

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Existing Ordinary Shares in Alexander David Investments plc (the “Company”), please send this document, together with 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 transmission to the purchaser or transferee. If you have sold part only of your holding of Existing Ordinary Shares in the Company, you should retain these documents.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange (“AIM”). Application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. The Existing Ordinary Shares are not traded on any other recognised investment exchange and no application has been made for the Consideration Shares, the Placing Shares or the Conversion Shares to be admitted to trading on any other recognised trading exchange. It is expected that Admission will become effective and that dealings in the Enlarged Ordinary Share Capital will commence on AIM on 24 April 2014.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies published by London Stock Exchange plc (the “AIM Rules”) to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

The Directors and Proposed Directors, whose names appear on page 6 of this document, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

ALEXANDER DAVID INVESTMENTS PLC

Incorporated and registered in England and Wales with registered number 3508592

**PROPOSED ACQUISITION OF TIZIANA PHARMA LIMITED
PLACING OF 16,666,667 NEW ORDINARY SHARES AT A PRICE OF £0.12 PER SHARE
CHANGE OF NAME TO TIZIANA LIFE SCIENCES PLC
APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE
SHARE CONSOLIDATION
RENEWAL OF SHAREHOLDER AUTHORITIES
APPOINTMENT OF THE PROPOSED DIRECTORS
ADMISSION OF THE ENLARGED ORDINARY SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF GENERAL MEETING**



Cairn Financial Advisers LLP

Authorised and regulated by the Financial Conduct Authority



Beaufort Securities Limited

Authorised and regulated by the Financial Conduct Authority

A copy of this document, which is drawn up as an admission document in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the issued and to be issued ordinary share capital of the Company. This document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the Financial Conduct Authority pursuant to section 85 of FSMA.

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 Cairn Financial Advisers LLP, 61 Cheapside, London EC2V 6AX from the date of this document until one month from the date of Admission in accordance with the AIM Rules.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 14 to 29 of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below and the Risk Factors set out in Part II of this document.

Notice convening a General Meeting of the Company to be held at 11th Floor, 6 New Street Square, New Fetter Lane, London EC4A 3BF on 23 April 2014 at 9:30 a.m. is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by Capita Asset Services, PXS1, 34 Beckenham Road, Kent BR3 4ZF as soon as possible but in any event by not later than 9:30 a.m. on 17 April 2014. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

Cairn Financial Advisers LLP and Beaufort Securities Limited, which are authorised and regulated in the United Kingdom by the Financial Conduct Authority and are members of the London Stock Exchange, are the Company's nominated adviser and broker respectively in connection with the Admission for the purposes of the AIM Rules and are acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cairn Financial Advisers LLP and Beaufort Securities Limited or for advising any other person in respect of the proposed Placing and Admission or any acquisition of shares in any company. The responsibilities of Cairn Financial Advisers LLP, as nominated adviser under the AIM Rules, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, express or implied, is made by Cairn Financial Advisers LLP or Beaufort Securities Limited as to any of the contents of this document. Neither Cairn Financial Advisers LLP nor Beaufort Securities Limited has authorised the contents of any part of this document for any purpose and no liability whatsoever is accepted by Cairn Financial Advisers LLP or Beaufort Securities Limited for the accuracy of any information or opinions contained in this document. Neither the delivery of this document hereunder nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this document is correct as of any time subsequent to the date of this document. Nothing in this document shall be effective to limit or exclude any liability which, by law or regulation, cannot be so limited or excluded.

OVERSEAS SHAREHOLDERS

This document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not, subject to certain exceptions, for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, Japan, or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa, Japan or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Cairn Financial Advisers LLP or Beaufort Securities Limited that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Holding Ordinary Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas shareholders should inform themselves about, and observe, any applicable legal requirements. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements. These forward-looking statements are not based on historical facts but rather on the Directors' expectations regarding the Enlarged Group's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, planned exploration and development activity and the results of such activity, business prospects and opportunities. Such forward-looking statements reflect the Directors' and the Proposed Directors' current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, the results of exploration and development drilling and related activities, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. Although the forward-looking statements contained in this document are based upon what the Directors and the Proposed Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

CONTENTS

	<i>Page</i>
PLACING STATISTICS	4
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	5
DIRECTORS, SECRETARY AND ADVISERS	6
DEFINITIONS	7
GLOSSARY OF TECHNICAL TERMS AND MEASUREMENTS	12
PART I LETTER FROM THE CHAIRMAN	14
PART II RISK FACTORS	30
PART III A) HISTORICAL FINANCIAL INFORMATION ON THE COMPANY	34
B) ACCOUNTANT’S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY	53
PART IV A) HISTORICAL FINANCIAL INFORMATION ON TIZIANA PHARMA	55
B) ACCOUNTANT’S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON TIZIANA PHARMA	59
PART V UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP	61
PART VI ADDITIONAL INFORMATION	63
NOTICE OF GENERAL MEETING	90

PLACING STATISTICS

Issue price per Consideration Share, Placing Share and Conversion Share	£0.12
Number of Existing Ordinary Shares in issue before Admission	598,284,189
Share Consolidation ratio	300:1
Number of New Ordinary Shares in issue pursuant to the Share Consolidation, prior to the Acquisition, the Placing and the Conversion	1,994,281
Number of Consideration Shares to be issued	62,500,000
Number of Placing Shares to be issued	16,666,667
Number of Conversion Shares to be issued	3,395,365
Number of New Ordinary Shares in issue following the Share Consolidation, the Acquisition, the Placing and the Conversion	84,556,313
Percentage of the Enlarged Ordinary Share Capital constituted by the Consideration Shares, the Placing Shares and the Conversion Shares	97.64 per cent.
Number of New Ordinary Shares under warrant and option following the Share Consolidation, the Acquisition, the Placing and the Conversion ¹	6,334,647
Number of New Ordinary Shares on a fully diluted basis following the Share Consolidation, the Acquisition, the Placing and the Conversion ²	90,890,960
Gross proceeds of the Placing	£2.00 million
Estimated cash proceeds of the Placing receivable by the Company (net of expenses)	£1.55 million
Market capitalisation of the Enlarged Group on Admission ³	£10.15 million
Existing AIM symbol	ADI
New AIM symbol ⁴	TILS
ISIN for Existing Ordinary Shares	GB00B28XMY25
ISIN for New Ordinary Shares ⁴	GB00BKWNZY55

¹ *includes the Options to be awarded upon adoption of a share option scheme as soon as practicable following Admission*

² *on the basis that all warrants and Options have been exercised*

³ *based on the Issue Price of £0.12 per New Ordinary Share*

⁴ *the new AIM symbol and ISIN shall become effective only if the Resolutions are passed at the General Meeting*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2014

Publication of this document	31 March
Latest time and date for receipt of Forms of Proxy for the General Meeting	9:30 a.m. on 17 April
Time and Date for the General Meeting	9:30 a.m. on 23 April
Record Date	23 April
Completion of the Proposals and commencement of dealings of the Enlarged Ordinary Share Capital on AIM	8:00 a.m. on 24 April
CREST accounts expected to be credited	As soon as practicable after 8:00 a.m. on 24 April
Despatch of definitive share certificates by	1 May

Note: All references to times in this timetable are to London times. The times and dates may be subject to change.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Christopher William Rourke Percy William Cecil Lomax David Alexander Hill Scott Andrew Mark Gutmann	<i>Non-Executive Chairman</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Proposed Directors	Gabriele Marco Antonio Cerrone Philip James Boyd Riccardo Dalla-Favera	<i>Executive Chairman</i> <i>Chief Financial Officer</i> <i>Non-Executive Director</i>
Company Secretary	Norman Alec Charles Lott	
Registered office	6 New Street Square New Fetter Lane London EC4A 3BF	
Website	www.ad-investments.com	
Nominated Adviser	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX	
Broker	Beaufort Securities Limited 131 Finsbury Pavement London EC2A 1NT	
Solicitors to the Company as to English law	Mishcon de Reya Summit House 12 Red Lion Square London WC1R 4QD	
Solicitors to the Nominated Adviser and Broker	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF	
Reporting Accountant <i>(Member firm of the Institute of Chartered Accountants in England and Wales)</i>	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU	
Auditors <i>(Member firm of the Institute of Chartered Accountants in England and Wales)</i>	Crowe Clark Whitehill LLP St Brides House 10 Salisbury Square London EC4Y 8EH	
Public Relations	FTI Consulting Limited Holborn Gate 26 Southampton Buildings London WC2A 1PB	
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Tiziana Pharma, pursuant to the terms of the Acquisition Agreement;
“Acquisition Agreement”	the conditional acquisition agreement dated 31 March 2014 between (1) the Company and (2) the Vendors in relation to the sale and purchase of the entire issued share capital of Tiziana Pharma, further details of which are set out in paragraph 15.1 of Part VI of this document;
“Act”	the UK Companies Act 2006, as amended;
“Admission”	the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“AIM Rules for Companies”	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time;
“AIM Rules for Nominated Advisers”	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time;
“Articles”	the articles of association of the Company for the time being;
“Beaufort”	Beaufort Securities Limited, the Company’s broker;
“BioVitas”	BioVitas Capital Limited, a company controlled by Gabriele Cerrone, one of the Proposed Directors;
“Board” or “Directors”	the current directors of the Company, whose names are set out on page 6 of this document;
“Cairn”	Cairn Financial Advisers LLP, the Company’s nominated adviser;
“Certificated” or “in Certificated Form”	a share or other security recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form;
“Change of Name”	the proposed change of name of the Company to Tiziana Life Sciences PLC, further details of which are set out in paragraph 8 of Part I of this document;
“Company”	Alexander David Investments plc, a company registered in England and Wales with registered number 3508592;
“Concert Party”	those parties described in paragraph 7 of Part I of this document;
“Consideration Shares”	the 62,500,000 New Ordinary Shares to be issued to the Vendors at the Issue Price in consideration for the entire issued share capital of Tiziana Pharma as set out in the Acquisition Agreement;

“Conversion”	the issue by the Company of the Conversion Shares;
“Conversion Shares”	the 3,395,365 New Ordinary Shares to be issued to Planwise at a price of £0.12 per share in conversion of the Planwise Convertible Loan Notes 2014 and accrued interest;
“Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council, as amended;
“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form operated by Euroclear UK & Ireland Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
“Deferred A Shares”	the deferred A shares of 4.9p each in the capital of the Company;
“Deferred B Shares”	the deferred B shares of 9.99p each in the capital of the Company;
“Deferred Shares”	the Deferred A Shares and the Deferred B Shares;
“Disclosure and Transparency Rules”	the rules and regulations made by the Financial Conduct Authority in its capacity as the UKLA under Part VI of FSMA, as amended, and contained in the UKLA publication of the same name;
“Enlarged Group”	the Company and Tiziana Pharma upon completion of the Acquisition;
“Enlarged Ordinary Share Capital”	the share capital of the Company upon Admission, comprising the Existing Ordinary Share Capital, the Consideration Shares, the Placing Shares and the Conversion Shares;
“Existing Ordinary Shares”	ordinary shares of £0.0001 each in issue as at the date of this document;
“Existing Ordinary Share Capital”	the ordinary share capital of the Company at the date of this document, comprising 598,284,189 Existing Ordinary Shares;
“Financial Conduct Authority”	the United Kingdom Financial Conduct Authority;
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
“General Meeting”	the general meeting of the Company, convened for 9:30 a.m. on 23 April 2014, and any adjournment thereof, notice of which is set out at the end of this document;
“Historical Financial Information on the Company”	the Company’s historical financial information for the years ended 31 December 2011, 31 December 2012 and 31 December 2013;
“Historical Financial Information on Tiziana Pharma”	Tiziana Pharma’s historical financial information for the period from incorporation on 4 November 2013 to 31 December 2013;
“HMRC”	Her Majesty’s Revenue & Customs;
“IFRS”	International Financial Reporting Standards as adopted by the European Union;

“Independent Shareholders”	the holders of Existing Ordinary Shares other than any person being a member of the Concert Party;
“Inventors”	Dr Andrea Brancale, Dr Andrew Westwell and Dr Richard Clarkson;
“Investor Convertible Loan Notes”	the aggregate convertible loan notes of £730,000 to be issued to the Investor Noteholders conditional upon Admission, further details of which are set out in paragraph 17 of Part I and paragraph 15.10 of Part VI of this document;
“Investor Noteholders”	investors to whom the Investor Convertible Loan Notes are to be issued;
“IPR”	intellectual property rights;
“ISIN”	international security identification number;
“Issue Price”	£0.12, being the price at which the Consideration Shares, the Placing Shares and the Conversion Shares are to be issued;
“Licence Agreement”	the licence agreement dated 20 March 2014 between (1) Tiziana Pharma, (2) University College Cardiff Consultants Limited (“UCCC”) and (3) BioVitas, further details of which are set out in paragraph 15.13 of this document;
“Locked-in Persons”	Planwise, the Proposed Directors and Prof Chris McGuigan;
“London Stock Exchange”	London Stock Exchange plc;
“Net Proceeds”	£1.55 million, being the estimated proceeds of the Placing after the deduction of expenses;
“New Board”	the Board of Directors with effect from Admission, comprising the Proposed Directors and Andrew Gutmann;
“New Ordinary Shares”	ordinary shares of £0.03 each in the capital of the Company following the Share Consolidation;
“Notice”	the notice of the General Meeting set out at the end of this document;
“Novation Agreement”	the novation agreement dated 20 March 2014 between (1) Tiziana Pharma and (2) BioVitas, which novates the rights and obligations under the Research Agreement to Tiziana Pharma, further details of which are set out in paragraph 15.14 of this document;
“Official List”	the list maintained by the UKLA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
“Options”	options to subscribe for Ordinary Shares, further details of which are set out in paragraph 11 of Part VI of this document;
“Ordinary Shares”	ordinary shares in the issued share capital of the Company from time to time;
“Panel”	the Panel on Takeovers and Mergers;
“Placees”	investors to whom Placing Shares are issued pursuant to the Placing;
“Placing”	the conditional placing by Beaufort on behalf of the Company of the Placing Shares at the Issue Price pursuant to the Placing Agreement;

“Placing Agreement”	the conditional agreement dated 31 March 2014 between (1) the Company, (2) the Directors, (3) the Proposed Directors, (4) Cairn and (5) Beaufort relating to the Placing, details of which are set out at paragraph 15.2 of Part VI of this document;
“Placing Shares”	16,666,667 New Ordinary Shares to be issued to the Placees pursuant to the Placing;
“Planwise”	Planwise Group Ltd, a company incorporated in the British Virgin Islands with company number 1686824. Mr Gabriele Cerrone, one of the Proposed Directors, is the ultimate beneficial owner of the entire issued share capital of Planwise Group Ltd;
“Planwise Convertible Loan Notes 2014”	the convertible loan notes of £400,000 issued on 19 December 2013, further details of which are set out in paragraph 15.8 of Part VI of this document. The Planwise Convertible Loan Notes 2014 are to be converted subject to the Conversion;
“Planwise Convertible Loan Notes 2016”	the convertible loan notes of up to £200,000 issued on 31 March 2014, further details of which are set out in paragraph 17 of Part I and paragraph 15.7 of Part VI of this document. The Planwise Convertible Loan Notes 2016 can be converted at any time after the second anniversary of Admission at the election of Planwise.
“Proposals”	the Acquisition, the Placing, the Rule 9 Waiver, the Share Consolidation, the renewal of share authorities, the appointment of the Proposed Directors, the General Meeting and Admission;
“Proposed Directors”	the persons to be appointed directors with effect from Admission, whose names are set out on page 6 of this document;
“Record Date”	23 April 2014, being the record date for the purposes of the Share Consolidation;
“Research Agreement”	the research agreement dated 21 October 2013 between (1) Cardiff University and (2) BioVitas, details of which are set out in paragraph 15.12 of this document, and which was novated to Tiziana Pharma on 20 March 2014;
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice;
“Rule 9 Waiver”	the waiver of the obligations of the Concert Party to make a general offer under Rule 9 of the Takeover Code which may otherwise arise as a consequence of the issue of the Consideration Shares to the Concert Party, granted by the Panel conditional upon approval of the Independent Shareholders voting on a poll, further details of which are set out in paragraph 7 of Part I of this document;
“Share Consolidation”	the proposed consolidation of every 300 Existing Ordinary Shares into 1 New Ordinary Share;
“Shareholders”	the persons who are registered as holders of the Ordinary Shares;
“Sterling” or “£”	the legal currency of the UK;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Tiziana Pharma”	Tiziana Pharma Limited, a company registered in England and Wales with registered number 08760354;

“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UKLA”	the United Kingdom Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“Uncertificated” or “in Uncertificated Form”	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
“US\$”	the legal currency of the United States;
“VAT”	value added tax; and
“Vendors”	the shareholders of Tiziana Pharma, being Planwise, Dr Andrea Brancale, Dr Andrew Westwell, Dr Richard Clarkson and Prof Chris McGuigan, further details of whom are set out in paragraphs 7 and 13 of Part I of this document.

GLOSSARY OF TECHNICAL TERMS AND MEASUREMENTS

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

“anti-proliferative”	outside an animal system, but may include within cell systems in the laboratory;
“Avastin”	a cancer drug that inhibits VEGF;
“Bcl-3”	B-cell Lymphoma 3 gene;
“Bcl-3 Patent”	the UK patent applied for by University College Cardiff Consultants Limited entitled “Bcl-3 inhibitors” under application number GB1313664.3;
“BCL3i”	Abbreviation to describe an inhibitor of the BCL3 protein. This may include transcriptional (genetic) inhibition of the gene or pharmacological inhibition of BCL3 protein, depending on the context;
“cyclin-dependent kinase” or “CDK”	an enzyme that drives cell proliferation;
“Doetaxel”	a member of the taxane family of cancer drugs;
“EGFR”	Epidermal Growth Factor Receptor is a growth factor receptor that is up-regulated in a proportion of breast cancer patients;
“FDA”	US Food and Drug Administration;
“Gefitinib”	an approved cancer drug that inhibits EGFR;
“Glioblastoma”	a form of brain tumour;
“GLP toxicology”	Good Laboratory Practice toxicology, high quality assured assessment of general side effects of a compound or agent in animal models;
“GMP”	good manufacturing practice;
“HER2-positive disease”	a subtype of breast cancer in which the tumour cells express elevated levels of HER2; this accounts for approximately 15 to 20 per cent. of the breast cancer patient population;
“HER2 protein”	Human Epidermal growth factor Receptor 2, a growth factor receptor that is commonly overexpressed in breast tumour cells;
“in silico”	experimentation performed via computer simulation;
“in vivo”	experimentation using a whole, living organism in its normal intact state;
“in vitro”	experimentation using components of an organism that have been isolated from their usual biological surroundings, commonly called “test tube experiments”;
“JS6”	the initial lead BCL3 inhibitory compound;

“metastasis”	the spread of cancer from one organ or part to another non-adjacent organ or part;
“NDA”	new drug application;
“NF-KB”	the transcription factor, Nuclear Factor-kappa-B;
“Paclitaxel”	a member of the taxane family of cancer drugs;
“PD”	pharmacodynamics, which is the study of biochemical and physiological effects of drugs on the body;
“PK”	pharmacokinetics, which describes how the body affects a specific drug after administration and the effects and routes of excretion of the metabolites of the drug;
“Species 1 PK”	PK studies to be performed on lead compound in the first animal species (rodent);
“Species 2 PK”	PK studies to be performed on lead compound in the second animal species (primate);
“taxane”	a class of chemotherapeutic cancer drug that attacks the cytoskeleton of actively dividing cells;
“tyrosine kinase inhibitor”	a pharmacological agent that inhibits one type of tumour associated cell signalling directed at specific enzymes within tumour cells; and
“VEGF”	vascular endothelial growth factor, a growth factor that controls the growth and expansion of blood vessels.

PART I
LETTER FROM THE CHAIRMAN OF ALEXANDER DAVID INVESTMENTS PLC

ALEXANDER DAVID INVESTMENTS PLC

Incorporated and registered in England & Wales under the Companies Act 1985 with registered number 3508592

Directors:

Christopher William Rourke, Non-Executive Chairman
Percy William Cecil Lomax, Non-Executive Director
David Alexander Hill Scott, Non-Executive Director
Andrew Mark Gutmann, Non-Executive Director

Registered Office:

6 New Street Square
New Fetter Lane
London EC4A 3BF

31 March 2014

Dear Shareholder,

PROPOSED ACQUISITION OF TIZIANA PHARMA LIMITED
PLACING OF 16,666,667 NEW ORDINARY SHARES AT A PRICE OF £0.12 PER SHARE
APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE
CHANGE OF NAME TO TIZIANA LIFE SCIENCES PLC
SHARE CONSOLIDATION
RENEWAL OF SHAREHOLDER AUTHORITIES
APPOINTMENT OF THE PROPOSED DIRECTORS
ADMISSION OF THE ENLARGED ORDINARY SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF GENERAL MEETING

1. INTRODUCTION

On 19 December 2013, admission to trading on AIM in the Company's Ordinary Shares was temporarily suspended following the announcement on the same date that the Company had entered into an agreement to issue £400,000 of convertible loan notes, the proceeds of which were to be used exclusively for the purpose of funding the costs and expenses of the Company in connection with a possible reverse takeover of the Company as defined in the AIM Rules.

The Company announced earlier today that it has conditionally agreed terms in respect of the Acquisition. As a result, a number of proposals are to be put to Shareholders at the General Meeting. This document sets out the details of, and reasons for, the Proposals.

The Acquisition, if completed, is of sufficient size to constitute a reverse takeover under the AIM Rules, and therefore is subject to the approval of Shareholders at the General Meeting. Further details of the General Meeting are set out in paragraph 25 of this Part I. Further details of the terms and conditions of the Acquisition are set out in paragraph 4 of this Part I.

The consideration of £7.50 million is to be satisfied by the issue of New Ordinary Shares at a price of £0.12 per share, which values the Existing Share Capital at £0.24 million, representing a 53 per cent. discount to the Company's share price on 19 December 2013, the date on which trading was temporarily suspended.

The Company has raised £2.00 million (before expenses) by means of the Placing which will be used to develop the IPR in Tiziana Pharma and for general working capital purposes. Further details of the Placing are set out in paragraph 6 of this Part I.

Following implementation of the Proposals, certain Shareholders of the Enlarged Group who are deemed to be acting in concert will hold 66,412,265 New Ordinary Shares, representing 78.54 per cent. of the Enlarged Ordinary Share Capital pursuant to the terms of the Acquisition. If only the Options to be granted to members of the Concert Party following Admission are exercised and the Planwise Convertible Loan Notes 2016 are converted, the Concert Party would hold 71,725,849 New Ordinary Shares representing 79.81 per cent. of the so enlarged share capital. Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged to make an offer to all Shareholders (other than the Concert Party) to acquire their New Ordinary Shares. Following an application by the Concert Party, the Takeover Panel has agreed to waive this obligation, subject to the approval of the Independent Shareholders (on a poll) at the General Meeting. Your attention is drawn to the Rule 9 Waiver section contained in paragraph 7 of this Part I.

The Directors believe that it is appropriate, should the Acquisition be approved by Shareholders at the General Meeting and the Acquisition complete, that the name of the Company be changed to Tiziana Life Sciences PLC.

The Directors are proposing the Share Consolidation as they consider that it is in the best interests of the Company's long term development as a public quoted company to have a lower number of shares in issue and a higher nominal value such that Ordinary Shares are traded in pence rather than fractions of pence.

The purpose of this document is to provide Shareholders with further information regarding the matters described above and to seek your approval of the Resolutions, which include the Rule 9 Waiver, at the General Meeting. The notice of General Meeting is set out at the end of this document. The Proposals are conditional, *inter alia*, on the passing of the Resolutions and Admission. If the Resolutions are approved by Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on AIM on or around 24 April 2014. The General Meeting of the Company at which the Resolutions will be proposed has been convened for 9:30 a.m. on 23 April 2014 at 11th Floor, 6 New Street Square, New Fetter Lane, London EC4A 3BF.

You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out in Part II of this document. Your attention is also drawn to the information set out in Parts III to VI of this document.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION

Since its incorporation in 1998, the Company strove to generate revenue from Colostrinin, which was initially developed as a pharmaceutical compound to treat Alzheimer's disease. Whilst efficacy had been shown in a number of trials, it became apparent that, as a consequence of its complex nature, Colostrinin could not be characterised and therefore produced to the exacting standards demanded for a pharmaceutical product. As a consequence, the Company set out in 2003 to develop a nutraceutical business based on convincing clinical data. The first licensing deal was signed in 2006 and the product was first marketed in Australia in July 2007, the US in October 2007 and since then in Cyprus, Poland, the UK, Turkey and India. However, sales of the products did not reach the levels anticipated by the Company.

In the period from December 2010 to February 2011, the Company decided that Shareholders' interests would be better served by establishing a different business model. Accordingly, the Company decided to change the business of the Company to that of an investing company. In order to do this the Company demerged its business in respect of Colostrinin into a newly incorporated company with shares in that business being transferred to the then shareholders of the Company. Following the demerger, the Company adopted an investing policy pursuant to which the Company targeted small cap and special opportunities with a bias towards basic resources and oil and gas companies, predominantly on AIM. The Company has continued its business as an investing company and has sought to identify investments that ultimately increase shareholder value. In conjunction with approval of the Acquisition, Resolution 2 seeks approval of the amendment of the Company's investing policy to include investment in biotechnology companies.

