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This announcement contains inside information

Motif Bio plc
("Motif Bio", or "the Company")

Interim Results

Second Quarter and Half-Year 2016 Financial Results and Operational Progress

Motif Bio plc (AIM: MTFB), the clinical stage biopharmaceutical company specialising in developing novel antibiotics, announces financial results for the second quarter and half-year ended June 30, 2016.

Business Update

- On March 2, 2016 we announced the dosing of the first patient in our two REVIVE (Randomized Evaluation IntraVenous Iclaprim Vancomycin trEatment) Phase 3 clinical trials in Acute Bacterial Skin and Skin Structure Infections (ABSSSI). We are enrolling and dosing patients in two global Phase 3 clinical trials with an intravenous (IV) formulation of iclaprim, for the treatment of ABSSSI. Data from the two trials are expected in the second half of 2017.

- In March 2016, we announced that we had appointed The Fulford Group Ltd to assist Motif Bio in developing and implementing strategies to commercialise iclaprim in territories outside of the United States.

- We plan to complete preparations for our INSPIRE (Iclaprim for NoSocomial PneumonIa gRam- positive pathogEns) Phase 3 clinical trial with iclaprim in patients with Hospital Acquired Bacterial Pneumonia (HABP), including patients with Ventilator Associated Bacterial Pneumonia (VABP), by the end of 2016.

- In addition to our clinical programmes, we have a preclinical development programme underway to identify a formulation of iclaprim suitable for adolescent and pediatric patients.

- We are also developing IV and oral formulations of MTF-101, a diaminopyrimidine that may be suitable for testing in clinical trials to demonstrate safety and efficacy in patients with osteomyelitis and patients with prosthetic joint infections.

Financial Highlights

- At June 30, 2016 and December 31, 2015, we had cash and cash equivalents of approximately US$19.5 million and US$28.6 million, respectively.

- Net cash used in operating activities was US$8.9 million in the six months ended June 30, 2016, which reflects the continuation of the clinical development of iclaprim. Net cash used in operating activities was US$1.2 million for the six months ended June 30, 2015, reflecting the commencement of clinical development of iclaprim.

- General and administrative expenses increased by US$0.8 million, to US$1.9 million, in the six months ended June 30, 2016 from US$ 1.1 million in the six months ended June 30, 2015. This increase was primarily

attributable to: (i) an increase in personnel related expenses; (ii) the costs associated with being a public company in the United Kingdom; and (iii) increases in the costs of outside professional services, including commercial evaluation and strategy services, investor relations and other consulting services.

- Research and development expenses increased by US$11.4 million to US$12.0 million in the six months ended June 30, 2016 from US$0.6 million in six months ended June 30, 2015. This increase was primarily attributable to the commencement of iclaprim clinical development. For the six months ended June 30, 2016, US$10.1 million was spent in relation to contract research organization expenses, US$1.0 million in relation to clinical operations and US$0.9 million in relation to chemistry and manufacturing development and other non-clinical development.

Post period highlights

- Motif Bio has deferred pricing of its proposed public offering of American Depositary Shares ("ADSs") and listing of ADSs on the NASDAQ Global Market. The Company remains in registration with the Securities and Exchange Commission and is continuing to engage with investors.

"We are very pleased that our lead product candidate, iclaprim, is now in the final stage of development following the dosing of the first patient in March of this year in our two REVIVE Phase 3 clinical trials in ABSSSI. This is a significant milestone for the company and we expect the data read-out from these two trials in the second half of 2017. We are encouraged to see that patient enrollment to date is ahead of our projections," commented Dr. Graham Lumsden, Motif Bio's Chief Executive Officer. "We believe that iclaprim, a novel antibiotic with an under-utilized mechanism of action, if approved, could offer advantages compared to the current standard of care for high-risk, seriously ill patients hospitalised with ABSSSI and who also have renal impairment or diabetes," added Dr. Lumsden.

A registration statement relating to these securities has been filed with the SEC, but has not yet become effective. These securities may not be sold, nor may offers to buy these securities be accepted, prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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About Motif Bio

Motif Bio plc is a clinical stage biopharmaceutical company engaged in the research and development of novel antibiotics designed to be effective against serious and life-threatening infections in hospitalised patients caused by multi-drug resistant bacteria. The discovery of new antibiotics has not kept pace with the increasing incidence of resistant, difficult-to-treat bacteria. One of the biggest threats of antibiotic resistance is from MRSA (methicillin resistant *Staphylococcus aureus*), a leading cause of hospital-acquired infections and a growing cause of infections in healthy people in the general community. In 2013, the Centers of Disease Control (CDC) reported that at least two million people became infected with antibiotic-resistant bacteria and at least 23,000 Americans died as a direct result of these infections. Our lead product candidate, iclaprim, is being developed for the treatment of acute bacterial skin and skin structure infections (ABSSSI) and hospital acquired bacterial pneumonia (HABP), including ventilator associated bacterial pneumonia (VABP), infections which are often caused by MRSA. We are currently enrolling and dosing patients in two global Phase 3 clinical trials with an IV formulation of iclaprim, for the treatment of ABSSSI.

Forward-looking statements

This news release contains forward-looking statements that reflect Motif Bio's current expectations regarding future events, including statements regarding financial performance, the timing of clinical trials, the relevance of Motif Bio's product candidates, and the clinical benefits, safety profile, and commercial potential of iclaprim. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors, including (inter alia), the success of Motif Bio's clinical development strategies, the successful and timely completion of uncertainties related to the regulatory process, and the acceptance of iclaprim and other products by consumer and medical professionals. A further list and description of risks and uncertainties associated with an investment in Motif Bio can be found in Motif Bio's filings with the U.S. Securities and Exchange Commission. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Motif Bio undertakes no obligation to update or revise the information contained in this press release, whether as a result of new information, future events or circumstances or otherwise.

