

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This document does not constitute an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), Ordinary Shares or an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), the Placing Shares. This document does not contain an offer of transferable securities within the meaning of section 102B of FSMA and does not constitute a prospectus within the meaning of section 85 of FSMA. Neither does this document constitute an admission document drawn up in accordance with the AIM Rules for Companies. This document has not been examined or approved by the Financial Conduct Authority or the London Stock Exchange or any other regulatory authority.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares will become effective and that dealings will commence on 13 July 2015. The Placing Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 10 to 15 (inclusive) of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice of General Meeting to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS at 12 noon on 10 July 2015, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, United Kingdom by no later than 12 noon on 8 July 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Motif Bio plc

(Incorporated and registered in England and Wales with registered No. 09320890)

Placing of 44,000,000 new Ordinary Shares at 50 pence per share and Notice of General Meeting

Nominated Adviser and Joint Broker

Zeus Capital

Joint Broker



NORTHLAND
CAPITAL PARTNERS LIMITED

Zeus Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and joint broker to the Company in connection with the Placing and Admission, and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of Zeus Capital Limited or for advising any other person in respect of the Placing and Admission or any transaction, matter or arrangement referred to in this document. Zeus Capital Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted Zeus Capital Limited, for the accuracy of any information or opinions contained in this document or for the omission of any information. Zeus Capital Limited, as nominated adviser and joint broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or to any other person.

Northland Capital Partners Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint broker to the Company in connection with the Placing and Admission and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of Northland Capital Partners Limited or for advising any other person in respect of the Placing and Admission or any transaction, matter or arrangement referred to in this document. Northland Capital Partners Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Northland Capital Partners Limited, for the accuracy of any information or opinions contained in this document or for the omission of any information.

The New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland, or Japan. Accordingly, subject to certain exceptions, the New Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The distribution of this document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Shareholders who are residents or citizens of any country other than the United Kingdom and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Motif Bio plc at One Tudor Street, London, EC4Y 0AH from the date of this document to the date of the General Meeting and also from the Company's website www.motifbio.com.

FORWARD LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

CONTENTS

	<i>Page</i>
DEFINITIONS	4
GLOSSARY OF TECHNICAL TERMS	6
DIRECTORS, SECRETARY AND ADVISERS	8
PLACING STATISTICS, EXPECTED TIMETABLE OF PRINCIPAL EVENTS and EXCHANGE RATES	9
LETTER FROM THE CHAIRMAN OF MOTIF BIO PLC	10
NOTICE OF GENERAL MEETING	16

DEFINITIONS

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

“Admission”	the admission to trading on AIM of the Placing Shares becoming effective in accordance with Rule 6 of the AIM Rules;
“AIM”	the AIM market operated by the London Stock Exchange;
“AIM Rules”	the rules for AIM companies as published by the London Stock Exchange from time to time;
“Articles”	the articles of association of the Company;
“Board” or “Directors”	the board of directors of the Company;
“Business Day”	any day which is not a Saturday, Sunday or public holiday on which banks are open for business in the City of London;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Circular” or “this document”	this circular prepared in relation to the Placing and Admission;
“Company” or “Motif”	Motif Bio plc, a company registered in England and Wales with registered number 09320890 and having its registered office at One Tudor Street, London, EC4Y 0AH;
“CREST”	the computerised settlement system to facilitate transfer of title to or interests in securities in uncertificated form operated by Euroclear UK & Ireland Limited;
“Enlarged Share Capital”	the entire issued ordinary share capital of the Company immediately following Admission;
“Existing Ordinary Shares”	the 64,238,442 Ordinary Shares currently in issue at the date of this document;
“Expected Date of Admission”	the later of: (i) the Business Day following the General Meeting; or (ii) 3 clear Business Days following receipt of QIDP designation such grant not to be later than 24 July 2015;
“Form of Proxy”	the form of proxy for use at the General Meeting which accompanies this document;
“FSMA”	the UK Financial Services and Markets Act 2000, as amended;
“General Meeting”	the general meeting of the Company, notice of which is set out at pages 16-17 of this document;
“Group”	the Company and its Subsidiary;
“Joint Brokers”	Zeus Capital and Northland;
“London Stock Exchange”	London Stock Exchange plc;