In the accounts for the year ended 31 December 2012, the Company reported that investments made to date had been disappointing. Whilst the injection of capital by Planwise in April 2013 pursuant to a subscription agreement helped to reduce the Company's debts and provided additional working capital in the short term, the Directors believe that the Company has reached the point that, without further financing or the injection of additional assets, it is unable to undertake any material commercial activity. **If Shareholders do not vote in favour of the Proposals, the Directors believe the future prospects of the Company will be bleak.**

Accordingly, the Directors propose that, subject to Shareholders' approval of the Resolutions, the Company will acquire the entire issued share capital of Tiziana Pharma, which will have the effect of changing the status of the Company from an investing company under the AIM Rules to an operating company with a material trading activity. The Enlarged Group's operations would thereafter constitute exclusively those of Tiziana Pharma, which is a development stage biotechnology company. Details of the business and operations of Tiziana Pharma are set out in paragraph 3 of this Part I.

3. INFORMATION ON TIZIANA PHARMA & FUTURE STRATEGY OF THE ENLARGED GROUP

3.1 Nature of Tiziana Pharma's business

Tiziana Pharma was formed in November 2013 as a vehicle to acquire and exploit certain intellectual property in biotechnology.

Tiziana Pharma's mission is to discover and develop novel molecules that impact human disease in the area of oncology, with a particular focus on metastatic cancers. The first of Tiziana Pharma's programmes seeks to develop a drug for application in the therapeutic area of metastatic breast cancer and it is intended that further research and development programmes will be evaluated and pursued in other metastatic cancer indications to provide additional potential value to Shareholders.

The intellectual property was developed by Dr Andrea Brancale (senior research academic), Dr Richard Clarkson (senior research academic) and Dr Andrew Westwell (reader in Medicinal Chemistry), all of whom are from Cardiff University, and focuses on targeting the product of the B-cell Lymphoma 3 gene (Bcl-3), the inhibition of which affects a cancer cell's ability to migrate. The team brings together skills in computer-aided drug design, molecular modelling, medicinal chemistry, molecular-cell biology and *in vivo* cancer models enabling it to address the research spectrum in an integrated and rational manner. Patent protection in and around this field of research has been applied for. Further intellectual property is expected to be developed or acquired as opportunities arise from existing and ongoing target identification.

On 21 October 2013, BioVitas entered into the Research Agreement with Cardiff University, pursuant to which, *inter alia*, (i) BioVitas agreed to sponsor a project to identify and select candidate lead compounds to inhibit Bcl-3 for a research fee of £175,000 and (ii) Cardiff University granted to BioVitas an option to license the IPR and know-how arising from the project.

On 20 March 2014, the Research Agreement was novated to Tiziana Pharma pursuant to the terms of the Novation Agreement. On 20 March 2014, Tiziana Pharma exercised its option to license the IPR pursuant to the Licence Agreement, which grants to Tiziana Pharma an exclusive worldwide licence to use the IPR and know-how to research, develop, manufacture, market, use and sell products and incorporates the project milestones set out in the Research Agreement together with corresponding milestone payments to be made by Tiziana Pharma, as licensee, to Cardiff University, as licensor.

Further details of the Research Agreement, the Licence Agreement and the Novation Agreement are set out in paragraphs 15.12, 15.13 and 15.14 respectively of Part VI of this document.

In the next 12 to 24 months, Tiziana Pharma intends to conduct further research through the Research Agreement with Cardiff University, which is required to provide human resources, material, facilities and equipment necessary to carry out the project in return for the research fee and milestone payments referred to above. The research programme will be conducted by the Inventors and, to the extent that this programme provides lead molecules with the desired properties of inhibiting Bcl-3, Tiziana Pharma intends to engage with additional third party experts and providers of outsourced services in pre-clinical and clinical development to take the chosen molecule or molecules through pre-clinical testing and into human clinical trials.

3.2 Scientific and market rationale

The spread of tumours around the body, termed metastasis, accounts for approximately 90 per cent. of all cancer-related deaths, which rose to 8.2 million worldwide in 2012, an increase of 8 per cent. 2008, with a sharp rise in breast cancer deaths (up 14 per cent.) in the same period. There were approximately 522,000 worldwide deaths attributable to breast cancer in 2012.

Approximately 15 to 20 per cent. of breast cancer sufferers are diagnosed with "triple-negative tumour", an often aggressive form of the disease that has the highest risk of metastatic disease in breast cancer patients. A triple negative tumour is one that when tested following biopsy or surgical removal does not have receptors for the hormones oestrogen or progesterone, or for the HER2 protein. A further approximately 15 to 20 per cent. of the patient population have HER2-positive disease which also predisposes patients to metastatic disease and poor prognosis. Certain demographic groups are more likely to have triple negative breast cancer, such as those women who develop breast cancer under the age of 40.

There has been a trend in recent years within the cancer therapeutics field away from cytotoxic chemotherapy (non-specific targeting of DNA and cell division) towards more targeted therapies based on advancing knowledge of molecular targets that are over-expressed or (selectively) expressed in tumour progression. However, alongside the established anti-hormonal agents (breast and prostate cancer), the cancer drug development field is still dominated by anti-proliferative agents, such as kinase inhibitors against targets such as the EGFR, HER2, VEGF and cyclin-dependent kinases (CDKs). A focus on targets such as kinase inhibitors continues to dominate the field despite their lack of clinical efficacy in a number of recent cases (Gefitinib / EGFR; Avastin / VEGF), and despite the fact that the majority of cancer deaths are caused by the poorly targeted process of cancer metastasis.

Women who have breast cancer with hormone receptors present may be prescribed hormonal treatments, such as tamoxifen or anastrozole. Women with breast cancers that have high levels of HER2 receptors may be given the drug trastuzumab (Herceptin®). However, women with triple negative breast cancer do not benefit from these treatment regimens and are commonly treated with chemotherapy. The anti-angiogenic drug bevacizumab (Avastin®, used in combination with a chemotherapeutic paclitaxel such as Taxol®) is currently the leading agent in triple negative breast cancer, but the FDA's Oncologic Drugs Advisory Committee has recommended withdrawing its approval of bevacizumab for breast cancer treatment due to poor efficacy in clinical trials, but remains in use in some other countries outside of the US. Abraxane (nanoparticle paclitaxel) is considered one of the most efficacious drug for the disease currently, but it is likely that combined ramacurimab (antibody against VEGF acting on the same pathway as Avastin) plus Taxotere (docetaxel, a paclitaxel variant) will supersede this following its launch for indication in 2016.

This market is currently dominated by the taxanes and VEGF inhibitors described above, with new market leads arising from alternative analogues or combinations of these agents or their combination with improved drug-delivery methods. The breast cancer drug market is predicted to remain largely static over the next decade increasing to US\$10.4bn in 2019. However, emerging novel therapeutics, identified through rational targeting originating from future advances in breast cancer biology research, are predicted to occupy more than 25 per cent. of the projected breast cancer drug market by 2019. The main drivers of this emerging market are the unmet clinical needs for increased efficacy over and above that provided by existing agents (as evidenced by the current guidance against Avastin and the controversy surrounding the benefits of docetaxel vs paclitaxel) and increasing the life-span for terminally ill patients.

Over all cancer indications, an estimated 7.4 million deaths arose from metastatic disease worldwide in 2012, approximately 90 per cent. of the total number of cancer-related deaths. The Directors and the Proposed Directors believe that there is therefore a ready market for a novel treatment that is able to improve survival in patients diagnosed with cancer who might progress to metastatic disease. For example, the current leading metastatic breast cancer agent Avastin is also indicated for glioblastoma and cancers of the colon, lung, renal system and ovaries and had global sales of US\$5.98bn in 2012.

3.3 Initial research programme

Tiziana Pharma's research team is attributed with the discovery that Bcl-3 has a prominent role in the metastasis of mammary cancers, and have elucidated the mechanism of Bcl-3 action to be the regulation of cancer cell motility. The research team has also determined that Bcl-3 inhibition suppresses cell motility in triple-negative, HER-2-positive and ER-positive breast cancer sub-types, suggesting that Bcl-3 may be a master regulator of this metastatic property not only in more aggressive breast cancers but across the whole clinical spectrum of breast disease (unpublished data, manuscript in preparation).

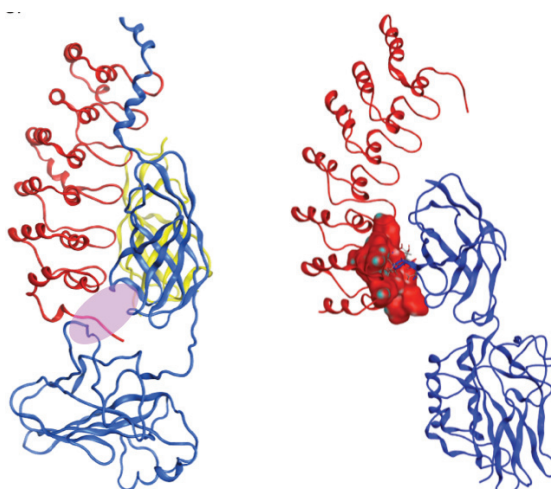


Figure 1: In silico modelling of the Bcl-3 complex & screening simulation has identified potential inhibitors

Using a computer-based model of the Bcl-3 protein complexed with its cognate protein partners within the cell and rational design of a molecule to inhibit the interaction of Bcl-3 with these proteins, the research team at Cardiff University has identified a small molecule (JS6) which is able to inhibit Bcl-3 at nanomolar

concentrations in *in vitro* assays (Bcl-3/p50 protein binding assay; cell-based Bcl-3/NF-kB-dependent transcription reporter assay; human breast cancer cell motility assay) and shows no overt toxicity up to millimolar concentrations.

Furthermore, the lead compound shows significant anti-metastatic activity at 3.5mg/kg in preliminary *in vivo* assays (mouse) designed to demonstrate the inhibition of disease progression and further spread of metastatic lesions, and showed no toxicity *in vivo* at the concentration used. This inhibitor class of the Bcl-3 protein is termed BCL3i, and the initial research programme is designed to discover further BCL3i molecules with improved or equivalent profiles compared to the JS6 initial lead.

BCL3i is thus a novel emerging therapeutic for metastatic disease, targeting a molecular mechanism that is common to the majority of cancer tissue types. This mechanism is distinct from the anti-proliferative effects of the taxanes and the anti-vascularising effects of the VEGF(R), targeting instead the ability of cells to migrate.

Ongoing pre-clinical animal studies, which are scheduled for completion in 2014, are expected to determine if this leads to a significant improvement in survival when the agent is targeted to animal models with existing advanced metastatic disease. Furthermore, the efficacy of BCL3i in other cancer tissue types is expected to be determined, including colorectal, pancreatic, lung and prostate cancers (combined, making up more than 50 per cent. of cancer incidences in the UK).

3.4 Next steps

In summary, the research programme to be followed by Tiziana Pharma is expected to include:

Lead generation, assay development and compound testing

- Leads from *in silico* screening synthesised;
- Compounds tested in *in vitro* assays looking for at least equivalent bioactivity to the current lead (JS6);
 - P50 binding assays to assess ability to inhibit Bcl-3 complex;
 - NF-kB activity as an indicator of Bcl-3 bioactivity; and
 - Cell migration assay as an indicator of metastatic potential.
- Compounds tested *in vivo*;
 - In a mouse model with a human breast cancer cell line;
 - Development of mouse models equivalent to clinical trial platforms; and
 - Compounds sent for PK evaluation in rodent models;
- Further analogues synthesized based on results; and
- Several non-breast cancer cell lines tested, to broaden patent scope to other cancer types.

A combination of the production of new molecules and the testing of these molecules will result in milestone payments being payable to Cardiff University as more leads are generated and tested (milestones 1, 2 and 3), as detailed in the Licence Agreement, details of which are set out in paragraph 15.13 of Part VI of this document.

Seeking to identify a clinical candidate;

- Compounds sent for PK/PD evaluation in primates; and
- Selection of the clinical candidate(s).

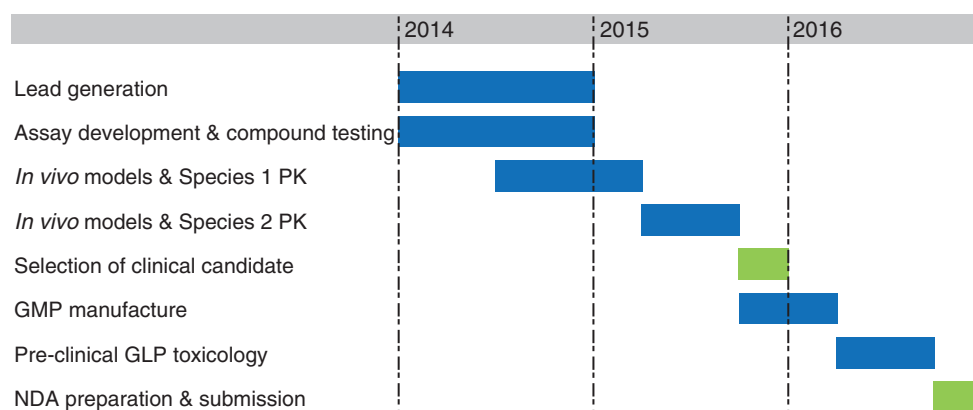
Milestone 4 of the Licence Agreement is due on selection of the clinical candidate following successful completion of the primate PK/PD studies.

Preparing for clinical trials

- Manufacture of the clinical candidate under GMP manufacture, and pre-clinical toxicology testing prior to submission of the application for first in man clinical trials.

The last of the research milestones is due once an Investigational New Drug (IND) application is made (milestone 5) seeking approval for clinical trials.

An indicative projected timeline for the research programme outlined above is set out below.



It is anticipated that the Net Proceeds will enable the Enlarged Group to reach milestone 4 of the milestones set out in the Licence Agreement and commence preparation for a clinical trials programme. In order for the Enlarged Group to progress with the business plan to and past milestone 5, additional funding would be required.

4. PRINCIPAL TERMS OF THE ACQUISITION

The Company has entered into the Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the entire issued share capital of Tiziana Pharma for a consideration of £7.50 million, to be satisfied by the issue of the Consideration Shares. Further details of the Acquisition Agreement are set out in paragraph 15.1 of Part VI of this document.

5. FINANCIAL INFORMATION

Historical financial information on the Company and on Tiziana Pharma is set out in Parts III and IV respectively of this document. An unaudited pro forma net assets statement showing the hypothetical net assets of the Enlarged Group is set out in Part V of this document.

6. THE PLACING

Beaufort has conditionally raised £2.00 million (before expenses) for the Company through the Placing, conditional on the Proposals being approved by Shareholders at the General Meeting and on Admission. The Net Proceeds, which are estimated at £1.55 million, will be used to enable the Company to take initial steps to develop the intellectual property of Tiziana Pharma and to provide the Company with general working capital. Once the Placing Shares are admitted to trading on AIM, the Placees will, in aggregate, hold approximately 19.71 per cent. of the Enlarged Ordinary Share Capital.

In order to facilitate the Placing and to enable the Company to raise further funds, it is necessary for the Company to increase its authority to issue shares and dis-apply pre-emption rights in relation to any such issue. Resolution 7 seeks the authority to (i) allot the Consideration Shares, the Placing Shares and the Conversion Shares and to (ii) allot shares and to grant rights to subscribe for or to convert any security into such shares up to a nominal value of £500,000. It is proposed, in Resolutions 7 and 8 that the Directors should be able to (i) allot shares and equity securities to complete the Placing, (ii) conduct rights issues and (iii) otherwise allot further shares and equity securities up to an additional nominal amount of £500,000 other than on a pre-emptive basis. In each case, the authorities conferred by Resolutions 7 and 8 shall expire fifteen months after the passing of the relevant resolutions or at the conclusion of the next annual general meeting of the Company following the passing of these resolutions, whichever occurs first. The Directors may look to raise additional funds for the Company following the General Meeting subject to the Resolutions being approved by Shareholders.

7. RULE 9 WAIVER

The Takeover Code governs, *inter alia*, transactions which may result in a change of control of a company to which the Takeover Code applies. Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining Shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person.

Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, then they will not generally be required to make a general offer to the other Shareholders to acquire the balance of their shares, although individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Panel consent.

An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company.

The members of the Concert Party are deemed to be acting in concert for the purposes of the Takeover Code. The Concert Party comprises Planwise, Gabriele Cerrone, Chris McGuigan, Dr Andrea Brancale, Dr Richard Clarkson and Dr Andrew Westwell.

A brief biography of each of Gabriele Cerrone and the Inventors is set out in paragraph 12. Information on the remaining members of the Concert Party is as follows:

Planwise

Planwise is a private limited company incorporated under the laws of the British Virgin Islands with company number 1686824 and its registered office at Offshore Incorporations, Centre PO Box 957, Road Town, Tortola, British Virgin Islands.

The only business interest of Planwise is the holding of shares in the Company and Tiziana Pharma.

Gabriele Cerrone is the ultimate beneficial owner of Planwise and therefore indirectly holds 25.92 per cent. of the Existing Ordinary Share Capital and 83.06 per cent of the issued share capital of Tiziana Pharma. Following Admission and approval of the Resolutions, Gabriele Cerrone will indirectly hold 66.02 per cent. of the Enlarged Ordinary Share Capital.

Gabriele Cerrone has a successful track record and extensive experience in the financing and restructuring of micro-cap biotechnology companies. Further information on Gabriele Cerrone is set out in paragraph 12.1 of this Part I.

Save as set out in this document, neither Gabriele Cerrone (in a personal capacity) nor Planwise has entered into any material contracts (outside the ordinary course of business) which may be relevant to the business of the Company.

Prof Chris McGuigan

Prof McGuigan is a senior professor at Cardiff University who worked closely with the 'Key Management' as set out in paragraph 12.2 of this Part I.

Prof McGuigan obtained a BSc and PhD in Chemistry from Birmingham University. After graduating, he carried out post-doctoral research in Edmonton, Alberta, followed by a demonstratorship at Exeter. His first faculty post

was at University College London followed by Southampton University and then Cardiff University in 1994. In 2002, Chris was elected to the Board of the International Society for Antiviral Research and, subsequently, to the post of President-elect (2004-6) and President (2006-8). Chris sat on the Research Assessment Exercise panel for Pharmacy in 2001 and again in 2008 and in 2013 under the new Research Excellence Framework exercise. Chris was Pro Vice Chancellor for Research at Cardiff from 2012 to 2013 and is currently chairman of the Task and Finish group of the Welsh Government for the Welsh Life Science HUB and chairman of the National Research Network in Health and Life Sciences.

Relationship of the Concert Party

All the members of the Concert Party, other than Gabriele Cerrone, are the current shareholders in Tiziana Pharma. Under the presumption that shareholders of a private company (in this case Tiziana Pharma) who sell their shares to a company to which the Takeover Code applies (the Company) in consideration for shares in the Company are acting in concert with one another, each of the Vendors is acting in concert. Gabriele Cerrone (one of the Proposed Directors) is the ultimate beneficial owner of the entire issued share capital of Planwise and has therefore been included in the Concert Party.

Planwise's only business is to invest in companies. Planwise's business will not alter as a result of the Transaction. Further details regarding the members of the Concert Party can be found in paragraph 7 of Part VI of this document.

Maximum Potential Controlling Position

Immediately following Admission, the Concert Party will hold in aggregate 66,412,265 New Ordinary Shares, representing 78.54 per cent. of the Enlarged Ordinary Share Capital which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Concert Party to make a general offer to Shareholders under Rule 9 of the Takeover Code.

If only the Options to be granted to members of the Concert Party following Admission are exercised and the Planwise Convertible Loan Notes 2016 are converted, the Concert Party would hold 71,725,849 New Ordinary Shares representing 79.81 per cent. of the so enlarged share capital.

The following table sets out the Concert Party's shareholdings (i) in the Company as at the date of this document; (ii) in the Enlarged Group on Admission; and (iii) in the so enlarged group following Admission if only the Options to be granted to members of the Concert Party are exercised and the Planwise Convertible Loan Notes 2016 are converted.

Name	As at the date of this document		On Admission		Following Admission		
	Number of Existing Ordinary Shares	% of the Existing Ordinary Share Capital	Number of New Ordinary Shares	% of the Enlarged Ordinary Share Capital	Number of New Ordinary Shares under Option (to be granted following Admission) ¹	Maximum number of shares pursuant to conversion of Planwise Convertible Loan Notes 2016	% of the Enlarged Ordinary Share Capital (assuming Options exercised)
Planwise ²	155,070,000	25.92	55,822,565	66.02	—	1,863,584	64.19
Gabriele Cerrone ²	—	—	—	—	1,200,000	—	1.33
Dr Andrea Brancale	—	—	2,491,694	2.95	750,000	—	3.61
Dr Andrew Westwell	—	—	2,491,694	2.95	750,000	—	3.61
Dr Richard Clarkson	—	—	2,491,694	2.95	750,000	—	3.61
Prof Chris McGuigan	—	—	3,114,618	3.67	—	—	3.46
Total	155,070,000	25.92	66,412,265	78.54	3,450,000	1,863,584	79.81

¹ The Company will adopt a share option plan and grant Options in the amounts stated as soon as reasonably practicable following Admission. All of these Options will be exercisable at a price of £0.15, will vest over a period of four years commencing on the first anniversary of the date of grant and will expire on the tenth anniversary of the final vesting date.

² Gabriele Cerrone is the ultimate beneficial owner of the entire issued share capital of Planwise.

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to permit the Acquisition without triggering an obligation on the part of Concert Party to make a general offer to Shareholders. The Panel has agreed, subject to Independent Shareholders' approval on a poll, to waive the possible requirement for the Concert Party to make a general offer to all Shareholders where such an obligation would arise as a result of the Acquisition.

Save as described in paragraph 12 of this Part I of this document, the Concert Party is not intending to seek any further changes to the Board and has confirmed that it is its intention that, following completion of the Proposals, the business of the Company would become the business of Tiziana Pharma which would be continued in substantially the same manner as it is at present.

With this in mind, there will be no repercussions on employment or the location of the Company's place of business and no redeployment of the Company's fixed assets. The Concert Party is also not intending to prejudice the existing employment rights, including pension rights, of any of the employees or management of the Enlarged Group nor to procure any change in the conditions of employment of any such employees or management or to take any steps to amend the Company's share trading facilities in force at the date of this document.

8. CHANGE OF NAME

The Directors have resolved, conditional on the change of name of Tiziana Life Sciences Limited (company number 08942956) being registered at Companies House, that the name of the Company be changed to Tiziana Life Sciences PLC with effect from the date of the General Meeting.

Upon the Change of Name being registered at Companies House, the Company's AIM symbol will be changed to TILS and its website address will be changed to www.tizianalifesciences.com following the General Meeting.

9. SHARE CONSOLIDATION

The Placing is conditional upon the approval and completion of the Proposals, including the Share Consolidation. The Company's Existing Ordinary Share Capital comprises 598,284,189 Existing Ordinary Shares.

Resolution 3 to be proposed at the General Meeting proposes that every 300 Existing Ordinary Shares of the Company be consolidated into one New Ordinary Share.

Any fractions of Ordinary Shares created by the Share Consolidation will be aggregated and sold for the benefit of the Company.

The New Ordinary Shares will continue to carry the same rights as attached to them immediately prior to the Share Consolidation as set out in the Articles and will continue to be traded on AIM.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Change of Name and the Share Consolidation. Following the issue of new share certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid. Shareholders will still be able to trade in Ordinary Shares during the period between the passing of the Resolutions and the date on which Shareholders receive new share certificates.

The existing Deferred Shares will not be affected by the Share Consolidation.

10. CONVERSION OF LOAN NOTES

It is proposed that the Planwise Convertible Loan Notes 2014, which were issued to Planwise on 19 December 2013, the proceeds of which have been used exclusively for the purpose of funding the costs and expenses of the Proposals, and accrued interest thereon shall be converted into the Conversion Shares at the Issue Price, subject to passing of the Resolutions at the General Meeting.

11. ADMISSION TO AIM AND DEALINGS IN ORDINARY SHARES

Trading in the Company's Existing Ordinary Share Capital was temporarily suspended on 19 December 2013. The suspension will be lifted shortly after the publication of this document.

If all of the Resolutions are passed at the General Meeting, application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 24 April 2014. No application has been or will be made for any warrants to be admitted to trading on AIM.

If any of the Resolutions is not passed at the General Meeting, the Share Consolidation, the Acquisition, the Conversion and the Placing will be cancelled and the Directors will consider alternative options for the Company, which includes the winding up of the Company.

Cairn and Beaufort have been retained as the Company's nominated adviser and broker respectively in relation to Admission. Further details of Cairn's and Beaufort's engagements are set out in paragraphs 15.4 and 15.5 of Part VI of this document.

12. DIRECTORS, PROPOSED DIRECTORS AND KEY MANAGEMENT OF THE ENLARGED GROUP

With effect from Admission, it is proposed that: (i) Percy Lomax, David Scott and Christopher Rourke will resign from the Board; and (ii) Gabriele Cerrone, Philip Boyd and Riccardo Dalla-Favera will join the Board as Executive Chairman, Finance Director and Non-Executive Director respectively. Andrew Gutmann will remain on the Board as a Non-Executive Director. Norman Lott will resign from his position as company secretary and Philip Boyd will be appointed as company secretary with effect from the conclusion of the General Meeting.

12.1 Directors

Christopher William Rourke (Non-Executive Chairman, aged 46)

Mr Rourke is a director of Corporate Business Development at Beaufort and has over 20 years of global financial markets experience involving investment banking (including at UBS and Bank of Montreal Nesbitt Burns) and co-founding a private equity boutique. He holds a Bachelor of Commerce degree from McGill University, Montreal, Canada, and is a Chartered Financial Analyst.

Percy William Cecil Lomax (Non-Executive Director, aged 69)

Mr Lomax has had a long career in London in both corporate stock broking and company analysis. The most well-known companies in which he has worked include Robert Fleming, Vivian Gray, Prudential Bache and Teather & Greenwood. He has significant knowledge of start-ups and fundraising for small companies. He holds a Bachelor of Science in Economics and is a Fellow of the Chartered Securities Institute.

