THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or as to the action you should take, you are recommended to consult a person authorised under the Financial Services and Markets Act 2000 as amended, who specialises in advising on the acquisition of shares and other securities.

This document is an AIM admission document and has been drawn up in accordance with the AIM Rules for Companies. This document does not constitute a prospectus within the meaning of section 85 of FSMA, has not been drawn up in accordance with the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority. This document does not constitute an offer of transferable securities to the public within the meaning of FSMA or otherwise.

The Directors and the Proposed Directors, whose names appear on page 7 of this document, and the Company, the registered office of which is set out on page 7 of this document, accept responsibility, collectively and individually, for the information contained in this document, including compliance with the AIM Rules for Companies. To the best of the knowledge of the Directors and the Proposed Directors (having taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that restoration of trading on AIM in the Existing Ordinary Shares and Admission will become effective and that dealings in the Enlarged Share Capital will commence at 8.00 a.m. on 3 May 2017.

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 to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two of the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The Enlarged Share Capital is not traded on any other market or Recognised Investment Exchange and save for the application for admission to AIM, no such applications have been made or will be made.

The whole of the text of this document should be read. You should be aware than an investment in the Company involves a high degree of risk and prospective investors should carefully consider the section entitled "Risk Factors" in Part IV of this document, which sets out certain risk factors relating to any investment in Ordinary Shares

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Onzima Ventures PLC

(Incorporated in England and Wales under the Companies Act 1948 with registered no. 01435584)

PROPOSED ACQUISITION OF 51 PER CENT. OF N4 PHARMA LIMITED

FIRM PLACING OF 21,428,571 NEW ORDINARY SHARES AT 7 PENCE PER SHARE

ISSUE OF PLACING WARRANTS ON A 1 FOR 1 BASIS AT AN EXERCISE PRICE OF 8.5P PER PLACING WARRANT

SHARE RE-ORGANISATION

CHANGE OF NAME TO N4 PHARMA PLC

ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM AND NOTICE OF GENERAL MEETING

Stockdale

Nominated Adviser and Broker

BEAUFORT

Joint Broker

The New Ordinary Shares and the Consideration Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, paid or made after Admission.

Stockdale Securities is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Capital Raising and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and joint broker for the purpose of the AIM Rules for Companies. Stockdale Securities will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Capital Raising and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Capital Raising and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

Beaufort Securities is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Capital Raising and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as joint broker for the purpose of the AIM Rules for companies. Beaufort Securities will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Capital Raising and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Capital Raising and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Stockdale Securities or Beaufort Securities as to the contents of this document. No liability whatsoever is accepted by Stockdale Securities or Beaufort Securities for the accuracy of any information or opinions contained in this document, for which the Directors and the Proposed Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Ordinary Shares offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of

any state of the United States or under the applicable laws of any of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, South Africa or Japan. Neither this document nor any copy of it may be sent to or taken into the United States, Canada, Australia or Japan, nor may it be distributed directly or indirectly to any US person (within the meaning of Regulation S under the Securities Act) or to any persons with addresses in Canada, Australia, South Africa or Japan (the "Excluded Territories"), or to any corporation, partnership or other entity created or organised under the laws thereof, or in any country outside England and Wales where such distribution may lead to a breach of any legal or regulatory requirement.

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 Stockdale Securities from the date of this document for the period ending one month after Admission. The information contained in this document has been prepared solely for the purposes of the Proposals and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to any such persons.

Set out at the end of this document is a Notice of General Meeting of the Company to be held at 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH at 11.00 a.m. on 2 May 2017. A Form of Proxy for use at the General Meeting is enclosed. To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company's registrars, Neville Registrars Limited by not later than 11.00 a.m. on 27 April 2017. Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the time by which a Shareholder must be entered in the register of members in order to have the right to attend and vote at the meeting is 6.00 p.m. on 27 April 2017. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting should they so wish.

Notice to Overseas Shareholders

The New Ordinary Shares have not been and will not be registered or qualified under the relevant laws of any state, province or territory of the Excluded Territories and may not be offered or sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into or within any of the Excluded Territories except pursuant to an applicable exemption from such Excluded Territory's registration or qualification requirements.

Subject to certain exceptions in compliance with the US Securities Act of 1933, as amended (the US Securities Act) and the rules promulgated thereunder or any applicable laws in the Excluded Territories, this document will not be published, released, or distributed, directly or indirectly and must not be sent, in whole or in part: (i) in or into any Excluded Territory; (ii) to any person within the United States; or (iii) to any person in any jurisdiction where to do so might constitute a violation of local securities laws or regulation.

The New Ordinary Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly to or within the United States or to any US Person, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission (the SEC), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

No action has been taken by the Company, Stockdale Securities or by Beaufort Securities that would permit an offer of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than the United Kingdom. None of the Company, Stockdale Securities, Beaufort Securities or any of their respective affiliates, directors, officers, employees or advisers is making any representation to any offeree, purchaser or acquirer of New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree, purchaser or acquirer under the laws applicable to such offeree, purchaser or acquirer. This document does not constitute an offer to sell the New Ordinary Shares to any person in any jurisdiction. The Company reserves the right, in its sole and absolute discretion, to reject any subscription or purchase of the New Ordinary Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

Forward Looking Statements

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Admission, the expected timing of the Admission and other statements other than in relation to historical facts. Forward-looking statements including, without limitation, statements typically containing words such as "intends", "anticipates", "targets", "estimates", "believes", "should", "plans", "will", "expects" and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of Onzima Ventures plc and are subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are also a number of other factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, local and global political and economic conditions, interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

Neither Onzima Ventures plc, Stockdale Securities, Beaufort Securities nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules for Companies, the Disclosure and Transparency Rules of the Financial Conduct Authority and the City Code on Takeovers and Mergers), neither Onzima Ventures plc, Stockdale Securities nor Beaufort Securities is under any obligation, and each of them expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTENTS

KEY INFORMATION

The following information is extracted from, and should be read in conjunction with, the full text of this document. Investors should read the whole document and not rely solely on the information in this "Key Information" section or any other information summarised in this document.

Overview

On 17 January 2017, the Company announced that it had agreed in principle terms conditionally to acquire the 51 per cent. of the issued shares of N4 Pharma which it does not already own. The Company today announced that it has entered into a conditional contract to acquire the 51 per cent. of the issued shares in the N4 Pharma it does not already own. Consideration for the Acquisition will be satisfied by the issue of 4,510,800 New Ordinary Shares and 4,591,400 Deferred Consideration Shares. At the same time the Company has raised £1.5 million by way of a placing of New Ordinary Shares to fund development of additional patent applications for reformulations of a wide range of generic drugs, to undertake clinical trials for the Company's reformulation of sildenafil and for working capital purposes.

N4 Pharma was formed in 2014 by Nigel Theobald, the former Chief Executive of AIM quoted Oxford Pharmascience Group plc. It is a specialist pharmaceutical company which reformulates existing drugs and vaccines to improve their performance. The management team has a proven track record at a senior level in major international pharmaceutical companies and extensive experience of start-ups in the pharmaceutical and biotech field.

N4 Pharma's reformulation work falls under two divisions:

- generic, already commercialised, drugs; and
- delivery of novel and existing vaccines.

N4 Pharma has identified a number of established drugs that its directors believe could be improved upon through its reformulation techniques. Its most advanced reformulation is for sildenafil, widely marketed as Viagra, where N4 Pharma is seeking to improve the speed at which the drug takes effect whilst also extending its duration of action.

The N4 Pharma Directors anticipate that N4 Pharma's reformulation approach should take approximately three years to obtain regulatory approval as opposed to the traditional process for new drugs of on average ten years. The cost and risk profile of this model is, in the Directors' and the Proposed Directors' opinion, also significantly less than the traditional process. N4 Pharma's business model is to take reformulated drugs from its portfolio through to the stage where it will license its newly reformulated drugs to pharmaceutical companies to commercialise them. N4 Pharma's revenues should be derived from up front milestone and royalty payments associated with the licence.

Financing and use of proceeds

The Company has raised £1.5 million (gross). It will use the net proceeds of the Capital Raising to:

- fund pre-IND work on sildenafil reformulation
- fund in-vitro formulation of up to 10 new products
- fund vaccine delivery system proof of concept studies
- enhance its management and operational team
- rent laboratory space for work on its vaccines and
- provide additional working capital

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS SET OUT IN PART IV OF THIS DOCUMENT

CAPITAL RAISING & ADMISSION STATISTICS

Issue Price per New Ordinary Share	7p
Number of Existing Ordinary Shares	181,956,558
Number of New Ordinary Shares of 0.4 pence after the Share Re-organisation	45,489,200
Number of New Ordinary Shares to be issued by the Company pursuant to the Firm Placing	21,428,571
Number of Warrants to be granted in connection with the Placing	21,428,571
Number of Broker Warrants	1,282,352
Number of Broker Shares	285,714
Number of Consideration Shares	4,510,800
Number of Deferred Consideration Shares	4,591,400
Number of Ordinary Shares in issue immediately following Admission(1)	71,714,285
Percentage of the Enlarged Share Capital represented by the Firm Placing Shares(1)	30 per cent.
Market capitalisation of the Company at the Issue Price at Admission(1)	£5.0 million
Estimated net proceeds of the Capital Raising receivable by the Company(1)	£1.05 million
AIM Ticker(2)	N4P
ISIN	GB00BYW8QM32
Website	www.onzimaventures.com
Website from Admission	www.n4pharma.com

Notes:

(1) Assuming Admission of all the Firm Placing Shares and the issue of the Consideration Shares (where applicable) and that no other Ordinary Shares are issued between the date of this document and Admission.

(2) The new AIM Ticker shall become effective only if the Resolutions are passed at the General Meeting

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Suspension of trading on AIM in the Existing Ordinary Shares	17 October 2016
Publication and posting of this document, and the Form of Proxy	13 April 2017
Latest time and date for return of Forms of Proxy or CREST Proxy instructions for the General Meeting	**11.00 a.m. on 27 April 2017**
General Meeting	**11.00 a.m. on 2 May 2017**
Record Date for the Share Re-organisation	6.00 p.m. on 2 May 2017
Announcement of the result of the General Meeting	2 May 2017
Restoration to trading on AIM of the Existing Ordinary Shares, New Ordinary Shares and Consideration Shares admitted to trading on AIM and dealings in the New Ordinary Shares and Consideration Shares commence and enablement in CREST	8.00 a.m. on 3 May 2017
Despatch of definitive certificates for New Ordinary Shares in certificated form (where applicable) and for Warrants	by 17 May 2017
Despatch of fractional proceeds to Shareholders	as soon as possible following the sale of the aggregated fractions

Notes:

(1) References to times in this document are to London, UK time (unless otherwise stated).

(2) The timing of the events in the above timetable, and the rest of this document is indicative only. If any of the above times and/or dates are adjusted by the Company (with the agreement of Stockdale Securities and Beaufort Securities), the revised times and/or dates will be notified to the London Stock Exchange by an announcement via an RIS release and, where appropriate, to Shareholders.

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Gavin John Burnell (*Chief Executive*) Prof. Humayun Akhter Mughal (*Non-Executive Director*) Luke Sebastian Cairns (*Non-Executive Director*)
Proposed Directors	David Templeton (*Non-Executive Chairman*) Nigel James Theobald (*Chief Executive*) Paul Charlton Titley (*Executive Director*)
Company Secretary	Lorraine Young Company Secretaries Limited 60 Gracechurch Street London EC3V 0HR
Registered Office and Service Address of the Directors	6th Floor 60 Gracechurch Street London EC3V 0HR
Nominated Adviser and Joint Broker	Stockdale Securities Limited Beaufort House 15 St. Botolph Street London EC3A 7BB
Joint Broker	Beaufort Securities Limited 63 St Mary Axe London EC3A 8AA
Legal Advisers to the Company	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Legal Advisers to N4 Pharma	DWF LLP Bridgewater Place Water Lane Leeds LS11 5DY
Legal Advisers to the Nominated Adviser and Joint Brokers	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Auditors to the Company	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Auditors to N4 Pharma and Reporting Accountants	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Technical Expert	Black Swan Analysis Limited Moorbridge Court 29-41 Moorbridge Road Maidenhead Berkshire SL6 8LT
Patent Attorney	JA Kemp Gray's Inn 14 South Square London WC1R 5JJ

Financial PR	Alma PR 1 Fore Street London EC2Y 9DT
Registrar and Receiving Agent	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Website	
Prior to Admission	www.onzimaventures.com
Following Admission	www.n4pharma.com

PART I

LETTER FROM THE DIRECTORS OF ONZIMA VENTURES PLC

(Incorporated in England and Wales under the Companies Act 1948 with registered no. 01435584)

Directors:

Gavin Burnell (*Chief Executive Officer*)
Prof. Humayun Mughal (*Non-Executive Director*)
Luke Cairns (*Non-Executive Director*)

Registered Office:

6th Floor
60 Gracechurch Street
London
EC3V 0HR

13 April 2017

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

Dear Shareholder

PROPOSED ACQUISITION OF 51 PER CENT. OF N4 PHARMA LIMITED
FIRM PLACING OF 21,428,571 NEW ORDINARY SHARES AT 7 PENCE PER SHARE
ISSUE OF PLACING WARRANTS ON A 1 FOR 1 BASIS AT AN
EXERCISE PRICE OF 8.5P PER PLACING WARRANT
SHARE RE-ORGANISATION
CHANGE OF NAME TO N4 PHARMA PLC
ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF GENERAL MEETING

Introduction

As Shareholders will be aware, trading on AIM in the Existing Ordinary Shares was suspended on 17 October 2016 as the Company had not made an acquisition or acquisitions or implemented its investing policy pursuant to Rule 15 of the AIM Rules for Companies.

On 17 January 2017, the Company announced that it had agreed in principle terms conditionally to acquire the 51 per cent. of the issued shares of N4 Pharma which it does not already own. Furthermore, it announced that the consideration for the Acquisition would be satisfied by the issue of 36,409,210 new ordinary shares and the intention was that at the same time the Company would seek to raise funds by way of a placing of New Ordinary Shares to fund development of additional patent applications for reformulations of a wide range of generic drugs, to undertake clinical trials for the Company's reformulation of sildenafil and for working capital purposes.

Your Board announced earlier today that the Company has entered into a conditional contract to acquire the 51 per cent. of the issued shares of N4 Pharma which it does not already own to be satisfied by the issue of the Consideration Shares and subject to certain conditions, the Deferred Consideration Shares. The Company also announced earlier today the Capital Raising which will raise a total of £1.05 million (net of expenses) through the issue of 21,428,571 New Ordinary Shares at a price of 7p per share, the net proceeds of which will be applied to provide working capital for the Enlarged Group. The Proposals are subject to Shareholders' approval.

Due to the high number of Shareholders who own proportionately a small number of shares in the Company, the Board is proposing a share re-organisation subject to Shareholders' approval to be obtained at the General Meeting. Accordingly, a resolution will be proposed at the General Meeting to approve the consolidation and subsequent sub-division of the Existing Ordinary Shares. Further details of the Share Re-organisation are set out below.

The Acquisition, if completed, will result in the Company becoming an operating company instead of an investing company and will constitute a reverse takeover for the purposes of the AIM Rules for Companies. Accordingly, the Acquisition and the Capital Raising are conditional, amongst other things, on Shareholders' approval to be obtained at the General Meeting.

In the event that the Acquisition is not approved at the General Meeting or for any other reason that Admission does not become effective, admission of the Ordinary Shares to trading on AIM will be cancelled.

The purpose of this document is to provide Shareholders with further information on the Proposals and this letter explains why the Directors believe that the Acquisition is in the best interests of the Company and its Shareholders as a whole and recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document, as they have undertaken to do in respect of their beneficial shareholdings amounting, in aggregate, to approximately 8.2 per cent. of the Company's issued share capital.