Motif Bio Overview

We are a clinical stage biopharmaceutical company engaged in the research and development of novel antibiotics designed to be effective against serious and life-threatening infections in hospitalised patients caused by multi-drug resistant bacteria. The discovery of new antibiotics has not kept pace with the increasing incidence of resistant, difficult-to-treat bacteria. One of the biggest threats of antibiotic resistance is from Methicillin Resistant Staphylococcus aureus (MRSA), a leading cause of hospital-acquired infections and a growing cause of infections in healthy people in the general community. In 2013, the Centers of Disease Control (CDC) reported that at least two million people became infected with antibiotic-resistant bacteria and at least 23,000 Americans died as a direct result of these infections. Our lead product candidate, iclaprim, is being developed for the treatment of ABSSSI and HABP, including VABP, infections which are often caused by MRSA. We are enrolling and dosing patients in our two REVIVE Phase 3 clinical trials with an IV, formulation of iclaprim, for the treatment of ABSSSI.

Iclaprim is a novel diaminopyrimidine antibiotic that inhibits an essential bacterial enzyme called ''dihydrofolate reductase'' (DHFR). Diaminopyrimidines are a class of chemical compounds that inhibit different enzymes in the production of tetrahydrofolate, a form of folic acid, which is required for the production of bacterial DNA and RNA. The inhibition of DHFR represents a differentiated and under-utilised mechanism of action compared with other antibiotics. We acquired iclaprim from Nuprim Inc., or Nuprim, following the completion of our merger with the company on 1 2015. Arpida AG, or Arpida, one of the previous owners of iclaprim, completed a comprehensive development programme for iclaprim, including two Phase 3 trials in complicated skin and skin structure infections (cSSSI). Iclaprim has been administered to more than 600 patients and healthy volunteers in Phase 1, 2 and 3 clinical trials and in contrast to vancomycin, a standard of care antibiotic in hospitalised patients with ''Gram-positive'' infections, no evidence of nephrotoxicity (*i.e.*, damage to the kidneys caused by exposure to a toxic chemical, toxin or medication) has been observed with iclaprim, and, therefore, therapeutic monitoring or dosage adjustment in patients with renal impairment is not required with iclaprim. ''Gram-positive'' or ''Gram-negative'' refer to how bacteria react to the Gram stain test based on the outer casing of the bacteria, and the bacteria's cell wall structure. Each type of bacteria may be associated with different diseases. Iclaprim has also demonstrated rapid bactericidal activity and a low propensity for resistance

development *in vitro.*

We believe that iclaprim is an attractive potential candidate for use as a first-line empiric monotherapy, the initial therapy administered prior to the identification of the pathogen, in severely ill patients who are hospitalised with ABSSSI caused by MRSA and have comorbidities, or also suffer from other health issues, such as diabetes or renal impairment. Renal impairment affects up to an estimated 936,000 of the approximately 3.6 million patients hospitalised with ABSSSI annually in the United States. On 2 March 2016, we announced the dosing of the first patient in our two REVIVE (Randomized Evaluation intraVenous Iclaprim Vancomycin trEatment) Phase 3 clinical trials in ABSSSI. Data from the two trials are expected in the second half of 2017. If successful, we believe the data from the two REVIVE trials will satisfy the requirements to submit a New Drug Application (NDA) in the United States and a Marketing Authorisation Application (MAA) in Europe to obtain marketing approval for an IV formulation of iclaprim in the treatment of ABSSSI caused by Gram-positive pathogens, including resistant strains such as MRSA. If approved, we believe that iclaprim can become a valuable addition to the formulary of life-saving antibiotics used by hospital physicians.

We plan to complete preparations for our INSPIRE (Iclaprim for NoSocomial PneumonIa gRam- positive pathogEns) Phase 3 clinical trial with iclaprim in patients with HABP, including patients with VABP, by the end of 2016. Subject to the availability of funding, we would look to start dosing patients thereafter. There are approximately 1.4 million patients hospitalised annually in the United States with HABP, including patients with VABP. We believe that iclaprim is well suited for use as a first-line empiric therapy for patients with HABP, including patients with VABP, based on data from a Phase 2 clinical trial, which demonstrated iclaprim's efficacy in this patient population. Additionally, in a Phase 1 healthy volunteer trial, concentrations of iclaprim at the site of infection in the lungs were considerably higher than concentrations in plasma.

In July 2015, the FDA, designated the IV formulation of iclaprim as a Qualified Infectious Disease Product (QIDP) for ABSSSI and HABP. QIDP status grants iclaprim regulatory Fast Track designation, Priority Review and, if approved, a five-year extension to the statutory market exclusivity period in the United States, resulting in 10 years of market exclusivity from the date of approval. If approved by the European Medicines Agency, or EMA, we expect that iclaprim will qualify for eight years of data exclusivity and an additional two years of market exclusivity in the EU. If approved by the Pharmaceuticals and Medical Devices Agency (PDMA) in Japan, we expect that iclaprim will qualify for eight years of data exclusivity (which may be extended to ten years for orphan or pediatric indications) and an additional two years of market exclusivity in Japan.