“Northland”	Northland Capital Partners Limited, a company incorporated in England with company number 02617599 and having its registered office at 131 Finsbury Pavement, London, EC2A 1NT, and who at the date of this document is appointed as the joint broker to the Company;
“Notice of General Meeting”	the notice of the General Meeting, which is set out at pages 16-17 of this document;
“Ordinary Shares”	ordinary shares of one penny each in the share capital of the Company;
“Placing”	the conditional placing of the Placing Shares by Zeus Capital and Northland;
“Placing Agreement”	the conditional placing agreement entered into between the Company and Zeus Capital on 23 June 2015;
“Placing Price”	50 pence per Placing Share;
“Placing Shares”	44,000,000 Ordinary Shares to be issued by the Company pursuant to the Placing;
“Registrars”	Share Registrars Limited of Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, United Kingdom;
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting;
“Shareholder(s)”	holder(s) of Ordinary Shares;
“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;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	a share or security recorded in the Company’s register of members as being held in uncertificated form, title to which may be transferred by means of CREST;
“US” or “United States”	the United States of America; and
“Zeus Capital” or “Nominated Adviser” or “Nomad”	Zeus Capital Limited, a company incorporated in England with company number 04417845 and having its registered office at 82 King Street, Manchester, M2 4WQ and who at the date of the document is appointed as the nominated adviser and joint broker to the Company.

GLOSSARY OF TECHNICAL TERMS

“ABSSSI”	acute bacterial skin and skin structure infections;
“API”	active pharmaceutical ingredient;
“clinical development”	human testing (healthy volunteers and patients) of pharmaceutical products;
“CRO”	clinical research organisation;
“cSSSI”	complicated skin and skin structure infections;
“DHFRi”	a dihydrofolate reductase inhibitor (DHFR inhibitor) being a molecule that inhibits the function of dihydrofolate reductase and is a type of antifolate;
“FDA”	the US Food and Drug Administration;
“GAIN Act”	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 market exclusivity period of 10 years;
“Gram-positive and Gram-negative bacteria”	<p>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.</p> <p>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;</p>
“HABP”	hospital acquired bacterial pneumonia;
“Hatch Waxman”	the Drug Price Competition and Patent Term Restoration Act 1984;
“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;
“mechanism”	the way a medicine works;
“MDRSP”	Multi-Drug Resistant Streptococcus Pneumoniae;
“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 DHFRi;
“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; and
“QIDP”	Qualified Infectious Disease Product.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Richard Cecil Eversfield Morgan Graham George Lumsden Robert (“Bob”) Joseph Bertoldi Maria Charlotta (“Charlotta”) Ginman-Horrell Jonathan Eliot Gold Zaki Hosny Dr Mary Lake Polan Dr John Wilbur Stakes III Bruce Andrew Williams	<i>(Non-executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Chief Financial Officer)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i>
Company Secretary	Stephen Austin LL.B (Hons)	
Registered Office	One Tudor Street London, EC4Y 0AH United Kingdom	
Nominated Adviser and Joint Broker	Zeus Capital Limited 82 King Street Manchester, M2 4WQ and 23 Berkley Square London, W1 6HE	
Joint Broker	Northland Capital Partners Limited 131 Finsbury Pavement London, EC2A 1NT	
Solicitors to the Company	Reed Smith LLP The Broadgate Tower 20 Primrose Street London, EC2A 2RS	
Solicitors to the Nominated Adviser and Joint Brokers	Marriott Harrison LLP 11 Staple Inn London, WC1V 7QH	
Auditor	Crowe Clark Whitehill LLP St Bride’s House 10 Salisbury Square London, EC4Y 8EH	
Registrars	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey, GU9 7LL	

PLACING STATISTICS

Placing Price	50p
Number of Placing Shares	44,000,000
Number of Existing Ordinary Shares ⁽¹⁾	64,238,442
Enlarged Share Capital following Admission	108,238,442
Percentage of the Enlarged Share Capital represented by the Placing Shares	40.7 per cent.
Gross Proceeds of the Placing	£22 million
Estimated net proceeds of the Placing	Approximately £20.75 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

This document posted to Shareholders (by first class post)	23 June 2015
Latest time and date for receipt of Form of Proxy	12 noon on 8 July 2015
General Meeting	12 noon on 10 July 2015

Admission and dealings in the Placing Shares expected to commence on AIM on the later of: (i) the business day following the General Meeting: or (ii) 3 clear business days following receipt of QIDP designation such grant not being later than 24 July 2015.

