Amatruda is required to provide a clinical assessment of a proposed transaction between Motif, Inc. and Nuprim. Motif, Inc. has agreed to pay John Amatruda a fee of US$450 per hour.

The agreement is for an initial term of 3 months from 30 September 2014 following which it will be renewed by mutual agreement on a monthly basis 30 days in advance of the renewal date. The agreement can be terminated at the end of the initial term or any renewal term.

13.24.2 Yellow Jersey PR Limited
On 22 October 2014 Motif, Inc. entered into an agreement with Yellow Jersey under the terms of which Yellow Jersey is to provide financial public relations services to Motif, Inc. for a monthly fee of £2,000. The agreement is to run for a fixed term of four months and will continue on a rolling monthly basis during which time it can be terminated by either party giving one month’s written notice.

13.24.3 Equity Development Limited
On 3 November 2014, Motif, Inc. entered into a services agreement with Equity Development. Equity Development is required to introduce the Group to prospective investors and once the Company’s shares are admitted to trading on AIM, Equity Development will provide regular research coverage and organise on-going investor relations. Motif, Inc. is to pay Equity Development a set charge of £10,000 for analytical and marketing contributions before the initial public offering. Upon Admission, a retainer of £9,000 is payable by Motif, Inc. (quarterly in advance) over an initial 6 month term.

Motif, Inc. may terminate the agreement by giving Equity Development 30 days’ prior written notice. Either party may terminate for a breach of the agreement by the other party, if the other party suffers an event of insolvency or if the other party ceases or threatens to cease to carry on business. If the Company successfully completes the initial public offering, but its shares subsequently cease to trade publicly whilst the agreement is still in place, Motif, Inc. will be deemed to have terminated this agreement.
On 2 September 2014 Motif, Inc. entered into an agreement with Plumtree, which engages Plumtree to provide introductions to potential investors, negotiate with such investors on the terms of the fundraise and project manage the Admission process generally. The agreement can be terminated by either party giving the other one month’s written notice to the other. In certain circumstances the agreement can be terminated by Plumtree with immediate effect. Motif, Inc. has provided certain customary indemnities to Plumtree under the terms of this agreement. The agreement is governed by English law.

14. Related Party Transactions
The Company has entered or will enter into the following related party transactions during the three financial years ended 31 December 2014 and up until the date of this document.

14.1 Agreement with Amphion for services of Robert Bertoldi
On 1 April 2015 the Company will enter into an agreement with Amphion pursuant to which Amphion will provide the services of Robert Bertoldi to the Company for 20 hours per calendar month. Mr Bertoldi will be appointed to the Board of the Company and will hold the position of Chief Financial Officer.

The Company has agreed that a monthly sum of US$5,000 will be due to Amphion for Mr Bertoldi’s services, however payment this sum will be deferred until the Company has: (i) raised funds of at least £4.3 million; or (ii) the board resolves to pay the additional amount, in the event that the Company raises funds in excess of £1.5 million but less than £4.3 million, all amounts being calculated from the total of the funds raised at Admission and the funds raised in any secondary fundraise conducted by the Company after Admission whether on AIM or any other market.

The agreement will continue for an initial period of 12 months commencing on 1 April 2015 (the “Commencement Date”) during which time the agreement cannot be terminated by either party and will automatically renew on an annual basis unless terminated by either party giving 90 days’ written notice to the other prior to the anniversary of the Commencement Date.

The agreement contains standard confidentiality and indemnity provisions and is governed by English law.

14.2 Advisory and Consultancy Agreement with Amphion US
The Company will enter into an agreement with Amphion US on 1 April 2015 pursuant to which Amphion US is required to provide advisory and consulting services, including in relation to strategic partnership development, with respect to the general affairs of the Company. The Company has agreed that a fee of US$120,000 per annum shall be due to Amphion US for the provision of the services, however, payment of this sum will be deferred until the Company has: (i) raised funds of at least £4.3 million; or (ii) the board resolves to pay the additional amount, in the event that the Company raises funds in excess of £1.5 million but less than £4.3 million, all amounts being calculated from the total of the funds raised at Admission and the funds raised in any secondary fundraise conducted by the Company after Admission whether on AIM or any other market. In addition, in the event that the Company raises £5 million or more (calculated from the total of funds raised at Admission and the funds raised in any Secondary Fundraise) the Company will make a one-time payment of US$300,000 to Amphion US, to be paid within 20 Business Days of such a fundraise.