Background to and reasons for the Proposals

As Shareholders will be aware, the Company has been classified as an investing company under the AIM Rules for Companies since the disposal of all its operating subsidiaries in October 2015 when it also changed its name from Ultima Networks Plc to Onzima Ventures plc and adopted its investing policy.

Under its investing policy, the Company sought to invest a minimum of 75 per cent. of its deployable capital into natural resources investment opportunities with the remaining 25 per cent. being invested into other sectors. To that end, the Company made a series of investments in several natural resources companies.

As the Company had not made an acquisition or acquisitions or implemented its investing policy within a year of becoming an investing company pursuant to Rule 15 of the AIM Rules for Companies, on 17 October 2016 trading on AIM in the Company's shares was suspended.

Following the suspension of trading in the Company's shares on AIM, the Board considered the best course of action for the Company and its Shareholders.

On 1 March 2016, the Company announced that it had acquired 49 per cent. of the issued share capital of N4 Pharma. The consideration payable was £41,000 in cash and 24,272,807 new Ordinary Shares in Onzima Ventures, representing 14.9 per cent. of the Company's enlarged share capital. In addition, Onzima Ventures provided a loan facility of £209,000 to N4 Pharma at an interest rate of 5 per cent. per annum with interest being rolled up and together with any drawn down funds, being repayable in 4 years unless repaid earlier. In its announcement released on 17 January 2017, the Company announced that it had agreed to increase its loan facility to N4 Pharma by £100,000 to £309,000.

In light of the potential and value attributable to the investment in N4 Pharma, the Directors concluded that the best course of action in the interests of the Company and all Shareholders was to seek to reach agreement over the acquisition of the remaining 51 per cent. of N4 Pharma. Having agreed in principle the terms of the Acquisition (as detailed further below) the Company sought to appoint the relevant advisers to execute the transaction and on 17 January 2017 announced the terms of the proposed Acquisition.

Since making the initial investment in N4 Pharma, the Directors have worked closely with N4 Pharma's management team and are supportive of its business model whereby it works with proven, commercialised drugs to reformulate them with a view to returning to the market in an improved format. The risk reward profile with a portfolio approach to drug reformulation backed by strong IP is one that, the Directors believe, has the potential to generate significant returns for Shareholders. Further details on N4 Pharma are set out in Part III of this document.

In seeking to acquire the remaining shares in N4 Pharma, the Directors recognise that all of the Company's resources should be directed towards N4 Pharma and its prospects. To that end, and as previously announced, over the last few months the Company has been selling down its holdings in natural resources companies and as at the date of this document has a shareholding in one natural resource company and warrants and options in a further four natural resource companies.

Under the AIM Rules for Companies, the Acquisition is classified as a reverse takeover and, as such, requires shareholders' approval at a general meeting of the Company. This document, which also constitutes an Admission Document for the purposes of the AIM Rules for Companies, is being sent to Shareholders convening the General Meeting at which, *inter alia*, Shareholders shall be asked to approve

the Acquisition. **In the event that the Acquisition is not approved at the General Meeting or for any other reason that Admission does not become effective, admission of the Ordinary Shares to trading on AIM will be cancelled.**

In addition to the Acquisition this document sets out various other Proposals as part of the Transaction some of which shall be inter-conditional.

Information on N4 Pharma

Further information about N4 Pharma is set out in Part III of this document.

Summary of the Acquisition

Contracts have been exchanged conditionally to acquire the 51 per cent. of the issued shares of N4 Pharma which Onzima Ventures does not already own to be satisfied by the issue of the Consideration Shares and, subject to satisfaction of certain conditions, the Deferred Consideration Shares subject to Shareholder approval and the Capital Raising being successfully completed.

On Admission, Nigel Theobald will hold approximately 17.0 per cent. of the Enlarged Share Capital, assuming that the Firm Placed Shares are issued in full.

Further details of the terms of the Acquisition are set out in paragraph 11 of Part IX of this document.

Related party transaction

The Acquisition is deemed a related party transaction under the AIM Rules for Companies by virtue of Nigel Theobald being a substantial shareholder in the Company.

The Directors consider, having consulted with the Company's nominated adviser, Stockdale Securities, that the terms of the Acquisition are fair and reasonable insofar as the Shareholders are concerned.

Proposed Share Re-organisation

Admission is conditional upon the approval and completion of the Proposals, including the Share Re-organisation. The Existing Ordinary Share Capital comprises 181,956,558 Existing Ordinary Shares.

The Share Re-organisation which is expected to take place after close of business on the Record Date will involve every 800 Existing Ordinary Shares being consolidated into 1 New Ordinary Share and each resulting 1 New Ordinary Share will be subsequently sub-divided into 200 New Ordinary Shares of 0.4p each. The rights attached to the New Ordinary Shares will be the same as the rights attaching to the Existing Ordinary Shares and the New Ordinary Shares will trade on AIM in place of the Existing Ordinary Shares.

Resolutions 3 and 4 at the General Meeting are to approve the Share Re-organisation. Fractional entitlements resulting from the Share Re-organisation will be sold for the benefit of Fractional Shareholders.

Immediately following Admission (and the issue of all the Firm Placed Shares) and the issue of the Consideration Shares, the Share Re-organisation will result in an Enlarged Share Capital of 71,714,285 New Ordinary Shares.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Re-organisation, 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 would be entitled so as to form full New Ordinary Shares ("Fractional Entitlement Shares"). These Fractional Entitlement Shares will be aggregated and sold in the market for the benefit of Fractional Shareholders.

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 a total of fewer than 800 Existing Ordinary Shares at the Record Date) will cease to be a Shareholder of the Company. They will however be entitled to cast their votes at the General Meeting.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the proposed change of name of the Company and the Share Re-organisation. 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 of the Company during the period between the passing of the Resolutions and the date on which Shareholders receive new share certificates.

Details of the Capital Raising

The Company is proposing to raise £1.5 million (approximately £1.05 million net of expenses) through the Firm Placing at the Issue Price.

The Capital Raising is conditional, amongst other things, on:

i. the passing of the Resolutions;

ii. the Placing becoming unconditional in all respects save for Admission by no later than 3 May 2017 (or such later date, being no later than 31 May 2017) as the Company, Stockdale Securities and Beaufort Securities may agree (and not having been terminated in accordance with its terms); and

iii. Admission.

The New Ordinary Shares will represent approximately 30 per cent. of the Enlarged Share Capital (assuming Admission of all of the Firm Placing Shares and that no other Ordinary Shares are issued between the date of this document and Admission) and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

If the Resolutions are passed at the General Meeting, it is expected that Admission will become effective and dealings in the New Ordinary Shares will commence at 8.00 a.m. on 3 May 2017.

The Firm Placing and grant of Warrants

Stockdale Securities and Beaufort Securities, as agents of and on behalf of the Company, have conditionally placed the Firm Placed Shares (being 21,428,571 New Ordinary Shares) firm with Placees at the Issue Price. The Firm Placing is expected to raise £1.5 million (before expenses). Each Placee is also being granted one Warrant for each Firm Placed Share. The Warrants will entitle the Placees to subscribe for New Ordinary Shares at a price of 8.5 pence per share at any time in the period of two years following the grant of the Warrants.

Effect of the Capital Raising

Upon Admission and assuming full take up under the Capital Raising and no exercise of any options under the Share Option Scheme, the Enlarged Share Capital is expected to comprise 71,714,285 Ordinary Shares. On that basis, the Firm Placed Shares will represent approximately 30 per cent. of the Enlarged Share Capital.

Further details of the Placing Agreement is set out in paragraph 12.2 of Part IX of this document.

Use of proceeds

The Company has raised £1.5 million (gross). It will use the net proceeds of the Capital Raising to:

- fund pre-IND work on sildenafil reformulation
- fund in-vitro formulation of up to 10 new products
- fund vaccine delivery system proof of concept studies
- enhance its management and operational team
- rent laboratory space for work on its vaccines and

- provide additional working capital

Irrevocable undertakings to vote in favour of the Resolutions

Each of the Directors and the Proposed Directors who holds Ordinary Shares has given an irrevocable undertaking to the Company, Stockdale Securities and Beaufort Securities to vote in favour of the Resolutions in respect of their entire beneficial and direct holdings of Existing Ordinary Shares totalling, 35,428,010 Existing Ordinary Shares, representing approximately 19.5 per cent. of the Existing Ordinary Share Capital.

Admission, settlement & dealings

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. If the Resolutions are passed at the General Meeting, it is expected that Admission will become effective and dealings in the Existing Ordinary Shares will recommence and dealings in the New Ordinary Shares and the Consideration Shares will commence at 8.00 a.m. on 3 May 2017. These dates and times may change.

The Company has applied for the Enlarged Share Capital to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares held in Uncertificated Form following Admission will take place within the CREST system.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

All New Ordinary Shares will be issued payable in full at the Issue Price. It is intended that, if applicable, definitive share certificates in respect of the New Ordinary Shares and the Warrants will be distributed by 17 May 2017 or as soon as practicable thereafter. No temporary documents of title will be issued. No application will be made for the Warrants to be admitted to trading on AIM.

Lock-in and orderly market agreement

Gavin Burnell and Luke Cairns and each of the Proposed Directors, who on Admission will be the holders of 13,591,434 Ordinary Shares in aggregate, representing approximately 19.0 per cent. of the Enlarged Share Capital have, pursuant to the Lock-In Agreement, undertaken to the Company, Stockdale Securities and Beaufort Securities not to dispose of any interests in their respective Ordinary Shares for a period of 12 months from Admission and for a further 12 months thereafter, to deal in their Ordinary Shares only through Stockdale Securities, Beaufort Securities (or such other nominated adviser or broker of the Company) with a view to maintaining an orderly market, except in certain limited circumstances. On Admission, Professor Mughal will be the beneficial holder of 2,808,129 Ordinary Shares in aggregate, representing approximately 3.9 per cent. of the Enlarged Share Capital. In respect of 490,655 New Ordinary Shares representing 0.7 per cent. of the Enlarged Share Capital, Professor Mughal has, pursuant to the terms of a lock-in and orderly market agreement undertaken to the Company, Stockdale Securities and Beaufort Securities not to dispose of 490,655 New Ordinary Shares representing approximately 0.7 per cent. of the Enlarged Share Capital for a period of 12 months from Admission and for a further 12 months thereafter, to deal in these New Ordinary Shares only through Stockdale Securities or Beaufort Securities (or such other broker of the Company) with a view to maintaining an orderly market, except in certain limited circumstances.

Beaufort Securities have separately entered into a lock-in and orderly market agreement with the company in consideration for the issuance of Ordinary Shares pursuant to its appointment as joint corporate broker to the Company.

Further details of these arrangements are set out in paragraph 12 of Part IX of this document.

Directors, Proposed Directors and Senior Management

The Board currently comprises three directors and, following Admission, will comprise four directors and one member of senior management.

Existing Directors

The Board currently comprises the following:

Gavin Burnell – *Chief Executive Officer* (Age 39)

Gavin has 13 years' experience of advising smaller companies and is a director of corporate finance at Beaufort Securities, an FCA regulated stockbroking firm. Gavin is a founder and/or director of several public and private companies in various sectors, including Magnolia Petroleum Plc, Hot Rocks Investments Plc, Hellenic Capital Plc, Sula Iron & Gold plc and Woodland Capital Limited and was formerly a non-executive director of Globo plc which was quoted on AIM until it went into administration in November 2015. He will resign as a director of the Company following publication of this admission document and approval of the Acquisition at the General Meeting, but prior to Admission.

Prof. Humayun Mughal PhD – *Non-Executive Director* (Age 64)

Prof. Mughal holds a BSc in Physics from Punjab University, Pakistan and a BEng in Applied Electronics with honours from Liverpool University. His PhD research at Liverpool University was in silicon based semiconductor devices and performance of silicon dioxide as a key processing step in the manufacturing of large scale integrated circuits. He is the former Chief Executive of Ultima Networks plc, the predecessor business of the Company. Professor Mughal will also resign as a director of the Company following publication of this admission document and approval of the Acquisition at the General Meeting, but prior to Admission.

Luke Cairns – *Non-Executive Director* (Age 38)

Luke has spent over 16 years working in corporate finance and is a former head of corporate finance and managing director at Northland Capital Partners, an FCA regulated stockbroking firm. Having left Northland in 2014, Luke founded LSC Advisory Limited to provide advisory and consultancy services to growth companies. He has worked with many growth companies across a number of sectors and regions on a wide range of transactions, including IPOs, secondary fundraisings, corporate restructurings and takeovers. He is an Associate of the Institute of Chartered Secretaries and Administrators. He will remain on the Board following Admission.

Proposed Directors

Dr David Templeton BSc, PhD – *Non-Executive Chairman* (Age 64)

David is an experienced R&D manager having worked in major pharmaceutical and biotech businesses and in the generic industry with specific expertise in early clinical development and translational biology, toxicology and safety pharmacology, lead selection, candidate characterisation, PK/PD analysis and bioanalysis. David has worked in various pharmacology and pre-clinical drug discovery roles for Pfizer, Xenova, Smithkline Beecham and GlaxoSmithKline and was the head of non-clinical development at Celltech Limited from 2003 to 2004 before moving to Merck Generics UK as head of biometrics. He was appointed as director of clinical pharmacology of Eisai Limited in 2007 until in 2010 setting up his own consulting business offering discovery and early development advice to several pharmaceutical companies.

Nigel Theobald BSc – *Chief Executive Officer* (Age 53)

Nigel is the Chief Executive of N4 Pharma and the proposed Chief Executive of the Enlarged Group following Admission. He has over 25 years' experience in healthcare and in building businesses, strategy development and its implementation and a strong network covering all aspects of pharmaceutical product development and commercialisation. He was the head of healthcare brands at Boots Group plc in 2002 before leaving to set up a series of successful businesses, including Omscan Limited, a start-up distributor for innovative new consumer healthcare products in the UK, which was subsequently sold to Alltracel Pharma in January 2008, and Oxford Pharmascience Group plc (with initial seed funding of £100k), which he grew over 5 years into an AIM quoted company with a market capitalisation of £40 million.

Paul Titley MRSC – *Executive Director* (Age 64)

Paul has over 40 years' experience in the pharmaceutical industry. He led the pharmaceutical development of major tablet products and new manufacturing and formulation technologies at Wellcome (including Zovirax), set up and audited pharmaceutical plants around the world as well as conducting acquisition due diligence. He has also advised over 900 pharmaceutical/biotech companies on how to develop products to meet their clinical and commercial goals. On the commercial and business development front, as Chief Executive, built R5 Pharmaceuticals Limited into a profitable business, leading to its acquisition by Aesica Pharmaceuticals Limited after four years of trading. Subsequently, Paul introduced Aesica to Consort Medical plc which resulted in Aesica's acquisition by Consort Medical for £230 million in 2014.

Senior Management

Will Morgan ACA, CA, BSc – *Financial Controller* (Age 37)

Will is a qualified chartered accountant who trained with Ernst & Young. He is the founder and Managing Director of Offshore Consulting (Guernsey) Limited and Offshore Accounting Limited which carries out financial controller based assignments and provides both monthly management reporting and annual financial statements. His experience includes private equity transactional support, due diligence and forensic investigational projects, management reporting and annual financial reporting.

Corporate governance and board practices

The Board intends to take account of the requirements of the UK Corporate Governance Code to the extent it considers it appropriate and having regard to the Company's size, Board structure, stage of development and resources. The Company has adopted a share dealing code for the directors, other PDMRs and applicable employees of the Company. The Company will take steps to ensure compliance by all PDMRs and applicable employees with the terms of the code.