We believe that iclaprim is well suited for use as a first-line empiric monotherapy in patients with ABSSSI who are comorbid with renal impairment for the following reasons:

- iclaprim achieved high cure rates against the common Gram-positive causal organisms, including MRSA, in patients with cSSSI in completed Phase 2 and 3 trials;
- iclaprim exhibited safety and tolerability comparable to vancomycin and linezolid in over 600 patients and healthy volunteers in completed Phase 1, 2 and 3 trials;
- iclaprim has demonstrated no nephrotoxicity, eliminating the requirement for therapeutic monitoring or dosage adjustment in renally impaired patients;
- no cases of symptomatic hypoglycemia have been reported in iclaprim-treated patients with diabetes mellitus receiving insulin or oral hypoglycemic agents;
- iclaprim has demonstrated no clinically significant drug-drug interactions (DDIs) with selective serotonin reuptake inhibitors (SSRIs), or vasopressors; and
- no cases of myopathy or rhabdomyolysis have been reported in iclaprim-treated patients who received recent prior or concomitant therapy with an HMG-CoA reductase inhibitor or in whom elevations in CPK occur during treatment.

We also believe that iclaprim is well positioned as a first-line empiric therapy for patients with HABP, including patients with VABP, for the following reasons:

- iclaprim achieved high cure rates against the common Gram-positive causal organisms, including MRSA, in patients with HABP, including patients with VABP, in a completed Phase 2 trial;
- iclaprim has demonstrated high and sustained concentrations in epithelial lining fluid (ELF) and alveolar macrophages which were 20-30 times the plasma concentration, respectively, throughout an entire 7-hour sampling period; and

- iclaprim has demonstrated no clinically significant DDIs with commonly used antibiotics in patients with combined Gram-positive and Gram-negative infections.

In addition to our clinical programmes, we have a preclinical development programme underway to identify a formulation of iclaprim suitable for adolescent and pediatric patients. We are also developing IV and oral formulations of MTF-101, a diaminopyrimidine that may be suitable for testing in clinical trials to demonstrate safety and efficacy in patients with osteomyelitis and patients with prosthetic joint infections.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are currently enrolling and dosing patients in our two REVIVE global Phase 3 clinical trials with an IV formulation of iclaprim, for the treatment of ABSSSI. Data from the two trials are expected in the second half of 2017. If successful, we expect the data from the two REVIVE trials will satisfy the requirements to submit an NDA in the U.S. and a MAA in Europe to obtain marketing approval for an IV formulation of iclaprim in the treatment of ABSSSI caused by Gram-positive pathogens, including resistant strains such as MRSA. If approved, we believe that iclaprim can become a valuable addition to the formulary of life-saving antibiotics used by hospital physicians.

Based on our current plans, we do not expect to generate significant revenue unless and until we obtain marketing approval for, and commercialise, iclaprim. We do not expect to obtain marketing approval before 2018, if at all. Accordingly, we will need to obtain additional funding in connection with our continuing operations, including completion of the two REVIVE trials and our plans to conduct our INSPIRE Phase 3 clinical trial of iclaprim in HABP, including VABP, patients. Adequate additional financing may not be available to us on acceptable terms, or at all. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialisation effort.

We expect to continue to incur significant expenses and increasing operating losses for at least the next several years. We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we continue the development of and seek marketing approval for iclaprim and, possibly, other product candidates and continue our research activities. Our expenses will increase if we suffer any delays in our Phase 3 clinical programmes for iclaprim. If we obtain marketing approval for iclaprim or any other product candidate that we develop, we expect to incur significant commercialisation expenses related to product sales, marketing, distribution and manufacturing.

Furthermore, as previously announced on July 13, 2016, we have filed a registration statement on Form F-1 with the U.S. Securities and Exchange Commission relating to a proposed U.S. public offering of American Depositary Shares; if such offering were consummated, we expect to incur additional costs associated with operating as a public company in the United States.

Financial Operations Overview

The following discussion sets forth certain components of our statements of operations as well as factors that impact those items.

Revenues

To date, we have not generated any revenues from product sales and we do not expect to recognise any revenue from the sale of products, even if approved, for the next few years. Our success depends primarily on the successful development and regulatory approval of our product candidates and our ability to finance operations. If our development efforts result in clinical success and regulatory approval, or we enter into collaboration agreements with third parties for our product candidates, we may generate revenue from those product candidates. Our ability to generate product revenue and become profitable depends upon our ability to obtain regulatory approval for and to successfully commercialise our product candidates.

General and Administrative Expenses

General and administrative expenses include personnel costs, costs for outside professional services and other allocated expenses. Personnel costs consist of salaries, bonuses, benefits, travel and share-based compensation. Outside professional services consist of legal, accounting and audit services, commercial evaluation and strategy services, and other consulting services. We expect general and administrative expenses to increase in the near future with the expansion of our staff and management team to include new personnel responsible for finance, legal, information technology and later, sales and business development functions. In the event the US offering were consummated, we also expect to incur additional general and administrative costs as a result of operating as a US public company, including expenses related to compliance with the rules and regulations of the SEC and those of any national securities exchange on which our securities are traded, additional insurance expense, investor relations activities and other administrative and professional services. We also expect to incur additional expenses related to in-licenses, acquisitions or similar transactions that we may pursue as part of our strategy, including legal, accounting and audit services and other

consulting fees.