The agreement will continue for a minimum period of 12 months and will renew automatically on the anniversary of the commencement date for successive periods of 12 months unless terminated by either party giving the other 90 days’ written notice in advance of the anniversary of the commencement date.

The agreement contains standard confidentiality and indemnity provisions and is governed by English law.
14.3 **CPNs**

**14.3.1 Motif, Inc. – 2008-2014**

Between 3 July 2008 and 30 September 2014, Motif, Inc. issued a number of CPNs to Amphion (the “**Amphion Notes**”), and Amphion US, as well as to Tisu Investments Ltd, Brino Investments Ltd and Mowodi Foundation raising a total of US$7,946,896.

On 1 April 2015, Amphion will exercise the options in some of the Amphion Notes and convert US$6 million of the outstanding debt into 24,538,058 shares of Motif, Inc. common stock at an exercise price of 24.47 cents per share of common stock, which will be converted into new Ordinary Shares at Admission under the terms of the Motif Merger Agreement. At Admission a total of US$1,471,700 will remain outstanding to Amphion. Motif, Inc. will enter into a CPN with Amphion to be dated 1 April 2015 regarding these outstanding monies. Further details of this CPN can be found at paragraph 14.3.2 below.

Motif, Inc. granted a CPN to Amphion US on 31 December 2010 pursuant to which Motif, Inc. has agreed to pay US$886,707.30 plus interest at 5 per cent. per annum to Amphion US. In addition, under the terms of a consultancy and advisory agreement dated 1 April 2004, Amphion US is owed US$1 million by Motif, Inc. in consultancy and advisory fees. At the date of Admission, a total of US$2,079,085.69 will be outstanding to Amphion US. Motif, Inc. will enter into a CPN with Amphion US to be dated 1 April 2015 regarding these outstanding monies. Further details of this CPN can be found at paragraph 14.3.2 below.

On 20 January 2015, Tisu Investments Ltd, Brino Investments Ltd and Mowodi Foundation exercised the option in their CPNs, conditional on Admission, to convert US$90,656.30, US$48,774.66 and US$139,356.16 of the outstanding debt into 608,699, 294,775 and 865,486 shares of Motif, Inc. common stock respectively at an exercise price of 24.47 cents per share of common stock. On Admission this common stock is to be transferred to the Company in exchange for a total of 1,139,152 new Ordinary Shares.

**14.3.2 Motif, Inc. – 2015**

Motif, Inc. is to grant a CPN to Amphion on 1 April 2015 to cover the US$1,471,700 which will remain outstanding and unconverted at Admission as a result of CPNs and advances which have not yet been repaid or converted (the “**Amphion Note 2015**”). Motif, Inc. will also grant a CPN to Amphion US on 1 April 2015 to cover the US$2,079,085.69 which remains outstanding and unconverted at Admission as a result of advisory fees and certain advances on expenses which have not yet been repaid (the “**Amphion US Note 2015**” and together with the Amphion Note 2015, the “**2015 Notes**”).

The 2015 Notes have the following principal terms:

14.3.2.1 the monies due under with the 2015 Notes are repayable on 31 December 2016;

14.3.2.2 interest will accrue at a rate of 7 per cent. per annum on the outstanding sums but will not be payable until 31 December 2016 or the date of payment of the outstanding sums if this is earlier;

14.3.2.3 the 2015 Notes can be repaid at any time at the option of Motif, Inc. Where Motif, Inc. opts to repay the sums prior to 31 December 2016, Amphion and Amphion US respectively will have the option to request that the monies are converted into Ordinary Shares at a rate of US$0.2447 rather than having the monies repaid in cash. Motif, Inc. will retain the right to refuse to convert the monies where to do so would result in Amphion and/or Amphion US holding more than 50 per cent. of the Ordinary Share capital of the Company; and