The directors will hold regular board meetings. The Board will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Board has established an Audit Committee and Remuneration Committee with formally delegated rules and responsibilities. Each of these committees will meet at least twice each year, but additional meetings will take place on an ad hoc basis as required. Given the Company's current size, the Board does not consider it necessary to constitute a nomination committee and the Board, as a whole, will consider the appointment of directors and other senior employees of the Company.

On Admission, the Audit Committee will comprise David Templeton and Luke Cairns and will be chaired by David Templeton. The Audit Committee will, *inter alia*, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the annual audit. It will receive and review reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and internal control systems in use throughout the Enlarged Group. It will also monitor and be responsible for ensuring ongoing compliance by the Company with the AIM Rules for Companies.

On Admission, the Remuneration Committee will comprise David Templeton and Luke Cairns and will be chaired by David Templeton. The Remuneration Committee will, *inter alia,* review and make recommendations in respect of the Directors' remuneration and benefits packages, including share options and the terms of their appointment.

The City Code

The Company is a public company incorporated in England and Wales, and application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. The City Code applies to all companies who have their registered office in the UK, Channel Islands or Isle of Man and whose securities are traded on a regulated market in the UK or a stock exchange in the Channel Islands or Isle of Man or a multilateral trading facility (such as AIM). Accordingly, the Company is subject to the City Code and therefore all Shareholders are entitled to the protections afforded by it. Further information on the key provisions of the City Code is set out in paragraph 6 of Part IX of this document.

The City Code governs, *inter alia*, transactions which may result in a change of control of a public company (or certain private companies) to which the City Code applies. Under Rule 9 of the City Code any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the City Code) in shares which (taken together with shares in which that person is already interested or in which persons acting with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, Rule 9 of the City 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 more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired which increases the percentage of shares carrying voting rights in which he, together with persons acting in concert with him, are interested.

Rule 9 of the City 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, acquires any further shares carrying voting rights, they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares, though Rule 9 of the City Code would remain applicable to individual members of a concert party who would not be able to increase their percentage interests in the voting rights of such company through or between Rule 9 thresholds without complying with the requirements of Rule 9 or first obtaining a waiver from the Takeover Panel.

Share Option Scheme

Share options have been granted to Gavin Burnell and Luke Cairns as described in paragraph 4.11 of Part IX of this document.

In addition, the Company has established the Share Option Scheme pursuant to which options will be granted to certain members of the Enlarged Group's senior management as appropriate in due course. Further details of the New Share Option Scheme and options granted are set out in paragraph 4 of Part IX of this document.

Summary financial information

On 23 March 2017, the Company published its audited final results for the year ended 31 December 2016.

Unaudited pro forma statement of net assets of the Enlarged Group

An unaudited pro forma statement of net assets of the Enlarged Group is set out in Part VIII of this document illustrating the effect of the Acquisition as if it had taken place as at 31 December 2016.

Dividend policy

The Company is primarily seeking to achieve capital growth for its Shareholders. It is the Board's intention during the current phase of the Enlarged Group's development to retain future distributable profits from the business, to the extent any are generated. The Directors do not anticipate declaring any dividends in the foreseeable future.

Taxation

Your attention is drawn to the United Kingdom Taxation section contained in paragraph 20 of Part IX of this document. **If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.**

EIS and VCT Status

The Company has received advance assurance from HMRC that the New Ordinary Shares to be issued pursuant to the Placing will rank as "eligible shares" for the purposes of EIS and will be capable of being a "qualifying holding" for the purposes of investment by VCTs, however, none of the Company, the Directors or any of the Company's advisers give any warranty or undertaking that such reliefs will continue to be available and not withdrawn at a later date.

The Directors consider that the Enlarged Group or its subsidiaries have not received, in the 12 months immediately prior to the Placing, any investments (including under EIS and from VCTs) pursuant to a measure approved by the European Commission as compatible with Article 107 of the Treaty on the Functioning of the European Union in accordance with the principles laid down in the European Commission's Guidelines on State aid to promote risk finance investments. Accordingly, the Placing will limit funds up to £5 million from VCTs, investors seeking EIS reliefs and any other State aid risk capital investors in order not to exceed the maximum amount of £5 million that can be raised annually through risk capital schemes.

Proposed change of name

A special resolution will be proposed at the General Meeting to approve the change of the name of the Company to N4 Pharma plc.

If the special resolution to approve the change of name of the Company is passed at the General Meeting, the Company's AIM symbol will be changed to N4P and its website address will be changed to www.n4pharma.com following the General Meeting.

General Meeting

To enable the Proposals to be implemented, it is necessary for Shareholders to:

a) approve the Acquisition;

b) approve the Share Re-organisation;

c) give the Board the necessary authorities to allot the New Ordinary Shares; and

d) approve the change of name of the Company to N4 Pharma plc.

Accordingly, you will find at the end of this document the Notice convening a General Meeting to be held at 11.00 a.m. on 2 May 2017 at the offices of Edwin Coe LLP, 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH where the following Resolutions will be proposed:

- Resolution 1, which will be proposed as an ordinary resolution, is to approve the acquisition of N4 Pharma for the purposes of Rule 14 of the AIM Rules for Companies;
- Resolution 2, which will be proposed as an ordinary resolution, is to authorise the Directors to allot relevant securities for the purposes of section 551 of the Companies Act provided that such power be limited to the allotment of New Ordinary Shares of (i) up to a maximum nominal amount of £36,409 in connection with the Acquisition Agreement; (ii) £177,700.84 (i.e. being equal to the maximum number of New Ordinary Shares and Broker Shares available under the Firm Placing and the issue of New Ordinary Shares pursuant to the exercise of the Warrants and the Broker Warrants), and (iii) £28,571 (representing approximately 10 per cent. of the Enlarged Share Capital) otherwise than in connection with the Acquisition Agreement, the Firm Placing and the issue of New Ordinary Shares pursuant to the Warrants and the Broker Warrants;
- Resolutions 3 and 4, which will be proposed as ordinary resolutions, to approve the Share Re-organisation.
- Resolution 5, which will be proposed as a special resolution, grants the Directors authority to allot equity securities for cash as if section 561 of the Companies Act did not apply to such allotment, provided that such power shall be limited to, *inter alia*, (i) the allotment of New Ordinary Shares

and Broker Shares pursuant to the Acquisition Agreement, the Firm Placing and exercise of the Warrants and the Broker Warrants and (ii) otherwise the allotment of equity securities up to an aggregate nominal amount of £28,571; and

- Resolution 6, which will be proposed as a special resolution, to change the name of the Company to N4 Pharma plc

All of the Resolutions need to be approved by Shareholders for the Proposals to be implemented and all of the Resolutions are inter-conditional.

Action to be taken

In respect of the General Meeting

You will find enclosed a Form of Proxy for use by Shareholders at the General Meeting. The Form of Proxy should be completed in accordance with the instructions printed thereon and forwarded to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA or submitted electronically through CREST or via www.sharegateway.co.uk as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 27 April 2017. Completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish.

Further information

Your attention is drawn to the further information set out in Parts II to XI of this document and in particular to the Risk Factors set out in Part IV of this document.

Recommendation

The Directors consider that the Proposals are in the best interests of the Company and Shareholders as a whole.

Accordingly, the Directors unanimously recommend you vote in favour of the Resolutions as they have irrevocably undertaken to do so in respect of their own direct and beneficial shareholdings being in aggregate 14,803,945 Existing Ordinary Shares representing approximately 8.2 per cent. of the Existing Ordinary Share Capital.

Yours faithfully

Gavin Burnell
On behalf of the Board of Onzima Ventures plc

PART II

INFORMATION ON ONZIMA VENTURES

Onzima Ventures was incorporated in 1979 as Microvitec Public Limited Company before changing its name in 1998 to Ultima Networks Plc. As Ultima Networks, the Company had a green technology division and an IT services division.

Prior to the disposal of its operating subsidiaries in October 2015, Ultima Networks' green technology division had investments in solar farms in Italy, was developing hybrid solar power solutions and distributing its electric cycle range in the UK. The IT services division rolled out the FiLos legal software suite providing solutions for complete management of day to day operations at legal firms.

In light of the trading difficulties of the two divisions at that time, the Company's then board of directors concluded that it would be in the best interests of the Company's shareholders to dispose of all operating subsidiaries. To that end, the Company published a shareholder circular dated 25 September 2015 seeking, *inter alia*, shareholder approval for the disposal of the subsidiaries, the adoption of the Company's investing policy and the change of name to Onzima Ventures Plc. As part of these proposals, the Company raised £750,000 through the issue of new ordinary shares in the Company. A copy of this circular is available at www.onzimaventures.com.

On 14 October 2015, the Company's shareholders approved the resolutions at a general meeting and the Company became an investing company as defined by Rule 15 of the AIM Rules for Companies.

Since becoming an investing company, as set out in Part I of this document, the Company has made a series of investments in certain quoted natural resource companies. In addition, it also acquired 49 per cent. of the issued equity of N4 Pharma as detailed in Part I of this document.

PART III

INFORMATION ON N4 PHARMA

N4 Pharma was formed in 2014 by Nigel Theobald, the former Chief Executive of AIM quoted Oxford Pharmascience Group plc. It is a specialist pharmaceutical company which reformulates existing drugs and vaccines to improve their performance. The management team has a proven track record at a senior level in major international pharmaceutical companies and extensive experience of start-ups in the pharmaceutical and biotech field.

N4 Pharma's reformulation work falls under two divisions:

- generic, already commercialised, drugs; and
- delivery of novel and existing vaccines.

N4 Pharma has identified a number of established drugs that its directors believe could be improved upon through its reformulation techniques. Its most advanced reformulation is for sildenafil, widely marketed as Viagra, where N4 Pharma is seeking to improve the speed at which the drug takes effect whilst also extending its duration of action.

The N4 Pharma Directors anticipate that N4 Pharma's reformulation approach should take approximately three years to obtain regulatory approval as opposed to the traditional process for new drugs of on average ten years. The cost and risk profile of this model is, in the Directors' and the Proposed Directors' opinion, also significantly less than the traditional process. N4 Pharma's business model is to take reformulated drugs from its portfolio through to the stage where it will license its newly reformulated drugs to pharmaceutical companies to commercialise them. N4 Pharma's revenues should be derived from up front milestone and royalty payments associated with the licence.

Background and History

Bringing a new drug to market is inherently risky, often taking over 10 years and costing in excess of $1 billion. This is compounded by the high failure rate of bringing a new drug to market. A BIO, Biomedtracker market report titled "Clinical Development Success Rates 2006-2015" demonstrated that only 9.64 per cent. of drugs in development reached the market.

The Directors and the Proposed Directors believe that reformulation is an established means by which additional value can be generated by pharmaceutical companies for their brands.

The Directors and Proposed Directors believe reformulation of these drugs in-house does not seem to be a priority for most large pharmaceutical companies.

N4 Pharma operates in this niche area, seeking to reformulate selected established drugs by improving their performance, and thereafter licensing the newly reformulated drugs to pharmaceutical companies. With his background and experience in this niche market as set out above, Nigel Theobald founded N4 Pharma in 2014.

N4 Pharma has acquired an exclusive option to file a range of draft patent applications prepared by OPAL IP Limited for the purpose of reformulating certain existing drugs whose patents have already expired or are shortly to expire. Under the terms of this agreement, N4 Pharma has the exclusive right to select and evaluate those draft patent applications in OPAL IP's portfolio which the N4 Pharma Directors believe to be the most commercially valuable.

Since March 2016, when 49 per cent. of N4 Pharma was acquired by Onzima Ventures, N4 Pharma has acquired the rights to a number of new draft patent applications in this regard. In April 2016, N4 Pharma filed 45 patent applications in the UK for the reformulation of sildenafil. This was followed in July 2016 with the filing in the UK of 17 and 12 patent applications respectively for the reformulation of losartan and valsartan, which are commonly used for treating hypertension. In December 2016, N4 Pharma filed a patent application in the UK for the reformulation of aprepitant, an anti-emetic drug used in oncology. Further details of these patent applications are set out in Part V of this document.

N4 Pharma has also acquired the exclusive rights from the University of Queensland to commercialise two patent applications for its vaccines division. The first concerns novel silica nano particles for certain sub-unit vaccines used for a number of diseases, including Hepatitis B, for which N4 Pharma has registered the trademark Nuvac® in the UK. The second concerns the delivery of DNA and mRNA vaccines, for which N4 Pharma has registered the trademark Nuvec® in the UK.

During 2016 N4 Pharma continued its work on research projects with the University of Queensland to start to compile the relevant information to enable the vaccine technology to be commercialised. To that end, in November 2016 N4 Pharma announced that it had successfully demonstrated in-vitro transfection efficiency for its Nuvac DNA vaccine system comparable to industry standard transfection reagents, taking the product a step closer to commercialisation.

Further information on N4 Pharma's agreements with OPAL IP Limited and the University of Queensland are detailed in paragraph 11.2 of Part IX of this document.

Business model/commercialisation strategy

As set out above, N4 Pharma's business can be divided into two divisions.

Each division has a similar business model with different skills required to commercialise these drugs and vaccines respectively.

Drug Reformulation

In the opinion of the N4 Pharma Directors, drug reformulation represents N4 Pharma's most immediately accessible commercial opportunity. This division initiates research and development in order to generate the required clinical proof of concept data for its chosen reformulations. The N4 Pharma Directors believe that this will lead to licensing deals being entered into with pharmaceutical companies. Such deals would typically involve upfront milestone payments and royalty payments to follow in later years and beyond. N4 Pharma outsources its research and development, thereby reducing its overheads.

The N4 Pharma Directors believe that sildenafil, which is currently undergoing in-vitro reformulation is its most advanced opportunity. Once this in-vitro reformulation work is completed, assuming positive results, N4 Pharma will undertake small scale human healthy volunteer clinical trials to demonstrate the reformulated drug's profile in plasma. This will be funded following Completion from the net proceeds of the Capital Raising.

At this stage, N4 Pharma will then seek pre-IND acceptance of the proposed programme from the FDA. The N4 Pharma Directors anticipate that this will be obtained in 2018. Following receipt of FDA clearance, N4 Pharma will seek to enter into an agreement for the licensing of reformulated sildenafil to an appropriate pharmaceutical partner.

Upon entering into such an agreement, the N4 Pharma Directors would expect to receive an upfront payment. The N4 Pharma Directors anticipate that at this point, either the pharmaceutical partner would, at their cost, complete the work needed to secure the marketing authorisation by the relevant regulatory authorities for the product, or make further milestone payments to enable N4 Pharma to complete the work. This additional work is expected to take at least a further 18 months. N4 Pharma is required to pay a proportion of any royalties received to OPAL IP Limited.

Alternatively, the Directors may seek further financing for the Enlarged Group to undertake the additional work itself to maximise Shareholder returns. This could involve the issue of new equity.

N4 Pharma intends to repeat the process described above for other suitable drugs within its IP portfolio as well as seeking to acquire the rights to further patent applications for additional reformulated drugs.

Vaccine Delivery

This division currently comprises N4 Pharma's Nuvac and Nuvec vaccine delivery technology. N4 Pharma is undertaking research to demonstrate that its vaccine delivery systems can protect the vaccine in the body and improve the ability of the vaccine to produce an immune response. It is working with outsourced

experts to develop commercially relevant results which the N4 Pharma Directors consider will allow it to engage with suitable partners. The N4 Pharma Directors expect that these partners would then pay N4 Pharma a license fee to use its delivery system as part of the partners' own vaccine development program.

N4 Pharma is continuing its research programme to demonstrate functionality, transfection efficiency and safety of its technology. Other more detailed studies to evaluate the biodistribution, safety and efficacy of this technology will be carried out during 2017 with the support of a grant from Innovate UK which has already been obtained.

Similar to its drug reformulation division, in the event of any royalties received by N4 Pharma, it is obliged to pay an agreed percentage to the University of Queensland.