Despatch of definitive share certificates in respect of the Placing Shares to be held in certificated form	Within 14 days of Admission
--	-----------------------------

EXCHANGE RATES

The exchange rate used throughout this document, unless otherwise stated, is £1 = US\$1.58, being the closing rate on 22 June 2015, being the last practicable date prior to publication of this document.

Notes:

1. As at 22 June 2015, the last business day prior to publication of this document.
2. Each of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
3. All of the above times refer to London time unless otherwise stated.
4. All events listed in the above timetable following the General Meeting are conditional on the passing at the General Meeting of the Resolutions.

LETTER FROM THE CHAIRMAN OF

Motif Bio plc

(Incorporated in England and Wales under the Companies Act 2006 with registered no. 09320890)

Directors:

Richard Cecil Eversfield Morgan	<i>(Non-executive Chairman)</i>
Graham George Lumsden	<i>(Chief Executive Officer)</i>
Robert ("Bob") Joseph Bertoldi	<i>(Chief Financial Officer)</i>
Maria Charlotta ("Charlotta") Ginman-Horrell	<i>(Non-executive Director)</i>
Jonathan Eliot Gold	<i>(Non-executive Director)</i>
Zaki Hosny	<i>(Non-executive Director)</i>
Dr Mary Lake Polan	<i>(Non-executive Director)</i>
Dr John Wilbur Stakes III	<i>(Non-executive Director)</i>
Bruce Andrew Williams	<i>(Non-executive Director)</i>

Registered office:

One Tudor Street
London
EC4Y 0AH
United Kingdom

23 June 2015

To Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder

Placing of 44,000,000 new Ordinary Shares at 50 pence per share and Notice of General Meeting

1. INTRODUCTION

Motif Bio plc 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 has a leading antibiotic candidate, iclaprim, in clinical development and MTF-001, a preclinical stage programme to design a best-in-class DHFRi, and has built a team of scientists and experts with extensive drug development experience.

At the time of the admission of the Company's shares to trading on AIM on 2 April 2015, the Company stated that additional funding would be needed to carry out the two Phase III clinical trials on iclaprim and to progress the other drug development programmes that the Company was developing. However, subject to funding being available, the Directors anticipated that iclaprim could be ready for commercialisation within approximately 36 months.

The Company has today announced that it has raised £20.7 million, net of expenses, by the proposed allotment and issue by the Company of the Placing Shares at the Placing Price. The Placing is being effected by Zeus Capital and Northland, acting as the Company's Joint Brokers.

The net proceeds of the Placing will be used: (a) to complete preparations to enter Phase III trials with iclaprim, including: (i) ensuring that trial sites for the Phase III trials are set up and ready for the trials to be conducted; (ii) re-qualifying existing iclaprim API; (iii) formulating iclaprim clinical trial supplies; (iv) sourcing vancomycin clinical trial supplies; and (v) commencing the Phase III trials of iclaprim; (b) to fund part of the ABSSSI trials for iclaprim; (c) for additional preparations to enable "first patient in" in the second half of 2015; (d) to advance the Company's portfolio, including potentially initiating the chemistry programme for MTF-001 and investing in external collaborations to potentially secure one or more novel antibiotic programmes from existing relationships that the Company has established; and (e) to start development work on an oral formulation of iclaprim and on exploring additional iclaprim indications and formulations.

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

- (i) Shareholders approving the Resolutions at the General Meeting to grant to the Directors the authority to allot the Placing Shares and permit the disapplication of statutory pre-emption rights in respect of the allotment of the Placing Shares; and
- (ii) the successful grant of the QIDP designation for iclaprim in the US (such grant not to be later than 24 July 2015).

The Resolutions, if passed, will also grant the Directors certain share authorities in respect of the Enlarged Share Capital, which the Company will routinely seek at its annual general meeting each year. The Resolutions are contained in the Notice of General Meeting on pages 16-17 at the end of this document.

The purpose of this document is for the Directors: (i) to explain the background to and reasons for the Placing; (ii) to explain why they are seeking authority from you, the Shareholders, to issue the Placing Shares for cash on a non-pre-emptive basis; and (iii) to recommend that you, the Shareholders, vote in favour of the Resolutions.

2. DEVELOPMENTS SINCE ADMISSION

FDA agreement of the Company's Phase III trial program for iclaprim

On 15 April 2015, 13 days following the commencement of trading in the Ordinary Shares on AIM, the Company announced that the FDA had agreed to the Company's proposed Phase III clinical development programme for iclaprim.