14.3.2.4 Amphion and Amphion US respectively will have the right to demand payment of the outstanding sums at any time after 31 December 2016 or conversion of the monies at a rate of US$0.2447.
14.3.3 Due to the size of the Amphion group’s shareholding in the Company (which for these purposes includes those of the Amphion affiliates, including Amphion US) any increase in the size of Amphion’s shareholding, (other than the conversion of any CPNs, Options or Warrants as described in paragraph 6.2 of this Part VI above) will require Amphion to make a mandatory cash offer for all of the remaining Ordinary Shares of the Company in accordance with the Takeover Code (further details of this mandatory offer requirement are set out in paragraph 6.1 of this Part VI). Any derogation from this mandatory requirement would require the approval of the Takeover Panel and a whitewash resolution approved by the independent shareholders of the Company.

15. Acquisition of the Nuprim Assets
Motif, Inc. has entered into a conditional agreement to acquire the exclusive worldwide rights to the assets of Nuprim, including the iclaprim assets by virtue of the Nurpim Merger Agreement, such agreement being conditional, inter alia, on Admission. Below is a summary of the agreements which were entered into between various parties and explain the transfer of the iclaprim assets from F.Hoffman-La Roche Ltd to Nuprim, and then by way of the Nuprim Merger Agreement on to Motif, Inc. and the Group:

15.1 Roche-Arpida Sale and Purchase Agreement
Pursuant to a sale and purchase agreement between F. Hoffman-La Roche Ltd. (“Roche Basel”) and Hoffman-La Roche Inc. (“Roche Nutley”) on the one hand, and Arpida, Ltd., the predecessor in interest to Acino Pharma AG (“Arpida”), on the other hand, dated 1 June 2001, Roche Basel sold, transferred, and assigned the “Assets” (defined in the agreement as know-how and patents) related to Ro 48-2622, that were owned by Roche Basel and Roche Nutley, to Arpida for 75,000 Swiss Francs plus royalties on net sales ranging from 1-5 per cent. depending on the drug involved.

The royalty obligations under this agreement are on a country by country basis until: (i) the last date on which the making, having made, using, selling, offering for sale or importing of the drug in the given country would infringe a valid patent claim, but for the agreement; or (ii) ten years after the first commercial sale of the drug in the given country, whichever is longer; during which time there is also a duty to commercialise the assets. The purchaser under this agreement also bears the obligation to pay all costs and expenses incurred in connection with the agreement, including but not limited to value added, excise or transfer taxes or government authority fees.

15.2 Acino-LSMG Sale and Purchase Agreement
Pursuant to a sale and purchase agreement dated 13 September 2013, Acino Pharma AG (“Acino”) sold to Life Sciences Management Group, Inc. (“LSMG”) on an as-is basis the following Acino-owned or licensed iclaprim assets: (i) certain abandoned patents; (ii) information, know-how and goodwill, as contained in the Acino’s electronic files (the “Dossier”); (iii) available health and regulatory registrations and/or applications, contained in the Dossier; (iv) documentation, records, and work product as contained in the Dossier; (v) the rights and obligations arising under the sale and purchase agreements between F. Hoffman-LaRoche and Arpida Ltd. dated 1 June 2001, and the rights and obligations arising under other agreements pertaining to the iclaprim product, as contained in the Dossier (the “iclaprim Assets”). In addition, LSMG agreed to purchase, over a period ending 31 December 2017, all or parts of the remaining 613 kg of drug substance iclaprim (at 600 Euros per kg, exclusive of shipping, insurance, and handling). After 31 December 2017, Acino is entitled to dispose of or destroy any unpurchased quantities in Acino’s possession.

The total consideration paid under this agreement was US$510,000; US$10,000 as initial consideration, the remaining US$500,000 upon the completion of an iclaprim Phase III clinical study. The purchaser under this agreement also agreed to pay all costs incurred with the transfer of the assets, all costs related to the product incurred after the agreement date, and the costs for storage of the drug, at a fee of €4,800 per year, payable in two instalments per year.
15.3 **Nuprim Nominee Agreement**

Pursuant to a nominee agreement as amended by an amended and restated nominee agreement effective as of 12 September 2013, executed by LSMG on the one hand, and the Former Nuprim Shareholders on the other hand, LSMG was nominated to enter into the Acino-LSMG Sale and Purchase Agreement on behalf of the individual shareholders in the following percentages: 42.5 per cent. on behalf of each of R. Michael Floyd and Khalid Islam; 10 per cent. on behalf of Sergio Lociuro; and 5 per cent. on behalf of Brad Spellberg.