Research and Development Expenses

Our research and development expenses consist primarily of costs incurred in connection with the development of our product candidates, including:

- personnel-related costs, such as salaries, bonuses, benefits, travel and other related expenses, including share-based compensation;
- expenses incurred under our agreements with CROs, clinical sites, contract laboratories, medical institutions and consultants that plan and conduct our preclinical studies and clinical trials, including, in the case of consultants, share-based compensation;
- costs associated with regulatory filings;
- upfront and milestone payments under agreements with third parties;
- costs of acquiring preclinical study and clinical trial materials, and costs associated with preclinical development formulation and process development; and
- depreciation, maintenance and other facility-related expenses.

To date, we have expensed all research and development costs as incurred. Clinical development expenses for our product candidates are a significant component of our current research and development expenses as we progress our product candidates into and through clinical trials. Product candidates in later stage clinical development generally have higher research and development costs than those in earlier stages of development, primarily due to increased size and duration of the clinical trials. We recognise costs for each grant project, preclinical study or clinical trial that we conduct based on our evaluation of the progress to completion, using information and data provided to us by our research and development vendors and clinical sites.

If we meet the following conditions, we would be able to capitalise expenditures on drug development activities:

- 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.

These conditions are generally met when a filing is made for regulatory approval for commercial production. At this time we do not meet all conditions and therefore, development costs are recorded as expense in the period in which the cost is incurred.

We incurred research and development expenses of US$12.0 million and US$0.6 million for the six months ended June 30, 2016 and 2015, respectively; US$6.2 million and US$0.5 million for the three months ended June 3, 2016 and 2015, respectively; and US$4.7 million and US$0.0 million for the years ended December 31, 2015 and 2014, respectively. Our activities in 2014 were comprised of building medicinal chemistry plans, seeking new capital, pursuing additional in-licensing opportunities and searching for assets and optimisation activities.

We expect our research and development expenses to increase over the next few years as a result of our ongoing and anticipated Phase 3 clinical trials and as we prepare for commercial launch of our products, if approved. The process of conducting the necessary clinical research to obtain regulatory approval of a product candidate is costly and time consuming. We will require additional funding to fund our continuing operations, including our plans to conduct our INSPIRE Phase 3 clinical trial of iclaprim in HABP, including VABP, patients. The probability that any of our product candidates receives regulatory approval and eventually is able to generate revenue depends on a variety of factors, including the quality of our product candidates, early clinical data, investment in our clinical programme, competition, manufacturing capability and commercial viability. As a result of these uncertainties, we are unable to determine the duration and completion costs of our research and development projects or if, when and to what extent we will generate revenue from the commercialisation and sale of any of our product candidates, if approved. We may never succeed in achieving regulatory approval for any of our product candidates.

We do not allocate personnel-related research and development costs, including share-based compensation or

other indirect costs, to specific programs, as they are deployed across multiple projects under development.

Other Income (Expense), Net

Other income (expense), net, consists of interest income generated from our cash and cash equivalents and foreign exchange gains and losses.

Items included in our audited consolidated financial statements are measured using the currency of the primary economic environment in which we operate (''the functional currency''). The audited consolidated financial statements are presented in United States Dollars (US$), which is our functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Historically, our cash and cash equivalents have been held primarily in US dollars, in the United Kingdom and most of our expenses have been US dollar-denominated.

Comparison of the three months ended 30 June 2016 and 30 June 2015

General and Administrative Expense

General and administrative expenses increased by US$0.4 million, or 50%, to US$1.1 million in the three months ended 30 June 2016 from US$ 0.8 million in the three months ended 30 June 2015. This increase was primarily attributable to (i) an increase in personnel related expenses; and (ii) increases in the costs of outside professional services, including commercial evaluation and strategy services, investor relations and other consulting services.

Research and Development Expense

Research and development expenses increased by US$5.7 million to US$6.2 million in the three months ended 30 June 2016 from US$0.5 million in three months ended 30 June 2015. This increase was primarily attributable to the commencement of iclaprim clinical development. For the three months ended 30 June 2016, US$5.1 million was spent in relation to contract research organisation expenses, US$0.5 million in relation to clinical operations and US$0.6 million in relation to chemistry and manufacturing development and other non-clinical development.

Comparison of the six months ended 30 June 2016 and 30 June 2015

General and Administrative Expense

General and administrative expenses increased by US$0.8 million, or 78%, to US$1.9 million in the six months ended 30 June 2016 from US$ 1.1 million in the six months ended 30 June 2015. This increase was primarily attributable to (i) an increase in personnel related expenses; (ii) the costs associated with being a public company in the United Kingdom; and (iii) increases in the costs of outside professional services, including commercial evaluation and strategy services, investor relations, and other consulting services.

Research and Development Expense

Research and development expenses increased by US$11.4 million to US$12.0 million in the six months ended 30 June 2016 from US$0.6 million in six months ended 30 June 2015. This increase was primarily attributable to the commencement of iclaprim clinical development. For the six months ended 30 June 2016, US$10.1 million was spent in relation to contract research organisation expenses, US$1.0 million in relation to clinical operations and US$0.9 million in relation to chemistry and manufacturing development and other non-clinical development.

Net Foreign Exchange Gain/ (loss)

The net foreign exchange (loss) for the six months ended 30 June 2016 was US$198,000, as compared to a gain of US$968 in the six months ended 30 June 2015. In both periods the gain/loss recognised relates to the re-measurement of the Company's Sterling denominated cash deposits to US dollars at the closing US dollar to Sterling exchange rate. Sterling denominated cash deposits totaled £1,120,530 at 30 June 2016 and £1,774,741 at 31 December2015.