David Alexander Hill Scott (Non-Executive Director, aged 48)

Mr Scott has over 25 years of corporate broking and investment banking experience in advising small and medium-sized companies on both the Official List and AIM. He has extensive experience in private equity and advising unquoted companies. David began his career in the corporate finance department of L Messel & Co and has since been a director of corporate broking at ING Barings, a director of Resolution Partners Limited and a director of corporate finance at Lewis Charles. Mr Scott is currently the chief executive of Alexander David Securities Limited.

Andrew Mark Gutmann (Non-Executive Director, aged 44)

Mr Gutmann is the head of Capital Markets at Beaufort. He specialises in fundraising for small and micro-cap companies. He has worked for a number of institutions and has over 15 years' experience in the City.

12.2 Proposed Directors

Gabriele Marco Antonio Cerrone (Executive Chairman, aged 42)

Mr Cerrone has a successful track record and extensive experience in the seeding, financing and restructuring of micro-cap biotechnology companies. Mr Cerrone has founded eight biotechnology companies in the fields of oncology, infectious disease and molecular diagnostics. Mr Cerrone co-founded Trovogene, Inc (NASDAQ: TROV), a molecular diagnostic company and served as its Co-Chairman; he was a co-founder and served as Chairman of both Synergy Pharmaceuticals, Inc (NASDAQ: SGYP) and Callisto Pharmaceuticals, Inc (OTCMKTS: CLSP), and was a Director of and led the restructuring of Siga

Technologies, Inc (NASDAQ: SIGA). Mr Cerrone also co-founded FermaVir Pharmaceuticals, Inc and served as Chairman of the Board until its merger in September 2007 with Inhibitex, Inc. Mr Cerrone served as a director of Inhibitex, Inc until its US\$2.5bn sale to Bristol Myers Squibb Co in 2012. Mr Cerrone is the Executive Chairman and Co-Founder of Gensignia Limited, Chairman and Founder of Tiziana Pharma Limited, Chairman and Co-Founder of Arna Therapeutics Limited and Chairman and founder of BioVitas.

Dr Philip James Boyd (Chief Financial Officer and Company Secretary, aged 51)

Dr Boyd, graduated from Leeds University in 1984 with a first class degree in Biotechnology. Philip studied at Vanderbilt University in Nashville, USA before completing his PhD in genetics at Leeds University in 1988. Philip qualified as a chartered management accountant in 1992 while working at BOCM Pauls Ltd which, until June 1992, was part of the Unilever PLC group. Philip has worked as a finance director or manager of a number of companies, including (since 1999) Millennium Pharmaceuticals Ltd, Evotec (UK) Ltd and Syntaxin Ltd, all of which are companies in the biotechnology sector. In July 2013, Philip established his own company, PhiGi Associates Ltd, which provides business consulting and CFO support, following the sale of Syntaxin Ltd to the French speciality pharmaceuticals group, Ipsen.

Dr Riccardo Dalla-Favera, (Non-Executive Director, aged 62)

Dr Dalla-Favera has provided key leadership to the cancer research community at Columbia University Medical Center, particularly in his roles as founding director of the Institute for Cancer Genetics and, from 2005 to 2011, as Director of the Herbert Irving Comprehensive Cancer Center. As a researcher, he has contributed much of the current knowledge on the genetic lesions responsible for human B cell lymphoma, which have led to the development of diagnostic tests and are being tested as targets in clinical trials with lymphoma patients. His work is widely quoted in scientific publications and in medicine and oncology textbooks. Dr Dalla-Favera has been recognised with several national awards, including the 2006 William Dameshek Prize for Outstanding Contribution to Hematology from The American Society of Hematology. In 2011, he was elected to the Institute of Medicine of the National Academy of Sciences, USA.

12.3 Key Management

Dr Andrea Brancale (consultant to Tiziana Pharma)

Dr Brancale is currently Senior Lecturer in Medical Chemistry, School of Pharmacy and Pharmaceutical Sciences at Cardiff University. Since his appointment as lecturer in 2002 at the Welsh School of Pharmacy (now the School of Pharmacy and Pharmaceutical Sciences), Andrea has built an international reputation as an expert in the area of computer-based drug design.

He obtained his PhD in 2001 in synthetic medical chemistry under Professor Chris McGuigan and then worked as a post-doctoral fellow on a GSK-sponsored research project on the novel pro-nucleoside analogues as anti-HIV agents.

Dr Brancale's main research programmes are currently oriented towards the *in silico* design of anticancer and antiviral compounds. He is author of more than 100 publications, which include original papers in high impact scientific journals and conference proceedings. In 2013, he was the recipient of the William Prusoff young investigator award for his contribution to the antiviral field. He was the Chemistry Editor of Antiviral Chemistry and Chemotherapy and is a board member of the International Society for Antiviral Research. Andrea sits on the Clinical Advisory Board of Synergy Pharmaceuticals, Inc, a biopharmaceutical company focused on the development of novel drugs for the treatment of gastrointestinal diseases and disorders.

Dr Richard Clarkson (consultant to Tiziana Pharma)

Dr Clarkson is a senior lecturer in translational cancer research at the School of Biosciences, University of Cardiff and is one of four inaugural senior academics at the recently launched European Cancer Stem Cell Research Institute in Cardiff. He was trained in Biological Sciences at Leicester University (BSc Hons) and immunogenetics in the Faculty of Medicine, Manchester University (PhD). He undertook his post-doctoral research in Australia and at Edinburgh University before taking up two Research Fellowships at Cambridge University, then moving to Cardiff in 2005 as an RC-UK research fellow in translational research. His expertise is in cell and molecular biology, particularly the genetic regulation of cell fate and tissue (cellular) architecture in mammalian tissues. His move from Cambridge to Cardiff coincided with a shift in research emphasis towards the aetiology and molecular targeting of cancer, taking what he had learned about the

genes that regulate mammary tissue homeostasis in the mouse to the pathology of breast cancer. Key skills include molecular biology of cancer, gene expression analysis and transgenics. Today he runs a team of researchers that focus on two key drivers of metastatic breast cancer: cell migration and cancer stem cells. He has more than 40 articles in international biomedical journals and is a regular speaker at international conferences.

Dr Andrew Westwell (consultant to Tiziana Pharma)

Dr Westwell is currently Reader in Medicinal Chemistry at the School of Pharmacy and Pharmaceutical Sciences at Cardiff University, having worked in Cardiff since 2006. He received his BSc (Hons) in Chemistry and PhD in organic chemistry at the University of Leeds. Following a post-doctoral fellowship at Loughborough University, he joined a Cancer Research UK Programme at the University of Nottingham, initially as Senior Research Fellow, later as Lecturer. Since his move to Cardiff, he has established a number of collaborative research projects focusing on breast cancer drug discovery, new synthetic chemistry methods, and cancer imaging by Positron Emission Tomography. He has published more than 100 journal articles and reviews. Technology transfer activities have included a number of patent filings and he was lead chemist in Nottingham on the development of a new molecule from discovery at the bench to early clinical evaluation. Other recent research related activities have included serving as Honorary Treasurer of the British Association for Cancer Research (2007-2012). He currently serves on the Editorial Board of the international journal *Future Medicinal Chemistry*.

13. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

The Locked-in Persons have, pursuant to rule 7 of the AIM Rules, undertaken to the Company, Cairn and Beaufort that, save in certain limited circumstances, they will not dispose of any interest they hold in New Ordinary Shares for a period of 12 months following Admission and that, for a further period of 12 months thereafter, save in certain limited circumstances, they shall only dispose of an interest in New Ordinary Shares through the Company's broker with a view to ensuring an orderly market in the Company's shares.

Further details of the lock-in and orderly market arrangements are set out in paragraph 15.3 of Part VI of this document.

The Inventors have undertaken in the subscription agreement, summarised in paragraph 15.15 of Part VI of this document, that they will not dispose of any interest they hold in the New Ordinary Shares until the date falling 180 days after the successful initiation of a phase 1 human clinical trial of any product developed by Tiziana Pharma.

14. RELATED PARTY TRANSACTIONS

The Acquisition and the issue of the Planwise Convertible Loan Notes 2016 are classified as related party transactions for the purposes of Rule 13 of the AIM Rules due to the fact that Planwise, which is ultimately beneficially owned by Gabriele Cerrone, one of the Proposed Directors, is a substantial shareholder in the Company (in which it holds 25.92 per cent. of the Ordinary Shares) and Tiziana Pharma (in which it holds 83.06 per cent. of the issued share capital).

The Directors who are not involved in the transactions as a related party consider, having consulted with Cairn, the Company's nominated adviser, that the terms of the Acquisition and the issue of the Planwise Convertible Loan Notes 2016 are fair and reasonable insofar as the Company's Shareholders are concerned.

15. WARRANTS

At the date of this document, the Company has 388,148 existing warrants (taking into account the effect of the Share Consolidation).

The Company has agreed to issue warrants on Admission to subscribe for 1,095,000 New Ordinary Shares at a price of £0.20 per share to the holders of the Investor Convertible Loan Notes described in paragraph 17 below. These warrants are exercisable at any time after the 180th day after Admission and up to the second anniversary of Admission, at which time they will lapse.

Further details of the existing warrants and the warrants to be issued to the Investor Noteholders are set out in paragraph 11 of Part VI of this document.

16. OPTIONS

At the date of this document, the Company has 143,999 existing Options (taking into account the effect of the Share Consolidation).

As soon as reasonably practicable following Admission, the Company will adopt a share option scheme to incentivise the Proposed Directors and key management of the Enlarged Group and to align their interests with the interests of the Shareholders. Each of the Inventors will be granted Options under such scheme in respect of 750,000 New Ordinary Shares representing 0.93 per cent. of the Enlarged Ordinary Share Capital, with an exercise price of £0.15 and vesting over a period of four years, with 187,500 Options (25 per cent. of the total) vesting on each of the first four anniversaries of the date of grant. All of the Options granted to the Inventors will expire on the tenth anniversary of the final vesting date. New Ordinary Shares issued to the Inventors as a result of the exercise of these Options shall be subject to the same restrictions as set out in paragraph 13 of this Part I.

It is further proposed that, upon adoption of a share option scheme, Options will be granted to the Proposed Directors as follows:

<i>Option holder</i>	<i>Number of shares</i>	<i>Exercise price (£)</i>	<i>Expiry</i>	<i>Vesting Period</i>
Gabriele Cerrone	1,200,000	0.15	10 years following the final vesting date	25 per cent. vest on each of the first four anniversaries of the date of grant
Philip Boyd	937,500	0.15	10 years following the final vesting date	25 per cent. vest on each of the first four anniversaries of the date of grant
Riccardo Dalla-Favera	320,000	0.15	10 years following the final vesting date	25 per cent. vest on each of the first four anniversaries of the date of grant

Further details of the Options are set out in paragraph 11 of Part VI of this document.

17. CONVERTIBLE LOANS

Conditional upon Admission, the Company has agreed to issue the Investor Convertible Loan Notes to the Investor Noteholders. Interest will accrue on the principal amount of the notes in issue from time to time at a rate of 6 per cent. per annum and the notes are repayable only by conversion into New Ordinary Shares at a conversion price of £0.16 per share. Further details of the Investor Convertible Loan Notes are set out in paragraph 15.10 of Part VI of this Document.

The Company and Planwise have agreed to amend the terms of the £200,000 working capital facility provided by Planwise to the Company in April 2013 by the issue of the Planwise Convertible Loan Notes 2016. Conditional upon Admission, the outstanding principal and accrued interest will be convertible into New Ordinary Shares at a conversion price of £0.10 per share at any time after the second anniversary of Admission. Further details of the Planwise Convertible Loan Notes 2016 are set out in paragraph 15.7 of Part VI of this Document.

18. DIVIDEND POLICY

The nature of the Enlarged Group's business means that it is unlikely that the Directors would be in a position to recommend a dividend in the early years following Admission. The Directors believe that the Enlarged Group should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

19. CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Directors recognise the importance of sound corporate governance and the Enlarged Group will comply with the provisions of the Corporate Governance Code for Small and Mid-Size Quoted Companies ("QCA Code"), as published by the Quoted Companies Alliance, to the extent they consider appropriate in light of the Enlarged Group's size, stage of development and resources.

The Enlarged Group will hold board meetings periodically as issues arise which require the attention of the New Board. The New Board will be responsible for the management of the business of the Enlarged Group, setting the strategic direction of the Enlarged Group and establishing the policies of the Enlarged Group. It will be the New Board's responsibility to oversee the financial position of the Enlarged Group and monitor the business and affairs of the Enlarged Group on behalf of the Shareholders, to whom the New Board will be accountable. The primary duty of the New Board will be to act in the best interests of the Enlarged Group at all times. The New Board will also address issues relating to internal control and the Enlarged Group's approach to risk management.

The Enlarged Group has also established a remuneration committee (the "**Remuneration Committee**"), an audit committee (the "**Audit Committee**") and an AIM Rules compliance committee (the "**AIM Compliance Committee**") with formally delegated duties and responsibilities.

The Remuneration Committee, which will comprise Riccardo Dalla-Favera as Chairman and Andrew Gutmann, will meet not less than twice each year. The committee will be responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group.

The Audit Committee, which will comprise Andrew Gutmann as Chairman and Riccardo Dalla-Favera, will meet not less than three times a year. The committee will be responsible for making recommendations to the New Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Enlarged Group.

The AIM Compliance Committee, which will comprise Philip Boyd as Chairman and Andrew Gutmann, will be responsible for ensuring that (i) the New Board remain at all times fully cognisant of its obligations under the AIM Rules for Companies and (ii) regular contact is maintained with the Company's nominated adviser so that it is kept up to date with all relevant developments at the Company. A quorum for meetings of the AIM Compliance Committee shall be both members.

The Enlarged Group has adopted and will operate a share dealing code governing the share dealings of the New Board and applicable employees with a view to ensuring compliance with the AIM Rules.

20. TAXATION

General information regarding UK taxation is set out in paragraph 21 of Part VI of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his tax position he should consult his own independent financial adviser immediately.

Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

21. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

22. BRIBERY ACT 2010

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010 which came into force with effect from 1 July 2011. The Company has conducted a risk review into its operational procedures to consider the impact of the Bribery Act 2010 and has drafted and implemented an anti-bribery policy as adopted by the New Board and also implemented appropriate procedures to ensure that the Directors, employees and consultants comply with the terms of the legislation.

23. RISK FACTORS

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part II of this document.

24. FURTHER INFORMATION

Shareholders should read the whole of this document, which provides additional information on the Company, Tiziana Pharma and the Proposals, and should not rely on summaries of, or individual parts only of, this document. Your attention is drawn, in particular, to Parts II to VI of this document.

25. GENERAL MEETING

You will find set out at the end of this document a notice convening the General Meeting of the Company to be held at 9:30 a.m. on 23 April 2014 at 11th Floor, 6 New Street Square, New Fetter Lane, London EC4A 3BF at which the Resolutions will be proposed to approve:

- the Acquisition;
- Rule 9 Waiver;
- the Share Consolidation;
- the appointment of the Proposed Directors;
- the authorisation of the Directors to allot New Ordinary Shares; and
- the disapplication of the statutory pre-emption provisions to enable the Directors in certain circumstances to allot New Ordinary Shares for cash other than on a pre-emptive basis.

26. ACTION TO BE TAKEN

A Form of Proxy is enclosed for use by Shareholders at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are asked to complete, sign and return the Form of Proxy by post or by hand to the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible but in any event so as to arrive no later than 48 hours before the General Meeting. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she wish to do so.

27. RECOMMENDATION

The Board is of the opinion that the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of each of the Resolutions, as the Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 819,787 Existing Ordinary Shares, representing approximately 0.14 per cent. of the Existing Ordinary Shares.

The Directors, who have been so advised by Cairn, believe that the Proposals are fair and reasonable and in the best interests of the Independent Shareholders. In providing advice to the Directors, Cairn has taken into account the Directors' commercial assessments. The Directors also believe that obtaining the Rule 9 Waiver is in the best interests of the Company as a whole.

Accordingly, the Directors recommend that Independent Shareholders vote in favour of the Resolution to approve the Rule 9 Waiver as they intend to do, so far as they are able, in respect of their own shareholdings of 819,787 Existing Ordinary Shares, representing approximately 0.14 per cent. of the Existing Ordinary Share capital as at the date of this document.

28. IRREVOCABLE UNDERTAKINGS

Percy Lomax and David Scott, who are Directors of the Company, have irrevocably undertaken to vote in favour of the Resolutions in respect of their holding of Ordinary Shares, representing 0.04 per cent. and 0.10 per cent. respectively and in aggregate 0.14 per cent. of the Existing Ordinary Share Capital, together with any Ordinary

Shares that may be issued to them prior to the General Meeting if and to the extent that their existing options are exercised prior to the General Meeting. On the resolution to approve the Rule 9 Waiver, the holdings of Percy Lomax and David Scott represent 0.18 per cent. of the holdings of the Independent Shareholders which comprises the Company's existing issued share capital excluding Planwise's share capital as Planwise is disenfranchised from voting.

Yours faithfully

Christopher Rourke
Chairman

PART II RISK FACTORS

There are significant risks associated with the Enlarged Group. Prior to making an investment decision in respect of the Ordinary Shares, prospective investors should consider carefully all of the information within this document, including the following risk factors. The Directors and the Proposed Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Enlarged Group. In particular, the Enlarged Group's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority. Additionally, there may be risks not mentioned in this document of which the Directors and the Proposed Directors are not aware or believes to be immaterial but which may, in the future, adversely affect the Enlarged Group's business and the market price of the Ordinary Shares.

If any of the following risks were to materialise, the Enlarged Group's business, financial condition, results or future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors and the Proposed Directors, or which the Directors and the Proposed Directors currently deem immaterial, may also have an adverse effect upon the Enlarged Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Enlarged Group.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Enlarged Group is suitable for them and, if they are in any doubt should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities.

RISKS RELATING TO THE ENLARGED GROUP'S BUSINESS

Dependence on key personnel

The success of the Enlarged Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Proposed Directors and the Inventors. However, the retention of such key personnel cannot be guaranteed. Should key personnel leave, the Enlarged Group's business, prospects, financial condition or results of operations may be materially adversely affected.

Early stage of operations

Tiziana Pharma's operations are at an early stage of development and there can be no guarantee that the Enlarged Group will be able to, or that it will be commercially advantageous for the Enlarged Group to, develop its proprietary technology. Further, the Enlarged Group has no positive operating cash flow and its ultimate success will depend on the New Board's ability to implement the Enlarged Group's strategy, generate cash flow and access equity markets. Whilst the Directors and Proposed Directors are optimistic about the Enlarged Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Enlarged Group will not generate any material income until commercialisation of its proprietary technology has successfully commenced and in the meantime the Company will continue to expend its cash reserves. There can be no assurance that the Enlarged Group's proposed operations will be profitable or produce a reasonable return, if any, on investment.

Technology and products

Tiziana Pharma is a drug discovery and development company. The development and commercialisation of its proprietary technology and future products, which are in early stages of development, will require multiple series of clinical trials and there is a risk that safety issues may arise when the products are tested. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful.

Research and development risk

The Enlarged Group will be operating in the life sciences and biopharmaceutical development sector and will look to exploit opportunities within that sector. The Enlarged Group will therefore be involved in complex

scientific research, and industry experience indicates that there may be a very high incidence of delay or failure to produce results. The Enlarged Group may not be able to develop new products or to identify specific market needs that can be addressed by technology solutions developed by the Enlarged Group. The ability of the Enlarged Group to develop new technology relies, in part, on the recruitment of appropriately qualified staff as the Enlarged Group grows. The Enlarged Group may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop as planned.

Product development timelines

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

Uncertainty related to regulatory approvals

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

Competition

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

Patents

The field of pharmaceutical development is highly litigious. The Enlarged Group's priorities are to protect its IPR and seek to avoid infringing other companies' IPR. The Enlarged Group engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of the Enlarged Group's IPR. However, there remains the risk that the Enlarged Group may face opposition from other companies to patents that it seeks to have granted. In particular, the Bcl-3 Patent has not yet been granted, and therefore there is a risk that it will not ultimately be granted. The value of the Enlarged Group's IPR is vulnerable to challenge both after and, in some jurisdictions, before a patent is granted. As a patent cannot be enforced until it has been granted, the Enlarged Group will be unable to take action against third parties who infringe its IPR unless and until the Bcl-3 Patent is granted. There is a risk that, if granted, the Bcl-3 Patent may subsequently be revoked and, if revoked after details of the Enlarged Group's IPR have been made public as part of the patent registration process, there would be serious and adverse implications for the value of the Enlarged Group's IPR.

Future funding requirements

The Enlarged Group will need to raise additional funding to undertake work beyond that being funded by the Net Proceeds and the proceeds of the Investor Convertible Loan Notes. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, Shareholders.

General legal and regulatory issues

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

RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

Trading and performance of Ordinary Shares

The AIM Rules are less demanding than those of the Official List and an investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. It may be more difficult for investors to realise their investment in a company whose shares are traded on AIM than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded, early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally. The value of Ordinary Shares will be dependent upon the success of the operational activities undertaken by the Enlarged Group and prospective investors should be aware that the value of the Ordinary Shares can go down as well as up. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

Volatility of share price

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

Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares

Certain Shareholders have given lock-in undertakings that, save in certain circumstances, they will not until twelve months following Admission, dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them at Admission. There can be no assurance that such parties will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Shareholders not subject to lock-in arrangements and, following the expiry of twelve months following Admission (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to lock-in arrangements, may sell their Ordinary Shares in the public or private market and the Company may undertake a public or private offering of Ordinary Shares. The Company cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Company's Shareholders were to sell, or the Company was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by the Company's Shareholders could also make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate.

Dilution of Shareholders' interests as a result of additional equity fundraising

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the Enlarged Group, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights,

options and pre-emption rights senior to the Ordinary Shares. The Company may also issue shares as consideration shares on acquisitions or investments which would also dilute Shareholders' respective shareholdings.

Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the New Board and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

Although the New Board intends to pay dividends to Shareholders in the future, there can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

Forward looking statements

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

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

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

PART III
A – HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Statement of Comprehensive Income

	Notes	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Continuing operations				
Revenue		—	—	3
Net change in fair value of investments	13	(76)	(181)	1
Impairment of long term investments	12	—	(205)	(93)
		(76)	(386)	(89)
Operating expenses		(213)	(267)	(194)
Loss from continuing operations before taxation		(289)	(653)	(283)
Tax expense	7	—	—	—
Loss from continuing operations after taxation		(289)	(653)	(283)
Loss from discontinued operations	10	(489)	—	—
Loss for the year and total comprehensive income		<u>(778)</u>	<u>(653)</u>	<u>(283)</u>
Basic and diluted loss per share (pence)				
	8			
Basic and diluted loss per share on continuing operations		(0.08)	(0.15)	(0.05)
Basic and diluted loss per share on discontinued operations		(0.14)	—	—
Total basic and diluted loss per share		<u>(0.22)</u>	<u>(0.15)</u>	<u>(0.05)</u>

Statement of Financial Position

	Notes	As at 1 January 2011 £'000	As at 31 December 2011 £'000	As at 31 December 2012 £'000	As at 31 December 2013 £'000
Non-current assets					
Investments	12	—	163	69	—
Current assets					
Trade and other receivables	14	—	7	7	50
Investments	13	—	422	16	15
Cash and cash equivalents	15	—	33	4	61
Assets classified as held for sale	10	1,020	—	—	—
		—	462	27	126
TOTAL ASSETS		<u>1,020</u>	<u>625</u>	<u>96</u>	<u>126</u>
Shareholders' equity					
Called up share capital	18	6,611	6,643	6,647	6,663
Share premium	18	15,303	14,286	14,349	14,489
Share based payment reserve	19	—	86	107	128
Retained earnings		(21,310)	(20,490)	(21,143)	(21,426)
Equity attributable to the owners of the Company		604	525	(40)	(146)
Current liabilities					
Trade and other payables	16	—	100	136	42
Short term borrowings	17	—	—	—	230
Liabilities directly associated with assets classified as held for sale	10	416	—	—	—
TOTAL EQUITY AND LIABILITIES		<u>1,020</u>	<u>625</u>	<u>96</u>	<u>126</u>

Statement of changes in equity

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Retained Earnings £'000	Total £'000
At 1 January 2011	6,611	15,303	—	(21,310)	604
Loss for the period	—	—	—	(778)	(778)
Bonus issue	2,505	(2,505)	—	—	—
Reorganisation	(2,505)	—	—	1,598	(907)
Share based payment	—	—	86	—	86
Issue of share capital	32	1,488	—	—	1,520
As at 31 December 2011	6,643	14,286	86	(20,490)	525
Loss for the period	—	—	—	(653)	(653)
Share based payment	—	—	21	—	21
Issue of share capital	4	63	—	—	67
As at 31 December 2012	6,647	14,349	107	(21,143)	(40)
Loss for the period	—	—	—	(283)	(283)
Issue of share capital	16	140	—	—	156
Share based payment	—	—	21	—	21
As at 31 December 2013	6,663	14,489	128	(21,426)	(146)

Statement of cash flows

	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Cash flows from operating activities			
Loss before taxation	(778)	(653)	(283)
Shares issued in settlement of fees	(14)	—	—
Convertible loan interest	(13)	(21)	(24)
Share based payment	86	21	21
Fair value adjustment	76	181	(1)
Impairment of investment	—	205	93
Changes in working capital			
(Decrease) in trade and other receivables	(7)	—	(43)
Increase in trade and other payables	—	36	136
Movement in working capital from discontinued operations	(203)	—	—
Net cash used from operating activities	(853)	(231)	(101)
Cash flow from investing activities			
Purchase of investments	(744)	(85)	(155)
Proceeds from disposal of investments	260	310	157
Advances on loan	(150)	(90)	—
Net cash flows from investing activities	(634)	135	2
Cash flow from financing activities			
Proceeds from issue of shares	1,520	67	156
Net cash flows from financing activities	1,520	67	156
Increase / (decrease) in cash and cash equivalents	33	(29)	57
Cash and cash equivalents at beginning of period	—	33	4
Cash and cash equivalents at end of period	33	4	61

Notes to the financial information

1 GENERAL INFORMATION

Alexander David Investments Plc is a Public Limited Company incorporated and domiciled in the United Kingdom. The principal activity of the Company is that of investing opportunities with a particular focus in the basic resources and oil and gas sectors.