15.4 **LSMG Assignment Agreement**

Pursuant to the LSMG Assignment Agreement as confirmed by a confirmatory Intellectual Property Assignment Agreement effective as of 30 September 2014 executed by LSMG’s on the one hand, and the Former Nuprim Shareholders on the other hand, LSMG, which held title to certain assets as nominee for the individual shareholders, assigned all of its right, title and interest in the assets purchased under the Acino-LSMG Sale and Purchase Agreement to the individual shareholders in the following percentages: 42.5 per cent. assigned to each of R. Michael Floyd and Khalid Islam, 10 per cent. assigned to Sergio Lociuro and 5 per cent. assigned to Brad Spellberg.

15.5 **Assignment Agreement from Four Individual Nuprim Shareholders to Nuprim**

Pursuant to an Assignment Agreement, as amended and restated by a confirmatory Intellectual Property Assignment Agreement effective as of 30 September 2014 executed by Nuprim on the one hand, and the Former Nuprim Shareholders on the other hand. The Former Nuprim Shareholders, each of whom owned an undivided interest in the assets purchased under the Acino-LSMG Sale and Purchase Agreement assigned all of their right, title and interest in the assets to Nuprim and Nuprim accepted the same.

16. **Directors, Employees and Consultants**

16.1 The Company has one executive director, who is employed by the Company under a service agreement. Seven of the Company’s Non-executive Directors have been appointed by the Company under letters of appointment and the services of the other Non-executive Director are supplied to the Company under a consultancy agreement with Amphion. Details of the service agreement, letters of appointment and consultancy agreement can be found at paragraphs 10.1, 10.2 and 14.1 of this Part VI.

16.2 The Group has had one employee, based in New York, since May 2013. From Admission the Group will have an additional employee based in London, UK. The Group has had no other employees. The Group does, however, have a number of consultants who are each engaged under the terms of a consultancy agreement. Further details of the consultancy agreements are set out in paragraph 13.22 of this Part VI.

17. **United Kingdom Taxation**

17.1 **General**

17.1.1 The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of Shareholders who are resident and domiciled in the UK and are holding shares as an investment. We have not considered the implications for Shareholders who acquire any shares or rights over shares in connection with any office or employment. Furthermore, the position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. The paragraphs below are based on current UK legislation and HMRC practice (which may be subject to change). It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares traded on AIM are generally treated as unquoted for these purposes.
17.1.2 Shareholders should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and may alter the benefits of any investment in the Company.

17.1.3 Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

17.1.4 The information in these paragraphs is intended as a general summary of the UK tax position (without aiming for completeness) and should not be construed as constituting advice.

17.2 Taxation of dividends

17.2.1 Under current UK legislation, no UK tax is required to be withheld from dividend payments by the Company.

17.2.2 A UK tax resident individual Shareholder will be entitled to a tax credit in respect of any dividend received from the Company and will be liable to income tax on the aggregate of the dividend and the tax credit (the “gross dividend”). The value of the tax credit is one ninth of the dividend received (or ten per cent. of the gross dividend). Dividend income from the Company will be treated as forming the highest part of an individual Shareholder’s income. The income tax rates in respect of dividends are 10 per cent., 32.5 per cent. or 37.5 per cent. depending on the amount of taxable income of the individual, but the individual will be able to set off the tax credit against this liability.

17.2.3 UK tax resident Shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals, are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HMRC.

17.2.4 A UK tax resident corporate holder of Ordinary Shares which receives a dividend paid by the Company will generally be subject to UK corporation tax in respect of that dividend, unless such dividend falls within the wide exemptions from UK corporation tax for distributions in Part 9A of the Corporation Tax Act 2009 (which are subject to certain exclusions and specific anti-avoidance rules).