Liquidity and Capital Resources

At 30 June 2016 and 31 December 2015, we had cash and cash equivalents of approximately US$19.5 million and US$28.6 million, respectively. We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval for and commercialise our current or any future product candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect our losses to increase as we continue the development of and seek regulatory approvals for our product candidates and begin to commercialise any approved products. We are subject to all of the risks applicable to the development of new products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may harm our business.

Our operations have been financed primarily by net proceeds from the issuance of ordinary shares on AIM and convertible promissory notes issued to related parties. Our primary uses of capital are, and we expect will continue, at least in the short term, to be, third-party expenses associated with the planning and conduct of preclinical and clinical trials, costs of process development services and manufacturing of our product candidates, and compensation-related expenses. We also expect our cash needs to increase to fund potential in-licenses, acquisitions or similar transactions as we pursue our strategy.

Cash used to fund operating expenses is affected by the timing of when we pay expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

Our future funding requirements will depend on many factors, including the following:

- the scope, rate of progress, results and cost of our preclinical studies and clinical trials and other related activities;
- the cost of formulation, development, manufacturing of clinical supplies and establishing commercial supplies of our product candidates and any other product candidates that we may develop, in-license or acquire;
- the cost, timing and outcomes of pursuing regulatory approvals;
- the cost and timing of establishing administrative, sales, marketing and distribution capabilities;
- the terms and timing of any collaborative, licensing and other arrangements that we may establish, including any required milestone and royalty payments thereunder; and
- the emergence of competing technologies and their achieving commercial success before we do or other adverse market developments.

We expect to continue to incur losses. Our ability to achieve and maintain profitability depends upon the successful development, regulatory approval and commercialisation of our product candidates and achieving a level of revenues adequate to support our cost structure. We may never achieve profitability, and unless and until we do, we will continue to need to raise additional capital. If we need to raise additional capital to fund our operations and complete our ongoing and planned clinical trials, funding may not be available to us on acceptable terms, or at all.

We plan to continue to fund our operations and capital funding needs through equity or debt financings. The sale of additional equity would result in additional dilution to our shareholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. If we are not able to secure adequate additional funding, we may be forced to make reductions in spending, extend payment terms with suppliers, sell assets where possible or suspend or curtail planned programs. In addition, lack of funding would limit any strategic initiatives to in-license or acquire additional product candidates or programs.

Cash Flows

	Six months ended	
	June 30, 2016	30 June, 2015
	US $'000	US $'000
Net cash (used in) / provided by:		
Operating activities	(8,889)	(1,152)
Financing activities	(1)	3,930
Effect of exchange rate changes on cash and cash equivalents	(198)	1
	(9,088)	2,779

Operating Activities

Net cash used in operating activities was US$8.9 million in the six months ended June 30, 2016, which reflects the continuation of the clinical development of iclaprim. Net cash used in operating activities was US$1.2 million for the six months ended June 30, 2015, reflecting the commencement of clinical development of iclaprim.

Financing Activities

Net cash used in financing activities amounted to $0 in the six months ended June 30, 2016. Net cash provided by financing activities was US$3.9 million in the six months ended June 30, 2015 resulting from the issuance of promissory notes, as well as the Company's initial public offering on AIM, pursuant to which we issued 14,186,140 of our ordinary shares at a price of £0.20 (US$0.30) per share.

Trade and other payables

Current trade and other payables at June 30, 2016 increased by US$5.3 million to US$6.3 million from US$1.0 million at December 31, 2015. This increase reflects an increase in trade payables and accruals as a result of the continued expansion of Motif funded clinical trials.

Risks Associated With Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks include, but are not limited to, the following:

- We are a development-stage biopharmaceutical company that has not yet demonstrated an ability to complete a large-scale, pivotal clinical trial successfully, obtain regulatory approval or manufacture and commercialise a product candidate. We have a limited operating history on which to assess our business, have incurred significant losses over the last several years, and anticipate that we will continue to incur losses until after iclaprim receives approval for marketing.
- We have never generated any revenue from product sales and may never be profitable. Our net loss for the six months ended June 30, 2016 was US$14.0 million, and as of June 30, 2016, we had an accumulated deficit of US$34.5 million.
- We will need substantial additional funding before we can expect to complete the development of our product candidates and become profitable from sales of our approved products if any.
- We depend entirely on the success of a limited number of product candidates, which are still in preclinical or clinical development. If we do not obtain regulatory approval for, and successfully commercialise, one or more of our product candidates, or we experience significant delays in doing so, we may never become profitable.
- Clinical trials are very expensive, time consuming, difficult to design and implement, and involve uncertain outcomes. Furthermore, results of earlier studies and trials may not be predictive of results of future trials.
- Even if one or more of our product candidates obtains regulatory approval, we will be subject to ongoing obligations and continued regulatory requirements, which may result in significant additional expense.
- We have never commercialised a product candidate and we may lack the necessary expertise, personnel and resources to successfully commercialise any of our products that receive regulatory approval on our own or together with suitable partners.
- If we acquire other businesses or in-license or acquire other product candidates and are unable to integrate them successfully, our financial performance could suffer.
- We operate in a highly competitive and rapidly changing industry, which may result in our competitors discovering, developing or commercialising competing products before or more successfully than we do, or our entering a market in which a competitor has commercialised an established competing product, and we may not be successful in competing with them.
- We may not be successful in executing our growth strategy or our growth strategy may not deliver the anticipated results.
- We are highly dependent on our key personnel, including our chief executive officer and chief financial officer, and on our ability to recruit, retain and motivate additional qualified personnel.
- If we or our licensors are unable to obtain and maintain effective IP rights for our technologies, product candidates or any future product candidates, or if the scope of the IP rights obtained is not sufficiently broad, we may not be able to compete effectively in our markets.