2 PRINCIPAL ACCOUNTING POLICIES

The principal Accounting Policies applied in the preparation of this Historical Financial Information are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information of Alexander David Investments Plc for the period ended 31 December 2011, 31 December 2012 and 31 December 2013, as set out in this (Part III.A), has been prepared by the Directors of Alexander David Investments plc.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of Companies Act 2003. The Directors of Alexander David Investments plc are solely responsible for preparation of this Historical Financial Information.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union applicable to companies reporting under IFRSs. The Historical Financial Information has also been prepared under the historical cost convention except for investments designated at fair value through profit or loss.

For all periods up to and including the year ended 31 December 2012, the Company prepared its Historical Financial Information in accordance with UK GAAP adopting FRS 26 Financial Instruments: Recognition and Measurement and FRS 29 Financial Instruments: Disclosures

The preparation of Historical Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed later in these accounting policies.

The Historical Financial Information is presented in sterling (£) which is the functional currency of the Company, rounded to the nearest pound.

For the period to 18 February 2011, the Historical Financial Information included the results of the ReGen Therapeutics Limited.

GOING CONCERN

The Directors have assessed the current financial position of the Company along with future cash flow requirements to determine if the Company has financial resources to continue as a going concern for the foreseeable future. The Directors have concluded that the ability of the Company to continue in operational existence is dependent on raising the funds as detailed in Parts I and Part VI of this document. In order to achieve this shareholder approval will be necessary. The Board consider shareholder approval will be obtained. For this reason the Directors continue to adopt the going concern basis in preparing the Historical Financial Information. The Historical Financial Information does not include any adjustments that would result in the going concern basis of preparation being inappropriate.

STATEMENT OF COMPLIANCE

The Historical Financial Information complies with International Financial Reporting Standards as adopted by the European Union. At the date of authorisation of these Historical Financial Information, the following Standards and Interpretations affecting the Company, which have not been applied in this Historical Financial Information, were in issue, but not yet effective:

		Effective for accounting periods beginning on or after:
IFRS 2,8,16,24,36	Amendments resulting from Annual improvements 2010-2012 Cycle	1 July 2014
IFRS 3, IAS 40	Amendments resulting from Annual improvements 2011-2013 Cycle	1 July 2014
IFRS 7	Deferral of mandatory effective date of IFRS 7 and amendments to transition disclosures	1 January 2015
IFRS 9	Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	1 January 2015
IAS 19	Employee Benefits – Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	1 July 2014
IAS 38	Amendments resulting from Annual improvements 2010-2012 Cycle	1 July 2014

A number of new and revised standards are effective for annual period beginning on or after 1 January 2014 and have been applied in the preparation of this Historical Financial Information. Information on these new standards is presented below:

IFRS 10 – Consolidated Financial Statements

Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification of any of the Company's investees held during the period or comparative periods covered by the Historical Financial Information Statements.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Management has reviewed its control assessments in accordance with IFRS 12 and has concluded that there is material effect on the current level of disclosure. Please see note 12 for further details of the Company's investment in Regen Therapeutics Limited ('RTL').

IFRS 13 – Fair Value Measurement

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of IFRS 13 is broad and it applies for both financial and non-financial items for which other IFRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. For details of the impact of the adoption of IFRS 13 please see note 11.

KEY ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

No estimates or assumptions have been used in the preparation of the Historical Financial Information that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company holds investments that have been designated as fair value through profit or loss on initial recognition. The Company determines the fair value of these financial instruments that are not quoted, using the most recent bid price at which a transaction has been carried out. These techniques are significantly affected by certain key assumptions, such as market liquidity. Other valuation methodologies such as discounted cash flow analysis assess estimates of future cash flows and it is important to recognise that in that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

CONVERTIBLE LOAN

Under IAS 32 the liability and equity components must be presented separately on the Statement of Financial Position. The Company has estimated the fair value consideration in respect of the liability. The Company has carried out an assessment to determine the fair value of a similar liability that does not have any associated equity conversion option. The interest rate of a similar liability is estimated by the Company in order to evaluate the fair value of the liability and the resulting equity component.

SHARE BASED PAYMENTS

The calculation of the fair value of equity-settled share based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards.

CURRENT AND DEFERRED TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

FINANCIAL ASSETS

The Company classifies its financial assets into one of the following categories: loans and receivables and financial assets held at fair value through profit or loss depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity, held for trading or available for sale.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and current and deposit balances at banks, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

LOANS AND RECEIVABLES

Loans and receivables are determined at initial recognition and include long term investments in debt securities. These are measured at amortised cost using the effective interest rate method.

FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

All investments are designated upon initial recognition as held at fair value through profit or loss (FVTPL), on the basis that the assets are a group of assets managed and evaluated on a fair value basis in accordance with a documented risk management strategy. Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IFRS 13. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. The fair value of the financial instruments in the balance sheet is based on the quoted bid price at the balance sheet date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as “Net change in fair value of investments”.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Provision against financial assets is made where there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables.

The amount of the write down is determined as the difference between the assets carrying amount and the present value of the future cash flows.

CURRENT ASSETS HELD FOR SALE

Current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Any bonus issues are also deducted from share premium.

Share capital account represents the nominal value of the shares issued.

The share based payment reserve represents the fair value, calculated at the date of grant, of options unexercised at the balance sheet date.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

FINANCIAL LIABILITIES

Financial liabilities are recognised in the Company’s balance sheet when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Company's financial liabilities comprise trade and other payables, short term borrowings and convertible loans.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

SHORT TERM BORROWINGS

Short term borrowings are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

CONVERTIBLE LOANS

Convertible loans are accounted for as compound instruments. The fair value of the liability portion of the convertible loan notes is determined using a market interest rate for an equivalent non-convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the loan notes. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholders' equity, net of tax effects, and is not subsequently re-measured.

SHARE BASED PAYMENTS

Where employees are rewarded using share based payments the fair value of employees' services is determined by reference to the fair value of the share options/warrants awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to the retained earning reserve in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non-market vesting conditions are included in assumptions about the number of options/warrants that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options/warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within the Statement of Comprehensive Income.

All goods and services received in exchange for the grant of any share based payment are measured at their fair value.

DISTRIBUTION OF NON-CASH ASSETS TO OWNERS

A distribution is recognised when the dividend (or dividend in specie) has been declared and approved by the relevant authority and is no longer at the discretion of the Company. The measure of the dividend is at fair value. Where the owners are given a choice, of cash or non-cash alternatives, measurement is calculated by applying probabilities to the fair values of the cash and non-cash alternatives.

At the end of each reporting period and at the settlement date, the carrying amount of the dividend payable is assessed with any adjustment being recognised in equity.

At the settlement date, any differences between the carrying amount of the asset and the carrying amount of the dividend payable is recognised in the profit and loss.

3 OPERATING LOSS

	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Loss from continuing operations has been arrived at after charging:			
Staff costs	300	45	48
Auditor's remuneration	12	16	16
Share based payment expense	86	21	21
Net change in fair value of investments	76	181	(1)
Impairment of non current investments	—	205	93

4 AUDITOR'S REMUNERATION

During the year the Company obtained the following services from the Company's auditor:

	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Fees payable to the Company's auditor for the audit of the Company accounts	10	12	12
Fees payable to the Company's auditor for other services	2	4	4

5 DIRECTORS' REMUNERATION

The average monthly number of employees (including directors) during the year was:

	Year ended 31 December 2011	Year ended 31 December 2012	Year ended 31 December 2013
Administration	4	4	6

Directors' remuneration is analysed into both continuing and discontinued operations.

	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Directors' remuneration – continuing	47	45	48
Directors' remuneration – discontinuing	255	—	—
Directors' remuneration – fees	302	45	48

Details of Directors' remuneration for continuing operations are as follows:

	Year ended 31 December 2011 £	Year ended 31 December 2012 £	Year ended 31 December 2013 £
Director:			
P W C Lomax	15,535	15,000	11,367
N A C Lott	10,357	10,000	5,000
D Scott	10,357	10,000	10,367
M Hicks	10,357	10,000	5,000
C W Rourke	—	—	8,367
A M Gutmann	—	—	8,367

There are no other key management within the business.

6 SEGMENTAL REPORTING

There is considered to be one class of business; the selective investment in UK listed and non-listed entities and as a result there is considered to be only one reportable class of business.

7 TAXATION

	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Taxation components			
Loss on ordinary activities before tax	(778)	(653)	(283)
Tax effects			
Loss on ordinary activities multiplied by rate of corporation tax of 20% in the UK	(156)	(131)	(57)
Expenses not deductible for tax purposes	—	—	—
Unutilised tax losses carried forward	<u>156</u>	<u>131</u>	<u>57</u>
Total current tax	<u>—</u>	<u>—</u>	<u>—</u>
Total deferred tax	<u>—</u>	<u>—</u>	<u>—</u>

The unutilised tax losses of the Company available for set off against future taxable profits are estimated to be £1,245,545 (2012: £962,545, 2011: £545,013). The Company has not recognised a deferred tax asset in respect of these losses as there is insufficient evidence of future taxable profits. No deferred tax asset has been recognised in respect of the losses as recoverability is uncertain.

8 LOSS PER SHARE

The basic and diluted earnings per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Earnings			
Loss attributable to equity holders of the Company			
Loss on continuing operations	(289)	(653)	(283)
Loss on discontinued operations	<u>(489)</u>	<u>—</u>	<u>—</u>
Loss on ordinary activities for the purposes of basic and fully diluted loss per share	(778)	(653)	(283)
	2011	2012	2013
Number of Shares			
Weight average number of shares for calculating basic and fully diluted earnings per share	358,237,982	428,759,150	546,864,532
		2011 pence	2012 pence
Loss per share			
Basic loss per share from continuing operations		(0.08)	(0.15)
Basic loss per share from discontinuing operations		<u>(0.14)</u>	<u>—</u>
Basic and diluted loss per share		<u>(0.22)</u>	<u>(0.15)</u>

9 SALE OF BUSINESS ASSETS AND DEMERGER

On 30 December 2010, the Company disposed of the business assets (excluding liabilities) of the ReGen business to ReGen NewCo Limited (now renamed ReGen Therapeutics Limited – 'RTL'), a wholly owned subsidiary of the Company for consideration of £604,038 satisfied by the issue to it of 78,446,547 ordinary shares in RTL credited as fully paid at £0.0077 per share.

It was determined that as of 1 January 2011 the conditions were satisfied that the disposal of ReGen was highly probable before the year end. As such under IFRS 5, the Company has classified its assets and liabilities as current assets held for sale.

On 18 February 2011, the Company demerged the ReGen business, now carried on by a new company RTL and transferred the shares of that new company to its shareholders. As part of this process the Company was required to undergo a reduction in capital and to adopt an investing policy. To effect the demerger a bonus

issue was made out of the Company's share premium account of "B" ordinary shares on the basis of one "B" ordinary share for every one existing ReGen (or ADI) ordinary share held by a shareholder on the register of members at 15 February 2011. The aggregate nominal value of all the "B" ordinary shares issued was £2,520,000. The Company then cancelled all of the "B" ordinary shares issued pursuant to the bonus issue by reducing the Company's share capital in accordance with the Companies Act 2006. This involved the cancellation of part of the Company's share capital account and became effective on 17 February 2011 whereupon all investments held by ReGen were then transferred to RTL. In February 2011 the demerger was brought before the High Court, which came to the ruling that the distribution was lawful under the Companies Act 2006.

	Year ended 31 December 2011 £'000
Cancellation of bonus issue	2,505
Less:	
Fair value of demerged assets	<u>(907)</u>
Adjustment to reserves on demerger	1,598

10 DISCONTINUED OPERATIONS

The discontinued operations relate to the demerger on 18 February 2011 of the previous business of the Company being, the development of nutraceutical healthcare products and ethical pharmaceuticals. The income and expenditure account and cash flows have been split between continuing and discontinued activities in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

The results of the discontinued operations in this regard which have been included in the income statement, were as follows:

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Revenue	—	—
Expenses	<u>489</u>	<u>3,031</u>
Loss before taxation	<u>(489)</u>	<u>(3,031)</u>
Taxation	<u>—</u>	<u>—</u>
Net loss attributable to discontinued operations	(489)	(3,031)
Net cash used by operating activities	203	—
Net cash used by investing activities	—	—

The net assets at the date of disposal were:

	Year ended 31 December 2011 £'000
Assets held for sale:	
Intangible assets	901
Property, plant and equipment	67
Trade and other receivables	<u>52</u>
	1,020
Liabilities directly associated with assets classified as held for sale:	
Trade and other payables	<u>(416)</u>
Net assets	604

11 FAIR VALUE MEASUREMENT

Management have assessed the categorisation of the fair value measurements using the IFRS 13 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no transfers between Level 1 and Level 2 in 2013, 2012 or 2011.

Details of financial instruments measured at fair value through profit or loss are disclosed in Note 13.

12 INVESTMENTS

	As at 1 January 2011 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Investments at amortised cost brought forward	—	—	163	69
Additions	—	150	90	—
Accrued interest	—	13	21	24
Impairment of investments	—	—	(205)	(93)
	<u>—</u>	<u>163</u>	<u>69</u>	<u>—</u>

The Directors are holding the investment in the Regen loan at amortised cost.

As part of the demerger arrangements the Company agreed to lend up to £240,000 to its former subsidiary undertaking, ReGen Therapeutics Limited (“RTL”), in the form of a loan with 10 per cent coupon. The loan is not due for repayment until after February 2014 at which point it becomes repayable upon demand. RTL is an unlisted company engaged in the manufacture and sale of Colostrinin. NAC Lott serves as a director of RTL as a personal appointment and not as a nominee of the Company.

As at 31 December 2013 the loan facility of £240,000 had been fully drawn and the interest accrued thereon amounted to £58,000. On reviewing the total balance outstanding of £298,000 the Directors have assessed the recoverable value of RTL and have felt it appropriate that the loan should be fully impaired. The reasoning behind this decision is that RTL’s Colostrinin™ sales are not improving and the Company is still loss making and further funding would be required to reach a breakeven stage.

As at 31 December 2012, the loan facility of £240,000 had been fully drawn and the interest accrued thereon amounted to £33,000. On reviewing the total balance outstanding of £274,000 the Directors have assessed the recoverable value of RTL and have felt it appropriate that the loan should be impaired by £205,000. The reasoning behind this decision is that RTL’s Colostrinin™ sales are not improving and the Company is loss making and further funding would be required to reach a breakeven stage.

As at 31 December 2011 RTL had drawn down £150,000 against the facility and the interest accrued thereon amounted to £13,000.

13 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 1 January 2011 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Investments at fair value brought forward	—	—	422	16
Additions	—	758	85	155
Disposal	—	(260)	(310)	(157)
Fair value adjustments to investment through profit and loss	—	(76)	(181)	1
Investments at fair value carried forward	<u>—</u>	<u>422</u>	<u>16</u>	<u>15</u>
Categorised as:				
Level 1	—	409	3	—
Level 2	—	13	13	15
	<u>—</u>	<u>422</u>	<u>16</u>	<u>15</u>

The valuation techniques used by the Company are explained in the accounting policy note, “fair value through profit or loss investments”.

The valuation techniques used for instruments categorised in Levels 2 are described below:

Investments quoted on JP Jenkins exchange (Level 2).

The fair values of the shares quoted on the JP Jenkins exchange are reviewed and assessed by Directors to determine the liquidity of the shares and the bid-ask spread on the investments held. The primary valuation technique used by the Directors is using recent observable transactions, last price and net asset value.

14 TRADE AND OTHER RECEIVABLES

	As at 1 January 2011 £'000	As at 31 December 2011 £'000	As at 31 December 2012 £'000	As at 31 December 2013 £'000
Prepayments	—	7	7	50
	<u>—</u>	<u>7</u>	<u>7</u>	<u>50</u>
	<u>—</u>	<u>7</u>	<u>7</u>	<u>50</u>

The fair value of trade and other receivables is considered by the directors not to be materially different to the carrying amounts.

15 CASH AND CASH EQUIVALENTS

The Directors consider that the carrying amount of cash and cash equivalents represents their fair value:

	As at 1 January 2011 £'000	As at 31 December 2011 £'000	As at 31 December 2012 £'000	As at 31 December 2013 £'000
Cash at bank and on hand	—	33	4	61
	<u>—</u>	<u>33</u>	<u>4</u>	<u>61</u>

16 TRADE AND OTHER PAYABLES

	As at 1 January 2011 £'000	As at 31 December 2011 £'000	As at 31 December 2012 £'000	As at 31 December 2013 £'000
Trade payables	—	88	124	25
Accruals and deferred income	—	12	12	17
	<u>—</u>	<u>100</u>	<u>136</u>	<u>42</u>

Trade and other payables comprise amounts outstanding for trade purchases and on-going costs. The fair value of trade and other payables is considered by the directors not to be materially different to the carrying amounts.

17 BORROWINGS

	As at 1 January 2011 £'000	As at 31 December 2011 £'000	As at 31 December 2012 £'000	As at 31 December 2013 £'000
Short term borrowings	—	—	—	130
Convertible loan note	—	—	—	100
	<u>—</u>	<u>—</u>	<u>—</u>	<u>230</u>

Short term borrowings

On 1 May 2013 the Company agreed a loan facility with Planwise Group Limited pursuant to which it may draw down up to £200,000 for working capital purposes. The loan facility is repayable at the earliest of: the completion of fundraising or a transaction with a third party, the proposed transaction (see below) or the first anniversary of the date at which the Company had its shares admitted to AIM.

Interest on the balance drawn down on the Loan Facility from time to time shall accrue at a variable rate of 4 per cent above the Bank of England base rate. The fair value of the loan is deemed to be equivalent to the amortised cost.

Convertible loan

On 19 December 2013 the Company entered into an agreement to issue £400,000 of convertible loan notes to Planwise Group Limited. The agreement is to subscribe for 1,000,000,000 £0.0004 convertible loan notes on which interest accrues quarterly at a rate of 13 per cent per annum.

Proceeds of the subscriptions for the notes are to be used exclusively for the purpose of funding the costs and expenses of the Company in connection with a possible reverse takeover (“Proposed Transaction”).

The notes will be converted automatically into ordinary shares in the Company at a price of £0.0004 per share upon completion of the proposed transaction. Redemption of the notes together with outstanding accrued interest is due by 30 June 2014.

The convertible loan note was assessed under IAS 32 to determine whether the loan required an equity component to be separately identified and disclosed. The Directors estimated that a loan without a convertible option would have an interest rate of approximately 15%. Estimating the fair value of the liability using a present value technique, by discounting the contractual cash flows using the comparable rate of 15% resulted in an immaterial equity component of the compound financial instrument for the £100,000 drawdown at 31 December 2013.

18 ISSUED SHARE CAPITAL

	Number of shares	Nominal value £'000	Share premium £'000
Issued and fully paid:			
At 1 January 2011:			
Ordinary shares of 0.01p each	78,446,548	8	15,303
Deferred B shares of 9.99p each	13,068,521	1,305	—
Deferred A shares of 4.9p each	108,121,391	5,298	—
	<u>199,636,460</u>	<u>6,611</u>	<u>15,303</u>
Ordinary Shares issued for cash	322,584,168	32	1,580
Share issue expenses	—	—	(92)
Bonus issue	—	2,505	(2,505)
Share cancellation	—	(2,505)	—
At 31 December 2011:			
Ordinary shares of 0.01p each	401,030,716	40	14,286
Deferred B shares of 9.99p each	13,068,521	1,305	—
Deferred A shares of 4.9p each	108,121,391	5,298	—
	<u>522,220,628</u>	<u>6,643</u>	<u>14,286</u>
Ordinary Shares issued for cash	42,108,559	4	68
Share issue expenses	—	—	(5)
At 31 December 2012:			
Ordinary shares of 0.01p each	443,139,275	44	14,349
Deferred B shares of 9.99p each	13,068,521	1,305	—
Deferred A shares of 4.9p each	108,121,391	5,298	—
	<u>564,329,187</u>	<u>6,647</u>	<u>14,349</u>
Ordinary Shares issued for cash	146,144,914	16	140
At 31 December 2013:			
Ordinary shares of 0.01p each	598,284,189	60	14,489
Deferred B shares of 9.99p each	13,068,521	1,305	—
Deferred A shares of 4.9p each	108,121,391	5,298	—
	<u>719,474,101</u>	<u>6,663</u>	<u>14,489</u>

Ordinary shares carry voting rights and have the right to receive dividends.

Deferred shares do not carry voting right and have no right to receive dividends. Deferred shareholders are entitled to receive the amount paid up or credited as paid up on their respective holdings of deferred shares only after there has been paid on each ordinary share the nominal amount paid up on such share plus a further £1 per ordinary share. The holders of the deferred shares shall not be entitled to participate further in any distribution of the assets or the capital of the Company.

On 18 January 2011, the Company issued 11,000,000 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £55,000.

On 18 February 2011, the Company issued 300,000,000 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £1,500,000.

On 18 April 2011, the Company issued 64,665 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £323 pursuant to the exercise of warrants.

On 26 April 2011, the Company issued 500 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £2.50 pursuant to the exercise of warrants.

On 24 May 2011, the Company issued 10,000 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £50 pursuant to the exercise of warrants.

On 24 June 2011, the Company issued 2,649 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £13.25 pursuant to the exercise of warrants.

On 14 July 2011, the Company issued 45,364 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £226.82 pursuant to the exercise of warrants.

On 2 August 2011, the Company issued 70,220 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £351.10 pursuant to the exercise of warrants.

On 25 August 2011, the Company issued 1,648 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £8.24 pursuant to the exercise of warrants.

On 5 September 2011, the Company issued 28,093 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £140.46 pursuant to the exercise of warrants.

On 29 September 2011, the Company issued 567 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £2.84 pursuant to the exercise of warrants.

On 27 January 2012, the Company issued 6,735 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £33.68 pursuant to the exercise of warrants.

On 9 February 2012, the Company issued 20,000 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £100 pursuant to the exercise of warrants.

On 14 February 2012, the Company issued 64,396 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £321.98 pursuant to the exercise of warrants.

On 28 March 2012, the Company issued 25,015 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £125.08 pursuant to the exercise of warrants.

On 25 April 2012, the Company issued 2,795 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £13.98 pursuant to the exercise of warrants.

On 30 April 2012, the Company issued 41,922,448 ordinary shares of 0.01p each at a premium of 0.33p per share for a consideration of £71,268 to acquire a portfolio of interests from Griffin Two Limited. The portfolio of investments comprised of investments in AIM quoted companies in the basic resources and oil and gas sectors

On 8 May 2012, the Company issued 207 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £1.04 pursuant to the exercise of warrants

On 15 May 2012, the Company issued 200 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £1 pursuant to the exercise of warrants

On 12 September 2012, the Company issued 66,668 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £333.34 pursuant to the exercise of warrants.

On 27 September 2012, the Company issued 95 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £0.48 pursuant to the exercise of warrants.

On 7 January 2013, the Company issued 1,501 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £7.51 pursuant to the exercise of warrants.

On 18 February 2013, the Company issued 269 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £1.35 pursuant to the exercise of warrants.

On 5 March 2013, the Company issued 73,144 ordinary shares of 0.01p each at a premium of 0.49p per share for a consideration of £365.72 pursuant to the exercise of warrants.

On 1 May 2013 the Company issued 155,070,000 ordinary shares of 0.01p each at a premium of 0.09p to Planwise Group Limited at a price of 0.1p per share in consideration for a portfolio of investments in Main Market quoted companies in the basic resources and oil and gas sectors, which were valued at £155,070. As a result of this transaction Planwise Group Limited became a substantial shareholder in the Company,

holding 155,070,000 ordinary shares, representing approximately 25.9 per cent. Of the Company's issued share capital.

'B' Ordinary Shares

A bonus issue was made out of the Company's share premium account of 'B' Ordinary Shares on the basis of one 'B' Ordinary Share for every one existing Ordinary Share held on the register of members at 15 February 2011. The aggregate nominal value of all the 'B' Ordinary Shares issued was £2,520,000.

In order to effect the demerger of the ReGen business, the Company cancelled all of the 'B' Ordinary Shares issued pursuant to the bonus issue by reducing the Company's share capital in accordance with the Companies Act 2006. This involved the cancellation of part of the Company's share capital account and became effective on 17 February 2011.

Existing shareholders in the Company at 14 February 2011 were granted one new warrant for every ten Ordinary Shares held as at that date. This equated to the issue of warrants over 8,944,086 shares. Each warrant entitled the holder to subscribe for one new Ordinary Share in the Company at an exercise price of 0.5 pence per share. The warrants were exercisable until 18 February 2013.

19 SHARE BASED PAYMENTS

The Company entered into the following share based payments:

On 18 February 2011 Alexander David Securities Limited ("ADS") was granted a warrant over 29.9 per cent of the share capital of the Company in issue immediately following the Placing, equivalent to 116,444,518 Ordinary Shares, at an exercise price of 0.5 pence per share. The warrant is exercisable until 18 February 2016.

The directors have estimated the fair value of the warrants in services provided using an appropriate valuation model. The total fair value of the services provided is deemed to be £104,800.