The Phase III programme is designed to obtain FDA marketing approval for an intravenous formulation of iclaprim in the treatment of ABSSSI and HABP caused by Gram positive pathogens, including resistant strains such as MRSA and MDRSP. The FDA confirmed that two ABSSSI trials or one ABSSSI trial plus one HABP trial meeting their pre-specified primary endpoints are required for FDA approval of iclaprim. The Company has partnered with a leading CRO and the estimated Phase III trial costs amount to approximately £31.6 million (US\$50 million) for completion over 18 months of two ABSSSI trials. Assuming that sufficient funds can be raised or a partnership can be entered into, the first Phase III trial for ABSSSI is expected to commence in the second half of 2015.

Letters of Intent and interim agreement with CRO

On 1 June 2015, the Company announced that its wholly-owned subsidiary, Motif BioSciences, Inc., had signed letters of intent and interim agreements with a leading global CRO. Under the terms of the interim agreements, the CRO will undertake preparations for two Phase III, randomised, double-blind, multicentre clinical trials to evaluate the efficacy and safety of intravenous iclaprim versus intravenous vancomycin in the treatment of ABSSSIs suspected or confirmed to be due to Gram-positive pathogens. The selected CRO is one of the world's top five providers of Phase I-IV clinical trial management services and to date, has contributed to the development of all of the top 50 prescription medicines on the market. The CRO has unique insights into infectious disease clinical trials with over 17,000 patients in more than 150 studies.

QIDP Application

Although the original patents for iclaprim were abandoned prior to the Company acquiring the compound from Nuprim, Inc. on 2 April 2015, the Directors believe that iclaprim could be granted market and/or data exclusivity by the FDA which will impose a high barrier to entry for competitors seeking to compete with the Company. In this regard, the Company applied for QIDP designation for iclaprim in the US in April 2015. There can be no guarantee that the Company will receive confirmation within the expected time period or at all.

Assuming that QIDP designation is granted, iclaprim will receive 10 years of marketing exclusivity in the US from the date of approval, assumed to be in the first half of 2018, consisting of a 5 year extension to the 5 years of marketing exclusivity granted under Hatch-Waxman. In Europe, the generation of additional data in clinical trials can result in 10 years of data exclusivity.

3. BACKGROUND TO AND REASONS FOR THE PLACING

The Group has made significant progress in a short period of time towards the goal of completing the clinical development of iclaprim and bringing this novel antibiotic to market. Following the acquisition of the late stage clinical asset, the scientists working with the Group were able to review the wealth of safety and efficacy data that was generated from previous Phase III trials that were completed for iclaprim and identified a number of ways to improve this new Phase III programme based on: a careful analysis of the existing data; the evolving knowledge of infectious diseases; and the improved regulatory environment. As a result of this work, the Group now has agreement from the FDA to initiate a new Phase III programme for iclaprim.

Iclaprim works in a different way to most other antibiotics and has a very low propensity for resistance development. This is important because as bacteria continue to develop resistance, several different classes of antibiotic, with different mechanisms will be needed to help fight against the looming public health crisis. Assuming that the clinical programme can be completed successfully, iclaprim may become an essential addition to the range of effective, life-saving antibiotics used by hospital doctors.

With new incentives from governments, including the GAIN Act in the US, broad recognition by politicians and regulators of the need to help speed up the development of novel antibiotics, and the unique properties of iclaprim, the Company is well placed to make an important contribution in response to the challenges of anti-microbial resistance and the need for novel antibiotics.

Now that the Company has received the FDA's agreement, the Phase III trial programme approval has been granted and a CRO has been identified, the Company has undertaken the Placing to secure part of the additional funding that the Company identified at admission of the Ordinary Shares to trading on AIM on 2 April 2015 as being required to progress the Phase III trials with iclaprim.

4. USE OF PROCEEDS

The net proceeds of the Placing will be used to:

- (a) complete preparations to enter Phase III trials with iclaprim, including:
 - (i) ensuring that trial sites for the Phase III trials are set up and ready for the trials to be conducted;
 - (ii) re-qualifying existing iclaprim API;
 - (iii) formulating iclaprim clinical trial supplies;
 - (iv) sourcing vancomycin clinical trial supplies, and
 - (v) commencing the Phase III trials of iclaprim;
- (b) fund part of the ABSSSI trials for iclaprim;
- (c) fund additional preparations to enable "first patient in" in the second half of 2015;
- (d) advance the Company's portfolio, including potentially initiating the chemistry programme for MTF-001 and investing in external collaborations to potentially secure one or more novel antibiotic programmes from existing relationships that the Company has established; and
- (e) start development work on oral formulations of iclaprim and on exploring additional iclaprim indications and formulations.