IP portfolio

Drug Reformulation

The draft patent applications acquired by N4 Pharma contain broad claims for commercially relevant reformulations of drugs. These applications were prepared by specialists in both pharmaceutical patenting and formulation. Once granted, these patents provide for a wide range of claims that N4 Pharma can deploy for its reformulations.

The patent applications already filed by N4 Pharma cover the following:

- sildenafil – N4 Pharma is seeking to improve the speed at which the drug takes effect whilst also extending its duration of action;
- sartans – a family of drugs known as Angiotension II antagonists, including losartan and valsartan, commonly used for the treatment of hypertension. N4 Pharma is seeking to reduce the impact of an early morning drop in blood pressure which is a cause of many cardiac incidents; and
- aprepitant – an anti-emetic drug used in oncology. N4 Pharma is seeking to improve the speed at which the drug takes effect whilst also extending its duration of action in a manner similar to its reformulated sildenafil.

Typically, N4 Pharma will seek to file a broad range of patent applications to maximise protection for itself whilst providing flexibility for the final chosen formulation following completion of its research and development.

Vaccine Delivery

N4 Pharma has acquired the rights to commercialise two patent applications from the University of Queensland.

Nuvec is an engineered silica nanoparticle, which has been designed for the optimal intracellular delivery of nucleic acids such as plasmid DNA and messenger RNA. Once delivered into target cells in the body, these entities can instruct the cellular machinery to produce proteins which trigger therapeutic or immunological responses to cancer cells. A variant of these particles (Nuvac) has also been designed for the enhanced delivery of subunit vaccines. Nuvac is designed to promote sustained protective immune responses to diseases such as Hepatitis B, the purpose of which is to reduce the number of doses needed for immunity.

N4 Pharma has acquired the exclusive rights to research the commercial potential of these patent applications for sub-unit vaccines in the treatment of Hepatitis B and a range of rare diseases including Dengue virus, Ebola and Zika virus. N4 Pharma has also acquired the exclusive rights to research the commercial application for all pDNA and mRNA applications. Once N4 Pharma has established the relevant commercial potential it can, at any time, sign a licence for these patent applications based upon pre-agreed heads of terms with the University of Queensland.

Addressable Market Size

Drug Reformulation

The N4 Pharma Directors intend to focus on those reformulated drugs which they believe have the potential to achieve gross annual sales of at least £300 million.

Size of Addressable Market for N4 Pharma's existing patent applications

- sildenafil: the erectile dysfunction market had global annual sales of approximately $4.6 billion in 2016 and is expected to fall to $3.2 billion by 2022 due to the anticipated patent expiry of Viagra and Cialis.
- sartans: (Angiotensin II antagonists) for the treatment of hypertension had global annual sales of approximately $11.2 billion in 2015.
- aprepitant: Emend®, an anti-emetic, which operates in the post-surgery and cancer markets, had global annual sales of approximately $550 million in 2016.

Vaccine Delivery

The first sub unit vaccine being investigated by N4 Pharma is a single dose reformulation of the existing Hepatitis B surface antigen vaccine (HBsAg) which had annual sales of approximately $920 million in 2012. The N4 Pharma Directors believe there is a commercial need for a single dose Hepatitis B vaccine. Nuvac is being used to develop this by reformulating the existing HBsAg vaccine.

N4 Pharma is investigating the use of its Nuvec technology in the field of cancer vaccines. Global revenues for the cancer vaccines market are forecast by Global Business Intelligence in their November report "Global Cancer Vaccines Market to 2022" to grow at a CAGR of 16.9 per cent., from $2.5 billion in 2015 to $7.5 billion in 2022. The cancer vaccine pipeline is large with 1,286 products in development in November 2016. This represents a significant market opportunity for Nuvec. The N4 Pharma Directors believe that once the 'proof of concept' data pack has been developed for Nuvec, which is expected to be completed within the next 12 months, business development will commence to establish collaborative research projects with potential partners.

Competition

Drug reformulation

The main competition for the reformulated products will include the original drugs, generic versions of the drug, other products in the therapeutic categories and any other reformulations of these drugs.

For example, in the erectile dysfunction market, Viagra remains a strong brand despite the patent's expiry outside the USA (sales of approximately $1.6 billion in 2016) and Cialis is now the market leader (sales of approximately $2.5 billion in 2016). Generic versions of sildenafil are available - Levitra achieved annual sales of approximately $240 million in 2016. Other tablets have been launched to capture market share, including Stendra, Zydena. and Vitaros, which is applied as a gel. Futura Medical plc, an AIM quoted company, is also developing a gel for erectile dysfunction.

Vaccine Delivery

There are a range of nanoparticle approaches designed to improve vaccine delivery. Silence Therapeutics plc, an AIM quoted company, has developed a lipid based RNA delivery platform. SISAF Limited is using porous silica nanoparticles to improve solubility of drugs.

Midatech Pharma plc, an AIM quoted company, is developing a new approach to autoimmune diseases using gold nanoparticles to target immune cells without affecting the rest of the immune system.

N4 Pharma is investigating the key commercial benefits of its technology to decide how best to compete in this marketplace.

Regulatory environment

When a drug is reformulated, provided it is not changing the indication for that drug, regulatory approval is required by demonstrating that it is pharmacokinetically bio-equivalent to the existing reference drug. In the USA, this process is regulated by the 505(b)2 regulatory pathway; in Europe, this is done via article 10 of the European Directive 2001/83/EC (community code relating to medicinal products for human use) or by using an abridged application. As a result, conducting a clinical study in a large enough sample of patients to show that the reformulated version ultimately delivers the same amount of drug into the body, within recognised defined parameters, as defined in the relevant competent agency guidelines. This means the new application for marketing approval for the reformulated drug does not need to repeat the large scale, safety, toxicity and efficacy studies that accompanied the original drug approval

Consequently, the costs of these studies are estimated by the Directors and the Proposed Directors to be very low (approximately £3 million to £5 million) compared to the cost of developing a new drug, the costs of which would typically exceed £1 billion.

PART IV

RISK FACTORS

The Directors believe that an investment in the Ordinary Shares may be subject to a number of risks. Shareholders and prospective investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including in particular the risks described below (which are not set out in any order of priority), before making any investment decisions. The information below does not purport to be an exhaustive list. Shareholders and prospective investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of information in this document and their personal circumstances.

The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares should only be made by those with the necessary expertise to fully evaluate the investment. Prospective investors are advised to consult an independent adviser authorised under the Financial Services and Markets Act 2000.

If any of the following risks relating to the Enlarged Group were to materialise, the Enlarged Group's business, financial condition and results of future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of its investment. Additional risks and uncertainty not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company or the Enlarged Group.

In addition to the usual risks associated with an investment in any company, the Directors consider the following risk factors to be significant to potential investors.

General risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under the FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decisions to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Risks relating to the Acquisition

There can be no assurances that the Acquisition will complete

Completion of the Acquisition is subject to Shareholders' approval and the Capital Raising being successfully completed.

If the Acquisition does not proceed, Onzima Ventures will have incurred advisory and other costs which it will have to pay in any event.

In the event that the Acquisition is not approved at the General Meeting or for any other reason that Admission does not become effective, admission of the Ordinary Shares to trading on AIM shall be cancelled.

The Enlarged Group may fail to realise the expected benefits of the Acquisition

The Directors believe that the Acquisition will provide strategic and financial benefits for the Enlarged Group. However, there is a risk that the anticipated benefits will fail to materialise, or that they will be less significant than anticipated, and this may have a significant impact on the Enlarged Group's financial condition, result of operations and prospects and/or the price of the Ordinary Shares and the Enlarged Group.

Risks relating to the Enlarged Group's business

The Enlarged Group may be adversely affected by competition

There can be no guarantee that the Enlarged Group's current competitors or new entrants to the market will not appeal to a wider proportion of the Enlarged Group's market or command broader brand awareness. In either case, such companies may have greater financial and marketing resources than the Enlarged Group.

The Enlarged Group is exposed to the risk of litigation from its suppliers, employees and regulatory authorities

The Enlarged Group is exposed to the risk of litigation from its suppliers, employees and regulatory authorities. Exposure to litigation or fines imposed by regulatory authorities may affect the Enlarged Group's reputation even though the monetary consequences may not be significant.

The Enlarged Group will be dependent on certain key executives and personnel

The Enlarged Group has a relatively small senior management team and the loss of any key individual or the inability to attract appropriate personnel could impact upon the Enlarged Group's future performance.

Early Stage of Operations

The Enlarged Group will, when formed, be at an early stage of development. The commencement of the Enlarged Group's material revenues is difficult to predict and there is no guarantee that the Enlarged Group will generate any material revenues in the foreseeable future. The Enlarged Group has a limited operating history upon which its performance and prospects can be evaluated and faces the risks frequently encountered by developing companies. The risks include the uncertainty as to which areas to target for growth. There can be no assurance that the Enlarged Group proposed operations will be profitable or produce a reasonable return, if any, on investment.

The Enlarged Group may be adversely affected by legislation and regulatory changes

This document has been prepared on the basis of current legislation, regulations, rules and practices and the Directors' interpretation thereof. Whilst the Enlarged Group will take every effort to ensure it complies with all applicable legislation, regulations, rules and practices, such interpretation may not be correct and it is always a possibility that legislation, regulations, rules and practices may change. This is especially the case in the pharmaceutical industry which is highly regulated and susceptible to regular change. Any changes to legislation, regulations, rules or practices may have an adverse effect on the Enlarged Group's operations and the returns available on an investment in the Enlarged Group.

Uncertainty obtaining regulatory approvals

The Enlarged Group may need to obtain various regulatory approvals (including from the FDA and EMA) and comply with extensive regulations regarding safety, quality and efficacy standards before it markets and licences its products to pharmaceutical companies.

These regulations vary from country to country and the time required for regulatory review can be lengthy, expensive and uncertain. Whilst efforts have been, and will continue to be, made to ensure compliance with regulatory standards, there is no guarantee that any product will be able to achieve the necessary regulatory approvals and any such approval may include significant restrictions for which the Enlarged Group's products can be used.

In addition, the Enlarged Group may be required to incur significant costs in obtaining or maintaining its regulatory approvals. Delays or failure in obtaining regulatory approval for products could have a material adverse effect on the Enlarged Group's' ability to licence its products which would have a material adverse effect on the financial performance and value of the Enlarged Group.

The Enlarged Group's significant reliance on the protection of its intellectual property

The Enlarged Group's ability to compete significantly relies upon the successful protection of its intellectual property, in particular its patent applications for reformulations of existing drugs, details of which are included in Part III of this Document. The Enlarged Group seeks to protect its intellectual property through the filing of worldwide patent applications, as well as robust confidentiality obligations on its employees. However, this does not provide any assurances that a third party will not infringe on the Enlarged Group's intellectual property, release confidential information about the Enlarged Group's intellectual property or claim technology which is registered to the Enlarged Group.

In addition, there can be no assurances that patents pending or future patent applications will be issued, nor that the lack of any such patents will not have a material adverse effect on the Enlarged Group's business or financial condition.

The Enlarged Group may incur significant costs as a result of intellectual property disputes

In the event that litigation is necessary to protect the Enlarged Group's intellectual property or defend claims of infringement by the Enlarged Group on a third party's intellectual property, it could require the Enlarged Group to commit significant resources to the litigation process and there is no guarantee that the result of such litigation would result in a favourable outcome to the Enlarged Group.

The Enlarged Group's products could infringe intellectual property rights of third parties

The Enlarged Group's products may infringe or may be alleged to infringe existing patents or patents that may be granted in the future which may result in costly litigation and could result in the Enlarged Group having to pay substantial damages or limit the Enlarged Group's ability to commercialise or licence its products.

Because some patent applications in Europe and the United States may be maintained in secrecy until patents are issued, patent applications in Europe and the United States and many foreign jurisdictions are typically not published until 18 months after filing, and publications in scientific literature often lag behind actual developments and discoveries, the Enlarged Group cannot be certain that others have not filed patents that may cover it products or use of its products. As a result, the Enlarged Group may become party to, or threatened with, future adversarial proceedings or litigation regarding patents with respect to its products.

If the Enlarged Group is sued for patent infringement, the Enlarged Group would need to demonstrate that its products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid, and the Enlarged Group may not be able to do this. If the Enlarged Group is found to infringe on a third party's patent, the Enlarged Group could be required to obtain a licence from such third party to continue developing its product or the Enlarged Group may elect to enter into such a licence in order to settle litigation or in order to resolve disputes prior to litigation. It may also have a significant impact on the Enlarged Group's ability to licence one of its products to another pharmaceutical company.

The Enlarged Group, however, may not be able to obtain any required licence on commercially reasonable terms or at all, due to an infringement on a third party's intellectual property. Even if the Enlarged Group is able to obtain a licence, it could be non-exclusive, thereby giving its competitors access to the same technologies or products licenced, and it could require the Enlarged Group to make substantial royalty payments or other licencing fees. The Enlarged Group could also be forced, including by court order, to cease commercialising the infringing product or technology. Claims that the Enlarged Group has misappropriated the confidential information or trade secrets of third parties may also have a similarly negative effect on its business.

Any such claims are likely to be expensive to defend, and some of its competitors may be able to sustain the costs of complex patent litigation more effectively than the Enlarged Group can because they have substantially greater resources. Moreover, even if the Enlarged Group is successful in defending any infringement proceedings, it may incur substantial costs and divert management's time and attention in doing so, which could materially adversely affect the Enlarged Group's business, results of operations or financial condition.

An inability to obtain and enforce adequate intellectual property rights may lead to increased competition

The expiry of certain intellectual property rights or an inability to obtain, maintain, defend or enforce adequate intellectual property rights for drugs developed or being developed by the Enlarged Group may result in additional competition from third parties. In addition, some third parties may have blocking intellectual property rights which could prevent the sale of products developed by the Enlarged Group which could have a material adverse effect on the ability to licence certain products and on revenue received based on milestone and royalty payments.

The Enlarged Group might also develop further technology or products that are not patentable or otherwise protectable. The strength of patents in the pharmaceutical field involves complex legal and scientific questions and can be uncertain. Patents or other rights may not be granted under any pending or future applications filed by the Enlarged Group and any claims allowed might not be sufficiently broad to protect the Enlarged Group's technologies and products from competition. Competitors may also successfully design around key patents held by the Enlarged Group, thereby avoiding a claim of infringement.

The Enlarged Group may not be able to obtain, maintain, defend or enforce the intellectual property rights covering its products

To date, the Enlarged Group has applied for certain patents granted in jurisdictions it considers to be important to its business. However, the Enlarged Group cannot predict:

(a) the degree and range of protection any patents granted will afford against competitors, including whether third parties will find ways to invalidate or otherwise circumvent the patents by developing a competitive product that falls outside its scope;

(b) if, when and where patents will be granted;

(c) that granted patents will not be contested, invalidated or found unenforceable;

(d) whether or not others will obtain patents claiming aspects similar to those covered by the Enlarged Group's patents and patent applications;

(e) whether the Enlarged Group will need to initiate litigation or administrative proceedings, or whether such litigation or proceedings will be initiated by third parties against the Enlarged Group, which may be costly and time consuming; and

(f) whether third parties will claim that the Enlarged Group's technology infringes upon their rights.

Patent protection will be of significant importance to the Enlarged Group in maintaining its competitive position in the reformulation of drugs market and a failure to obtain or retain adequate protection could have a material adverse effect on the Enlarged Group's business, prospects and financial condition.

Changes in patent laws could diminish the value of patents in general, thereby impairing the Enlarged Group's ability to protect its products

The Enlarged Group's success is heavily dependent on its intellectual property, particularly its patent applications. The strength of patents in the pharmaceutical field involves complex legal, factual and scientific questions. In Europe, the United States and many other jurisdictions, patent policy also continues to evolve and the issuance, scope, validity, enforceability and commercial value of the Enlarged Group's patent rights are highly uncertain. This uncertainty includes changes to the patent laws through either legislative action to change statutory patent law or court action that may reinterpret existing laws in ways affecting the scope or validity of issued patents, or both. For example, in the United States, there

have in recent years been several major legislative developments and court decisions that have affected patent laws in significant ways and there may be more developments in the future that may weaken or undermine the Enlarged Group's ability to obtain new patents or to enforce its existing and future patents.