17.2.5 Trustees of discretionary trusts receiving dividends from Ordinary Shares are also liable to account for income tax, generally at the rate 37.5 per cent.

17.2.6 Whether a Shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company or to claim payment of any part of the tax credit, will depend, in general, on the provisions of any double taxation convention which exists between the Shareholder’s country of residence and the UK. A non-UK tax resident Shareholder may also be subject to foreign taxation on dividend income.

17.2.7 Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed, and what tax may be payable in respect of a dividend received from the Company, in the jurisdiction in which they are resident.

17.3 Taxation of chargeable gains

17.3.1 For the purpose of UK tax on chargeable gains, the acquisition of Ordinary Shares pursuant to the Placing and Subscription will be regarded as an acquisition of a new holding in the share capital of the Company. The amount paid for the Ordinary Shares will usually constitute the base cost of a Shareholder’s holding.

17.3.2 If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the Shareholder’s circumstances and subject to any available exemptions and reliefs.
17.3.3 A UK tax resident individual Shareholder who disposes (or is deemed to dispose) of all or part of their Ordinary Shares may be liable to capital gains tax in relation to the disposal proceeds (or deemed disposal proceeds) at rates up to 28 per cent., subject to deduction from the disposal proceeds (or deemed disposal proceeds) of the relevant Ordinary Shares’ base cost and incidental costs of acquisition and disposal, and subject to any available exemptions and reliefs. In addition, an individual UK Shareholder who ceases to be a tax resident in the UK for a period of less than five complete years and who during that period of temporary non-residence disposes of any Ordinary Shares held prior to such period may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK.

17.3.4 Shareholders who are not resident in the UK (or temporarily non-resident – see above) and do not carry on a trade, profession or vocation through a branch or agent in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

17.3.5 A UK tax resident corporate Shareholder disposing of its Ordinary Shares may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (the main rate currently being 21 per cent. and being reduced to 20 per cent. from 1 April 2015).

17.3.6 In computing the chargeable gain liable to corporation tax, the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the Ordinary Shares as increased by an indexation allowance to adjust for inflation, together with incidental costs of acquisition and disposal costs.

17.3.7 The UK operates a substantial shareholding exemption regime which may apply to the disposal of Ordinary Shares by corporate Shareholders subject to certain conditions being met.

17.4 Inheritance Tax

17.4.1 Ordinary Shares are assets situated in the UK for the purposes of UK inheritance tax.

17.4.2 Individuals and trustees subject to UK inheritance tax in relation to a holding of Ordinary Shares may be entitled to business property relief of up to 100 per cent. after a holding period of two years, provided that all the relevant conditions for the relief are satisfied at the appropriate time.

17.4.3 Investors who are concerned with the potential UK inheritance tax implications of their Ordinary Shares should consult their own tax adviser.

17.5 Enterprise Investment Scheme (“EIS”)

17.5.1 The Company has applied for and obtained an advance assurance from HMRC that the Company is a “qualifying company” for the purposes of the EIS and that the conditions set out in Part 5 of the Income Tax Act 2007 will be satisfied (save for the conditions in Chapter 2 of Part 5 that relate to the individual circumstances of investors). The advance assurance is conditional on all relevant conditions for EIS being met at the relevant times and on the acceptance by HMRC of the relevant EIS returns filed by the Company following the issue of EIS Shares. In particular, the advance assurance does not take into account the precise structure of this Placing and Subscription or any changes to the structure of the Group since the date of the advance assurance (10 December 2014), in particular the acquisition of and merger with Nuprim (details of which are set out in paragraphs 3, 13.9 and 15 of Part VI of this document).

17.5.2 It should be noted that the advanced assurance relates only to the qualifying status of the Company, the Placing Shares and/or the Subscription Shares and that it does not guarantee that any particular individual Shareholders will qualify for relief under EIS in respect of
an acquisition of Placing Shares and/or the Subscription Shares. The conditions for EIS relief are complex and depend not only on the qualifying status of the Company, but also on the circumstances of individual investors.

17.5.3 The Company cannot guarantee or undertake to conduct its business following Admission, in a way to ensure that the Company will continue to meet the requirements for EIS in Part 5 of the Income Tax Act 2007.