The Company will require further capital in order to complete the Phase III trials of iclaprim and the Board will continue to explore further funding options including strategic partnerships with other pharmaceutical companies, non-dilutive government funding from grants and further issues of Ordinary Shares, subject to the Directors being satisfied as to the issue price for the shares to be issued at the time.

5. CURRENT PROSPECTS AND OUTLOOK

Since admission of the Ordinary Shares to trading on AIM on 2 April 2015, the Group has continued to focus on the development of its two lead products, iclaprim and MTF-001, and therefore no revenue has been generated in the review period. The Group's largest expenditure has been the acquisition of Nuprim, Inc. and general and administrative costs, which include expenses charged by Amphion Innovations plc

and Amphion Innovations (US), Inc., and outside consultancy fees from partners and engaged consultants who lead the development of products.

The Directors believe that the Company's prospects remain extremely positive and confirm that since admission of the Ordinary Shares to trading on AIM on 2 April 2015, the Company has progressed in line with expectations.

6. DETAILS OF THE PLACING

Subject to Admission, the Company will issue 44,000,000 Placing Shares which will raise £22 million, before expenses, and £20.75 million after the expenses of the Placing (which are estimated to be £1.25 million (excluding VAT) in total). The Placing Shares have been conditionally placed by Zeus Capital and Northland, as agents for the Company, with institutional investors in accordance with the terms of the Placing Agreement.

The Placing Shares to be issued pursuant to the Placing will represent approximately 40.7 per cent. of the Enlarged Share Capital. The Placing Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company and otherwise rank *pari passu* in all other respects with the Existing Ordinary Shares. The Placing Price represents a discount of 22.2 per cent. to the closing mid-market price of 64.25 pence per Ordinary Share as at 22 June 2015 (being the latest practicable date prior to the date of this document).

The Placing Agreement

On 23 June 2015 the Company entered into the Placing Agreement with Zeus Capital pursuant to which Zeus Capital, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional upon, *inter alia*:

- the Resolutions being duly passed at the General Meeting;
- none of the warranties or undertakings given to Zeus Capital prior to Admission being or becoming untrue, inaccurate or misleading in any respect;
- successful grant of the QIDP designation for iclaprim in the US such grant not to be later than 24 July 2015; and
- Admission becoming effective on or before the Expected Date of Admission, but in any event by no later than 31 July 2015.

The Placing Agreement contains customary warranties given by the Company in favour of Zeus Capital in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Zeus Capital in relation to certain liabilities which Zeus Capital may incur in respect of the Placing.

Zeus Capital has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of any of the warranties or a material adverse change.

The Placing Agreement provides for the Company to pay all costs, charges and expenses of, or incidental to, the Placing and Admission including all legal and other professional fees and expenses.

The Company has agreed to pay Zeus Capital a commission in relation to the value of the Placing Shares, an advisory fee and to grant to Zeus Capital a warrant of one per cent. of the Enlarged Share Capital exercisable at the Placing Price per warrant for a period of five years from the date of Admission (subject to adjustment in certain circumstances).

Northland shall also receive commission on the aggregate value of the Placing Shares issued at the Placing Price to investors introduced by Northland.

7. DIRECTORS' AND OTHER INTERESTS

As at the date of this document and immediately following Admission, the interests (all of which are beneficial unless otherwise stated), whether direct or indirect, of the Directors and their families (within the

meaning set out in the AIM Rules) in the issued share capital of the Company and the existence of which is known to or could, with reasonable diligence, be ascertained by that Director, are as follows:

Name	Before Admission		Following Admission	
	No of issued Ordinary Shares	Percentage of issued Ordinary Shares	No of issued Ordinary Shares	Percentage of issued Ordinary Shares
Richard Cecil Eversfield Morgan	190,916	0.30	190,916	0.18
Graham George Lumsden	–	–	–	–
Robert (“Bob”) Joseph Bertoldi	61,251	0.10	61,251	0.06
Charlotta Ginman-Horrell	125,000	0.19	125,000	0.12
Jonathan Gold	148,608	0.23	148,608	0.14
Zaki Hosny	215,550	0.34	215,550	0.20
Dr Mary Lake Polan	13,000	0.02	13,000	0.01
Dr John Wilbur Stakes III	71,850	0.11	71,850	0.07
Bruce Andrew Williams	105,350	0.16	105,350	0.10