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of the Company are expressed in US. Dollars. However, during the reporting period the Company had exposure to Sterling and Euros.

The Company requires significant additional funds in order to complete its two Phase 3 REVIVE clinical trials and to commence the HABP phase 3 clinical trial. If such additional funding were not forthcoming in the near term, the Company has the option under its contract with the Clinical Research Organisation to reduce or suspend clinical trial activities until appropriate levels of funding can be obtained, and also the ability to delay commencement of the HABP trial. The directors continually monitor the cash requirements of the group and will leave sufficient funds to continue as a going concern for at least 12 months from the date of these interim financial statements by reducing or suspending clinical trial activity in the absence of further funding.

Motif Bio plc
Unaudited interim condensed consolidated statements of loss and comprehensive loss

	Note	For the three months ended June 30,		For the six months ended June 30,	
		2016	2015	2016	2015
		US $	US $	US $	US $
Operations					
General and administrative expenses	3	(1,143,957)	(763,300)	(1,927,434)	(1,083,085)
Research and development expenses	3	(6,234,038)	(512,730)	(12,026,721)	(639,101)
Gains on settlement of contract disputes	3	-	5,027	83,320	5,027
Operating loss		(7,377,995)	(1,271,003)	(13,870,835)	(1,717,159)
Interest income	4	20,434	107	42,872	260
Interest expense	4	(62,829)	(21,601)	(125,738)	(141,177)
Net foreign exchange (losses)/gains	4	(185,818)	-	(197,814)	968
Loss before income taxes		(7,606,208)	(1,292,497)	(14,151,515)	(1,857,108)
Income tax	5	-	-	-	-
Net loss for the period		(7,606,208)	(1,292,497)	(14,151,515)	(1,857,108)
Total comprehensive loss for the period		(7,606,208)	(1,292,497)	(14,151,515)	(1,857,108)
Loss per share for loss from operations attributable to the ordinary equity holders of the company:	6				
Basic and diluted loss per share		(0.07)	(0.02)	(0.13)	(0.04)

The accompanying footnotes are an integral part of these condensed consolidated interim financial statements.

Motif Bio plc
Unaudited interim condensed consolidated statements of financial position
At June 30, 2016 and December 31, 2015

	Note	At June 30, 2016	At December 31, 2015
		US $	US $
ASSETS			
Non-current assets			
Intangible assets		6,195,748	6,195,748
Total non-current assets		6,195,748	6,195,748
Current assets			
Prepaid expenses and other receivables	7	110,857	167,657
Cash		19,507,214	28,594,347
Total current assets		19,618,071	28,762,004
Total assets		25,813,819	34,957,752
LIABILITIES			
Non-current liabilities			
Payable on completion of clinical trial		500,000	500,000
Total non-current liabilities		500,000	500,000
Current liabilities			
Trade and other payables	8	6,319,715	987,083
Other interest-bearing loans and borrowings	9	3,872,929	3,747,961
Total current liabilities		10,192,644	4,735,044
Total liabilities		10,692,644	5,235,044
Net assets		15,121,175	29,722,708
EQUITY			
Share capital	10	1,645,291	1,645,291
Share premium	10	38,076,964	38,534,280
Group reorganization reserve	10	9,938,362	9,938,362
Accumulated deficit	10	(34,539,442)	(20,395,225)
Total equity		15,121,175	29,722,708

The accompanying footnotes are an integral part of these condensed consolidated interim financial statements.

Motif Bio plc
Unaudited interim condensed consolidated statements of changes in equity
For the six months ended June 30, 2016 and 2015

	Share capital US $	Share premium US $	Group reorganization reserve US $	Accumulated deficit US $	Total US $
Balance at December 31, 2014	1,110	3,964,455	-	(14,884,023)	(10,918,458)
Loss for the period	-	-	-	(1,857,108)	(1,857,108)
Total comprehensive loss for the period	-	-	-	(1,857,108)	(1,857,108)
Conversion of promissory notes	3,573	6,275,213	-	-	6,278,786
Group reorganization	539,267	(10,239,668)	9,938,362	-	237,961
Issue of share capital	409,625	7,711,420	-	-	8,121,045
Cost of issuance	-	(942,164)	-	-	(942,164)
Issue of warrants to acquire assets	-	-	-	2,340,373	2,340,373
Share-based payments	-	-	-	398,880	398,880
Balance at June 30, 2015	**953,575**	**6,769,256**	**9,938,362**	**(14,001,878)**	**3,659,315**
Balance at December 31, 2015	**1,645,291**	**38,534,280**	**9,938,362**	**(20,395,225)**	**29,722,708**
Loss for the period	-	-	-	(14,151,515)	(14,151,515)
Total comprehensive loss for the period	-	-	-	(14,151,515)	(14,151,515)
Cost of issuance	-	(457,316)	-	-	(457,316)
Share-based payments	-	-	-	7,298	7,298
Balance at June 30, 2016	**1,645,291**	**38,076,964**	**9,938,362**	**(34,539,442)**	**15,121,175**

The accompanying footnotes are an integral part of these condensed consolidated interim financial statements.

The conversion of promissory notes in 2015 is the settlement of loan notes held by Amphion Innovations plc in exchange for share capital. The remaining entries through equity in 2015 are a result of the group reorganization and AIM listing. Further details of each can be found in the 2015 year-end financial statements.