The charge has been expensed over the period to 18 February 2016. A share based payment charge of £21,000 (2012: £21,000, 2011: £21,000) has been expensed in the statement of comprehensive income.

As part of the demerger process as detailed in the circular dated 12 January 2011 the directors of ReGen Therapeutics Plc were granted share options as part of their compensation package in respect of employee services to the date of the demerger. The total number of share options granted were 43,200,000 on 18 February 2011 at an exercise price of 0.01p and are exercisable for a period of 5 years up to 18 February 2016.

The directors have used the Black-Scholes option pricing model to estimate the fair value of the options applying the assumptions below.

Grant date share price	£0.0050
Exercise share price	£0.00010
Risk free rate	5.25%
Expected volatility	60%
Option life	5 years
Calculated fair value per share	£0.0015

A share based payment charge of £nil (2012: £nil, 2011: £65,000) has been expensed in its entirety in the loss from operations, which has been calculated using the Black-Scholes option price model using the prevailing market share price,

	Weighted average exercise price for the year ended 31 December 2011 pence	Number of shares to be issued in respect of exercise price for the year ended 31 December 2011	Weighted average exercise price for the year ended 31 December 2012 pence	Number of shares to be issued in respect of exercise price for the year ended 31 December 2012	Weighted average exercise price for the year ended 31 December 2013 pence	Number of shares to be issued in respect of exercise price for the year ended 31 December 2013
Outstanding at beginning of period	—	—	0.40	159,644,518	0.40	159,644,518
Granted during the period	0.40	159,644,518	—	—	—	—
Exercised during the period	—	—	—	—	—	—
Outstanding at end of period	0.40	159,644,518	0.40	159,644,518	0.40	159,644,518
Exercisable at end of period	0.40	159,644,518	0.40	159,644,518	0.40	159,644,518

20 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the board of directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

CREDIT RISK

The Company's financial instruments, that are subject to credit risk, are cash and cash equivalents. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions.

The Company's maximum exposure to credit risk is £61,000 (2012: £4,000, 2011: £33,000) comprising cash and cash equivalents.

LIQUIDITY RISK

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Company's payment obligations arising from administrative expenses. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk.

MARKET PRICE RISK

The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The Company manages this price risk within its long-term investment strategy to manage a diversified exposure to the market. If each of the Company's equity investments were to experience a rise or fall of 10% in their fair value, this would result in the Company's net asset value increasing or decreasing by £1,500 (2012: £8,500, 2011: £58,500).

21 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS BY CATEGORY

The IAS 39 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	Year ended 31 December 2013 £'000
Financial assets			
Fair value through profit or loss investments	422	16	15
Loans and receivables	163	69	—
Cash and cash equivalents	33	4	61
	618	89	76

FINANCIAL LIABILITIES BY CATEGORY

The IAS 39 categories of financial liabilities included in the balance sheet and the headings in which they are included are as follows:

	2011	2012	2013
Financial liabilities at amortised cost			
Trade and other payables	88	124	25
Short term borrowings	—	—	130
Convertible loan	—	—	100
	<u>88</u>	<u>124</u>	<u>255</u>

22 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2013 (2012 & 2011: £Nil).

23 CAPITAL COMMITMENTS

There were no capital commitments authorised by the directors or contracted for at 31 December 2013 (2012 & 2011: £Nil).

24 POST BALANCE SHEET EVENTS

The terms of the Planwise short term loan issued on 1 May 2013, were amended by a convertible loan note instrument (Planwise Convertible Loan Notes 2016) entered into between the Company and Planwise dated 31 March 2014. The Planwise Convertible Loan Notes 2016 are conditional upon Admission taking place by no later than 30 April 2014, only repayable by the Company by means of conversion of the principal and any accrued interest, which accrues at a rate of 4 per cent. above the Bank of England base rate per annum, into New Ordinary Shares at a conversion price of 10 pence per share. The notes can be converted at any time after the second anniversary of Admission, at the election of Planwise. If Admission does not take place on or before 30 April 2014, the loan is repayable by the Company in cash, on demand.

In January 2014, under the terms of the existing convertible loan note agreement, Planwise subscribed for a further convertible loan note with a principal amount of £100,000.

The Company has agreed to issue Investor Convertible Loan Notes, comprising convertible loan notes of £730,000, to the Investor Noteholders, conditional upon Admission taking place on or before 30 April 2014. The notes bear interest at a rate of 6 per cent. per annum, are not transferable and are repayable at any time at the election of the Investor Noteholders, who are not permitted to transfer any shares issued upon conversion for a period of 10 business days following the date of issue. The loan notes and any accrued interest are repayable only by conversion into New Ordinary Shares at a conversion price of 16 pence per share.

25 RELATED PARTY TRANSACTIONS

As part of the demerger arrangements the Company agreed to lend up to £240,000 to its former subsidiary undertaking, RTL, in the form of a loan with 10 per cent coupon and interest has been accrued for in these Accounts. NAC Lott, who was a director of the Company, serves as a director of RTL as a personal appointment and not as a nominee of the Company.

In lieu of fees for the arrangement and structuring of the demerger Alexander David Securities received on completion of the Demerger a warrant to subscribe for 29.9% of the share capital of the company in issue following the placing. M Hicks and D Scott, directors of the Company serve as directors of Alexander David Securities.

The Company agreed a loan facility with Planwise pursuant to which it may draw down up to £200,000 for working capital purposes over the next twelve months. Interest on the balance drawn down on the Loan Facility from time to time shall accrue at the rate of 4 per cent. above the Bank of England base rate.

Planwise is a related party on account of its substantial shareholding in the Company. Accordingly, the Loan Facility is a related party transaction as defined in the AIM Rules. The Directors of ADI consider, having consulted with Cairn Financial Advisers LLP, the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

26 ULTIMATE CONTROLLING PARTY

The Company considers that there is no ultimate controlling party.

27 RECONCILIATION OF NET ASSETS AND PROFITS FOR THE PERIOD UNDER UK GAAP TO IFRS

This is the Company's first financial information prepared in accordance with IFRSs.

The accounting policies have been applied in preparing the Historical Financial Information for the years ended 31 December 2013, 2012 and 2011, and in the preparation of an opening IFRS statement of financial position at 1 January 2011 (the Company's date of transition).

In preparing its opening IFRS statement of financial position the Company has adjusted amounts previously reported in financial statements prepared with UK GAAP. An explanation of how the transition from UK GAAP to IFRS has affected the Company's statement of financial position, income statement and statement of cash flows is set out in the following notes and tables:

a) Reconciliation of UK GAAP to IFRS

IFRS 1 requires the Company to reconcile comprehensive income and cash flows for prior periods. The Company's first-time adoption did not have an impact on the total operating, investing or financing cash flows. The following tables represent the reconciliations from UK GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income

	Notes	As at 1 January 2010 UK GAAP	Adjustment	IFRS
Investments in subsidiaries	A	1,020	(1,020)	—
Assets held for sale	A	—	1,020	1,020
Trade and other payables	A	416	(416)	—
Liabilities associated with assets held for sale	A	—	416	416
Total comprehensive income		<u>(3,031)</u>	<u>—</u>	<u>(3,031)</u>
Total equity		<u>604</u>	<u>—</u>	<u>604</u>
	Notes	Year ended 31 December 2011 UK GAAP	Adjustment	IFRS
Turnover – gross portfolio		(82)	82	—
Net change in fair value of investments	B	—	(76)	(76)
Operating expenses	A,B	(696)	483	(213)
Operating loss	A	<u>(778)</u>	<u>489</u>	<u>(289)</u>
Total comprehensive income		<u>(778)</u>	<u>—</u>	<u>(778)</u>
Total equity		<u>525</u>	<u>—</u>	<u>525</u>
	Notes	Year ended 31 December 2012 UK GAAP	Adjustment	IFRS
Turnover – gross portfolio return	B	(195)	195	—
Net change in fair value	B	—	(181)	(181)
Impairment of investments	B	—	(205)	(205)
Operating expenses	B	<u>(458)</u>	<u>191</u>	<u>(267)</u>
Total comprehensive income		<u>(653)</u>	<u>—</u>	<u>(653)</u>
Total equity		<u>(40)</u>	<u>—</u>	<u>(40)</u>

		Year ended 31 December 2013		
	Notes	UK GAAP	Adjustment	IFRS
Trade and other payables	C	272	(230)	42
Short term borrowings	C	<u>—</u>	<u>230</u>	<u>230</u>
Total equity		<u>(146)</u>	<u>—</u>	<u>(146)</u>
Revenue		—	3	3
Turnover – gross portfolio return	B	3	(3)	—
Net change in fair value of investments	B	—	1	1
Impairment of investments	B	—	(93)	(93)
Operating expenses	B	<u>(286)</u>	<u>92</u>	<u>(194)</u>
Total comprehensive income		<u>(283)</u>	<u>—</u>	<u>(283)</u>

A Investments in Subsidiaries

Under UK GAAP, the Company accounted for the investments that were held for sale as Non-Current Investment in Subsidiaries. Under IFRS 5, it was determined that the sale was highly probable as at 1 January 2011. As a result the assets and liabilities of the disposal Group classified as held for sale. This resulted in an adjustment from non-current assets to current assets of £1,020,000 and an adjustment from trade and other payables to liabilities associated with sale of assets of £416,000. In addition a reclassification adjustment was included in the statement of comprehensive income moving £489,000 from operating expenses to discontinued operations in line with classification requirements under IFRS 5, Further details can be found in Note 10.

B Net Changes in fair value

Under UK GAAP, fair value adjustments to investments went through the turnover-gross portfolio return. Under IFRS changes in fair value are adjusted through the net change in fair value of investments. The adjustment required on conversion in 2013 £1K (2012: £181K, 2011: £76K. Investments that were held as long term investments had impairments under UK GAAP that were adjusted to operating expenses. Under IFRS adjustments were made to 'Impairment in Investments' 2013 £93K (2012 £205K).

C Borrowings

Under UK GAAP, trade and other payables are grouped with short term borrowings and convertible loans. Under IFRS these have been separated for presentation on the Statement of Financial Position. As a result of this adjustment a trade and other payables have been decreased by £230k and short term borrowings have been increased £230k.

PART III
B – ACCOUNTANT’S REPORT ON THE HISTORICAL FINANCIAL INFORMATION
ON THE COMPANY

The Directors
Alexander David Investments plc
6 New Street Square
New Fetter Lane
London EC4A 3BF

31 March 2014

Dear Sirs

**Accountant’s Report on the Historical Financial information of Alexander David
Investments plc (the “Company”)**

We report on the historical financial information of the Company for the three years ended 31 December 2011, 31 December 2012 and 31 December 2013 set out in Part III.A of this admission document (the “Company Historical Financial Information”). The Company Historical Financial Information has been prepared for inclusion in the AIM admission document of the Company dated 31 March 2014 (the “Admission Document”) on the basis of the accounting policies set out in note 2 of the Company Historical Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

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

The directors of the Company are responsible for preparing the Company Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union. It is our responsibility to form an opinion on the Company Historical Financial Information and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion, the Company Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at 31 December 2011, 31 December

2012 and 31 December 2013 and of its losses, cash flows, recognised gains and losses, and changes in equity for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 in accordance with International Financial Reporting Standards adopted by the European Union.

Declaration

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

Yours faithfully

GRANT THORNTON UK LLP

PART IV
A – HISTORICAL FINANCIAL INFORMATION ON TIZIANA PHARMA

Tiziana Pharma

Statement of Financial Position as at 31 December 2013

	£
Current assets	
Cash and cash equivalents	(Note 3a) <u>1</u>
Total net assets	<u>1</u>
	=
Shareholders' equity	
Called up share capital	(Note 4) <u>1</u>
	<u>1</u>
	=

Statement of Changes in Equity for the period 4 November 2013 to 31 December 2013

	Share Capital £	Share Premium £	Total Equity £
Issue of shares	(Note 4) <u>1</u>	<u>—</u>	<u>1</u>
As at 31 December 2013	<u>1</u>	<u>—</u>	<u>1</u>
	=	=	=

Statement of Cash Flows for the period 4 November 2013 to 31 December 2013

	£
Cash flows from financing activities	
Proceeds from issue of shares	(Note 4) <u>1</u>
Net increase in cash and cash equivalents	<u>1</u>
Cash and cash equivalents at beginning of period	(Note 4) <u>—</u>
Cash and cash equivalents at end of period	<u>1</u>
	=

Tiziana Pharma has not traded since its incorporation and therefore no Statement of Comprehensive Income has been presented. In addition, there are no other items of other comprehensive income.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION ON TIZIANA PHARMA

1) General information

Tiziana Pharma was incorporated as Tiziana Pharma Limited and registered in England and Wales on 4 November 2013 as a private company, limited by shares.

The registered number of Tiziana Pharma is 08760354 and Tiziana Pharma's registered office is 18 South Street, Mayfair, London, W1K 1DG, United Kingdom.

2) Basis of preparation

The Directors and the Proposed Directors are responsible for the preparation of this Historical Financial Information on Tiziana Pharma. This Historical Financial Information of Tiziana Pharma has been prepared for the sole purpose of publication within this admission document. It has been prepared in accordance with the requirements of the AIM Rules and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

This Historical Financial Information on Tiziana Pharma does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

This Historical Financial Information on Tiziana Pharma has been prepared under the historical cost convention.

3) Accounting policies

a) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid instruments, such as bank deposits, certificates of deposit, time deposits, treasury notes and other money market instruments, which generally have maturities of less than three months.

b) Use of accounting estimates and judgements

The Directors and the Proposed Directors consider that in the proper preparation of this Historical Financial Information on Tiziana Pharma there were no critical nor significant areas which required the use of accounting estimates and exercise of judgement by management while applying Tiziana Pharma's accounting policies.

c) Share capital

Shares are classified as equity where there is no obligation to transfer cash and other assets. Tiziana Pharma's capital is represented by ordinary shares of £1 par value. Each Ordinary Share carries one vote and is entitled to dividend and capital distributions when declared (including on winding up) and does not confer any rights of redemption. The relevant movements on capital are shown in the statement of changes in equity.

4) Called up share capital

On incorporation Tiziana Pharma issued one Ordinary Shares of £1 par value. The Ordinary Share was issued to Dezia Ltd, a nominee shareholder company holding the share in trust, and is fully paid. As at 31 December 2013, Tiziana Pharma had issued one (1) Ordinary Share of £1.00 each, fully paid up. Each Ordinary Share carries one vote and is entitled to dividend and capital distributions when declared (including on winding up) and does not confer any rights of redemption.

5) Subsequent events

The following transactions occurred subsequent to 31 December 2013 but before 31 March 2014, being the date of this document.

a) Recruitment

Tiziana Pharma employed Dr Philip J Boyd as Chief Financial Officer (but not a statutory director) from 3 February 2014.

b) Material Contracts

Research Agreement

On 20 March 2014, Tiziana Pharma entered into a Novation Agreement with BioVitas to transfer all the rights and obligations of the Research Agreement between BioVitas and Cardiff University dated 21 October 2013 to Tiziana Pharma.

Under the Research Agreement, Tiziana Pharma agrees to sponsor a project to identify and select candidate lead compounds to inhibit Bcl-3 (the Project) for a research fee of £175,000 payable in two tranches. The first tranche has been paid (by BioVitas on 29 October 2013) and the second tranche is due on 1 May 2014. The Research Agreement also grants Tiziana Pharma an option to an exclusive licence to any compound with potential therapeutic interest against Bcl-3 arising directly from the Project.

The consideration payable by Tiziana Pharma to BioVitas under the Novation Agreement is the reimbursement of all financial contribution payments made by BioVitas as sponsor under the Research Agreement (namely £87,500) which was paid in full on 3 March 2014 in advance of the execution of the Novation Agreement.

Licence Agreement

On 20 March 2014, and contemporaneous with the execution of the Novation Agreement, Tiziana Pharma entered into a Licence Agreement with Cardiff University providing an exclusive worldwide licence over Cardiff University's Bcl-3 patent and the intellectual property arising from the Research Agreement.

The Licence Agreement also operates as an extension of the scope of the research and development to be carried out by Cardiff University under the Research Agreement. The Licence Agreement sets out certain milestone payments due from Tiziana Pharma to Cardiff University (or its affiliates) over the development of the products, as follows:

Research and development Milestone 1	For each compound arising out of the Project that is equivalent or better to the current lead compound (JS6) as determined by two specified assays, a payments of £18,000 is payable to cover the costs of the studies
Research and development Milestone 2	£90,000 to extend the Project period in the Research Agreement for an additional 12 months where agreed by Cardiff University and where at least 4 compounds have reached the requirement of Milestone 1
Research and development Milestone 3	A payment of £25,000 is due on commencement of biological studies when at least 8 compounds have reached Milestone 1
Research and development Milestone 4	A payment of £50,000 is due on selection of clinical candidate compound following completion of primate PK studies on up to four compounds (chosen from Milestone 3)
Milestone 5	US\$75,000 on filing an Investigational New Drug application with the Federal Drug Agency
Milestone 6	US\$100,000 on successful completion of Phase I Single Ascending Dose studies
Milestone 7	US\$350,000 on successful completion of Phase IIb Multiple Ascending Dose studies
Milestone 8	US\$500,000 on successful completion of II Proof of Concept trials
Milestone 9	US\$1,000,000 on successful completion of Phase III studies
Milestone 10	US\$2,000,000 on Federal Drug Authority approval of New Drug Application

If and when the Bcl-3 research results in a revenue stream for Tiziana Pharma, under the terms of the Licence Agreement, Tiziana Pharma will be required to pay royalties to an affiliate of Cardiff University as follows:

- 1 per cent. of the net sales value of all direct sales of products by Tiziana Pharma and its affiliates; and
- 5 per cent. of all net receipts from licensees of Tiziana Pharma.

Consultancy Agreements

A one year consultancy agreement with Prof Pier Paolo di Fiore with an effective date of 1 February 2014 was entered into under which Prof di Fiore will provide services to Tiziana Pharma for an annual fee of €18,000.

Consultancy agreements with each of Dr Andrea Brancale, Dr Richard Clarkson and Dr Andrew Westwell were entered into on 20 March 2014 under which each individual will provide services to Tiziana Pharma for an annual fee of £20,000 each.

c) Loan

Under a letter dated 20 February 2014 a loan of £150,000 was made available to Tiziana Pharma by Planwise Group Limited (Planwise) (the sole shareholder at that date) to enable Tiziana Pharma to pay for its costs up to the conclusion of the transaction which is the subject of this admission document.

There are no repayment, interest or security terms specified under the loan letter of 20 February 2014. Consequently the directors of Tiziana Pharma consider the loan to be interest free, unsecured and repayable on demand.

d) Share reorganisation and re-issues

On 18 February 2014, the single ordinary share was transferred to Planwise.

Reorganisation

On 19 February 2014, Tiziana Pharma subdivided its one ordinary share with a nominal value of £1 into 100 ordinary shares of 1 penny each.

On 14 March 2014, Tiziana Pharma further subdivided its 100 ordinary shares with a nominal value of 1 penny each into 1,000 ordinary of 0.1 pence each.

Subscription Agreement

Pursuant to a subscription agreement dated 20 March 2014 each of the three Inventors subscribed for 48 ordinary shares of 0.1 pence each at an aggregate subscription price of £10,000 per person.

Subscription Letter

Pursuant to a subscription letter dated 20 March 2014 Prof C and Mrs M McGuigan subscribed for 60 ordinary shares of 0.1 pence each, at an aggregate subscription price of £25,000 to be held in their joint names.

e) Operating costs

Certain operating costs were incurred during February and March 2014 including company secretarial costs, provision of IT services, production of company stationery, patent advice, conference attendance, bank charges and payroll costs, amounting to approximately £20,000.

B – ACCOUNTANT’S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON TIZIANA PHARMA

The Directors
Alexander David Investments plc
6 New Street Square
New Fetter Lane
London EC4A 3BF

31 March 2014

Dear Sirs

Accountant’s Report on the Historical Financial information of Tiziana Pharma Limited (“Tiziana Pharma”)

We report on the historical financial information of Tiziana Pharma for the period from incorporation on 4 November 2013 to 31 December 2013 set out in Part IV.A of this admission document (the “Tiziana Pharma Historical Financial Information”). The Tiziana Pharma Historical Financial Information has been prepared for inclusion in the AIM admission document of Alexander David Investments plc (the “Company”) dated 31 March 2014 (the “Admission Document”) on the basis of the accounting policies set out in notes 2 and 3 of the Tiziana Pharma Historical Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

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

The directors of the Company are responsible for preparing the Tiziana Pharma Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union. It is our responsibility to form an opinion on the Tiziana Pharma Historical Financial Information and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion, the Tiziana Pharma Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Tiziana Pharma as at 31 December 2013 and of its losses, cash flows, recognised gains and losses and changes in equity for the period from 4 November 2013 to 31 December 2013 in accordance with International Financial Reporting Standards adopted by the European Union.

Declaration

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

Yours faithfully

GRANT THORNTON UK LLP

PART V
UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets of the Enlarged Group which has been prepared on the basis of the net assets of the Company as at 31 December 2013, as adjusted for the Acquisition, the Placing the issue of the Investor Convertible Loan Notes, the Planwise Convertible Loan Notes 2014 and the Planwise Convertible Loan Notes 2016 as set out in the notes below. The unaudited pro forma statement of net assets has been prepared for illustrative purposes only to provide information about the impact of the Acquisition, the Placing the issue of the Investor Convertible Loan Notes, the Planwise Convertible Loan Notes 2014 and the Planwise Convertible Loan Notes 2016 on the Company as if they had occurred on 31 December 2013 and, because of its nature, will not represent the actual consolidated financial position of the Enlarged Group at the date of Admission.

Unaudited pro forma statement of net assets

	Company Note 1 £'000	Tiziana Pharma Note 2 £'000	Net Placing Proceeds Note 4 £'000	Issue of Investor Convertible Loan Notes Note 5 £'000	Amendment of loan and conversion of loan notes Notes 6&7 £'000	Enlarged Group Pro Forma Net Assets Note 8 £'000
Assets						
Current Assets						
Trade and other receivables	50	—	—	—	—	50
Investments	15	—	—	—	—	15
Cash and cash equivalents	61	—	1,550	730	200	2,541
Total current assets	<u>126</u>	<u>—</u>	<u>1,550</u>	<u>730</u>	<u>200</u>	<u>2,606</u>
Total assets	<u>126</u>	<u>—</u>	<u>1,550</u>	<u>730</u>	<u>200</u>	<u>2,606</u>
Liabilities						
Current Liabilities						
Trade and other payables	42	—	—	—	—	42
Short term borrowings	230	—	—	730	(230)	730
Total current liabilities	<u>272</u>	<u>—</u>	<u>—</u>	<u>730</u>	<u>(230)</u>	<u>772</u>
Non current liabilities						
Convertible loan note	—	—	—	—	130	130
Total non current liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>130</u>	<u>130</u>
Total liabilities	<u>272</u>	<u>—</u>	<u>—</u>	<u>730</u>	<u>(100)</u>	<u>902</u>
Net assets	<u>(146)</u>	<u>—</u>	<u>1,550</u>	<u>—</u>	<u>300</u>	<u>1,704</u>

Notes:

- The financial information in respect of the Company as at 31 December 2013 has been extracted, without material adjustment, from the Historical Financial Information on the Company as at 31 December 2013 as set out in Part III A of this document.
- The financial information in respect of Tiziana Pharma as at 31 December 2013 has been extracted, without material adjustment, from the Historical Financial Information on Tiziana Pharma as at 31 December 2013, as set out in Part IV A of this document.
- The pro forma net assets statement has been prepared on the basis that the consideration payable pursuant to the Acquisition will be settled solely by the issue of the Consideration Shares (this only impacts Shareholders' Equity which is not shown in the pro forma statement of net assets).
- The pro forma net assets statement has been prepared on the basis that the Company will raise approximately £2.00 million in gross proceeds from the Placing and that there will be approximately £0.45 million of fees incurred in respect of this transaction, resulting in net Placing proceeds of approximately £1.55 million.
- As described in paragraph 15.10 of Part VI of this document, the Company has agreed to issue the Investor Convertible Loan Notes, comprising convertible loan notes of £730,000, to the Investor Noteholders, conditional upon Admission taking place on or before 30 April 2014.
- As described in paragraph 15.7 of Part VI of this document, on 1 May 2013, the Company agreed a loan facility with Planwise pursuant to which it could draw down up to £200,000 for working capital purposes over the ensuing twelve months. As at 31 December 2013, the principal drawn down and the accrued interest amounted to approximately £130,000 (within Short Term Borrowings). The terms of the loan were

amended by a convertible loan note instrument entered into between the Company and Planwise dated 31 March 2014 constituting the Planwise Convertible Loan Notes 2016, under the terms of which the notes can be converted at any time after the second anniversary of Admission, at the election of Planwise (however, if Admission does not take place on or before 30 April 2014, the loan is repayable by the Company in cash, on demand). The amount of this loan facility has therefore been moved from Current Liabilities to Non-Current Liabilities.