8. SIGNIFICANT SHAREHOLDERS

As at 22 June 2015, the Directors are aware of the following persons who, directly or indirectly, are interested in three per cent. or more of the Company’s existing Ordinary Share Capital before Admission and their resultant holdings after Admission:

Name	Before Admission*		Following Admission	
	No of issued Ordinary Shares	Percentage of issued Ordinary Shares	No of issued Ordinary Shares	Percentage of issued Ordinary Shares
Amphion group**	28,320,875	44.09	28,320,875	26.17
Michael Floyd	4,810,337	7.49	4,810,337	4.44
Khalid Islam	4,810,337	7.49	4,810,337	4.44
Spreadex Limited	4,000,000	6.23	4,000,000	3.70
Invesco Perpetual	–	–	25,000,000	23.10
Aviva Investors Global Services Limited	–	–	9,200,000	8.50
Standard Life Investments Limited	–	–	4,600,000	4.25

* The percentages shown are based on the most recent share register analysis or latest date of notification.

** The Amphion group consists of the shareholdings of Amphion Innovations plc, Amphion Innovations (US), Inc. and MSA Holdings BSC.

9. GENERAL MEETING

A notice is set out at the end of this document convening the General Meeting to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS on 10 July 2015 at 12 noon at which the following Resolutions will be proposed:

- (A) Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot relevant securities up to an aggregate nominal value of: (i) £440,000 in connection with the Placing; and (ii) £324,715.33 otherwise than in connection with the Placing; and
- (B) Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, is to disapply statutory pre-emption rights, provided that such authority shall be limited to, *inter alia*, the allotment of equity securities in connection with the Placing, and otherwise the allotment of equity securities up to an aggregate nominal amount of £162,357.66.

Resolution 1 authorises the allotment of such number of new Ordinary Shares as are necessary for the Placing, as well as providing the Directors with a standing authority to allot equity securities up to an aggregate nominal value of £324,715.33 (representing 30 per cent. of the Enlarged Share Capital). Similarly, Resolution 2 authorises the disapplication of statutory pre-emption rights in respect of such number of new Ordinary Shares as are necessary for the Placing as well as providing the Directors with a standing authority to allot equity securities otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value of £162,357.66 (representing 15 per cent. of the Enlarged Share Capital).

10. ACTION TO BE TAKEN

Please check that you have received the following with this document:

- a Form of Proxy for use in relation to the General Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

Whether or not you intend to be present in person at the General Meeting, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received by post or, during normal business hours only, by hand, at Share Registrars Limited of Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, United Kingdom, as soon as possible but in any event so as to arrive by not later than 12 noon on 8 July 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

11. RECOMMENDATION AND IRREVOCABLE UNDERTAKINGS

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 897,865 Existing Ordinary Shares, representing approximately 1.40 per cent. of the Existing Ordinary Shares.

In addition to the Directors, certain other shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of the Existing Ordinary Share in which they are interested, amounting in aggregate to 33,131,212 Existing Ordinary Shares, representing 51.58 per cent of the Existing Ordinary Shares.

Yours faithfully

Richard Morgan
Chairman

NOTICE OF GENERAL MEETING

MOTIF BIO PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered no. 09320890)

NOTICE IS HEREBY GIVEN that a General Meeting of Motif Bio plc (the “**Company**”) will be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS at 12 noon on 10 July 2015 for the purpose of considering and, if thought fit, passing the following Resolutions, which will be proposed in the case of Resolution 1 as an ordinary resolution and in the case of Resolution 2 as a special resolution.

For the purposes of these Resolutions capitalised terms shall (unless the context requires otherwise) have the meaning ascribed to them in a circular from the Company to its Shareholders dated 23 June 2015 (the “**Circular**”).

ORDINARY RESOLUTION

1. That the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
 - (a) up to an aggregate nominal amount of £440,000 in connection with the Placing; and
 - (b) otherwise than pursuant to resolution 1(a) above, up to an aggregate nominal amount of £324,715.33.