17.5.4 Neither the Company nor its advisers give any warranties or undertakings that EIS relief will be available or that, if given, such relief will not be withdrawn.

17.5.5 The following paragraphs provide an outline of the EIS tax reliefs potentially available to individuals and trustee investors. Any potential investor should obtain independent advice from a professional advisor as a claim for relief will be conditional upon his or her own circumstances and is subject to holding the relevant EIS Shares throughout the relevant three year period.

17.5.6 In addition, for EIS relief not to be withdrawn, a number of conditions must be complied with throughout the qualifying period relating to the relevant issue of Ordinary Shares.

17.5.7 In summary, EIS relief may be available where a qualifying company issues new ordinary shares, the purpose of which is to raise money for a qualifying business activity. The EIS shares must be subscribed for in cash and be fully paid up at the date of issue and must be held for a minimum of three years after they were issued.

17.5.8 EIS income tax relief is available to individuals only – the current relief is 30 per cent. of the amount subscribed for EIS shares to be set against the individual’s income tax liability for the tax year in which the EIS investment is made, and is available up to a maximum of £1,000,000 in EIS subscriptions per tax year. This relief can be “carried back” one tax year (subject to the overriding limit for relief in that tax year). This relief is only available to individuals who are not connected with the Company in the period of two years prior to and three years after the subscription.

17.5.9 Very broadly, an individual is connected with the issuing company if, inter alia, he or his associates are employees or directors or have an interest in more than 30 per cent. of the Company’s ordinary share capital or voting rights.

17.5.10 Where EIS income tax relief has been given and has not been withdrawn, any gain on the subsequent disposal of the EIS shares in qualifying circumstances is generally free from capital gains tax. If the shares are disposed of at a loss, capital gains tax relief will generally be available for that loss net of any income tax relief previously given. Alternatively, an election can be made to set that loss (less any income tax relief already given) against income of that year or any income of the previous year.

17.5.11 Individuals and trustees who have realised gains on other assets within one year before or up to three years after the EIS shares are issued, are able to defer a capital gains tax liability arising on those gains by making a claim to reinvest an amount of those gains against the cost of the EIS share subscription. Deferred gains will generally become chargeable on a disposal or deemed disposal of the EIS shares. The investor can be connected with the Company (as outlined above) and still obtain such capital gains tax deferral relief.

17.6 Venture Capital Trust Investment

17.6.1 The Company has applied for and obtained advance assurance from HMRC that the Placing Shares and Subscription Shares should be able to form part of a qualifying holding for the purposes of the VCT legislation (in Chapter 4 of Part 6 of the Income Tax Act 2007). The advance assurance and the status of the Placing Shares and Subscription Shares as a qualifying holding for VCT purposes are conditional, inter alia, upon the Company continuing to satisfy the relevant requirements (which it cannot be guaranteed will be the case at all relevant times). In particular, the advance assurance does not take into account...
the precise structure of this Placing and Subscription or any changes to the structure of the Group since the date of the advance assurance (10 December 2014), in particular the acquisition of and merger with Nuprim (which are set out in paragraphs 3, 13.9 and 15 of Part VI of this document).

17.6.2 The advanced assurance relates only to the qualifying status of the Company and its Placing Shares and Subscription Shares and does not guarantee that any particular Venture Capital Trust will qualify for relief in respect of an acquisition of Placing Shares and/or Subscription Shares. The conditions for relief are complex and depend not only upon the qualifying status of the Company, but also upon certain factors and characteristics of the Venture Capital Trust concerned. Any Venture Capital Trusts who wish to benefit from their Placing Shares and/or Subscription Shares being a qualifying holding for VCT purposes should consult their own tax advisers regarding this.

17.6.3 The Company cannot guarantee or undertake to conduct its business following Admission, in a way to ensure that the Company will continue to meet the requirements of Chapter 4, Part 6, Income Tax Act 2007.

17.6.4 Neither the Company nor its advisers give any warranties or undertakings that the Placing Shares and/or Subscription Shares will be or continue to be capable of constituting a “qualifying holding” for EIS or VCT purposes or that such status will not be withdrawn.