Motif Bio plc
Unaudited interim condensed consolidated statements of cash flows
For the six months June 30, 2016 and 2015

	Six months ended June 30,	
	2016	**2015**
	US $	**US $**
Operating activities		
Operating loss for the period	(13,870,835)	(1,717,159)
Adjustments to reconcile net loss to net cash used in activities:		
Share-based payments	7,298	398,880
Gains on settlement of contract disputes	(83,320)	(5,027)
Interest received	42,872	260
Changes in operating assets and liabilities:		
Prepaid expenses, notes receivable and accounts receivable	56,799	(47,222)
Accounts payable and other accrued liabilities	4,958,637	218,608
Net cash used in operating activities	(8,888,549)	(1,151,660)
Financing activities		
Proceeds from issue of promissory notes	-	704,210
Proceeds from issue of share capital	-	4,309,576
Costs of issuance	-	(942,164)
Interest paid	(770)	(141,177)
Net cash (used in) provided by financing activities	(770)	3,930,445
Net change in cash	(8,889,319)	2,778,785
Cash beginning of the period	28,594,347	3,281
Effect of foreign exchange rate changes	(197,814)	968
Cash, end of the period	19,507,214	2,783,034

The accompanying footnotes are an integral part of these condensed consolidated interim financial statements.

1. General information and basis of preparation

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.

On April 1, 2015 Motif Bio Limited was re-registered as a public company limited by shares and changed its name to Motif Bio plc. On the same date, Motif BioSciences Inc. became a wholly-owned subsidiary of the Company by way of a group reorganisation by plan of merger. Therefore, Motif BioSciences Inc. is considered the predecessor of the Company prior to the reorganisation.

These interim condensed consolidated financial statements at June 30, 2016 together with the notes thereto (the "Interim Condensed Consolidated Financial Statements") of Motif Bio Plc (the "Company" and together with its subsidiaries the "Group") were approved for issuance by the Board of Directors on August 15, 2016, and have been prepared in accordance with IAS 34 – "Interim financial reporting". The interim condensed consolidated financial statements do not include all disclosures required for a full presentation and do not constitute statutory financial statements. Management does believe, however, that the interim condensed consolidated financial statements do provide a fair statement of the financial information. The audited Motif Bio plc annual consolidated financial statements for the preceding year have been filed with Companies House.

The Interim Condensed Consolidated Financial Statements should be read in conjunction with the Motif Bio Plc annual consolidated financial statements for the years ended December 31, 2015 and 2014, which have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union (''IFRS'').

The preparation of financial statements 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. Reference should be made to the section "Critical accounting estimates and judgements" in the Annual Consolidated Financial Statements for the years ended December 31, 2015 and 2014, for a detailed description of the more significant valuation procedures used by the Group. The accounting policies adopted in the preparation of these financial statements are consistent with those presented in the prior period financial statements. These financial statements have been reviewed and not audited.

The chief operating decision-maker is considered to be the Board of Directors of Motif Bio plc. The chief operating decision maker allocates resources and assesses performance of the business and other activities at the operating segment level. In addition, they review the interim condensed consolidated financial statements.

The chief operating decision-maker has determined that the Group has one operating segment-the development and commercialization of pharmaceutical formulations. All activities take place in the United States.

2. New standards and amendments

a. New standards and amendments effective from January 1, 2016

There are no new standards and amendments that have been applied from January 1, 2016, which have had an impact on the Group's financial statements.

b. New standards and amendments not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting periods covered by these unaudited interim condensed consolidated financial statements and have not been early adopted by the Group.

The expected effective date of IFRS 9—''Financial Instruments'' and IFRS 15—''Revenue from Contracts with Customers'' is January 1, 2018 and for IFRS 16—''Leases'', is January 1, 2019. Management has not yet assessed the potential impact of these new standards. These changes could have a substantial impact on the Group's financial statements in the coming years.

3. Breakdown of expenses by nature

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
	US $	US $	US $	US $
General and administrative expenses				
Employee benefits expenses	238,562	121,150	422,667	151,150
Directors' fees	111,317	75,200	217,914	75,200
Advisory fees	30,000	45,000	60,000	105,000
Legal and professional fees	672,530	424,248	1,044,282	588,737
Other expenses	91,548	97,702	182,571	162,998
	1,143,957	763,300	1,927,434	1,083,085
Research and developments costs	6,234,038	512,730	12,026,721	639,101
Gains on settlement of contract disputes	-	(5,027)	(83,320)	(5,027)

The increase in research and development costs were primarily attributed to the commencement of iclaprim clinical development in early 2016. The trial has continued to progress in Q2 2016 with further costs incurred as patients are enrolled.

The increase in legal and professional fees is primarily attributed to the additional legal and professional costs associated with being a public company in the UK and advisory costs incurred in the preparation of the registration statement on Form F-1 for filing with the U.S. Securities and Exchange Commission relating to a proposed U.S. public offering of American Depositary Shares

Gains on settlement of contract disputes relates to the settlement of a dispute with a contractor in the first quarter of 2016.

4. Finance income and costs

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
	US $	US $	US $	US $
Finance income				
Interest from financial assets	20,434	107	42,872	260
	20,434	107	42,872	260
Finance costs				
Interest paid/payable for financial liabilities	(62,829)	(21,601)	(125,738)	(141,177)
	(62,829)	(21,601)	(125,738)	(141,177)

Interest income and interest payable are recognized in the income statement as they accrue, using the effective interest method. Interest income in the six months ended June 30 2016 increased due to an increase in cash balances**.** Interest expense in the six months ended June 30, 2016 decreased due to a reduction in debt outstanding relative to the corresponding period in the prior year.