The Enlarged Group has limited geographical protection with respect to its patents and patent applications

The Enlarged Group will not have patent protection if its pending patent applications are granted in all national and regional jurisdictions where such protection may be available for the Enlarged Group's drugs. The Enlarged Group may also decide to abandon national and regional patent applications before grant. In addition, the granting procedure for each national or regional patent is an independent process that may lead to situations in which applications might be refused in some jurisdictions by the relevant registration authorities, while granted by others.

It is also common that depending on the country, the scope of patent protection may vary for the same product. The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in Europe or the United States, meaning business could encounter significant difficulties in protecting and defending such rights in those jurisdictions.

If the Enlarged Group encounters difficulties in protecting, or are otherwise precluded from effectively protecting, intellectual property rights important for the Enlarged Group's businesses in certain jurisdictions, the value of these rights may be diminished and the Enlarged Group may face additional competition from others in those jurisdictions.

The risk of the Enlarged Group not being able to prevent the disclosure of its trade secrets, know-how or other proprietary information

In addition to the Enlarged Group's intellectual property portfolio, certain members of the senior management of the Enlarged Group possess significant amounts of proprietary know-how, and the Enlarged Group relies on trade secret protection to protect its interests in proprietary know-how and in processes which patents are difficult to obtain or enforce. The Enlarged Group may not be able to protect its trade secrets adequately and no assurance can be given that the Enlarged Group has entered into appropriate agreements with all parties that have had access to its confidential information.

There is also no assurance that such agreements will provide meaningful protection of confidential information in the event of any unauthorised use or disclosure of information. Furthermore, the Enlarged Group cannot provide assurances that any of its employees, consultants, contract personnel or third party partners, either accidently or through wilful misconduct, will not cause serious damage to its programmes and/or its strategy by, for example, disclosing confidential information to its competitors.

It is also possible that confidential information could be obtained by third parties as a result of breaches of its physical or electronic security systems. Any disclosure of confidential data into the public domain or to third parties could allow the Enlarged Group's competitors use it in competition against the Enlarged Group.

Risks relating to drug development and new reformulations

Development of the Enlarged Group's targeted reformulations will be a key ongoing activity. However, the Directors cannot guarantee that further drugs will be reformulated, developed, successfully launched, licensed to major pharmaceutical companies, or brought to market. New product development can be a lengthy process and suffer delays, cost overruns and setbacks as yet unforeseen.

There is a high failure rate in the development of pharmaceutical products and there is a substantial risk of adverse, undesirable, unintended or inconclusive results from testing or clinical trials, which may substantially delay, or entirely halt, or make uneconomic, any further development of the Enlarged Group's reformulated drugs and may prevent or limit the commercial use of such products.

In addition, the nature of the pharmaceutical industry may mean novel reformulated products may become obsolete as a result of competition or regulatory changes which could have a material adverse effect on the Enlarged Group's business and financial condition.

If a reformulated drug developed by the Enlarged Group receives regulatory approval, the product will remain subject to ongoing regulatory obligations

If a reformulated drug developed by the Enlarged Group receives regulatory approval in a jurisdiction, regulatory authorities may still impose significant restrictions on the indicated uses or marketing of the product, or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

If the Enlarged Group or a regulatory agency discovers previously unknown problems with a product developed by the Enlarged Group, a regulatory agency may impose restrictions relative to that product, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. This could have a significant adverse effect on the Enlarged Group's business and financial condition should revenues received by the Enlarged Group for developing the product be based on milestone and royalty payments.

The clinical trials process is expensive and time consuming

The Enlarged Group plans to undertake appropriately sized clinical trials based on statistical guidance in healthy human volunteers to generate the data it needs for licensing its reformulated products, such as sildenafil, to large pharmaceutical companies. Many countries, including all members of the EU, the US and Japan, have very high standards of technical appraisal for prescription pharmaceutical products and, accordingly, the clinical trial process is, in most cases, lengthy and therefore expensive. Clinical trials need to be correctly designed to satisfy regulators which can be time-consuming and expensive, and it is not always possible quickly and efficiently to identify a sufficient number of patients who meet the trial criteria. If the cost and timing of the clinical trials exceeds the Director's expectations, this could significantly impact the Enlarged Group's development plan for that product.

If the Enlarged Group experiences delays or difficulties in the enrolment of subjects in clinical studies, its receipts of necessary approvals could be delays or prevented

In future clinical trials, the Enlarged Group or its partners may not be able to locate and enrol a sufficient number of eligible subjects to participate in the trials. Any difficulties in enrolling an sufficient number of subjects for any of the Enlarged Group's, or its partners', clinical trials could result in significant delays and could require the Enlarged Group or its partners to abandon one or more clinical trials altogether. Enrolment delays may result in increased development costs for the Enlarged Group's products and delays in licensing, marketing and commercially launching of the products, if approved. If any of these factors materialise, the Enlarged Group's business, results of operations or financial condition could be materially adversely affected.

Positive results from early clinical studies of the Enlarged Group's products are not necessarily accurate and conclusive

Positive results from early stage clinical studies performed by the Enlarged Group or by a third party for a product developed, or being developed, by the Enlarged Group may not necessarily be predictive of the results from later-stage studies. It is not uncommon in the pharmaceutical industry to suffer significant setbacks in later-stage clinical studies after achieving positive results in early-stage development, and the Enlarged Group cannot be certain that it will not face similar setbacks.

Setbacks can be caused by, among other things, pre-clinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in pre-clinical and clinical studies nonetheless failed to obtain regulatory approval.

If the Enlarged Group fails to produce positive results following a clinical study of one of its products it may be unable to obtain the necessary regulatory approval and/or be unable to licence the product to a pharmaceutical company, which may have a significant adverse effect on the Enlarged Group's business and its financial condition.

The Enlarged Group faces significant competition from pharmaceutical companies and other specialist reformulation companies

The Enlarged Group has competitors internationally, including other specialist reformulation companies, major pharmaceutical companies reformulating drugs themselves, as well as universities and other research institutions.

Many of the Enlarged Group's competitors have substantially greater financial, technical and other resources, such as more advanced research facilities, as well as, in the case of specialist reformulation companies, long term ties to major pharmaceutical companies. The Enlarged Group's competitors may also succeed developing and licencing drug products that are more effective or less costly than products which the Enlarged Group is currently developing or which it may develop in the future.

Risks relating to the Ordinary Shares

The value of the Ordinary Shares may decrease as well as increase and there may be volatility in the price of the Ordinary Shares

The Issue Price may not be indicative of the market price for the Ordinary Shares following Admission. The market price of the Ordinary Shares could be volatile and subject to significant fluctuations due to a variety of factors, including changes in sentiment in the market regarding the Enlarged Group, the Enlarged Group's sector or equities generally, any regulatory changes affecting the Enlarged Group's operations, variations in the Enlarged Group's operating results and/or business developments of the Enlarged Group and/or its competitors, the actual operating and share price performance of other companies in the industries and markets in which the Enlarged Group operates, news reports relating to trends in the Enlarged Group's markets or the wider economy and the publication of research analysts' reports regarding the Enlarged Group or the sector generally, actual or anticipated fluctuations in the Enlarged Group's operating performance, termination of contracts by partners, announcements of developments by existing and future competitors, changes in the Enlarged Group's key personnel or potential litigation.

Trading and performance of the Ordinary Shares may not meet the expectations of investors

The AIM Rules for Companies 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 the 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.

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

Certain existing 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 affect 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 Enlarged Group may undertake a public or private offering of Ordinary Shares. The Enlarged Group cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Enlarged Group's existing shareholders were to sell, or the Enlarged Group

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 Enlarged Group's existing Shareholders could also make it more difficult for the Enlarged Group to sell equity securities in the future at a time and price that it deems appropriate.

The Enlarged Group 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 Enlarged Group 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 Enlarged Group may also issue Ordinary Shares as consideration shares on acquisitions or investments which would also dilute Shareholders' respective shareholdings.

Conditions of the Proposals

The Proposals are subject to certain conditions including the need for Shareholder approval in connection with the Acquisition and the Capital Raising, the non-fulfilment of which would mean that certain aspects of the Proposals (including the Capital Raising and the Acquisition) could not be implemented and that the Company would have to bear the abortive costs of the Proposals.

Dividends

There can be no assurance as to the level of any future dividends. The declaration, payment and amount of any future dividends of the Enlarged Group are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, amongst other things, the Enlarged Group'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.

The Company is primarily seeking to achieve capital growth for its Shareholders. It is the Board's intention during the current phase of the Enlarged Group's development to retain future distributable profits from the business, to the extent any are generated. The Directors do not anticipate declaring any dividends in the foreseeable future.

Investment Risk

Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of the Ordinary Shares at all times. An investment in a share which is traded on AIM, such as the Ordinary Shares, is likely to be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend upon there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Enlarged Group and he/she may lose all his/her investment. The Ordinary Shares therefore may not be suitable as a short-term investment.

Taxation

The attention of Shareholders and potential investors is drawn to paragraph 20 of Part IX of this document headed "Taxation". The tax rules and their interpretation relating to an investment in the Enlarged Group may change during its life.

Any change in the Enlarged Group's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Enlarged Group or the Enlarged Group's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of the Enlarged Group and its investors are based upon current tax law and practice which is, in principle, subject to change.

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 Board 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.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Enlarged Group 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 V

PATENT ATTORNEY'S REPORT

J A · K E M P

The Directors
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EC3V 0HR

The Directors
Stockdale Securities Limited
Beaufort House
15 St. Botolph Street
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EC3A 7BB

13 April 2017

Dear Sirs

ONZIMA VENTURES PLC

1. Introduction

This is a report dealing with patent and trade mark rights which are relevant to N4 Pharma Limited ("N4").

J A Kemp was approached by N4 and Onzima Ventures Plc in relation to providing this report in connection with Onzima Ventures Plc's proposed reverse takeover of N4 Pharma Limited. J A Kemp was subsequently instructed formally by Onzima Ventures Plc to provide this report. To date, J A Kemp has not handled any of N4's patent or trade mark cases. J A Kemp did not therefore draft or file any of N4's patent or trade mark applications and has not to date acted for N4 in progressing the patent applications towards obtaining granted patents, or in obtaining registered trade marks, for N4.

J A Kemp is a professional partnership of patent and trade mark attorneys in private practice. Thirty three of the partners and all of the fully qualified patent technical assistants are Chartered Patent Attorneys, entitled to practice before the United Kingdom Patent Office and to appear before certain courts in the United Kingdom. They are also European Patent Attorneys entitled to represent clients before the European Patent Office in Munich. Five of the partners are qualified as UK Trade Mark Attorneys and as European Trade Mark Professional Representatives. In addition, four of the partners are qualified solicitors, one of whom is also a Chartered Patent Attorney, another of whom is also a UK Trade Mark Attorney and another of whom is also a barrister.

J A Kemp is composed of thirty nine partners and many technical assistants. A significant part of the firm's patent practice is in the fields of chemistry and biochemistry. All those working in these areas have degrees in chemistry, biochemistry and/or biology, and many have doctorates in these disciplines. The firm has wide experience over many years in advising British and overseas clients, including major chemical companies, on all aspects of intellectual property.

PATENT ATTORNEYS • TRADE MARK ATTORNEYS
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A list of our partners is available at our principal place of business at the address above. Regulated by IPREG

2. The Patent System

Patents are national rights in respect of inventions granted under the legislation of most countries of the world. In principle a valid patent, when granted, confers upon the holder a right in the country concerned to stop others from carrying out the patented invention without his permission. This right is generally enforceable by court proceedings. The right conferred by a patent is a limited one. It is limited to the country for which it has been granted. It is of limited duration and is usually subject to payment of annual fees. It does not give the owner a positive right to practise the patented invention, since to do so may infringe the patent rights of others. The holder of a patent may, in general, grant licences under the patent.

Obtaining a patent in the United Kingdom and most other countries is a complex matter. It involves the initial filing of a patent application with the appropriate authorities. The patent application may be filed at the national Patent Office of the country in question. In some countries, including the UK, the patent application may alternatively be filed under the auspices of an international convention such as the Patent Cooperation Treaty (PCT) or the European Patent Convention (EPC). Thereafter the applicant will have to comply with the requirements of the applicable legislation for the grant of a patent. This is usually a lengthy process. It may take several years and success cannot be guaranteed.

A European patent application filed now under the EPC will, when granted, become a bundle of national patents in any or all of the EPC contracting states. The initial application, made to the European Patent Office (EPO) must designate the EPC contracting states of interest and is centrally searched and examined. This involves an EPO Examiner searching for potentially relevant prior publications, both patent documents and non-patent literature, in similar fields to the invention, and considering whether these render the invention old or otherwise unpatentable. The Examiner may then raise objections to the grant of a patent. The applicant will have to answer these objections, if he can, to the satisfaction of the Examiner. It will frequently be necessary to narrow the scope of the invention he seeks to patent. If the invention is considered patentable the application will be granted by the EPO. It can then be made effective as a national patent in any or all of the EPC states designated in the application as filed. Each resulting national patent will then be enforceable under local law in the European country in question.

When broader territorial coverage is required an international application can be filed under the Patent Cooperation Treaty (PCT). This is administered by the World International Property Organisation (WIPO) based in Geneva, Switzerland. The centralised PCT procedure allows applicants for patents to file a single application designating those member states of the PCT in which patent protection is desired. Over one hundred and fifty countries worldwide are currently members of the PCT including the United States, Japan, the EPC contracting states and other European countries. A PCT application is subjected to a search and, if desired, a preliminary examination. After that the PCT application ceases to be a single application. It is converted instead into a bundle of separate “national phase” or “regional phase” applications in the designated PCT territories of interest. Each national or regional phase application is treated separately. A final decision on patentability for each application is taken by the national patent office, or regional office such as the EPO, in question.

The filing of a patent application is frequently a two-stage process. The Paris Convention for the Protection of Industrial Property provides that, if a patent application is filed in one of the contracting states to that Convention, further applications for the same invention may be filed up to one year later in other contracting states and be treated for most purposes as if they had been filed on the date of the first application. The further applications may, for instance, be filed as PCT applications or as European patent applications under the EPC. This system of establishing a so-called priority date, and then filing worldwide within one year of that priority date, has the practical consequence of allowing an applicant for a patent to file a single application initially and then to consider, over the course of the next twelve months, the territorial extent of coverage which is required for the invention. It also allows further developmental work to be carried out on the invention which can then be included in the final patent application(s) filed.

In most countries patent applications are published eighteen months from the priority date. This publication may be the first opportunity that interested third parties will have to read details of the invention.

If a patent application is considered to have met the relevant statutory requirements, a patent will be granted. However, the possession of a patent granted by a Patent Office does not guarantee that the patent is valid and enforceable. It is open to third parties after patent grant (and before grant in some countries) to assert that the patent should not have been granted and to obtain revocation of the grant or refusal of the patent application as the case may be. Once granted, patents in most countries last for twenty years from the filing date in that country provided that statutory renewal fees, necessary to maintain the patent in force, are paid. In most countries such fees are due annually.

Some countries provide for extended protection, in certain circumstances, beyond expiry of the normal patent term. One of the commonest reasons for the availability of such extended protection is the length of time taken by drug regulatory authorities to grant marketing authorisation for a medicinal product. In addition, the US Patent Office has the discretion to adjust the term of an issued US patent by adding extra days to compensate for delays in prosecution.