7. As described in paragraph 15.8 of Part VI of this document, on 19 December 2013, the Company entered into an agreement to issue £400,000 of convertible loan notes to Planwise. At 31 December 2013, Planwise had subscribed for £100,000, and a £100,000 liability was recognised by the Company (within Short Term Borrowings). A further £100,000 was subscribed for on 31 January 2014 and the balance of £200,000 will be subscribed for immediately prior to Admission. It is proposed that the £400,000 of convertible loan notes and accrued interest on the loan notes shall be converted into New Ordinary Shares, subject to passing of the Resolutions at the General Meeting, at the Issue Price.
8. This column represents the sum of the preceding columns, and represents the pro forma net assets of the Enlarged Group.
9. The Placing is conditional upon the approval and completion of the Proposals, including the Share Consolidation (as described in Paragraph 9 of Part I of this document). No adjustments have been shown for the Share Consolidation as this only impacts Shareholders' Equity (which is not shown in the pro forma statement of net assets).
10. Apart from the items described above, no other adjustments have been made, for either the Company or for Tiziana Pharma, to reflect any issues of equity, trading, expenditure, changes in working capital, changes in debt or other movements subsequent to 31 December 2013.
11. The unaudited pro forma statement of net assets does not include any fair value or consolidation adjustments which may be identified prior to preparing the first set of financial statements for the Enlarged Group.
12. The pro forma statement of net assets does not constitute statutory accounts within the meaning of section 435 of the Act.

PART VI
ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Directors and the Proposed Directors, whose names appear on page 6 of this document, and the Company accept responsibility for the information contained in this document (other than the information concerning the Concert Party and its intentions for which the Concert Party takes sole responsibility). To the best of the knowledge and belief of the Directors, the Proposed Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of that information. All the Directors and the Proposed Directors accept individual and collective responsibility for compliance with the AIM Rules.
- 1.2 Grant Thornton UK LLP's responsibility for its Accountant's Report on the Historical Financial Information of the Company and for its Accountant's Report on the Historical Financial Information of Tiziana Pharma, appearing at Parts III.B and IV.B of this document respectively, is as set out in those reports.

2. THE COMPANY

- 2.1 The Company is incorporated and trades under the name Alexander David Investments PLC.
- 2.2 The Company is domiciled in the United Kingdom and was incorporated and registered in England and Wales on 11 February 1998 as a public limited company with the name Bigboom PLC and registered number 03508592. The Company has undergone the following name changes:

Previous name	New name	Date of change
Bigboom PLC	REGEN THERAPEUTICS PLC	08/06/1998
REGEN THERAPEUTICS PLC	ReGen Therapeutics PLC	07/08/1998
ReGen Therapeutics PLC	Alexander David Investments PLC	18/02/2011

Subject to Shareholders' approval of the Resolutions at the General Meeting, the Company's name will be changed to Tiziana Life Sciences PLC from Admission.

- 2.3 The liability of the Company's members is limited.
- 2.4 The Company is governed by, and its securities were created, under the Act.
- 2.5 At the date of this document, the Company's registered office is located at 6 New Street Square, New Fetter Lane, London EC4A 3BF and its principal place of business is at 131 Finsbury Pavement, London EC2A 1NT. The telephone numbers of the Company's registered office and principal place of business are 020 7822 1500 and 020 7448 9800 respectively.
- With effect from Admission, the Company's registered office and its principal place of business will be 18 South Street, London W1K 1DG and its telephone number will be 020 7493 2853.
- 2.6 The Company has no administrative, management or supervisory bodies other than the Board, the Remuneration Committee, the Audit Committee and the AIM Compliance Committee, all of whose members are Directors or Proposed Directors.
- 2.7 The Company's auditors during the period covered by the Historical Financial Information are Crowe Clark Whitehill LLP, who are members of the Institute of Chartered Accountants in England and Wales.

3. MIDDLE-MARKET QUOTATIONS

- 3.1 Set out below are the closing middle-market quotations for an Ordinary Share as derived from the daily Official List for the first dealing day of each of the six months immediately preceding the date of this document and the latest practical date prior to the publication of this document.

<i>Date</i>	<i>Price per Ordinary Share (p)</i>
<i>1 October 2013</i>	<i>0.105</i>
<i>1 November 2013</i>	<i>0.105</i>
<i>2 December 2013</i>	<i>0.085</i>
<i>2 January 2014*</i>	<i>0.085</i>
<i>3 February 2014</i>	<i>0.085</i>
<i>3 March 2014</i>	<i>0.085</i>

* *Admission to trading in the Company's shares was temporarily suspended on 19 December 2013; there has therefore been no price change since that date to the date of this document.*

The Group

- 3.2 The Company does not form part of a group of companies, however the Company does hold shares in certain companies. Details of the Company's interest in companies representing 10 per cent. or more of the entire issued share capital are as follows:

<i>Name and registered office</i>	<i>Principal Activity</i>	<i>Country of incorporation (and residence, if different)</i>	<i>Per cent. interest and voting rights</i>
ReGen Therapeutics Limited (RTL) 73 Watling Street London EC4M 9BJ (company number 07476879)	The global commercialisation of Colostrinin as a nutraceutical product; The development of Colostrinin peptides as pharmaceutical drug candidates; and The development of a new use for an existing drug, zolpidem	England and Wales	Currently 3.2 per cent.; however, the Company has a number of convertible loan notes in RTL which, if converted, would give the Company around 40 per cent. of the entire issued share capital of RTL. The exact figure would depend on the share price of RTL at the time of the conversion.

4. SHARE CAPITAL

- 4.1 The issued, fully paid, share capital of the Company as at 28 March 2014 (being the latest practicable date before publication of this document) was as follows:

	<i>Number</i>	<i>Amount</i>
<i>Ordinary Shares of £0.0001 each</i>	<i>598,284,189</i>	<i>£59,828,42</i>
<i>Deferred A Shares of 4.9 pence each</i>	<i>108,121,391</i>	<i>£5,297,948.16</i>
<i>Deferred B Shares of 9.9 pence each</i>	<i>13,068,521</i>	<i>£1,305,545.25</i>

- 4.2 Immediately following Admission the issued, fully paid, share capital of the Company will be as follows:

	<i>Number</i>	<i>Amount</i>
<i>Ordinary Shares of £0.03 each</i>	<i>84,556,313</i>	<i>£2,536,689.39</i>
<i>Deferred A Shares of 4.9 pence each</i>	<i>108,121,391</i>	<i>£5,297,948.16</i>
<i>Deferred B Shares of 9.9 pence each</i>	<i>13,068,521</i>	<i>£1,305,545.25</i>

- 4.3 During the period from 1 January 2014 to 28 March 2014 (being the latest practicable date before publication of this document), the Company has not allotted or issued any Ordinary Shares.
- 4.4 The Placing, the Acquisition and the Conversion will result in the allotment and issue of 82,562,032 New Ordinary Shares, diluting existing holders of New Ordinary Shares by 97.64 per cent.
- 4.5 The Company was incorporated with a share capital of £2 divided into 2 Ordinary Shares of £1 each issued to the subscribers to the Memorandum of Association of the Company.
- 4.6 The changes to the issued share capital of the Company which occurred between 1 January 2011 and 31 December 2013 are as follows:

1 January to 31 December 2011

In February 2011 the Company completed a demerger of its existing business into a newly incorporated private limited company pursuant to which:

- 4.6.1 the placing by the Company's broker of 11,000,000 new ordinary shares in the capital of the Company to investors at a price of 0.5 pence per share (the **Placing Price**);
- 4.6.2 the further placing by the Company's broker of 300,000,000 new ordinary shares in the capital of the Company to investors at the Placing Price, in order to raise £1,500,000 for the Company's working capital requirements;
- 4.6.3 the issue of 89,446,538 B ordinary shares in the capital of the Company (**B Shares**) to its shareholders; and
- 4.6.4 a court sanctioned reduction of capital involving the cancellation of all of the B Shares, with the capital in respect of each B Share being returned to shareholders by the transfer of one RTL Share for each B Shares.

Including the above, during this period the Company issued a total of 322,584,168 ordinary shares in the capital of the Company.

The Company did not issue any dividends during this period.

1 January to 31 December 2012

During this period, the Company issued a total of 42,108,559 ordinary shares in the capital of the Company.

The Company did not issue any dividends during this period.

1 January to 31 December 2013

During this period, the Company issued a total of 155,144,914 ordinary shares in the capital of the Company.

The Company did not issue any dividends during this period.

- 4.7 Save as disclosed in paragraphs 4, 7, 11 and 12:
- 4.7.1 no share or loan capital of the Company has been issued or is proposed to be issued;
- 4.7.2 there are no shares in the Company not representing capital;
- 4.7.3 there are no shares in the Company held by or on behalf of the Company itself;
- 4.7.4 there are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;
- 4.7.5 there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital; and
- 4.7.6 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 4.8 The par value of the Existing Ordinary Shares is £0.0001.
- 4.9 The Company has no issued Existing Ordinary Shares that are not full paid up.

5. SHARE CONSOLIDATION

- 5.1 The Share Consolidation, which is expected to take place after close of business on the Record Date, is intended broadly to maintain comparability, as far as reasonably practicable, of the Company's share price before and after the Acquisition. The share price of one New Ordinary Share following the Share Consolidation is intended, as far as reasonably practicable, to be approximately equal to the share price of one Ordinary Share immediately before the Share Consolidation (subject to market movements).
- 5.2 The consolidation ratio will be 300:1. Accordingly, the Company will issue one New Ordinary Share in exchange for every 300 Existing Ordinary Shares.
- 5.3 Following the Share Consolidation, Shareholders will own the same proportion of shares in ADI as they did previously (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held.
- 5.4 In order to ensure that a whole number of New Ordinary Shares is created, it is proposed that the Company may issue Ordinary Shares. The number of Ordinary Shares to be issued will be 111 which will result in the total number of Ordinary Shares (including any held in treasury) being exactly divisible in accordance with the consolidation ratio.
- 5.5 No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares on the date of the General Meeting (a "**Fractional Shareholder**"), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Ordinary Shares ("**Fractional Entitlement Shares**"). These Fractional Entitlement Shares shall be sold on behalf of the relevant Fractional Shareholders, as explained below. To the extent that any holdings of Fractional Entitlement Shares would not be able to be aggregated to form a full New Ordinary Share post Share Consolidation, such Fractional Entitlement Shares shall, on the Share Consolidation, be sold and the net proceeds of the sale shall be distributed to the Shareholders on a pro-rata basis against persons entitled to receive any fractions.
- 5.6 The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares, and as noted above, Shareholders with only a fractional entitlement to a New Ordinary Share (i.e. those Shareholders holding fewer than 300 Existing Ordinary Shares at the Record Date) will cease to be a shareholder of the Company. Any fractions of Ordinary Shares created by the Share Consolidation will be aggregated and sold for the benefit of the Company. Accordingly, Shareholders currently holding fewer than 300 Existing Ordinary Shares who wish to remain a shareholder of the Company following the Share Consolidation would need to increase their shareholding to at least 300 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice before taking any action.

6. SECURITIES BEING ADMITTED

- 6.1 The New Ordinary Shares are ordinary shares with a par value of £0.03 each in the capital of the Company, issued in British Pounds Sterling.
- 6.2 The International Security Identification Number (ISIN) of the New Ordinary Shares is GB00BKWNZY55 and the Stock Exchange Daily Official List (SEDOL) number is BKWNZY5.
- 6.3 The New Ordinary Shares will be in registered form. They will be capable of being held in certificated form or in uncertificated form in the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the CREST Regulations. The Company's register of members will be kept by Euroclear UK & Ireland, the operator of the CREST system and the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
- 6.4 The dividend and voting rights attaching to the New Ordinary Shares are set out in paragraphs 9.3 to 9.7 of this Part VI.
- 6.5 Section 561 of the Act gives the Shareholders rights of pre-emption in respect of allotments of securities which are or are able to be paid up in cash (other than by way of allotments to employees pursuant to an employee share scheme as defined under section 1166 of the Act). Subject to limited exceptions and to

the extent authorised pursuant to the resolutions described in paragraph 6.10 below, unless shareholder approval is obtained in a general meeting of the Company, the Company must normally offer Ordinary Shares to be issued for cash to existing shareholders pro-rata.

- 6.6 The New Ordinary Shares are freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is duly stamped, is in favour of not more than four joint transferees and is in respect of only one class of shares
- 6.7 The New Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital (further details of which are set out in paragraph 9.6 below).
- 6.8 Each New Ordinary Share is entitled on a *pari passu* basis with all other issued New Ordinary Shares to share in any surplus on a liquidation of the Company.
- 6.9 The New Ordinary Shares have no redemption or conversion provisions.
- 6.10 The Resolutions proposed at the General Meeting will, if passed:
- 6.10.1 authorise the Directors, conditional on Admission, for the purposes of section 551 of the Act to allot relevant securities of the Company:
- (a) up to an aggregate nominal amount of £2,476,683 in respect of the Placing, the Acquisition and the Conversion; and
 - (b) otherwise than pursuant to sub-paragraph (a) above, up to approximately 20 per cent. of the issued share capital of the Company immediately following Admission,
- that authorisation expiring on the earlier of fifteen months from the date on which the Resolutions are passed and the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting); and
- 6.10.2 authorise the Directors, conditional on Admission and subject to the passing of the resolution summarised in paragraph 6.10.1 of this Part, to allot equity securities of the Company pursuant to:
- (a) the authority summarised in 6.10.1(a); and
 - (b) otherwise than pursuant to (a) above, up to approximately 20 per cent. of the issued share capital of the Company immediately following Admission,
- as if section 561(1) of the Act did not apply to those allotments, that authorisation expiring on the earlier of fifteen months from the date on which the Resolutions are passed and the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting).
- 6.11 It is anticipated the Placing Shares will be issued on 24 April 2014, the date of Admission.

7. TAKEOVERS

- 7.1 The Takeover Code applies to the Company. Rule 9 of the Takeover Code (**Rule 9**) therefore applies to any person, or group of persons acting in concert, who acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of the Company. It would also apply to any person who, together with persons acting in concert with him, is already interested in shares which in aggregate carry not less than 30 per cent. (but not more than 50 per cent.) of the voting rights of the Company if that person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested. Where Rule 9 applies, the person or concert party group is normally required by the Panel to make a general offer in cash to acquire from the other shareholders the remaining shares in the company at not less than the highest price paid by him or them within the preceding twelve months. Rule 9 is subject to a number of dispensations.
- 7.2 In the event a bidder for shares in the Company acquires at least nine-tenths in value of the issued share capital of the Company to which an offer relates the bidder may in accordance with the procedure set out in section 979 of the Act require the holders of any shares he has not acquired to sell them subject to the terms of the offer. Those Shareholders may in turn require the bidder to purchase their shares on the same terms.

- 7.3 No person has made a public takeover bid for the Company's issued share capital in the financial period to 31 December 2013 or in the current financial year.
- 7.4 **Investors should be aware that under the Takeover Code, if a person (or group of persons acting in concert) holds shares carrying more than 50 per cent. of the Company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding or voting rights without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of the Concert Party will not be able to increase their percentage shareholding above a Rule 9 threshold without Panel consent. Such persons should, however consult with the Panel in advance of making such further acquisitions.**
- 7.5 As at the date of this document, the Concert Party in aggregate has an interest in shares representing 25.92 per cent. of the total voting rights in the Company.
- 7.6 Following Completion of the Acquisition the Concert Party will collectively hold interests in 66,412,265 New Ordinary Shares which will represent 78.54 per cent. of the total voting rights in the Company. If only the Options to be granted to members of the Concert Party following Admission are exercised and the Planwise Convertible Loan Notes 2016 are converted, the Concert Party would hold 71,725,849 New Ordinary Shares representing 79.81 per cent. of the share capital. Without the Resolution in respect of the Rule 9 waiver being passed (the **Waiver Resolution**), the Concert Party would, in the normal course, be required to offer to acquire the remaining equity share capital of the Company at the Issue Price. However, the Concert Party is not prepared to make such an offer and accordingly in the event that this requirement is not waived then the Concert Party will not proceed with the Acquisition. Given that the Acquisition is required in order to provide the Company with the necessary resources to ensure survival of the Company and to develop its business it is therefore in the best interests of the Company that the Waiver Resolution is passed.
- 7.7 The Panel has agreed, subject to the Waiver Resolution being passed on a poll of Independent Shareholders, to waive the requirement which might otherwise arise as a result of the Acquisition, for the members of the Concert Party to make a general offer to all Shareholders. Accordingly, Shareholders should be aware that, following completion of the Acquisition, as the members of the Concert Party will between them hold more than 50 per cent. of the Company's voting share capital, for as long as they continue to be treated as acting in concert they will normally be entitled to increase their aggregate holding in the Company without incurring any obligation under Rule 9 to make a mandatory offer to the other Independent Shareholders although individual members of the Concert Party will not be able to increase their percentage shareholding above a Rule 9 threshold without Panel consent. Planwise's individual shareholding following the Acquisition will be 55,822,565, representing 66.02 per cent. of the Enlarged Ordinary Share Capital and therefore already in excess of the 50 per cent. threshold, and accordingly it will be entitled to increase its shareholding without triggering a mandatory offer.

8. **CONTROL**

- 8.1 To the best of the knowledge of the Company, there are no persons who directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company.
- 8.2 Other than pursuant to the Acquisition, the Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

9. **ARTICLES OF ASSOCIATION**

9.1 **Adoption**

The Company's Articles were adopted on 21 July 2009 and amended pursuant to a special resolution of the Company passed on 28 January 2011. The Articles contain provisions (among others) as set out below.

9.2 **Objects**

There are no express objects or restrictions on objects in the Company's articles, with the effect that the objects of the Company are unrestricted in accordance with section 31 of the Act.

9.3 **Deferred Shares**

The Deferred Shares shall rank equally in all respects and shall constitute one class of shares. Notwithstanding anything else in this paragraph 9, the rights and restrictions applying to the Deferred Shares are as follows:

- a) no right to receive any dividend or other distribution;
- b) on any return of capital whether on a winding up or reduction of capital or otherwise the holders of Deferred Shares shall be entitled to receive the amount paid up or credited as paid up on their respective holding of Deferred Shares but only after there has been paid on each Ordinary Share the nominal amount paid up on each Ordinary Share plus a further sum of £1,000,000 per share but the holders of the Deferred Shares shall not be entitled to participate further in any distribution of the assets or the capital of the Company;
- c) no right to receive notice of or to attend or to vote or to speak either in person or by proxy at any general meeting or class meeting of the Company; and
- d) no right to transfer any Deferred Shares except to the Company or to such persons as the Company may determine.

The Company may purchase or redeem all or any of the Deferred Shares in issue, at a price not exceeding 4.9 pence in respect of Deferred A Shares and 9.99 pence in respect of Deferred B Shares.

Any reduction in capital undertaken by the Company shall not constitute a modification, variation or abrogation of the rights attached to the Deferred Shares and accordingly the Deferred Shares may be cancelled at any time for no consideration by means of a reduction in capital affected in accordance with the Act.

The Company may from time to time create, allot and issue further shares, whether ranking equally with or in priority to the Deferred Shares. Any such creation, allotment or issue shall be treated as being in accordance with the rights attached to the Deferred Shares and shall not involve a variation of such rights for any purpose.

9.4 **B Ordinary Shares**

The Articles contain provisions in respect of B ordinary shares of 2.8 pence each which were issued, to shareholders who were on the register of members on 14 February 2011, at the time of the Company's reorganisation and demerger. The B ordinary shares were immediately cancelled as part of a reduction of capital and accordingly, these provisions are no longer relevant.

9.5 **Voting**

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands and on a poll every member who is present in person and every person present who is the duly authorised representative of one or more corporations and every member who is present by proxy has, on a vote on a resolution on a show of hands, the following number of votes:

- (a) each member present has one vote;
- (b) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote unless the proxy is appointed by more than one such member and is instructed by one or more of those members to vote in favour of the resolution and by one or more other of those members to vote against it. In that case, the proxy has one vote in favour of and one vote against the resolution (and the articles provide that for this purpose where a proxy is given discretion how to vote, this must be treated as an instruction by the member to vote in the way that the proxy elects to exercise that discretion); and
- (c) a person present as a duly authorised representative of a corporation is entitled to exercise the same rights as the member would be entitled to (see (a) above) and where a corporation authorises more than one person, each person has the same rights as the corporation would have.

On a resolution on a poll every member has one vote in respect of each share and any or all of the voting rights of the member may be exercised by one or more duly appointed proxies or by one or more duly appointed corporate representatives.

A member is not entitled to vote if any calls or other monies due in respect of his shares remain unpaid and a member may be disenfranchised where he, or a person appearing to be interested in shares fails to comply with a notice from the Company under section 793 of the Act (**section 793 notice**) which may require him to indicate the capacity in which he holds the shares or any interest in them.

9.6 **Dividends and distributions**

Dividends may be declared by ordinary resolution but must not in any event exceed the amount recommended by the directors.

Subject to the rights of persons (if any) entitled to shares with special dividend rights, all dividends will be paid according to the amounts paid up (otherwise than in advance of calls) on the nominal value of the shares on which the dividend is paid.

The directors may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company. If any member or any other person appearing to be interested in shares held by that member representing 0.25 per cent. or more of the class of shares concerned fails to supply to the Company any information required by any section 793 notice (see “voting” above), the directors may by notice to that member direct that any dividend (or any part of it) or other amount payable on those shares (except on a winding up of the Company) will be retained by the Company. The Company will not be obliged to pay interest on that dividend and the member concerned will have no right to receive any additional shares in the Company in lieu of any dividends.

On a winding up of the Company, the Company’s assets available for distribution must be divided among the members in proportion to the nominal amounts of capital paid up or credited as paid up on the Ordinary Shares held by them, subject to the terms of issue of or rights attaching to any shares.

9.7 **Unclaimed dividends**

Any dividends unclaimed for one year may be used for the benefit of the Company until claimed. Any dividend which is still unclaimed twelve years after having become due for payment will be forfeited and revert to the Company.

9.8 **Untraced shareholders**

The Company may sell any shares in the Company of a member or person entitled to shares by transmission who is untraceable if, during the period of twelve years prior to the date of the publication in both a national newspaper and a newspaper circulating in the area where the member’s or person’s last known address is located of its intention to sell:

- (a) no cheque or warrant addressed to the member or the person entitled by transmission has been cashed;
- (b) the Company has paid at least three dividends (whether interim or final) and no such dividend has been claimed; and
- (c) the Ordinary Shares have been in issue during the 12 year period and the Company has received no communication in respect of the Ordinary Shares from the holder or person entitled by transmission during either the 12 year period or period of 3 months following the publication of the later of the two advertisements.

9.9 **Redemption**

Subject to the provisions of the Act, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the member, and the board may decide the terms, conditions and manner of redemption of any such shares.

9.10 **Variation of class rights**

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of share may (unless the rights attached to the shares provide otherwise) be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of that class.

9.11 **Alteration of share capital**

There are no conditions imposed by the Articles of association regarding changes in the Company's capital which are more stringent than required by the laws of England and Wales. Accordingly, subject to complying with the Act (including any requirement to pass a shareholder resolution or resolutions), the Company may alter its share capital in the manner allowed for under the Act, including by sub-dividing or consolidating and sub-dividing its share capital, redenominating or reducing its share capital and purchasing its own shares. The Company's articles contain provisions allowing the board to deal with fractions arising on consolidation and division or a sub-division of shares as it thinks fit.

9.12 **Transfer of shares**

All transfers of certificated shares must be effected by instrument in writing, in any usual or other form approved by the directors and must be executed by or on behalf of the transferor and, if the share is partly paid, by the transferee. The directors may, in their absolute discretion, decline to register any transfer of a share if:

- (a) the share is not fully paid;
- (b) there is a lien on the share;
- (c) it is in respect of more than one class of share;
- (d) it is to more than four joint holders;
- (e) it is not duly stamped (if so required by law); or
- (f) it has not been delivered for registration or is not supported by evidence of transfer of title, provided in each case that the refusal to register could not prevent the shares of the same class from continuing to be admitted to trading.

9.13 **Calls on shares**

The board may make calls on the members (and persons entitled to shares by transmission) in respect of any amounts unpaid on their shares (whether in respect of nominal amount or premium). Each member must (subject to being given at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares.

The joint holders of a share are jointly and severally liable to pay all calls in respect of it.

9.14 **Forfeiture**

If a call remains unpaid after it has become due and payable, the board may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice must state a place at which payment is to be made and that if the notice is not complied with, the shares on which the call was made will be liable to be forfeited. Any share forfeited will become the property of the Company.

9.15 **Lien**

The Company has a first and paramount lien on each issued share which is a partly paid share for all amounts payable in respect of such share. The lien takes priority over any third party's interest in the share and extends to all dividends or other moneys payable by the Company in respect the share. The board may at any time declare any share exempt in whole or in part, from the provisions of the articles on liens.

9.16 **Disclosure of interest in shares**

There are no provisions in the Articles by which persons acquiring, holding or disposing of a certain percentage of the Company's shares are required to make disclosure of their ownership percentage. However, the provisions of the Disclosure and Transparency Rule 5 made by the Financial Conduct Authority (**DTR 5**) apply so that (in summary), unless an exemption applies, a person is required to notify the Company of the percentage of its voting rights which it holds as a Shareholder (as defined in the

DTR) or through its direct or indirect holding of financial instruments falling within paragraph 5.1.3R of DTR 5 (or a combination of such holdings) which reaches, exceeds or falls below 3 per cent. and each 1 per cent. threshold after that.

9.17 **Change in control**

There are no provisions in the articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

9.18 **Remuneration of directors**

Each of the directors is entitled to receive, by way of ordinary remuneration for his services in each year, such sum as the board may decide, not exceeding in aggregate £100,000 per annum or such larger amount as the Company may by ordinary resolution decide. The directors are also entitled to be repaid all travelling, hotel and other expenses properly incurred by them in connection with the performance of their duties as directors. The board may also grant additional special remuneration to any director who, being called upon, performs any special duties outside his ordinary duties as a director.

9.19 **Appointment of directors**

Directors may be appointed by an ordinary resolution of the Company in general meeting or by the board.

9.20 **Number of directors and votes**

Unless and until otherwise determined by the Company by ordinary resolution, the number of directors (other than alternate directors) may not be less than two in number nor more than ten. The quorum necessary for the transaction of business of the board may be fixed by the board at two or more and otherwise is two. Questions arising at a meeting of directors must be decided by a majority of votes. In the case of equality of votes, the chairman has a second or casting vote.