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
	US $	US $	US $	US $
Foreign exchange (loss) / gain	(185,818)	-	(197,814)	968
	(185,818)	-	(197,814)	986

The increase in exchange losses stems from the translation of a Sterling bank account subsequent to the perturbation in the sterling / dollar exchange rate precipitated by the Brexit vote in the U.K.

5. Income tax expense

Income tax expense is recognized based on management's estimate of the annual income tax expected for the period.

6. 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 shares in issue during the period. In accordance with IAS 33, where the Group has reported a loss for the period, the shares are anti-dilutive.

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
	US $	US $	US $	US $
Loss after taxation	(7,606,208)	(1,292,497)	(14,151,515)	(1,857,108)
Basic and diluted weighted average shares in issue	108,601,496	63,938,957	108,601,496	50,407,823
Basic and diluted loss per share	(0.07)	(0.02)	(0.13)	(0.04)

The following potentially dilutive securities outstanding at June 30, 2016 and 2015 have been excluded from the computation of diluted weighted average shares outstanding, as they would be antidilutive.

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
	US $	US $	US $	US $
Convertible promissory notes	14,510,770	14,510,770	14,510,770	14,510,770
Warrants	5,932,675	5,876,907	5,932,675	5,876,907
Share options	7,352,232	6,717,883	7,352,232	6,717,883
	27,795,677	27,105,560	27,795,677	27,105,560

7. Prepaid expenses and other receivables

	At June 30, 2016	At December 31, 2015
	US $	US $
Other receivables and prepayments	110,857	167,657

8. Trade and other payables

	At June 30, 2016	At December 31, 2015
	US $	US $
Trade payables	1,330,070	108,247
Accrued expenses	4,989,624	877,238
Amounts due to shareholders	21	1,598
	6,319,715	987,083

From December 31, 2015 to June 30, 2016, trade payables and accrued expenses increased principally as a result of an increase in the amounts due to a contract research organization

9. Other interest bearing loans and borrowings

	At June 30, 2016	At December 31, 2015
	US $	US $
Notes payable to shareholders	3,550,786	3,550,786
Accrued interest expense	322,143	197,175
	3,872,929	3,747,961

Amounts due to shareholders in respect of accrued interest on loan notes (see note 11) and other liabilities as follows:

	At June 30, 2016	At December 31, 2015
	US $	US $
Amounts due to Amphion Innovations plc	130,205	78,409
Amounts due to Amphion Innovations US Inc.	183,941	110,769
	314,146	189,178

The amounts due to Amphion increased due to the accrual of interest at a rate of 7% per annum for 181 days.

10. Equity

Allotted, called up, and fully paid:	Number	US $
In issue at December 31, 2015	108,601,496	1,645,291
In issue at June 30, 2016	108,601,496	1,645,291

Share premium represents the excess over nominal value of the fair value consideration received for equity shares net of expenses of the share issue.

Retained deficit represents accumulated losses.

The group reorganisation reserve arose when Motif Bio plc became the parent of the Group. The transaction, falling as it does outside the scope of IFRS3, has been accounted for as a group reorganization and not a business combination. The reorganisation reserve can be derived by calculating the difference between the nominal value of the shares in Motif Bio plc issued to the former shareholders in Motif BioSciences Inc. and the share capital and share premium of Motif BioSciences Inc. at the date of the merger.

11. Related party transactions

Transactions with Amphion Innovations plc and Amphion Innovations US, Inc.

At June 30, 2016 Amphion Innovations plc owned 26.08% of the issued ordinary shares in Motif Bio plc. In addition, the Amphion Group has provided funding for the activities of Motif BioSciences Inc. through the issue of convertible interest bearing loan notes. Richard Morgan and Robert Bertoldi were directors of both the Company and Amphion Innovations plc in the period. Transactions between the Group and the Amphion Group are disclosed below:

	At June 30, 2016	At December 31, 2015
	US $	US $
Amounts due to Amphion Innovations US, Inc.	21	1,599
Notes payable to Amphion Innovations plc	1,471,700	1,471,700
Notes payable to Amphion Innovations US, Inc.	2,079,086	2,079,086

11. Related party transactions (continued)

	Six months ended June 30,	
	2016	2015
	US $	US $
Accrued and unpaid interest on loan notes	314,146	70,136
Interest expense	124,968	141,177

12. Post balance sheet events

In July 2016, Motif Bio plc filed a registration statement on Form F-1 with the U.S. Securities and Exchange Commission relating to a proposed U.S. public offering of American Depositary Shares. The ADSs have been approved for listing on the NASDAQ Global Market under the ticker symbol “MTFB”.

In a referendum held in the United Kingdom on June 23, 2016, a majority of those voting voted for the United Kingdom to leave the EU. For now, the United Kingdom remains a member of the EU and there will not be any immediate change in either EU or U.K. law as a consequence of the “leave” vote.

The ultimate impact of the “leave” vote will depend on the terms that are negotiated in relation to the United Kingdom’s future relationship with the EU. Although the timetable for U.K. withdrawal is not at all clear at this stage, it is likely that the withdrawal of the United Kingdom from the EU will take at least two years to be negotiated and conclude. The period of negotiations will result in continued uncertainty and this, along with any direct effects of the U.K.’s withdrawal, could adversely affect our business, business opportunities, results of operations, financial condition and cash flows.