3. The Trade Mark System

Trade marks are signs under which an undertaking offers, in the course of trade, goods or services to third parties. In most countries, there is legislation which provides for a system of registration in respect of such signs. In principle, obtaining a trade mark registration provides the owner with the exclusive right to use the protected mark in respect of the goods and/or services for which it is registered. However, in the same way that patents are limited rights, so too are trade marks. The most fundamental limitation is that the rights conferred by a trade mark registration are restricted to the country (or countries) in which the mark is protected (i.e. the country or countries to which the registration extends). By way of example, a national UK trade mark registration confers rights throughout the United Kingdom only, whilst a 'supra-national' European Union trade mark registration confers rights in all Member States of the EU. A further limitation is that rights are defined by the goods and/or services contained in the specification which forms part of the registration.

In very broad terms, the process associated with obtaining a trade mark registration is the same in most countries. For example, in the UK, in order to obtain a national (UK) trade mark registration it is necessary to prepare and file paperwork with the United Kingdom Intellectual Property Office (UKIPO), providing details of the mark and the goods and/or services in respect of which registration is sought. Details of the applicant and their address must also be provided, together with payment of an official fee. Where further national registrations are sought, separate applications will be required in each country of interest. Alternatively, as mentioned above, it is possible to obtain supra-national registrations, which provide unitary rights in more than one country under a single registration. In the further alternative, use can be made of the (Madrid) international system, which is administered by the World Intellectual Property Organization in Geneva. There are however qualification requirements which must be satisfied, namely, that the applicant must (i) have a real and effective industrial or commercial establishment in a contracting party (i.e. a business premises in a country which is a member of the Madrid Protocol or Madrid Agreement), (ii) be domiciled in a contracting party, or (iii) be a national of a contracting party. International applications must also be based on an existing application or registration in a country where the applicant fulfils the qualification requirement referred to above. The applicant must designate the individual countries in which protection is sought, where separate Examination processes will be carried out by the respective national Trade Mark Offices.

In respect of national trade mark applications, the process of Examination differs between countries. In many cases, it will involve primarily an Examination on 'absolute grounds' (relating to the mark's inherent qualities, assessed by reference to the goods / services for which registration is sought) and on 'relative grounds' (an assessment as to whether the mark is acceptable for registration, *relative* to earlier marks which are protected in the relevant jurisdiction). The specification of goods and / or services included in the application (which defines the scope of the trade mark owner's rights) will also be Examined in order to ensure that the descriptions used comply with local assessment criteria. In the UK, provided that no official objections are raised, the mark will be published for opposition purposes, allowing third parties an opportunity to object to the application's registration. In some countries, the opposition period occurs post-registration. Commonly, trade mark registrations are valid for an initial period of 10 years and, upon payment of renewal fees at subsequent 10 year intervals, can be renewed indefinitely.

4. Background to N4 Pharma Limited, its Products and its IP Strategy

4.1 *Background to N4 Pharma Limited*

N4 Pharma Limited ("N4") is a drug reformulation company focused on developing and out-licensing new versions of existing medicines in order to improve their performance and extend product patent lifecycle.

4.2 *Products*

We understand that N4 is currently developing new products based on, and in some cases new uses for, the following active pharmaceutical ingredients ("APIs"): sildenafil, losartan, valsartan, tadalafil and aprepitant.

In relation to sildenafil, we understand that N4 is developing faster-acting and longer-lasting forms and formulations of sildenafil, for use in treating sexual dysfunction and in particular male erectile dysfunction. We understand that advantageous forms and formulations are also being developed by N4 in relation to the other four APIs, losartan, valsartan, tadalafil and aprepitant.

In addition to developing new products in relation to the abovementioned APIs, N4 has two platform technology products. Both of those products are delivery systems that, we understand, allow the performance of a drug to be improved.

The first of the delivery system platform technologies is called "Nuvac". According to N4, Nuvac is a nano-carrier delivery system for vaccines whereby the antigen for the vaccine is loaded into tiny nano-sized hollow silica vesicles with a relatively large internal cavity to accommodate high antigen loading, and a thin porous shell for sustained release of the antigen.

The second of N4's platform delivery system technologies is called "Nuvec", which is said by N4 to be an engineered silica nanoparticle, designed for the intracellular delivery of large nucleic acids such as plasmid DNA (pDNA) and messenger RNA (mRNA).

4.3 *N4's IP Strategy in relation to sildenafil, losartan, valsartan, tadalafil and aprepitant*

In relation to the APIs sildenafil, losartan, valsartan, tadalafil and aprepitant, we are advised that N4 has taken assignment of five families of patent applications, one family relating to each API, from a company called Opal IP Limited. The patent applications in question are detailed hereinbelow under the heading "N4's patent portfolio".

Opal IP Limited was incorporated in 2016 and has its registered address at 28 Edenside, Cumbernauld, Glasgow, Scotland, G68 0ER, United Kingdom. We understand that Opal IP Limited was set up to commercialise the reformulation or repurposing of known pharmaceutical compounds, by filing patent applications directed towards new forms, formulations and medical uses of the known pharmaceutical compounds.

For each API, sildenafil, losartan, valsartan, tadalafil and aprepitant, there is a "master" UK patent application, which describes, in general terms, a wide range of forms, formulations and uses of the API in question, and explains the envisaged advantages thereof. Specific examples of such forms, formulations and uses are also typically mentioned in the patent application.

N4 comments that the strategy of filing a broad "master" patent application at the outset for each API provides flexibility, on the basis that the disclosure in the application of a variety of forms, formulations and uses should establish a priority date for a variety of innovations in relation to each API. N4 comments that each patent application can be focussed, in future, on specific inventions in relation to each API (which may be different for each API) that are in due course exemplified experimentally and are of commercial interest.

For each of the APIs except aprepitant, there are one or more further UK applications in the family in addition to the master application. N4 advises that each of these further applications is focused on a "specific opportunity" in relation to the API in question, for example a specific kind of form, formulation or use of the API, as opposed to a wide range of such forms, formulations and uses as described in the master UK patent application.

Each of the master and further patent applications was filed at the UK Intellectual Property Office (UKIPO) in order to establish a priority date for the subject matter described in the patent application. We understand that N4's current intention is to file a PCT application for each API, which claims priority from the master patent application in the family for that API, within 12 months of the earliest priority date in the family. The PCT application for each API may or may not also claim priority from one or more of the other UK applications in the family, where applicable, and may or may not also include contents of those one or more other UK applications. The extent to which this occurs will likely depend on the outcome of developmental work that we understand is being carried out during the priority year, and the extent to which that development work relates to the technology described in the one or more other UK applications.

We understand that developmental work is being carried out in relation to each API, an aim of which is to provide experimental exemplification of various forms, formulations and uses of the API that are described in the master patent application, and to provide experimental data which support the utility and advantages of those forms and formulations as described in the master patent application. The intention is to include such exemplification and experimental data for each API into the PCT application for that API prior to filing the PCT application. N4 understands that the inclusion of such exemplification and data into the PCT application could be critical for successfully obtaining granted patents.

None of the UK patent applications currently includes claims, i.e. paragraphs which define the subject matter for which patent protection is sought. This, we understand, was deliberate, and part of a strategy designed to provide flexibility in terms of allowing the applicant to decide later (at the 12-month stage) what claims to pursue, depending on the outcome of developmental work carried out during the priority year.

We understand that claims will therefore be drafted for inclusion into the PCT application for each API, prior to filing the PCT application by the end of the 12-month priority period, and that the claims will be drafted in light of further developmental work carried out during the priority year and will include claims that focus on commercially interesting aspects of the invention that are exemplified and supported by experimental results.

After each of the PCT applications has been filed we understand that N4 will continue to review its developmental work in relation to each of the APIs, and ensure that any commercially interesting developments of the technology that arise from the work are made the subject of further patent applications. N4 intends to file a number of such further patent applications, to cover a range of technologies in relation to each API, prior to the publication of the first of the PCT applications.

In this way, N4 intends to build up a portfolio of patents covering a variety of technological advances in relation to each of the aforementioned APIs.

4.4 ***N4's IP Strategy in relation to the Nuvac and Nuvec technologies***

We are advised that N4 has licenses, from The University of Queensland, under two patent families which relate to the Nuvac and Nuvec technologies respectively. The patent families in question are discussed under the heading below "N4's patent portfolio". N4 hopes that the patent applications in these families will result in granted patents that cover the Nuvac and Nuvec technologies.

5. Summary of N4's Patent Applications

We understand that N4 currently owns or has licenses under seven patent families, a family being one or more patents or patent applications in one or more countries relating to a particular invention or subject matter area.

The seven patent families relate to the following subject matter areas respectively: (i) formulations of sildenafil, (ii) formulations of losartan, (iii) formulations of valsartan, (iv) amorphous and crystalline forms of tadalafil, (v) formulations of aprepitant, (vi) method of synthesis of silica vesicles and use thereof (the "Nuvac" technology) and (vii) composition, particulate materials and methods for making particulate materials (the "Nuvec" technology).

Details of each of these patent families are set out under the heading "N4's patent portfolio" below, including bibliographical details for each application, details of the status of each application, a summary of the technical subject matter covered by each patent family, and a discussion of the prosecution thus far for each patent family.

6. N4's patent portfolio

6.1 *Formulations of sildenafil*

This family contains 45 pending UK patent applications relating to various forms, formulations and uses of the drug sildenafil. N4 Pharma Limited is identified as the applicant at the UK Intellectual Property Office (UKIPO), for each patent application in this family. We are advised that the patent applications in this family are currently owned by N4 Pharma Limited, by virtue of an assignment dated 1 April 2016 from Opal IP Limited. J A Kemp has not looked into the questions of who the inventors are and how Opal IP Limited derived ownership from the inventors.

Details of each application in this family are provided in the following table. After the table follows a summary of the technical subject matter described in UK patent application no. 1605714.3, which is referred to by N4 Pharma Limited as the "master patent application" of the family, and comments on the prosecution history of the family thus far. The master patent application is detailed in row number 1 of the following table.

Row no.	*Title*	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
1	sildenafil for treatment of tourettes syndrome*	UK	GB1605714.3	N4 Pharma Ltd	Pending	2 April 2016
2	sildenafil dicarboxylic acid salts 2	UK	GB1605684.8	N4 Pharma Ltd	Pending	2 April 2016
3	sildenafil substituted carboxylic acid salts 2	UK	GB1605685.5	N4 Pharma Ltd	Pending	2 April 2016
4	sildenafil monocarboxylic acid salts 2	UK	GB1605686.3	N4 Pharma Ltd	Pending	2 April 2016
5	sildenafil cyclamate salts	UK	GB1605687.1	N4 Pharma Ltd	Pending	2 April 2016
6	sildenafil ion exchange resin salts	UK	GB1605688.9	N4 Pharma Ltd	Pending	2 April 2016
7	sildenafil sulfonic acid salts 2	UK	GB1605689.7	N4 Pharma Ltd	Pending	2 April 2016
8	sildenafil free base	UK	GB1605690.5	N4 Pharma Ltd	Pending	2 April 2016
9	sildenafil tri-terta-hexacarboxylic acid salts	UK	GB1605691.3	N4 Pharma Ltd	Pending	2 April 2016
10	sildenafil substituted carboxylic acid salts	UK	GB1605692.1	N4 Pharma Ltd	Pending	2 April 2016
11	sildenafil monocaboxylic acid salts	UK	GB1605693.9	N4 Pharma Ltd	Pending	2 April 2016
12	sildenafil dicarboxylic acid salts	UK	GB1605694.7	N4 Pharma Ltd	Pending	2 April 2016
13	sildenafil sulfonic acid salts	UK	GB1605695.4	N4 Pharma Ltd	Pending	2 April 2016

Row no.	*Title*	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
14	sildenafil strong mineral acid salts	UK	GB1605696.2	N4 Pharma Ltd	Pending	2 April 2016
15	sildenafil glycyrrhizate salts	UK	GB1605697.0	N4 Pharma Ltd	Pending	2 April 2016
16	sildenafil long chain fatty acid salts	UK	GB1605698.8	N4 Pharma Ltd	Pending	2 April 2016
17	sildenafil for treatment of Creutzfeldt-Jakob disease (CJD)	UK	GB1605705.1	N4 Pharma Ltd	Pending	2 April 2016
18	sildenafil for treatment of epilepsy	UK	GB1605706.9	N4 Pharma Ltd	Pending	2 April 2016
19	sildenafil for treatment of bipolar disorder	UK	GB1605707.7	N4 Pharma Ltd	Pending	2 April 2016
20	sildenafil for treatment of substance abuse	UK	GB1605708.5	N4 Pharma Ltd	Pending	2 April 2016
21	sildenafil for treatment of alzheimer's disease, parkinson's disease	UK	GB1605709.3	N4 Pharma Ltd	Pending	2 April 2016
22	sildenafil for treatment of migraine	UK	GB1605710.1	N4 Pharma Ltd	Pending	2 April 2016
23	sildenafil for treatment of veterinary sexual disinterest and erectile dysfunction	UK	GB1605711.9	N4 Pharma Ltd	Pending	2 April 2016
24	sildenafil for treatment of depression and/or anxiety	UK	GB1605712.7	N4 Pharma Ltd	Pending	2 April 2016
25	sildenafil for treatment of diabetic complications	UK	GB1605713.5	N4 Pharma Ltd	Pending	2 April 2016
26	sildenafil cyclodextrin inclusion complexes	UK	GB1605716.8	N4 Pharma Ltd	Pending	2 April 2016
27	sildenafil for treatment of angina pectoris	UK	GB1605717.6	N4 Pharma Ltd	Pending	2 April 2016
28	sildenafil for treatment of angioneurotic oedema	UK	GB1605718.4	N4 Pharma Ltd	Pending	2 April 2016
29	sildenafil for treatment of aneurysm	UK	GB1605719.2	N4 Pharma Ltd	Pending	2 April 2016

Row no.	*Title*	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
30	sildenafil for treatment of atherosclerosis, vascular dementia and/or intermittent claudication	UK	GB1605720.0	N4 Pharma Ltd	Pending	2 April 2016
31	sildenafil for treatment of arrhythmia, tachycardia, bradycardia, fibrillation,long QT syndrome, Wolff Parkinson syndrome	UK	GB1605721.8	N4 Pharma Ltd	Pending	2 April 2016
32	sildenafil for treatment of post traumatic stress disorder (PTSD)	UK	GB1605722.6	N4 Pharma Ltd	Pending	2 April 2016
33	sildenafil for treatment of Multiple Sclerosis	UK	GB1605723.4	N4 Pharma Ltd	Pending	2 April 2016
34	sildenafil for treatment of lewy body dementia	UK	GB1605724.2	N4 Pharma Ltd	Pending	2 April 2016
35	sildenafil for treatment of Huntington's disease	UK	GB1605725.9	N4 Pharma Ltd	Pending	2 April 2016
36	Novel formulations of sildenafil	UK	GB1605727.5	N4 Pharma Ltd	Pending	2 April 2016
37	sildenafil for treatment of Behcet's syndrome, Churg-Strauss syndrome, Mucocutaneous lymph node syndrome (Kawasaki disease), Phlebitis,	UK	GB1605728.3	N4 Pharma Ltd	Pending	2 April 2016

Row no.	*Title*	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
38	sildenafil for treatment of Alagille syndrome, Ebstein's Anomaly, Eisenmenger syndrome, Hypoplastic left heart syndrome (HLHS), Tetralogy of Fallot	UK	GB1605729.1	N4 Pharma Ltd	Pending	2 April 2016
39	sildenafil for treatment of acute myocardial infarction, myocardial ischemia and metabolic syndrome X	UK	GB1605730.9	N4 Pharma Ltd	Pending	2 April 2016
40	sildenafil for treatment of hypertension, portal hypertension and/or pulmonary hypertension	UK	GB1605732.5	N4 Pharma Ltd	Pending	2 April 2016
41	sildenafil for treatment of heart valve diseases	UK	GB1605733.3	N4 Pharma Ltd	Pending	2 April 2016
42	sildenafil for treatment of Attention Deficit Hyperactivity Disorder (ADHD), Cognitive dysfunction	UK	GB1605734.1	N4 Pharma Ltd	Pending	2 April 2016
43	sildenafil for treatment of tourettes syndrome	UK	GB1605735.8	N4 Pharma Ltd	Pending	2 April 2016
44	sildenafil for treatment of social anxiety disorder	UK	GB1605736.6	N4 Pharma Ltd	Pending	2 April 2016
45	sildenafil for treatment of schizophrenia	UK	GB1605737.4	N4 Pharma Ltd	Pending	2 April 2016

* The title of UK patent application no. 1605714.3, as shown in row 1 of the above table and the UKIPO patents journal, is not indicative of the subject matter to which the patent application relates

Summary of Technical Subject Matter to which the Master Patent Application Relates

The master patent application, UK patent application no. 1605714.3, relates to particular forms and formulations of sildenafil and their use in the treatment of male sexual dysfunction, with the aim of providing superior properties compared to forms and formulations of sildenafil that are currently on the market. The superior properties are said to include quicker onset of action and increased duration of effect.