These authorities shall be in substitution for and shall replace any existing authorities to the extent not utilised at the date this resolution is passed and shall expire at the conclusion of the next AGM save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of any such offer or agreement as if the authorities conferred hereby had not expired.

SPECIAL RESOLUTION

2. That, subject to the passing of resolution 1, the directors of the Company be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the “**2006 Act**”) to allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authorities conferred by resolution 1 as if section 561 of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities for cash in connection with or pursuant to an offer or invitation in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever;
 - (b) the allotment of equity securities for cash in the case of the authority granted under resolution 1(a) above in connection with the Placing up to an aggregate nominal amount of £440,000; and
 - (c) the allotment of equity securities for cash in the case of the authority granted under resolution 1(b) above, and otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £162,357.66.

This power shall expire at the conclusion of the next AGM save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

Stephen Austin LL.B (Hons)
Company Secretary

Registered office:
One Tudor Street
London
EC4Y 0AH
United Kingdom

Date: 23 June 2015

Notes

- (1) Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A proxy need not be a member of the Company.
- (2) A Form of Proxy is enclosed for your use if desired. Please carefully read the instructions on how to complete the Form of Proxy. For a proxy to be effective, the instrument appointing a proxy together with the power of attorney or such other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority must reach the Company's Registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, United Kingdom or by scan and email to proxies@shareregistrars.uk.com not less than 48 hours before the time of holding of the General Meeting (excluding any part of a day that is not a business day). The Forms of Proxy should therefore be completed and deposited with the Company's Registrars by 12 noon on 8 July 2015. Completion of a proxy does not preclude a member from subsequently attending and voting at the General Meeting in person if he or she so wishes. If a member has appointed a proxy and attends the General Meeting in person, such proxy appointment will automatically be terminated.
- (3) Pursuant to Regulation 41 of Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders on the register of members 48 hours before the time of the General Meeting or adjourned General Meeting (excluding any part of a day that is not a business day), shall be entitled to attend or vote at the General Meeting in respect of the number of Existing Ordinary Shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- (4) Any member may insert the full name of a proxy or the full names of two alternative proxies of the member's choice in the space provided with or without deleting "the Chairman of the meeting." A proxy need not be a member of the Company, but must attend the meeting to represent the relevant member. The person whose name appears first on the Form of Proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow. If this proxy form is signed and returned with no name inserted in the space provided for that purpose, the Chairman of the meeting will be deemed to be the appointed proxy. Where a member appoints as his/her proxy someone other than the Chairman, the relevant member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. Any alteration, deletion or correction made in the Form of Proxy must be initialled by the signatory/ies.
- (5) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Existing Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Existing Ordinary Share. If you wish to appoint more than one proxy, please contact the Company's Registrars, Share Registrars Limited on 01252 821390 or +44 1252 821390 from outside the UK. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays. Alternatively you may write to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, United Kingdom for additional proxy forms and for assistance.
- (6) Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Existing Ordinary Share.
- (7) As at the date of this document, the Company's issued share capital comprised 64,238,442 ordinary shares of one penny each. Each Ordinary Share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this document is 64,238,442.
- (8) A member's instructions to the proxy must be indicated in the appropriate space provided. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her decision. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- (9) This Form of Proxy must be signed by the appointor or his attorney duly authorised in writing. The power of attorney or other authority (if any) under which the Form of Proxy is signed, or a notarially certified copy of the power or authority, must be received by the Company's registrar with the Form of Proxy. If the appointor is a corporation, the Form of Proxy should be signed on its behalf by an attorney or duly authorised officer or executed as a deed or executed under common seal. In the case of joint holders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
- (10) CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment Service may do so for the General Meeting to be held on 10 July 2015 and any adjournment(s) thereof by following the procedures described in the CREST manual. All messages relating to the appointment of a proxy or an instruction to a previously-appointed proxy, which are to be transmitted through CREST, must be received by Share Registrars Limited (ID 7RA36) no later than 12 noon 8 July 2015, or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding any part of a day that is not a business day).
- (11) In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrars, in the case of a member which is a company, the revocation notice must be executed in accordance with note 12 below. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice must be received by the Registrars not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the holding of the Meeting or any adjourned Meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- (12) A corporation's form of proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.
- (13) Any power of attorney or any other authority under which the proxy form is signed (or duly certified copy of such power of authority) must be included with the proxy form.