17.6.6 The tax reliefs potentially available to investors in Venture Capital Trusts are outside the scope of this discussion.

17.7 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

17.7.1 No stamp duty or SDRT will generally be payable on the issue of the Placing Shares or the Subscription Shares.

17.7.2 Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

17.7.2.1 the Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

17.7.2.2 AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986).

17.7.3 In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

17.7.4 The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

18. **Litigation**

No member of the Group has engaged in, nor is currently engaged in any governmental, legal or arbitration proceedings which may have had during the 12 months preceding the date of this document a significant effect on its financial position nor, to the best of the Directors’ knowledge, are any such proceedings pending or threatened against any member of the Group.
19. Working Capital
The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and its Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

20. Accounting Matters
20.1 Crowe Clark Whitehill LLP are the auditors of the Group and have audited the financial statements of the Group for each of the financial years covered by the historical financial information set out in Part IV of this document. Crowe Clark Whitehill LLP of St Bride’s House, 10 Salisbury Square, London, EC4Y 8EH is a member of the Institute for Chartered Accountants in England and Wales (ICAEW).

20.2 The accounting reference date of the Company is 31 December in each year. The current accounting reference period of the Company ends on 31 December 2015.

21. General
21.1 Save as disclosed in this document, no person (excluding professional advisers and trade suppliers) has: (a) received directly or indirectly from the Company or any member of the Group within the 12 months preceding the date of this document; or (b) entered into contractual arrangements to receive, directly or indirectly, from the Company or any member of the Group on or after Admission any of the following:

21.1.1 fees totalling £10,000 or more;
21.1.2 securities in the Company having a value of £10,000 or more calculated by reference to the Placing Price; or
21.1.3 any other benefit to a value of £10,000 or more on the date of Admission.

21.2 No government or regulatory authority or similar body, has received payments aggregating over £10,000 with regard to the acquisition, or maintenance of, the Company’s assets.

21.3 The total costs and expenses in relation to Admission, the Placing and Subscription (including registration and London Stock Exchange fees, printing, advertising and distribution costs, legal, accounting, corporate finance and public relations fees and expenses) are payable by the Company and (assuming subscription in full) are estimated to amount to approximately £0.7 million, excluding VAT.

21.4 The gross proceeds expected to be raised by the Placing and Subscription are £2.8 million. The expected net proceeds, after deduction of estimated fees and expenses of the Placing and Subscription, are £2.1 million. The net proceeds of the Placing and Subscription are arrived at by deducting all expenses of the Placing and Subscription from the gross proceeds of the Placing and Subscription.

21.5 There has been no significant change in the financial or trading position of the Company and the Group since 30 June 2014, the date to which the financial information in Part IV of this document has been prepared.

21.6 The Company does not have, nor are there in progress by the Company, any significant investments, and there are no future investments in respect of which the Company has made firm commitments.

21.7 To the extent that information in this document is sourced from a third party, it has been accurately reproduced and so far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21.8 The Directors are not aware of any arrangements in place under which future dividends are waived or agreed to be waived.
21.9 Save as disclosed in this document, there are no trademarks, patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company’s business.

21.10 Save as disclosed in this document, the Company has not identified any specific environmental issues that may affect its utilisation of its tangible fixed assets.

21.11 No public takeover bids have been made by third parties in respect of the Company’s issued share capital since incorporation.

22. **Consents**

22.1 Cairn has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

22.2 Northland has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

22.3 Synergy Partners R&D Solutions has given and not withdrawn its written consent to the inclusion of its report in Part III of this document in the form and context in which it appears.

22.4 Crowe Clark Whitehill LLP has given and not withdrawn its written consent to the inclusion of its report in Parts IV and V of this document in the form and context in which it appears.

23. **Availability of Admission Document**

Copies of this document will be available for inspection during normal business hours on any day (except Saturdays, Sundays and UK public holidays) at the offices of Cairn for one month after Admission and on the Company’s website at www.motifbio.com from the date of this document.

Dated: 27 March 2015
Motif Bio plc
One Tudor Street
London
EC4 0AH

Placing and Admission to AIM