Comments on Prosecution History Thus Far

The patent applications in this family were filed on 2 April 2016, are currently pending before the UKIPO, and have not yet been published. We understand that none of the applications in the family was filed with claims, or with a request for a prior art search, and consequently that no search report has been issued by the UKIPO in respect of any of the patent applications to date. The deadline for filing one or more further patent applications, for instance a PCT application, which claim priority from any patent application in this family, is 2 April 2017.

6.2 ***Formulations of losartan***

This family contains 17 pending UK patent applications relating to various forms, formulations and uses of the drug losartan. N4 Pharma Limited is identified as the applicant at the UKIPO, for each of the patent applications in this family. We are advised that the patent applications in this family are currently owned by N4 Pharma Limited, by virtue of an assignment dated 4 July 2016 from Opal IP Limited. J A Kemp has not looked into the questions of who the inventors are and how Opal IP Limited derived ownership from the inventors.

Details of each application in this family are provided in the following table. After the table follows a summary of the technical subject matter described in UK patent application no. 1611623.8, which is referred to by N4 Pharma Limited as the "master patent application" of the family, and comments on the prosecution history of this family thus far. The master patent application is detailed in row number 1 of the following table.

Row no.	*Title*	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
1	Novel formulations of losartan	UK	GB1611623.8	N4 Pharma Ltd	Pending	1 July 2016
2	losartan sulfonic and sulfonic acids	UK	GB1611615.4	N4 Pharma Ltd	Pending	1 July 2016
3	losartan sulfonic acids	UK	GB1611616.2	N4 Pharma Ltd	Pending	1 July 2016
4	losartan tosylate	UK	GB1611617.0	N4 Pharma Ltd	Pending	1 July 2016
5	Tetraalkylammonium losartan salts	UK	GB1611618.8	N4 Pharma Ltd	Pending	1 July 2016
6	Novel formulations of losartan	UK	GB1611619.6	N4 Pharma Ltd	Pending	1 July 2016
7	losartan neutral	UK	GB1611622.0	N4 Pharma Ltd	Pending	1 July 2016
8	losartan mineral acid salts	UK	GB1611624.6	N4 Pharma Ltd	Pending	1 July 2016
9	losartan hydrochloride	UK	GB1611625.3	N4 Pharma Ltd	Pending	1 July 2016
10	losartan hydrobromide	UK	GB1611627.9	N4 Pharma Ltd	Pending	1 July 2016
11	losartan metals except potassium	UK	GB1611628.7	N4 Pharma Ltd	Pending	1 July 2016
12	losartan potassium	UK	GB1611640.2	N4 Pharma Ltd	Pending	1 July 2016
13	losartan amine salts	UK	GB1611641.0	N4 Pharma Ltd	Pending	1 July 2016
14	losartan amine salts 2	UK	GB1611642.8	N4 Pharma Ltd	Pending	1 July 2016
15	losartan diamine, triamine and tetramine salts	UK	GB1611643.6	N4 Pharma Ltd	Pending	1 July 2016
16	losartan cyclamate	UK	GB1611644.4	N4 Pharma Ltd	Pending	1 July 2016
17	losartan ion exchange	UK	GB1611645.1	N4 Pharma Ltd	Pending	1 July 2016

Summary of Technical Subject Matter to which the Master Patent Application Relates

The master patent application, UK patent application no. 1611623.8, relates to particular forms of losartan, their preparation, and their medical uses.

Comments on Prosecution History Thus Far

The patent applications in this family, including the master patent application, were filed on 1 July 2016, are currently pending before the UKIPO, and have not yet been published. We understand that none of the applications in the family was filed with claims, or with a request for a prior art search, and consequently that no search report has been issued by the UKIPO in respect of any of the patent applications to date. The deadline for filing one or more further patent applications, for instance a PCT application, which claim priority from any patent application in this family, is 1 July 2017.

6.3 ***Formulations of valsartan***

This family contains 12 pending UK patent applications relating to various forms, formulations and uses of the drug valsartan. N4 Pharma Limited is identified as the applicant at the UKIPO, for each of the patent applications in this family. We are advised that the patent applications in this family are currently owned by N4 Pharma Limited, by virtue of an assignment dated 4 July 2016 from Opal IP Limited. J A Kemp has not looked into the questions of who the inventors are and how Opal IP Limited derived ownership from the inventors.

Details of each application in this family are provided in the following table. After the table follows a summary of the technical subject matter described in UK patent application no. 1611620.4, which is referred to by N4 Pharma Limited as the "master patent application" of the family, and comments on the prosecution history of this family thus far. The master patent application is detailed in row number 1 of the following table.

Row no.	*Title*	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
1	Novel formulations of valsartan	UK	GB1611620.4	N4 Pharma Ltd	Pending	1 July 2016
2	Novel formulations of valsartan	UK	GB1611600.6	N4 Pharma Ltd	Pending	1 July 2016
3	valsartan with cyclodextrins	UK	GB1611601.4	N4 Pharma Ltd	Pending	1 July 2016
4	valsartan salts with metals	UK	GB1611602.2	N4 Pharma Ltd	Pending	1 July 2016
5	valsartan potassium salts	UK	GB1611603.0	N4 Pharma Ltd	Pending	1 July 2016
6	Amorphous, crystalline and liquid sodium valsartan	UK	GB1611604.8	N4 Pharma Ltd	Pending	1 July 2016
7	Amorphous, crystalline and liquid valsartan	UK	GB1611607.1	N4 Pharma Ltd	Pending	1 July 2016
8	valsartan amine salts	UK	GB1611608.9	N4 Pharma Ltd	Pending	1 July 2016
9	valsartan amine salts	UK	GB1611609.7	N4 Pharma Ltd	Pending	1 July 2016
10	valsartan diamine, triamine and tetramine salts	UK	GB1611610.5	N4 Pharma Ltd	Pending	1 July 2016
11	Tetraalkylammonium valsartan salts	UK	GB1611611.3	N4 Pharma Ltd	Pending	1 July 2016
12	valsart ion-exchange resins	UK	GB1611612.1	N4 Pharma Ltd	Pending	1 July 2016

Summary of Technical Subject Matter to which the Master Patent Application Relates

The master patent application, UK patent application no. 1611620.4, relates to particular forms of valsartan, their preparation, and their medical uses.

Comments on Prosecution History Thus Far

The patent applications in this family were filed on 1 July 2016 and are currently pending before the UKIPO. We understand that none of the applications in the family were filed with claims, or with a request for a prior art search, and consequently that no search report has been issued by the UKIPO in respect of any of the patent applications to date. The deadline for filing one or more further patent applications, for instance a PCT application, which claim priority from any patent application in this family, is 1 July 2017.

6.4 ***Amorphous and crystalline forms of tadalafil***

This family contains two pending UK patent applications relating to various forms, formulations and uses of the drug tadalafil. N4 Pharma Limited is identified as the applicant at the UK Intellectual Property Office, for each of the patent applications in this family.

Details of each application in this family are provided in the following table. After the table follows a summary of the technical subject matter described in UK patent application no. 1612717.7, which is referred to by N4 Pharma Limited as the "master patent application" of the family, and comments on the prosecution history of this family thus far. The master patent application is detailed in row number 1 of the following table.

Row no.	*Title*	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
1	Amorphous and crystaline forms of tadalfil	UK	GB1612717.7	N4 Pharma Ltd	Pending	22 July 2016
2	Tadalafil with cyclodextrins	UK	GB1612718.5	N4 Pharma Ltd	Pending	16 July 2016

Summary of Technical Subject Matter to which the Master Patent Application Relates

The master patent application, UK patent application no. 1612717.7, relates to particular forms and formulations of tadalafil, their preparation, and their medical uses.

Comments on Prosecution History Thus Far

The patent applications in this family were filed in July 2016 and are currently pending before the UKIPO. We understand that neither of the applications in the family was filed with claims, or with a request for a prior art search, and consequently that no search report has been issued by the UKIPO in respect of any of the patent applications to date. The deadline for filing one or more further patent applications, for instance a PCT application, which claim priority from the master patent application in this family, is 22 July 2017. However, if such applications are also to claim priority from the other application in the family, the priority-claiming applications will need to be filed by 16 July 2017.

6.5 ***Formulations of aprepitant***

This family contains a pending UK patent application relating to various forms, formulations and uses of the drug aprepitant. N4 Pharma Limited is identified as the applicant at the UK Intellectual Property Office. We are advised that the patent application in this family is currently owned by N4 Pharma Limited, by virtue of an assignment dated 19 December 2016 from Opal IP Limited. J A Kemp has not looked into the questions of who the inventors are and how Opal IP Limited derived ownership from the inventors. Details of the application are provided in the following table.

Title	*Country*	*Application Number*	*Applicant on UKIPO register*	*Status*	*Filing date*
Novel formulations of aprepitant	UK	GB1621867.9	N4 Pharma Ltd	Pending	21 December 2016

Summary of Technical Subject Matter to which the Patent Application Relates

UK patent application no. 1621867.9, relates to "uses, combinations and product line extenders relating to aprepitant".

Comments on Prosecution History Thus Far

The sole patent application in this family is currently pending before the UKIPO. No search report has been issued by the UKIPO in respect of the patent application to date because application was not filed with claims or a request for a prior art search. The deadline for filing one or more further patent applications, for instance a PCT application, which claim priority from the UK application in this family, is 21 December 2017.

6.6 ***Method of synthesis of silica vesicles and use thereof***

This family contains pending patent applications at the European Patent Office, and in China, Canada, Australia, India, Japan, New Zealand, and the United States of America. It also contains an international (PCT) application, now discontinued, and an Australian priority application, assumed to be abandoned.

Australian priority application

Title	*Method of synthesis of silica vesicles and use thereof*
Country	Australia
Application no.	2013904973
Applicant of record	The University of Queensland
Filing date	19 December 2013
Status	This patent application has served as a priority application, providing a priority date of 19 December 2013 for the other patent applications in this family.

International (PCT) application

Title	*Method of synthesis of silica vesicles and use thereof*
Country	International
Application or patent no.	PCT/AU2014/050439
Applicant of record	The University of Queensland
Inventors	Chengzhong YU, Neena MITTER, Jun ZHANG
Priority date	19 December 2013
Priority details	This application claims priority from Australian patent application no. 2013904973
Filing date	19 December 2014
Status	The international application has been brought into the national and regional phases of selected countries (see next table below) and is now no longer pending.

Pending National and Regional applications

This family contains national and regional patent applications pending at the European Patent Office, and in China, Canada, Australia, India, Japan, New Zealand, and the United States of America.

The title, applicant of record, inventors, priority date, priority details and filing date of the national and regional phase applications are, to the best of our knowledge, the same as those provided above for PCT application no. PCT/AU2014/050439. Other details for the national and regional applications are provided in the table below.

Country	*Application no. (publication no.)*	*Grant date*	*Status*	*Renewal status*
European Patent Office	14871778.8 (EP 3083765 A1)	n/a	Application pending. Awaiting search and examination.	Next renewal fee payable by 31 Dec 2017
China	201480075307 (CN 105980447A)	n/a	Application pending. Awaiting examination.	Renewal fees not payable until a patent has been granted
Canada	2933910	n/a	Application pending. Request for examination must be filed by 19 December 2019.	Next renewal fee payable by 19 December 2017
Australia	2014366842	n/a	Application pending. To undergo examination once examination has been requested.	Next (first) renewal fee payable by 19 December 2018
India	201627023776	n/a	Application pending. Request for examination must be filed by 19 December 2017.	Renewal fees not payable until a patent has been granted
Country	*Application no. (publication no.)*	*Grant date*	*Status*	*Renewal status*
Japan	2016-540997	n/a	Application pending. Request for examination must be filed by 19 December 2017.	Renewal fees not payable until a patent has been granted
New Zealand	721210	n/a	Application pending. To undergo examination once examination has been requested.	Next (first) renewal fee payable by 19 December 2018
United States of America	15/106,825	n/a	Application pending	Maintenance fees not payable until a patent has been issued

* US patent application no. 15/106,825 is not yet available for public inspection on the USPTO's PAIR website, meaning that we have not been able to verify the details for the US application given in the table above. We understand from N4, however, that the details are correct.

Summary of Technical Subject Matter Covered by the Patent Family

The PCT application as published contains the following key independent claims (this is not a complete listing of the claims):

1. A method of producing silica vesicles including the steps of:

(a) producing a silica formulation by adding a hydrolysable silica source to an aqueous solution comprising a block copolymer, the silica formulation being maintained at a temperature of less than 20°C, and agitating the formulation until silica-polymer composite vesicles form, followed by step (b) or step (c);

(b) raising the temperature of the silica formulation containing the silica-polymer composite vesicles to be between 25°C to 100°C and agitating the mixture to form silica-polymer composite vesicles having spherical structures within the vesicle walls;

(c) exposing the vesicles to a hydrothermal treatment; and

(d) calcining the vesicles, to thereby produce the silica vesicles.

12. A silica vesicle having:

(a) a particle diameter of between 30 to 70 nm;

(b) a wall structure perforated by spherical pores; and

(c) an average pore entrance size of between 4 to 40 nm formed in the wall.

15. A silica vesicle when produced by the method of any one of claims 1 to 11.

The application also contains independent claims directed to a drug, chemical delivery system, or immunogenic composition comprising the defined silica vesicle, and claims directed to methods of using the defined silica vesicle in medical treatment or as an adjuvant.

Comments on prosecution of the applications thus far

Substantive examination of the pending national and regional phase applications in this family has not yet begun. However, the Australian Patent Office, in its capacity as International Searching Authority (ISA) in respect of the PCT application in this family, has drawn up an International Search Report (ISR) and a Written Opinion of the International Searching Authority ("Written Opinion") in respect of the PCT application.

The contents of the ISR and Written Opinion are available to the national and regional patent offices that will examine the respective national and regional phase applications pending in China, Canada, Australia, India, Japan, New Zealand, United States of America and Europe. The Written Opinion will not be binding upon the national and regional patent offices: each patent office will form its own opinion on the merits of the invention. That said, it is not unusual for a national or regional patent office to raise an objection during examination that is similar to or the same as an observation made in the PCT Written Opinion.

The Written Opinion indicates that the subject matter defined in all claims (i.e. claims 1-27) of the PCT application as published is considered by the ISA Examiner to be novel over the prior art cited in the ISR.