9.21 **Directors' permitted interests**

A director is permitted to enter into contracts or arrangements with the Company; hold any office or place of profit (except that of auditor) with and be a director, officer or employee of (or party to any contract or arrangement with) any body corporate promoted by the Company or in which the Company is otherwise interested. The director will not be accountable to the Company or the members for any remuneration, profit or other benefit he derives from such interest and no such transaction is be liable to be avoided. However, a director must declare the nature and extent of any direct or indirect interest in a transaction or arrangement with the Company under sections 177 and 182 of the Act.

9.22 **Directors' conflicts of interest**

Each director must also declare any situation in which he has or can have a direct (or indirect) interest which conflicts (or may conflict) with the interests of the Company which, if not authorised or ratified would amount to a breach of section 175 Act (a **conflict**). Authorisation of a directors' conflict may be given by the board, not counting the director concerned or any other director interested in that matter in the quorum and not counting their vote(s). The authorisation may be subject to such terms and for such duration or impose such limits or conditions as the authorisation specifies and may be terminated or varied by the board at any time. The director will not be accountable to the Company or the members for any remuneration, profit or other benefit he derives from an interest so authorised and no such transaction is liable to be avoided on the ground of the director having an interest authorised by the board.

9.23 **Voting and counting to quorum on interested matters**

In the absence of some other material interest, a director may vote on and be counted in the quorum in relation to any contract or arrangement or any other proposal in which he has an interest (otherwise than by virtue of his interest in shares or debentures or other securities of, or otherwise in or through, the Company) on a resolution:

- (a) relating to a matter which cannot reasonably be regarded as likely to give rise to a conflict of interest;

- (b) relating to the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company;
- (c) relating to the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (d) relating to an offer of securities by the Company in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (e) relating to any proposal concerning any other body corporate in which he is interested directly or indirectly and whether as an officer, shareholder, employee, creditor or otherwise, provided that he is not the holder of a beneficial interest in one per cent. or more of any class of equity share capital or of the voting rights in such body corporate;
- (f) relating to an arrangement for the benefit of employees including full time executive directors of the Company which does not award him any privilege or benefit not generally awarded to employees to whom the arrangement relates;
- (g) relating to any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefit scheme which is approved by or subject to the approval of the HMRC or
- (h) relating to any proposal concerning the purchase and/or maintenance of an insurance policy under which a director may benefit.

9.24 **Directors' qualification shares**

There is no requirement for directors to hold qualification shares.

9.25 **Directors' retirement by rotation**

At each annual general meeting: a minimum of one-third of the directors must retire from office. If the number of directors is not three or a multiple of three then the minimum number required to retire shall be the number nearest to and less than one-third. If there are fewer than three directors they shall all retire.

The directors to retire by rotation on each occasion shall be the directors who held office at the time of the two preceding annual general meetings and who did not retire at either meeting. If the number of directors retiring is less than the minimum number required, additional directors up to that number shall also retire. The additional directors to retire shall be those who have been longest in office since they were last elected. If the directors were elected on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot.

9.26 **Indemnity and insurance of Directors**

Subject to the provisions of the Act, every director or other officer of the Company may be indemnified out of the assets of the Company against any liability incurred by that director in connection with: any negligence, default, breach of duty or breach of trust in relation to the Company, its subsidiaries, the Company's holding company or a subsidiary of the Company's holding company (**Associated Company**); the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme; or any other liability incurred by the Director as an officer of the Company or an Associated Company. The directors of the Company may purchase and maintain insurance at the expense of the Company for the benefit of any director or former director of the Company or an Associated Company against any loss or liability which has been or may be incurred in connection with that Director's duties or powers in relation to the Company, an Associated Company or any pension fund or employees' share scheme of the Company or an Associated Company.

9.27 **Shareholder meetings**

The board must convene and the Company must hold annual general meetings in accordance with the Act. The Board may convene other general meetings when it decides to do so and on request by the members under section 303 of the Act. An annual general meeting must be convened by at least 21 clear days' notice. All other general meetings must be convened by at least 14 clear days' notice. The notice

must comply with legislation applicable to the Company, including the Act relating to the content of notice of meetings including by specifying the place, day and time of the meeting together with the general nature of the business to be transacted at the meeting, and a statement of the members' right to appoint a proxy.

9.28 **Proceedings at shareholder meetings**

No business may be transacted at a general meeting, unless at least two people entitled to attend and vote are present.

At a general meeting a resolution put to the vote of the meeting must be decided on a show of hands, unless before, or upon the declaration of the result of, the show of hands a poll is demanded by either:

- (a) the chairman of the meeting;
- (b) no fewer than five members present in person or by proxy having the rights to vote at the meeting;
- (c) a member or members present in person or by proxy representing not less than 10 per cent. of the total voting rights of all the members present in person or by proxy and having the right to vote on the resolution; or
- (d) one or more members present in person or by proxy holding shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right.

Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing minutes of the proceedings of general meetings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

9.29 **Powers of borrowing and mortgaging**

The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets and uncalled capital, and to issue debentures and other securities. The directors must ensure that the aggregate amount at any time outstanding of all borrowing of the Company and its subsidiary undertakings (other than owing by the Company and any of its subsidiary undertakings in respect of intra group borrowings) does not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to four times the aggregate of:

- (a) the nominal amount paid up on the issued share capital of the Company; and
- (b) the amounts standing to the credit of the consolidated reserves of the Company and its subsidiaries whether distributable or undistributable and including, without limitation, the share premium account, the capital redemption reserve and the profit and loss account.

9.30 **Reserves**

The board may set aside out of the profits of the Company and carry to reserve any amount(s) as it decides. The amount standing to reserve may be applied, at the board's discretion, for any purpose to which the profits of the Company may properly be applied and, pending that application, may either be employed in the business of the Company or be invested in any investments as the board decides.

10. DIRECTORS', PROPOSED DIRECTORS' INTERESTS AND SIGNIFICANT SHAREHOLDINGS

10.1 As at the date of this document and as expected to be immediately following the Share Consolidation, the Acquisition, the Placing, the Conversion and Admission, the interests of the Directors and Proposed Directors and their families (as defined in the AIM Rules) in the share capital of the Company the existence of which is known to or could with reasonable diligence be ascertained by the Directors and Proposed Directors are as follows:

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>% of the Issued Ordinary Share Capital</i>	<i>Number of Ordinary Shares on Admission (post Share Consolidation)</i>	<i>% of Enlarged Issued Share Capital</i>
<i>Percy Lomax</i>	219,787	0.04	732	0.00
<i>David Scott</i>	600,000	0.10	2,000	0.00
<i>Planwise¹</i>	155,070,000	25.92	55,822,565	66.02
<i>Gabriele Cerrone</i>	—	—	—	—
<i>Philip Boyd</i>	—	—	—	—
<i>Riccardo Dalla-Favera</i>	—	—	—	—

¹ *Gabriele Cerrone is the ultimate beneficial owner of the entire issued share capital of Planwise.*

10.2 Save as disclosed in sub-paragraph 10.1 above and this sub-paragraph 10.2 the Company is not aware of any holding (within the meaning of the AIM Rules) in the Company's ordinary share capital which amounts or would, immediately following the Placing and Admission, amount to 3 per cent. or more of the Company's issued ordinary share capital other than the following:

<i>Name</i>	<i>Number of Ordinary Shares before the Placing</i>	<i>% of the Issued Ordinary Share Capital before the Placing</i>	<i>Number of Ordinary Shares after the Placing</i>	<i>% of issued Share Capital after the Placing</i>	<i>Number of New Ordinary Shares under Option</i>
<i>Griffin Two Limited</i>	41,922,448	7.01	139,741	0.17	—
<i>Chris McGuigan</i>	—	—	3,114,618	3.67	—

The voting rights of the Shareholders set out in paragraphs 10.1 and 10.2 do not differ from the voting rights held by other Shareholders.

10.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or Proposed Directors. Save in respect of the loans from Planwise (of which Gabriele Cerrone is the ultimate beneficial owner) to the Company, summarised in paragraphs 15.7 and 15.8 of Part VI below, there are no outstanding loans or guarantees provided by the Directors or Proposed Directors to or for the benefit of the Company.

10.4 Save as disclosed in this paragraph 10, no Director nor Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

10.5 Save as otherwise disclosed in this document, none of the Directors, Proposed Directors nor any member of their respective families nor any person connected with the Directors or Proposed Directors (within the meaning of section 252 of the Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.

10.6 None of the Directors, Proposed Directors, nor any member of their respective families is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for differences or a fixed odds bet.

10.7 Save as otherwise disclosed in this paragraph 10, no member of the Concert Party (or any of its directors) has any interests, rights to subscribe, short positions or undertaken any dealings in any shares in the Company nor has any member of the Concert Party (or any of its directors) entered into any dealing arrangements with a third party in respect of any interests, rights to subscribe, short positions or dealings in any shares in the Company.

10.8 No member of the Concert Party has lent or borrowed shares in the Company.

10.9 Save as otherwise disclosed in this paragraph 10, neither the Company, the Directors nor anyone acting in concert with the Company or its Directors has any interests, rights to subscribe, short positions or undertaken any dealings in any shares in any member of the Concert Party nor has the Company, the Directors nor anyone acting in concert with the Company or its Directors entered into any dealing arrangements with a third party in respect of any interests, rights to subscribe, short positions or dealings in any shares in any member of the Concert Party.

10.10 The Company (or anyone acting in concert with the Company) has not lent or borrowed any shares in the Company or the Concert Party.

11. OPTIONS, WARRANTS AND CONVERSION RIGHTS

11.1 As soon as reasonably practicable following Admission, the Company will adopt a share option scheme to incentivise the Proposed Directors and key management of the Enlarged Group and to align their interests with the interests of the Shareholders. The number of Options in issue and to be issued are set out in the table in paragraph 11.2 below.

11.2 The following Options and warrants in relation to the Company's New Ordinary Shares exist or, where indicated, will be issued on or following Admission:

<i>Option / Warrant holder</i>	<i>Number</i>	<i>Exercise price (pence)</i>	<i>Expiry</i>	<i>Revised number following the Share Consolidation</i>	<i>Revised price following the Share Consolidation (£)</i>
Warrants					
<i>Alexander David Securities Investor Noteholders⁺</i>	116,444,518	0.5	18 February 2016	388,148	1.50
	N/A	N/A	Second anniversary of Admission	1,095,000	0.20
Options					
<i>Percy Lomax</i>	17,000,000	0.01	18 February 2016	56,666	0.03
<i>Martin Small</i>	9,400,000	0.01	18 February 2016	31,333	0.03
<i>Norman Lott</i>	8,400,000	0.01	18 February 2016	28,000	0.03
<i>Timothy Shilton</i>	8,400,000	0.01	18 February 2016	28,000	0.03
<i>Gabriele Cerrone*</i>	N/A	N/A	Fourteenth anniversary of Admission	1,200,000	0.15
<i>Philip Boyd*</i>	N/A	N/A	Fourteenth anniversary of Admission	937,500	0.15
<i>Riccardo Dalla-Favera*</i>	N/A	N/A	Fourteenth anniversary of Admission	320,000	0.15
<i>Andrea Brancale*</i>	N/A	N/A	Fourteenth anniversary of Admission	750,000	0.15
<i>Andrew Westwell*</i>	N/A	N/A	Fourteenth anniversary of Admission	750,000	0.15
<i>Richard Clarkson*</i>	N/A	N/A	Fourteenth anniversary of Admission	750,000	0.15

+ To be issued on Admission

* To be issued following adoption of a share option scheme as soon as reasonably practicable following Admission

11.3 Planwise currently has the right to convert loan notes into New Ordinary Shares, pursuant to the Planwise Convertible Loan Notes 2014 and the Planwise Convertible Loan Notes 2016, details of which are set out in paragraphs 15.8 and 15.7 of this Part VI respectively.

11.4 The Investor Noteholders have the right to convert loan notes into New Ordinary Shares, pursuant to the Investor Convertible Loan Notes, details of which are set out in paragraph 15.10 of this Part VI.

12. **DIRECTORS' SERVICE AGREEMENTS/LETTERS OF APPOINTMENT**

Current Directors and Directors in the previous financial year

12.1 On 18 February 2011, Percy Lomax entered into a letter of appointment with the Company. The letter was subsequently amended in April 2013. The letter, as amended, provides for Percy to act as a non-executive director of the Company at a salary of £12,000 per annum. Percy commenced in that office on the date of the letter and, accordingly, has served in that office for 3 years and 1 month. Previous to this appointment Percy has served as a director (and from time to time chairman) of the Company since 12 June 1998 a total period of 15 years and 9 months. The contract has a fixed term of 1 year, following which, is terminable by three months' notice in writing by either party. Percy does not have the right to receive any benefits on termination of his appointment.

12.2 On 18 February 2011, the Company entered into a service agreement with David Scott. The contract provides for David to act as the non-executive director of the Company at a salary of £12,000 per annum. David commenced in that office on the date of the agreement and, accordingly, has served in that office for 3 years and 1 month. The contract has a fixed term of 1 year and is terminable by three months' notice in writing by either party. David does not have the right to receive any benefits on termination of his appointment.

12.3 On 15 April 2013, Christopher Rourke entered into a letter of appointment with the Company under the terms of which Christopher Rourke agreed to act as non-executive Chairman of the Company for a fee of £12,000 per annum. The appointment has no fixed term and is terminable by three months' notice in writing by either party. Christopher commenced in that office on the date of the letter and, accordingly, has served in that office for 0 years and 11 months.

12.4 On 11 April 2013, the Company entered into a letter of appointment with Andrew Gutmann on terms identical to those of Christopher Rourke set out in paragraph 12.3 of this Part VI save that Andrew was appointed as a non-executive director of the Company and Andrew commenced in that office on the date of the letter and, accordingly, has served in that office for 0 years and 11 months. Andrew does not have the right to receive any benefits on termination of his appointment.

12.5 On 18 February 2011, the Company entered into a service agreement with Norman Lott which terminated on 1 May 2013 and was on terms identical to those of David Scott set out in paragraph 12.2 of this Part VI. Previous to this appointment Norman has served on the Board of the Company since 14 June 1999 and, accordingly, has served in that office for 13 years and 10 months. Norman does not have the right to receive any benefits on termination of his appointment.

12.6 On 18 February 2011, the Company entered into a service agreement with Michael Hicks which terminated on 1 May 2013 and was on terms identical to those of David Scott set out in paragraph 12.2 of this Part VI. Michael served in that office for 2 years and 2 months and does not have the right to receive any benefits on termination of his appointment.

12.7 Save as disclosed in paragraphs 12.1 to 12.6 above, there are no service contracts in place between the Company or any subsidiary and any member of the administrative/management or supervisory bodies which provide for benefits on termination of employment.

12.8 No service contract with a Director has been entered into or amended within the six months prior to the date of this document.

Proposed Directors

- 12.9 With effect from Admission, the Proposed Directors will be appointed to the Board of the Company. The details of their service contracts are as follows:

<i>Name</i>	<i>Position</i>	<i>Annual Salary</i>	<i>Term</i>	<i>Termination Notice</i>	<i>Holiday entitlement</i>
Gabriele Cerrone	Executive Chairman	£1	No fixed term	Three months	N/A
Philip Boyd	Chief Financial Officer	£1	No fixed term	Three months	N/A
Riccardo Dalla-Favera	Non-Executive Director (2 days per month)	£20,000	No fixed term	One month	N/A

- 12.10 Tiziana Pharma will enter into a consultancy agreement with Gabriele Cerrone with effect from Admission (the “**Consultancy Agreement**”), under the terms of which Gabriele Cerrone will be engaged to provide business development, strategic planning, capital markets and corporate finance consulting advice to the Enlarged Group in return for consultancy fees of £80,000 per annum, payable monthly in arrears. The Consultancy Agreement will continue for a period of four years from Admission, unless terminated earlier due to misconduct or other breaches of the terms of the agreement by either party. Either party may terminate the agreement by giving the other party six months’ prior notice in writing, such notice to expire no earlier than the fourth anniversary of Admission.

In addition to the consultancy fees, Gabriele Cerrone will be eligible for an annual bonus of up to 50 per cent. of his consultancy fees, at the discretion of the board of directors. Tiziana Pharma also agrees to pay to Gabriele Cerrone a realisation bonus in the event that, during the duration of the Consultancy Agreement, either (i) the Enlarged Group raises, in one or a series of transactions, new equity capital in excess of £20,000,000 (after expenses); or (ii) there is a sale, in one or a series of transactions, of all or substantially all of the assets of the Enlarged Group, where the Enterprise Value equals or exceeds £150,000,000; or (iii) there is a change of control where the Enterprise Value equals or exceeds £150,000,000, in which case the realisation bonus will be the amount equal to the Enterprise Value multiplied by 2.5 per cent. For these purposes, “**Enterprise Value**” means:

- (i) in the case of a change of control resulting in consideration payable to the Company (for example, on a sale of its assets), the total cash and non-cash consideration received by the Company; or
 - (ii) in the case of a change of control resulting in consideration payable to the Shareholders, the total cash and non-cash consideration payable to the Shareholders.
- 12.11 Philip Boyd has entered into a services agreement with Tiziana Pharma in relation to his employment as its Chief Financial Officer, with effect from 3 February 2014. Under the services agreement, Philip Boyd is engaged to work for Tiziana Pharma for two days per week and is paid an annual salary of £45,000. Philip Boyd’s holiday entitlement is 10 days per year. Following completion of a probationary period which will expire on 3 May 2014, the agreement can be terminated by either party on three months’ notice; during the probationary period the agreement can be terminated by either party on one week’s notice.

13. ADDITIONAL INFORMATION ON THE BOARD

13.1 In addition to directorships of the Company, the Directors and Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Age</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Christopher Rourke	46	Brightman Rourke LLP 25/33 Inverness Terrace W2 Management Limited	Montagu Financial Services Limited – Resigned on 26 March 2009 RKG Advisory Services LLP – dissolved on 23 October 2013
Andrew Gutmann	44	None	None
Percy Lomax	69	Lomax Pharmaceutical Consulting	Oxford International Biomedical Ventures Limited – resigned on 4 February 2013 Guildford Clinical Pharmacology Unit Limited – resigned on 18 February 2011 Sciencom Limited – resigned on 18 February 2011 Sparrows Trading Company Limited – resigned on 21 February 2014 Regen Biotech Limited – resigned on 18 February 2011 (company now dissolved)
David Scott	48	Alexander David Securities Limited Alexander David Holdings Limited Finsbury Investment Corporation Limited Finsquare Investments Limited Scott London Limited Adspv Limited Fincube Limited Ganapati Limited AERC Limited (incorporated in Malta) Alpina Finance Limited (incorporated in Malta)	Mercer Resources PLC – resigned on 31 July 2013

<i>Director</i>	<i>Age</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Gabriele Cerrone	42	Arna Therapeutics Limited (incorporated in the British Virgin Islands) Panetta Partners Ltd (incorporated in the British Virgin Islands) Tiziana Pharma Limited	BioVitas Capital Limited (incorporated in the British Virgin Islands) Callisto Pharmaceuticals, Inc (incorporated in Delaware, US) GENSIGNIA, Inc (incorporated in Delaware, US) Inhibitex, Inc (incorporated in Delaware, US) Synergy Pharmaceuticals, Inc (incorporated in Florida, US) Trovagene, Inc (incorporated in Delaware, US)
Philip Boyd	51	OBN (UK) LTD Phigi Associates Limited Sellers' Representative For Project Gem Limited	
Riccardo Dalla-Favera	62	Arna Therapeutics Limited (incorporated in the British Virgin Islands)	Callisto Pharmaceuticals, Inc (incorporated in Delaware, US) Cancer Genetics, Inc (incorporated in Delaware, US)

13.2 Save as disclosed above none of the directors has:

13.2.1 any unspent convictions in relation to indictable offences;

13.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

13.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

13.2.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

13.2.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

13.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

13.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

14. EMPLOYEES

14.1 As at 31 December 2013 and at the date of this document, other than the Directors, the Company had no employees.

15. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or Tiziana Pharma within the two years immediately preceding the date of this document and are, or may be, material or have been entered into by a member of the Enlarged Group and contain any provision under which any member of the Enlarged Group has any obligation or entitlement which is (or may be) material to the Enlarged Group as at the date of this document:

The Company

15.1 *Acquisition Agreement dated 31 March 2014 between (1) the Company and (2) the Vendors*

Under the Acquisition Agreement, the Company agrees to acquire from the Vendors the entire issued share capital of Tiziana Pharma for £7,500,000, to be satisfied by the issue of 62,500,000 Ordinary Shares.

The Acquisition Agreement is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and Admission. Pursuant to the Acquisition Agreement, the Company has the right to rescind the Acquisition Agreement if there is a material breach of any of the warranties given by the Vendors in the Acquisition Agreement, or any facts, matters or circumstances arise prior to Admission that may have a material adverse effect on the financial position or prospects of Tiziana Pharma.

15.2 *Placing Agreement dated 31 March 2014 between (1) the Company, (2) the Directors, (3) the Proposed Director (4) Cairn and (5) Beaufort*

Under the Placing Agreement and, conditional upon, *inter alia*, Admission taking place on or before 8:00 a.m. on 24 April 2014 (or such later time and or date as the Company, Cairn and Beaufort may agree being not later than 30 April 2014), Beaufort has agreed as agent for the Company to use reasonable endeavours to procure subscribers for 16,666,667 New Ordinary Shares proposed to be issued by the Company at the Issue Price.

The Placing Agreement contains warranties from the Company and the Directors and indemnities from the Company in favour of Cairn and Beaufort together with provisions which enable Cairn and Beaufort to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or inaccurate in any material respect. The liability of the Directors for breach of warranty is limited. Under the Placing Agreement the Company has agreed to pay (i) Cairn a corporate finance fee of £100,000 plus VAT; and (ii) Beaufort a corporate broking fee of £30,000 plus VAT and an additional amount equal to 2 per cent. of the gross value of the Placing proceeds received from all Placees together with any VAT payable thereon of

In the Placing Agreement, Planwise has agreed not to exercise its rights, under the subscription agreement referred to in paragraph 15.7 of this Part VI, to appoint, remove or re-appoint directors of the Company.

15.3 *Lock-in and orderly market agreements dated 31 March 2014 between (1) the Company, (2) Cairn (3) Beaufort and (4) each of the Locked-In Persons*

Pursuant to the lock-in and orderly market agreements, each of the Locked-In Persons has undertaken that they will not dispose of Ordinary Shares held by them for a period of 12 months from the date of Admission.

Save with the consent of Cairn and Beaufort or in certain limited circumstances and then for a further 12 months, the Locked-In Persons will only dispose of Ordinary Shares held by them through the Company's broker from time to time.

15.4 *Nominated adviser agreement dated 31 March 2014 between (1) the Company, (2) the New Board and (3) Cairn*

Pursuant to the nominated adviser agreement, the Company has appointed Cairn to act as nominated adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Cairn a fee of £25,000 plus VAT per annum for its services as Nominated Adviser under this agreement. The agreement contains certain undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is for an initial term of one year and shall continue thereafter until terminated by either party giving three months' notice, save that it may be terminated summarily by either party for material breach by the other and in certain other circumstances.

15.5 *Broker agreement dated 18 April 2013 between (1) the Company and (2) Beaufort*

Pursuant to the broker agreement, the Company has appointed Beaufort to act as broker to the Company for the purposes of the AIM Rules. The appointment is for an indefinite period subject to termination by either party upon six months' notice. The Company has agreed to pay Beaufort a fee of £20,000 plus VAT per annum for its services as Broker under this agreement. The agreement contains an indemnity from the Company in favour of Beaufort in customary terms.

15.6 *Relationship agreement dated 31 March 2014 between (1) the Company, (2) Cairn and (3) Planwise*

This relationship agreement takes effect upon Admission, replacing the current relationship agreement between the same parties dated 18 April 2013, which is on similar terms. Under the relationship agreement, Planwise agrees and acknowledges that the Board should be capable of operating and making decisions independently of Planwise (and any of its associates) and that all transactions and relationships in the future between the Company and Planwise (and any of its associates) will be at arm's length and on normal commercial terms and approved by a majority of the members of the Board not appointed by Planwise. Planwise also agrees and acknowledges that it shall not take any steps so as to cause the Board not to be properly constituted in accordance with the AIM Rules nor to prevent or restrict the ability of the Board to operate the Company in accordance with the AIM Rules. The agreement further provides that Planwise will not, amongst other things, appoint further members of the Board or seek the cancellation of the Company's admission to trading on AIM without the prior written approval of the Board and the Company's nominated adviser from time to time. The relationship agreement lapses upon Planwise and any party connected (for the purposes of the Takeover Code) with it from time to time ceasing together to hold, directly or indirectly, more than 30 per cent. of the voting rights attaching to the Ordinary Shares (increased from 20 per cent. stated in the current relationship agreement between the same parties dated 18 April 2013).

15.7 *Subscription agreement dated 18 April 2013 between (1) the Company and (2) Planwise*

Pursuant to the subscription agreement, Planwise subscribed for 155,070,000 ordinary shares of 0.01 pence in the capital of the Company. Under the terms of the subscription agreement, Planwise agreed to lend to the Company an amount not exceeding £200,000 in order to meet the working capital requirements of the Company to the extent that the Company's working capital levels would have materially prejudiced its suitability to be a company admitted to trading on AIM. To date £127,000 has been drawn down under this arrangement. The terms of the loan were amended by a convertible loan note instrument entered into between the Company and Planwise dated 31 March 2014 constituting the Planwise Convertible Loan Notes 2016. The Planwise Convertible Loan Notes 2016 are, conditional upon Admission taking place by no later than 30 April 2014, only repayable by the Company by means of conversion of the principal and any accrued interest, which accrues at a rate of 4 per cent. above the Bank of England base rate per annum, into New Ordinary Shares at a conversion price of £0.10 per share. The notes can be converted at any time after the second anniversary of Admission, at the election of Planwise. If Admission does not take place on or before 30 April 2014, the loan is repayable by the Company in cash, on demand.

15.8 *Convertible loan note agreement dated 19 December 2013 between (1) the Company and (2) Planwise*

Under a loan note deed, defined in this document as the Planwise Convertible Loan Notes 2014, the Company created 1,000,000,000 £0.0004 unsecured convertible loan notes with an aggregate principal amount limited to £400,000. To date, Planwise has subscribed for:

15.8.1 a loan note with principal amount of £100,000 on 19 December 2013; and

15.8.2 a loan note with principal amount of £100,000 on 31 January 2014.

A loan note with principal amount of £200,000 will be subscribed for immediately prior to Admission and converted on Admission.

Interest is payable on any outstanding loan notes at a rate of 13 per cent. per annum. Any interest which accrues is payable on the redemption date. As at the date of Admission, the total accrued interest on the outstanding loan notes will be £7,443.84.

On Admission, all outstanding principal and accrued interest will be converted into the Conversion Shares.

15.9 *Letter of engagement dated 5 February 2014 between (1) the Company and (2) PharmaVentures Ltd*

PharmaVentures Ltd was engaged to provide the Company with a written and independent valuation of a cancer project based on the Bcl-3 Patent for which the Company has agreed to pay professional fees of £28,750 plus VAT.

15.10 *Convertible loan note instrument dated 31 March 2014*

The Company has agreed to issue the Investor Convertible Loan Notes, comprising convertible loan notes of £730,000, to the Investor Noteholders, conditional upon Admission taking place on or before 30 April 2014. The notes bear interest at a rate of 6 per cent. per annum, are not transferable and are repayable at any time after the 180th day after Admission at the election of the Investor Noteholders, who are not permitted to transfer any shares issued upon conversion for a period of 10 business days following the date of issue. The loan notes and any accrued interest are repayable only by conversion into New Ordinary Shares at a conversion price of £0.16 per share.

15.11 *Warrant instrument dated 31 March 2014*

By way of arrangement fee for the Investor Convertible Loan Notes, the Company has agreed to grant warrants entitling the Investor Noteholders to subscribe for up to 1,095,000 New Ordinary Shares at an exercise price of £0.20 per share. The warrants, which are not transferable, are exercisable by the Investor Noteholders at any time after the 180th day after Admission and up to the second anniversary of Admission, at which time they will lapse.

Tiziana Pharma

15.12 *Research Agreement dated 21 October 2013 between (1) Cardiff University and (2) BioVitas (novated to Tiziana Pharma on 20 March 2014)*

The Research Agreement commenced on 1 November 2013 and will continue until 1 November 2015 unless terminated earlier or the parties agree to extend the agreement. Under the Research Agreement, the Company agrees to sponsor a project to identify and select candidate lead compounds to inhibit Bcl-3 (the “**Project**”) for a research fee of £175,000 payable in two tranches. The first tranche has been paid and the second tranche is due on 1 May 2014. The aim of the Project is to advance the research of Bcl-3 inhibitors in order to identify a clinical candidate. All intellectual property arising out of the Project is owned by Cardiff University, which has granted the Company an option to an exclusive licence to any compound with potential therapeutic interest against Bcl-3 arising directly from the Project. This option has been exercised and Cardiff University procured the licence of the intellectual property from its licensing subsidiary University College Cardiff Consultants Limited (UCCC) (see Licence Agreement below). The Research Agreement was novated by BioVitas to Tiziana Pharma on 20 March 2014.

15.13 *Licence Agreement dated 20 March 2014 between (1) Tiziana Pharma, (2) UCCC and (3) BioVitas*

UCCC has granted an exclusive worldwide licence to Tiziana Pharma to use the IPR and know-how arising out of the Research Agreement (including the Bcl-3 Patent) to research, develop, manufacture, market, use and sell products.

Under the Licence Agreement, Tiziana Pharma is required to pay royalties to UCCC of:

- 1 per cent. of the net sales value of all direct sales of products by Tiziana Pharma and its affiliates; and
- 5 per cent. of all net receipts from licensees of Tiziana Pharma.

In addition, Tiziana Pharma must make certain milestone payments over the development of the products, as follows:

Milestone event	Amount to be paid
1 For each compound arising out of the project that is equivalent or better to the current lead compound (JS6) as determined by the following assays: (i) inhibition of binding to p50 by <i>in vitro</i> ELISA and inhibition of cell migration <i>in vitro</i> ; and (ii) inhibition of breast tumour cell seeding to liver/lung and suppression of tumour growth and spread <i>in vivo</i> ; the commencement of the following studies for that compound: (a) testing the suitability of the agent for the standard format of a clinical trial using an <i>in vivo</i> mouse model of breast cancer (b) initial test of pharmacodynamics where the rate of molecular pathway suppression is determined within the tumour using an <i>in vivo</i> mouse model of breast cancer (c) PK studies outsourced to a commercial service provider to include general toxicity, blood stats, clearance rates.	£ 18,000 per compound (which shall cover the costs of the studies)
2 Extension of the project period in the Research Agreement for an additional 12 months (where agreed by Cardiff University) when at least 4 compounds have reached the requirement of Milestone 1.	£ 90,000
3 Commencement of biological studies when at least 8 compounds have reached Milestone 1, which shall include without limitation <i>in vivo</i> and <i>in vitro</i> tests on other cancer cell tissue types and to determine efficacy on primary biopsy xenografts.	£ 25,000
4 Selection of a clinical candidate compound following completion of primate PK studies on up to four compounds (chosen from Milestone 3 studies)	£ 50,000
5 Filing an Investigational New Drug application with the FDA	US\$ 75,000
6 Successful completion of Phase I Single Ascending Dose studies	US\$ 100,000
7 Successful completion of Phase IIb Multiple Ascending Dose studies	US\$ 350,000
8 Successful completion of Phase II Proof of Concept trials	US\$ 500,000
9 Successful completion of Phase III studies	US\$ 1,000,000
10 FDA Approval of New Drug Application	US\$ 2,000,000

The licence commenced on 20 March 2014 and will continue in force on a country by country basis unless terminated earlier until the date on which all the patents have expired or been revoked. Tiziana Pharma has a right to terminate the Licence Agreement by giving 90 days' notice. Otherwise, the licence can only be terminated by the parties if the other party commits an unremedied material breach of the Licence Agreement or suffers an insolvency event.

15.14 *Novation agreement dated 20 March 2014 between (1) Tiziana Pharma and (2) BioVitas*

BioVitas agreed to novate its rights and obligations under the Research Agreement to Tiziana Pharma. For more information on the Research Agreement please see paragraph 15.12 of this Part VI above.

15.15 *Subscription agreement dated 20 March 2014 between (1) Tiziana Pharma, (2) Planwise and (3) the Inventors (the "Tiziana Subscription Agreement")*

Each of the Inventors subscribed for 48 ordinary shares in the capital of Tiziana Pharma ("**Tiziana Shares**"), at an aggregate subscription price of £10,000 per person.

Under the terms of the Tiziana Subscription Agreement, certain restrictions are imposed on the ability of the Inventors to transfer their Tiziana Shares, or any shares or stock or instruments convertible into shares or stock that are issued to an Inventor in exchange for or in connection with the sale or redemption of their Tiziana Shares ("**Substitute Interests**"). In particular:

- (a) Each Inventor agrees not (without the prior written consent of Tiziana Pharma and Planwise) to transfer, dispose of or grant of options or other rights (including any right or right of

security) directly or indirectly of their Tiziana Shares or any Substitute Interests (which may replace the Tiziana Shares) prior to the date falling 180 days after the successful initiation of a phase 1 human clinical trial of any product, service or application (the "Product") developed by Tiziana Pharma (or such earlier date as may be agreed between each Inventor, Tiziana Pharma and Planwise); and

- (b) Each Inventor grants to Tiziana Pharma (or, following Admission, the Company) an option to acquire their Tiziana Shares (or any Substitute Interests) (which may replace the Tiziana Shares) at a price of £10,000 payable by Planwise to each Inventor (upon exercise of the option pursuant to the terms of the subscription agreement) at any time after the earlier of:
- (i) an unsuccessful phase 1 human clinical trial of any Product; and
 - (ii) the fifth anniversary of the date of the subscription agreement provided that, by such date, a phase 1 clinical trial of the Product has not yet commenced.

15.16 *Subscription letter dated 20 March 2014 from Prof C McGuigan and Mrs M McGuigan to the directors of Tiziana Pharma*

Prof C and Mrs M McGuigan subscribed for 60 Tiziana Shares, at an aggregate subscription price of £25,000, to be held in their joint names.

15.17 *Shareholder loan agreement dated 20 February 2014 between (1) Tiziana Pharma and (2) Planwise*

Planwise has agreed to loan Tiziana Pharma £150,000 to enable Tiziana Pharma to pay for its operational costs and to cover costs relating to other contractual obligations entered into by Tiziana Pharma. The loan bears no interest, is repayable on demand and there are no conversion rights.

16. DEPENDENCE ON INTELLECTUAL PROPERTY

16.1 The primary asset of the Enlarged Group is its IPR and in particular its exclusive right to the Bcl-3 Patent.

On 31 July 2013, UCCC filed an application for the Bcl-3 Patent. The patent application has not yet been published, and will not be published until 18 months after the application date.

The invention claimed in the patent relates to:

- novel inhibitors of B-cell Lymphoma 3 (**Bcl-3**);
- novel therapeutics or compositions comprising said inhibitors of Bcl-3; and
- the use of said therapeutics or compositions to treat cancer and particularly metastatic cancer or secondary cancers.

At this stage, the patent application is very wide and has not been limited to specific cancers or methods of treatment, although specific cancers and methods of treatment are claimed in addition to the broader claims of the patent.

Subject to the results of the examiner's search reports, it is possible that the claims may need to be amended, if there is relevant prior art, but this will not be known until the examiner's first search report has been published. UCCC intends to file a PCT application (an international patent application pursuant to the Patent Cooperation Treaty, which will enable the preliminary search report to be completed by 30 November 2014 and to obtain the protection for the Bcl-3 Patent in any or all of the PCT Contracting States. Following which an application can be made to extend the Bcl-3 Patent to further countries.

17. RELATED PARTY TRANSACTIONS

17.1 During the period from 1 January 2011 to 31 December 2013 the Company entered into the following related party transactions:

- the company lent £240,000 to RTL which remains outstanding as at the date of this document, together with accrued interest, (the **RTL Loan**);
- the Company's business was transferred to RTL in February 2011 pursuant to a business purchase agreement dated 31 December 2010 (the **Demerger**); and
- Timothy Shilton and Norman Lott, being two of the existing directors of the Company at the time of the Demerger, were appointed as directors of RTL.

- 17.2 As at 31 December 2013 the loan facility under the RTL Loan had been fully utilised and the interest accrued thereon amounted to £58,000. The Directors considered it appropriate that an impairment provision equivalent to 100 per cent. of the gross amount outstanding should be recognised in the Company's accounts for the year ending 31 December 2013, to reflect the economic performance of RTL. Accordingly, the Directors have recognised an impairment provision in respect of the RTL Loan of £298,000. The RTL Loan is potentially convertible into ordinary shares of £0.001 each in the capital of RTL which would result in the Company owning more than 40 per cent. of the issued share capital of RTL. However, the terms of the RTL Loan do not permit conversion in circumstances which would result in the Company holding more than 3 per cent of the issued share capital of RTL and a conversion is not anticipated.
- 17.3 The Company has also entered into certain loan arrangements with Planwise, details of which are set out in paragraphs 15.7 and 15.8 of this Part VI.
- 17.4 The Acquisition is classified as a related party transaction for the purposes of Rule 13 of the AIM Rules due to the fact that Planwise, which is ultimately beneficially owned by Gabriele Cerrone, one of the Proposed Directors, is a substantial shareholder in the Company (in which it holds 25.92 per cent. of the Ordinary Shares) and Tiziana Pharma (in which it holds 83.06 per cent. of the issued share capital).

18. LITIGATION

The Company is not involved nor has been involved in any governmental, legal or arbitration proceedings in the previous twelve months which may have or have had in the recent past a significant effect on the Company's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

19. NO SIGNIFICANT CHANGE

Save for matters disclosed in this document, there has been no significant change in the financial or trading position of the Company since 31 December 2013, being the end of the last financial period included in the Historical Financial Information on the Company published in Part III.A of this document.

Save for matters disclosed in this document, there has been no significant change in the financial or trading position of Tiziana Pharma since 31 December 2013, being the end of the last financial period included in the Historical Financial Information on Tiziana Pharma published in Part IV.A of this document.

20. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that the Company and the Enlarged Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

21. TAXATION

21.1 Introduction

The following paragraphs are intended as a general guidance only and not advice regarding the UK tax position of Shareholders who are the beneficial owners of Ordinary Shares in the Company who are UK tax resident and, in the case of individuals, ordinarily resident and domiciled in the United Kingdom for tax purposes and who hold their shares as investments (otherwise than under an individual savings account (ISA)) only and not as securities to be realised in the course of a trade.

Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their employment or as an office holder may be taxed differently and are not considered. Furthermore, the following paragraphs do not apply to:

- potential investors who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- persons with special tax treatment such as pension funds, trustees of discretionary trusts or charities.

Any prospective purchaser of Ordinary Shares or Depositary Interests in the Company who is in any doubt about his tax position or who is subject to taxation or domiciled in a jurisdiction other than the UK, should consult his own professional adviser immediately.

The information in these paragraphs is based on current United Kingdom tax law and published HMRC practice as at the date of this document. Shareholders should note that tax law and interpretation can change (potentially with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

21.2 **Income Tax – taxation of dividends**

Individuals

Individuals who are Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. of the Ordinary Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received. The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received. United Kingdom tax resident individuals who pay income tax at the additional rate on income in excess of £150,000 will be subject to 37.5 per cent. tax on dividends (reduced to approximately 30.6 per cent. of the cash dividend received for eligible taxpayers as a result of applying the tax credit).

Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax at the dividend trust rate, currently 37.5 per cent.

Companies

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, and that are not small companies, may (subject to anti-avoidance rules) be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends paid by the Company from being chargeable to UK corporation tax if they hold less than 10 per cent. of the issued share capital of the Company, and are entitled to less than 10 per cent. of the profits or assets of the Company available for distribution, or another exemption is applicable provided the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. Corporation shareholders should seek independent advice on their position.

UK pension funds and charities are generally exempt from tax on dividends that they receive.

Withholding tax

The Company should not be required to withhold UK tax at source from any dividends or redemption proceeds paid by the Company to Shareholders.

21.3 **Taxation on capital gains for Shareholders**

To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will generally constitute the base cost of a Shareholder's holding.

A disposal of Ordinary Shares by a Shareholder who is resident or, in the case of an individual, ordinarily resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders who are UK tax resident, ordinarily resident or only temporarily non-UK tax resident, capital gains tax at the rate of tax of 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) may be payable on any gain (after any available exemptions, reliefs or losses). For Shareholders that are bodies corporate any gain will be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances. Shareholders that are bodies corporate resident in the

United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index, but will not create or increase an allowable loss.

21.4 Stamp duty and stamp duty reserve tax (SDRT)

Currently dealings in Ordinary Shares will normally be subject to stamp duty or SDRT. The transfer on sale of Ordinary Shares will usually be liable to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up, if necessary, to the next multiple of £5) of the amount or value of the consideration paid. Stamp duty will normally be paid by the purchaser or transferee of the Ordinary Shares. An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT, at the rate of 0.5 per cent. of the amount or value of the consideration payable for such shares, but such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duly stamped instrument of transfer within six years of the date of the agreement or, if the agreement was conditional, the date on which the agreement became unconditional. SDRT will normally be the liability of the purchaser or transferee of the Ordinary Shares.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of shares into the system, unless the transfer into CREST is itself for consideration in money or money's worth. In which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of consideration given. Transfers of shares within CREST are generally liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable rather than stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes should usually be collected and accounted for to HMRC through the CREST system.

The above statements are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate than that referred to above or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer shares to charities should not give rise to a liability to stamp duty or SDRT.

The Government has released draft legislation to be included in Finance Bill 2014 with the intention of abolishing stamp duty and SDRT on shares quoted on growth markets such as AIM. Should the draft legislation be enacted, it is expected that this will be in force from 28 April 2014.

22. GENERAL

- 22.1 The gross proceeds of the Placing are expected to be £2.00 million. The total costs and expenses relating to Admission and the Placing are payable by the Company and are estimated to amount to approximately £0.45 million (excluding Value Added Tax). The Net Proceeds are expected to be around £1.55 million.
- 22.2 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 22.3 Grant Thornton UK LLP has given and not withdrawn its written consent to the inclusion in Parts III.B and IV.B of this document of its Accountant's Report on the Historical Financial Information on the Company and its Accountant's Report on the Historical Financial Information on Tiziana Pharma.
- 22.4 Cairn has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 22.5 Beaufort has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 22.6 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company, the Directors and the Proposed Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 22.7 No agreement, arrangement or understanding exists whereby the New Ordinary Shares acquired pursuant to the Transaction will be transferred to any other person.

- 22.8 No agreement, arrangement or understanding (including any compensation agreement) exists between the Company, any person acting in concert with Company and any of the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the matters referred to in this document.
- 22.9 There are no external financing arrangements being sourced in connection with the proposals in this document. There are therefore no arrangements in place nor any required for the payment of interest on, repayment of or security for any external liability (contingent or otherwise) as a result of the proposals in this document.
- 22.10 The accounting reference date of the Company is 31 December.
- 22.11 The Issue Price represents a premium over nominal value of £0.09 per Ordinary Share.
- 22.12 It is expected that definitive share certificates will be dispatched by hand or first class post by 1 May 2014. In respect of uncertificated shares it is expected that Shareholders' CREST stock accounts will be credited on 24 April 2014.
- 22.13 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.

23. DOCUMENTS AVAILABLE FOR INSPECTION

- 23.1 Copies of the following documents are displayed on the Company's website at www.ad-investments.com and may be inspected at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until one month following Admission:
- 23.1.1 the memorandum and articles of association of the Company;
- 23.1.2 the Accountant's Report on the Historical Financial Information on the Company and the Accountant's Report on the Historical Financial Information on Tiziana Pharma, from Grant Thornton UK LLP set out in Parts III.B and IV.B of this document and its consent letter;
- 23.1.3 Cairn's consent letter;
- 23.1.4 the appointment letters and service contracts for the Directors and the Proposed Directors referred to in paragraph 12 of this Part VI;
- 23.1.5 the lock-in agreements referred to in paragraph 15.3 of this Part VI;
- 23.1.6 the material contracts referred to in paragraphs 15 of this Part VI; and
- 23.1.7 the irrevocable undertakings of the Directors referred to in clause 28 of Part I;
- 23.1.8 this document, together with the notice of the General Meeting and the Form of Proxy.

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted for the attention of the Company Secretary at the Company's registered office address, 6 New Street Square, New Fetter Lane, London EC4A 3BF. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

24. AVAILABILITY OF ADMISSION DOCUMENT

Copies of this Admission Document are available for download from the Company's website at www.ad-investments.com and are available free of charge from the Company's registered office and at the offices of Cairn, 61 Cheapside, London EC2V 6AX during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 31 March 2014

ALEXANDER DAVID INVESTMENTS PLC
(incorporated in England and Wales with registered number 3508592)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the members of the Company will be held at 11th Floor, 6 New Street Square, New Fetter Lane, London EC4A 3BF on 23 April 2014 at 9:30 a.m. for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. THAT the waiver by the Panel on Takeovers and Mergers of the obligation on the Concert Party (as defined in the circular from the Company dated 31 March 2014 of which this notice forms part, hereinafter referred to as the “**Circular**”) to make a general offer under Rule 9 of the City Code on Takeovers and Mergers, as a result of the issue to them of in aggregate 62,500,000 ordinary shares pursuant to the Acquisition Agreement (as defined in the Circular), be and is hereby approved.
2. THAT, subject to and conditional upon the passing of Resolutions 1, 7 and 8 the Company’s investing policy be amended to include investment in biotechnology companies and that the acquisition by the Company of Tiziana Pharma Limited (the “**Acquisition**”), on the terms and subject to the conditions of the share sale and purchase agreement dated 31 March 2014 (the “**Acquisition Agreement**”) between, amongst others, the Company and the shareholders of Tiziana Pharma Limited (the “**Vendors**”) and constituting a reverse takeover under the AIM Rules for Companies, be and is hereby approved, including for the purposes of Rule 14 of the AIM Rules for Companies.
3. THAT, 598,284,300 ordinary shares of £0.0001 each in the capital of the Company be consolidated and divided into 1,994,281 ordinary shares of £0.03 each.
4. THAT, subject to and conditional upon the passing of Resolutions 1, 2, 7 and 8, Gabriele Cerrone, having consented to act, be appointed as a director of the Company with effect from Admission.
5. THAT, subject to and conditional upon the passing of Resolutions 1, 2, 7 and 8, Philip Boyd, having consented to act, be appointed as a director of the Company with effect from Admission.
6. THAT, subject to and conditional upon the passing of Resolutions 1, 2, 7 and 8, Riccardo Dalla-Favera, having consented to act, be appointed as a director of the Company with effect from Admission.
7. THAT, subject to and conditional upon the passing of Resolutions 1, 2 and 3, in accordance with section 551 of the Act, the directors be generally and unconditionally authorised to:
 - a. allot 16,666,667 ordinary shares of £0.03 each in the capital of the Company in connection with the Placing (as defined in the Circular);
 - b. allot 62,500,000 ordinary shares of £0.03 each in the capital of the Company to the Vendors in accordance with the terms and conditions of the Acquisition Agreement;
 - c. allot 3,395,365 ordinary shares of £0.03 each in the capital of the Company to Planwise Group Ltd in accordance with the terms and conditions of the loan note instrument dated 19 December 2013; and
 - d. allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £500,000,

provided that the authority granted by this Resolution shall, unless renewed, varied or revoked by the Company, expire on the earlier of fifteen months from the date of passing this Resolution or at the Company’s next annual general meeting, except that the Company may, before it expires make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of that offer or agreement. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act to the extent not utilised at the date it is passed.

SPECIAL RESOLUTIONS

8. THAT, subject to and conditional upon the passing of Resolution 7, in accordance with sections 570 and 571 of the Act, the directors be generally empowered to allot equity securities (as defined in section 560 of

the Act) pursuant to the authority conferred by Resolution 7, as if section 561(1) of the Act did not apply to such allotment provided that this authority shall expire on the earlier of fifteen months from the date of passing this Resolution or at the Company's next annual general meeting. The Company may, before this authority expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the directors may allot equity securities pursuant to that offer or agreement.

Notes

1. Resolution 1 will be taken on a poll by Independent Shareholders.
2. Members entitled to attend and vote at the General Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder which must be identified on the form of proxy. A proxy need not be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.
3. A Form of Proxy is enclosed for use by members. To be valid it should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority) to the Company's registrars Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF or submitted electronically via www.capitashareportal.com, not later than 48 hours, excluding non-working days, before the time appointed for holding the General Meeting or in the case of a poll taken subsequently to the date of the General Meeting or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll or for holding the adjourned meeting. Shareholders who intend to appoint more than one proxy can obtain additional Forms of Proxy from Capita Asset Services. Alternatively, the form provided may be photocopied prior to completion. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.
4. An abstention option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each Resolution.
5. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "CREST proxy appointment instruction") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited (**Euroclear**), and must contain all the relevant information required by the CREST Manual. To be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by Capita Asset Services, (ID number RA 10) as the Company's "issuer's agent", by 9:30 a.m. on 17 April 2014 (as such a message cannot be transmitted on weekends or on other days when the CREST system is closed). After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid. The CREST Manual can be reviewed at www.euroclear.com.

6. CREST members and, where applicable, the sponsors or voting service provider(s), should note that CREST does not make available a special procedure in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of proxy instructions. It is the responsibility of the CREST members concerned to take (or of the CREST member is a CREST personal member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such sections as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection CREST members and where applicable their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Completion and return or submission electronically, of a Form of Proxy will not affect the right of such member to attend and vote in person at the meeting or any adjournment thereof.
9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at 6:00 p.m. on 17 April 2014 will be entitled to attend or vote (whether in person or by proxy) at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 6:00 p.m. on 17 April 2014 will be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting (as the case may be).
10. As at 28 March 2014 (being the last business day prior to the publication of this notice of meeting) the Company's issued share capital consisted of 598,284,189 Existing Ordinary Shares, carrying one vote each, 108,121,391 Deferred A Shares and 13,068,521 Deferred B Shares. The Deferred Shares have no right to received notice of a general meeting or vote, therefore, the total voting rights in the Company as at 20 September 2013 are 598,284,189.
11. Shareholders who prefer to register the appointment of their proxy electronically using the internet can do so at Capita Asset Services' website at www.capitashareportal.com where full instructions on the procedure are given. The voting ID, task ID and shareholder reference number printed on the form of proxy will be required in order to use the services. For an electronic proxy appointment to be valid, voting instructions must be received by Capita Asset Services no later than 9:30 a.m. on 17 April 2014. You may not use any electronic address provided in this notice of meeting to communicate with the Company for any purpose other than those expressly stated.
12. Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which the Company must cause to be answered. Information relating to the meeting which the Company is required by the Act to publish on a website in advance of the meeting may be viewed at www.ad-investments.com.
13. In accordance with section 311a of the Act, the contents of this notice of meeting, details of the total number of shares of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members statements. Members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.ad-investments.com.