The Written Opinion also indicates (in Box No. V) that the subject matter of claims 1-27 of the PCT application is considered to lack an inventive step in view of the disclosure of US 2010/0254890 A1. A proposed response to this issue has been formulated by UniQuest, which we understand is the technology transfer arm of the applicant, The University of Queensland. The response provides arguments that the claimed subject matter would not have been obvious over US 2010/0254890 A1 and therefore involves an inventive step. Such a response could be employed if the observations on inventive step in the Written Opinion were raised as objections in future, during examination of the respective national and regional phase applications that are currently pending in China, Canada, Australia, India, Japan, New Zealand, United States of America and Europe.

6.7 ***Composition, particulate materials and methods for making particulate materials***

This family contains a pending patent international (PCT) application and an Australian priority application.

Australian priority application

Title	*Composition, Particulate Materials and Methods for Making Particulate Materials*
Country	Australia
Application no.	2015901379
Applicant of record	The University of Queensland
Filing date	17 April 2015
Status	This patent application has served as a priority application, providing a priority date of 17 April 2015 for the international patent application in this family.

International (PCT) application

Title	*Composition, Particulate Materials and Methods for Making Particulate Materials*
Country	International
Application or patent no.	PCT/AU2016/050283
Applicant of record	The University of Queensland
Inventors	Chengzhang YU, Meihua YU, Hongwei ZHANG, Yusilawati Ahmad NOR, Hao SONG
Priority date	17 April 2015
Priority details	This application claims priority from Australian patent application no.
Filing date	18 April 2016
Status	Pending application. The 30-month deadline for bringing the international application into the national phase is 17 October 2017.

Summary of Technical Subject Matter Covered by the Patent Family

The PCT application as published contains the following key independent claims (this is not a complete listing of the claims):

1. *Particulate material comprising rough mesoporous hollow nanoparticles.*

44. *A method for forming rough mesoporous hollow nanoparticles comprising the steps of forming a sacrificial particle from a reaction mixture, the sacrificial particle being formed from a first material, adding a precursor of a shell material to the reaction mixture to form a shell of a second material around the sacrificial particle, the shell having outgrowths of the second material extending therefrom with first material being formed from the reaction mixture between the outgrowths of the second material and subsequently removing the first material.*

61. *A method for forming rough mesoporous hollow nanoparticles by forming hollow shell nanoparticles and adding nano particles with smaller sizes onto the hollow shell nanoparticles of relatively larger size so that the smaller particles form outgrowths or projections on the outer surface of the larger hollow shell.*

64. *Carbon particles comprising mesostructured hollow carbon spheres having a bilayered structure.*

70. *A method for forming carbon nanoparticles as claimed in any one of claims 64 to 69 comprising the steps of forming a reaction mixture containing a precursor of a first material and one or more precursors of carbon-based material wherein particles of the first material are formed and carbon-based materials form on the particles of first material to thereby form a shell of carbon-based material on the particles of first material, adding further precursor for the first material to the reaction mixture to form further first material on the shell of carbon-based material, wherein further carbon-based material is formed and deposits between and over the further first material, and removing the first material to thereby obtain carbon nanoparticles.*

79. *Particulate material comprising rough nanoparticles comprising a core, the external surface of which has projections thereon, the projections having smaller sizes than the particle size, the rough nanoparticles having a particle size ranging from 100 nm to 3000 nm, a size of the projections ranging from 5 nm to 1000 nm.*

92. *A method for forming rough nanoparticles comprising the steps of forming a particle from a reaction mixture, the particle being formed from a first material, adding a precursor of a second material to the reaction mixture to form a shell of the second material around the*

particle, the shell having outgrowths of the second material extending therefrom with first material being formed from the reaction mixture between the outgrowths of the second material and subsequently removing the first material located exteriorly to the shell.

Comments on prosecution of the PCT application thus far

The PCT application has not yet entered the national phase, so substantive examination of the application in individual countries has not yet begun.

However, the Australian Patent Office, in its capacity as International Searching Authority (ISA) in respect of the PCT application, has drawn up an International Search Report (ISR) and a Written Opinion of the International Searching Authority ("Written Opinion") in respect of the PCT application.

The contents of the ISR and Written Opinion will be available to the national and regional patent offices that will examine the respective national and regional phase applications if and when such applications are filed. The Written Opinion will not be binding upon the national and regional patent offices. However, it is not unusual for a national or regional patent office to raise an objection during examination that is similar to or the same as an observation made in the PCT Written Opinion.

The ISA considers that claims of the PCT application relate to three separate inventions, defined by (i) claims 1-63, (ii) claims 64-78, and (iii) claims 79-94 of the PCT application, respectively. The Applicant did not opt to have the second and third inventions searched and examined by the ISA. Consequently, the ISR and Written Opinion relate only to claims 1-63 of the PCT application.

The Written Opinion indicates that the subject matter of claim 1 of the PCT application, namely the particulate material comprising rough mesoporous hollow nanoparticles, is considered to lack novelty over the disclosures of certain documents cited in the ISR.

However, the Written Opinion does identify particular subject matter as being considered by the ISA to be novel, including for example the particulate material defined in claim 4. The Written Opinion also indicates that the method for forming rough mesoporous hollow nanoparticles, defined in claims 44-60 of the PCT application, is considered by the ISA to be novel and to involve an inventive step, over the prior art cited in the ISR.

The Written Opinion also indicates that the rough mesoporous hollow nanoparticles are defined, in certain claims, in broader terms than is considered to be justified by the description of the invention in the PCT application, and that the invention is not therefore considered to be supported, or sufficiently disclosed, by the application across the whole scope of claims. If these observations in the Written Opinion on the breadth of the claims of the PCT application were raised as an objection later on, e.g. during examination of a future national phase application, such an objection might be addressed by amending the claims of the application to define the surface and shell materials more specifically, for instance as being silica nanoparticles with silica projections.

7. Adequacy of the Patent Portfolio and Risks

Comments will be provided below on the adequacy of N4's patent portfolio for obtaining patent protection in N4's key development areas, the risks associated with N4's patent strategy, and actions that may need taking in light of those risks.

7.1 *sildenafil, losartan, valsartan, tadalafil and aprepitant*

N4 is developing a formulation of sildenafil which is faster-acting and longer-lasting compared to currently-available formulations, for use in treating sexual dysfunction, particularly male erectile dysfunction. Similarly, N4 is also developing particular forms and formulations of losartan, valsartan, tadalafil and aprepitant, with the aim of providing superior properties, compared to known forms of these particular APIs, for particular end uses.

N4's master UK patent applications which relate respectively to sildenafil, losartan, valsartan, tadalafil and aprepitant, do not contain any claims, but disclose, in general and specific terms, various forms and formulations of the API in question. Insofar as the disclosures of those forms and formulations are enabling disclosures, the UK applications should usefully establish a priority date for the forms and formulations in question. An enabling disclosure is a disclosure which provides enough information to enable the skilled person to put the invention into effect, e.g. to make and use the formulation successfully. Claims which are included in the respective PCT applications that claim priority from the UK applications may then usefully be considered to be entitled to priority, insofar as they embrace the forms and formulations in question that are disclosed in the UK application.

There is a risk, however, that one or more of the claims that will be included in the priority-claiming PCT applications upon filing will not be considered to be entitled to priority.

One possible reason for this is that the relevant UK priority application for the API may not be considered to provide an enabling disclosure of the subject matter that is claimed in the PCT application. A patent examiner might for instance consider that a particular formulation of the API is not disclosed sufficiently clearly and completely enough in the priority application for a skilled person to be able to make the formulation. Alternatively, a patent examiner might consider that the priority application does not make it plausible that a particular formulation of the API will achieve the intended effect (e.g. a fast-acting and long-lasting effect). Such objections can be raised, for instance, if there is a lack of experimental evidence in the priority application which supports that a compound or formulation achieves the intended effect.

If this is the case, the subject matter (formulation) in question may not be considered to be entitled to the priority date provided by the UK patent application. Claims in the PCT application that cover the subject matter in question may not then be considered to be entitled to priority.

There are other possible reasons as to why one or more of the claims that are drafted for the PCT applications may not be considered to be entitled to priority. One possibility is that the developmental work carried out on the particular API during the priority year, reveals further forms and formulations of the API that are not disclosed in the priority application and/or which are beyond the scope of the statements of invention in the priority application, such that claims that are included in the priority-claiming PCT application, which are directed to such formulations, will not be entitled to priority.

Another possibility is that the relevant UK patent application from which the PCT claims priority does not contain language that is substantially the same as the language that is eventually chosen for one or more of the claims of the PCT application; this could also result in the claims in question not being considered to be entitled to priority.

In view of this risk of lack of entitlement to priority, it is critical to ensure that none of the details of any of N4's proposed forms and formulations for each API is publically disclosed before the PCT application relating to the API is filed. Such a public disclosure could invalidate the claims of a resulting patent based on the PCT application, in the event that the patent claims in question are not considered to be entitled to the priority date.

We understand that N4 is aware of this risk and will not disclose details of its products before the PCT applications are filed.

Consideration should also be given to filing one or more supplementary UK priority applications during the priority year if any changes or developments to the inventions are made during that period which should be protected; it could well be desirable to protect such developments via a priority application rather than waiting until the relevant PCT application is filed.

A further risk associated with the patent strategies in relation to sildenafil, losartan, valsartan, tadalafil and aprepitant, is that, after a priority-claiming PCT application is filed for the API, the PCT application will not result in any valid, granted patents that cover N4's products containing the API.

This may be because, in the period between filing the PCT application and one or more patents being granted, N4's products containing the APIs evolve to such an extent that they are no longer covered by the patents. However, this risk may be mitigated to a certain extent by ensuring that at least some of the claims that are included in the PCT applications for these APIs are of sufficient breadth to embrace future developments of N4's products relating to the APIs. We understand that N4 is aware of this risk and is planning to have the claims of each PCT application drafted accordingly.

Alternatively, the PCT application may not result in patents that cover N4's products because objections that are raised by patent examiners (or indeed third parties) during the application process prevent such patents being granted. Such issues might also be raised during opposition, invalidation or revocation proceedings against a patent after it has been granted. Types of objection that might be raised are discussed below.

One possibility is that subject matter claimed in the patent application will be found to lack novelty over, or lack an inventive step in view of, the prior art. We do not yet know what prior art will be found by the various patent offices when they search the claims of the applications, meaning that at present this is something of an unknown quantity. This risk may nonetheless be mitigated to a certain extent by ensuring that the PCT application contains, in addition to broad claims, a range of progressively narrower claims that focus on specific formulations of the relevant API that are of commercial interest and that N4 is confident are likely to be novel. We understand that N4 is aware of this risk and is planning to have the claims of each PCT application drafted accordingly.

For the APIs other than sildenafil, where there still may be adequate time, consideration should also be given to filing a further supplementary UK priority application during the priority year, which contains claims and is filed together with a request for Search. The Search could be requested on an accelerated basis in the hope that the UKIPO issues a Search Report before the end of the priority year. This would have the advantage that N4 would be able to see what prior art exists, in relation to that API, before the claims of the priority-claiming PCT application are drafted. The claims of the PCT applications could then be drafted in the light of any relevant prior art that is found, which could result in a more robust set of claims in each case.

A further possible objection is that subject matter claimed in the patent application will be found to lack an inventive step, not in this instance based on prior art which has been cited, but instead because the examiner considers there to be insufficient evidence in the patent application that the claimed invention works. Such objections can be raised if there is a lack of experimental evidence, or a lack of scientific explanation, in the patent application to support that a particular compound or formulation achieves the intended effect. For instance, it might be considered that there is insufficient experimental evidence in an application to support that a particular form or formulation of an API achieves an intended fast onset of action and long-lasting effect. Claims that embrace that form or formulation of the API could then be considered to lack an inventive step.

We understand that N4 is aware of this risk and the fact that it may be mitigated to a certain extent by including explanations in the PCT application as to why the intended effect would be expected to be achieved by the claimed subject matter, e.g. by the various forms and formulations of the API in question that are embraced by the claims. Better still, experimental evidence can be included in the PCT application which supports that the effect would indeed be achieved for those forms and formulations. Ideally such evidence should support that substantially all variants falling within the claims would be expected to provide the intended effect, in order to reduce the risk of objections being raised that the breadth of claim is too great. We understand that N4 is carrying out developmental work which could yield such evidence for inclusion in the various PCT applications.

A further possible objection is that subject matter that will be claimed in the priority-claiming application will be found to lack sufficiency of disclosure. Such an objection would be raised if a patent examiner considered that subject matter (for instance a particular form or formulation of an API) embraced by one or more claims of the application was not disclosed sufficiently clearly and completely enough for a skilled person to be able to put it into effect.

In the case of a claimed form or formulation of an API, the objection may be that the skilled person would not be able to make the form or formulation in the first place, because there is insufficient detail in the patent application to enable the skilled person to do this. Alternatively, the objection may be that, once the form or formulation had been made, the skilled person would not then be able successfully to use the invention because there is insufficient evidence in the patent application that the treatment for which the form or formulation is intended would work.

This risk may be mitigated to a certain extent by including examples which describe how the various forms and formulations of the API that will be claimed the PCT application can be produced. The risk may be further mitigated by including an explanation in the PCT application as to why the intended effects would be expected to be achieved by the various forms and formulations of the API or, better still, by including experimental evidence in the PCT application which supports that the intended effects will indeed be achieved. Ideally, such evidence should show that substantially all variants falling within the scope of the claims can be prepared and would be expected to provide the intended effect, because this will reduce the risk of objections being raised that the breadth of claim is too great.

Again, we understand that N4 is aware of this risk and has been carrying out developmental work during the priority year with the aim of providing further exemplification and evidence for inclusion in the PCT applications before the PCT applications are filed.

Finally, the 12-month deadlines for filing applications (such as a PCT application) which claim priority from one or more of the UK patent applications in each of these patent families are approaching. The deadlines are also inextensible. We strongly therefore recommend that N4 engages a professional firm of patent and trade mark attorneys at the earliest opportunity, in order to ensure that the PCT filing deadlines for the sildenafil, losartan, valsartan, tadalafil and aprepitant portfolios are properly monitored, that suitable PCT applications are prepared and filed for each of these APIs, in a timely manner by the deadline, and to ensure that the future prosecution of patent applications in these families is professionally managed.

7.2 ***Nuvac***

We understand that the family of patent applications based on PCT/AU2014/050439, entitled "Method of synthesis of silica vesicles and use thereof", relates to the Nuvac technology.

As discussed above, substantive examination of the national phase applications pending in this family (before the European, Chinese, Canadian, Australian, Indian, Japanese, New Zealand and United States patent offices) has not yet begun. It is not therefore known at this time what objections will be raised by those patent offices against the respective patent applications in those territories. It is possible, for example, that one or more of those patent offices will find relevant prior art, which has not thus far been cited, and raise new objections of lack of novelty and/or lack of inventive step based on such prior art.

It is also possible, as is the case with any patent application, that one or more of the patent offices will raise objections not based on the prior art, for instance objections that the claims of the application lack clarity or lack support by the description, or that the invention as defined in the claims is not disclosed sufficiently clearly and completely enough in the application.

If any such objections were raised against one or more of the patent applications in the family and the objections could not be overcome, the patent applications in question would not lead to granted patents that cover the Nuvac technology.

However, it is a positive sign that the Australian Patent Office, in its capacity as International Searching Authority (ISA), has indicated that it considers the subject matter defined in each of the claims of the PCT application (claims 1-27) to be novel over the prior art cited in the ISR.

In addition, although the ISA considers that the subject matter defined in each of claims 1-27 of the PCT application lacks an inventive step over a particular prior art document, US 2010/0254890 A1, the applicant has already considered how the lack of inventive step issue may be addressed, and

a response strategy has been formulated which involves providing reasoned arguments that the subject matter defined in the claims of the PCT application would not have been obvious over US 2010/0254890 A1 and therefore involves an inventive step.

The response might suitably be employed if the observations on inventive step in the Written Opinion were raised as objections in future, during examination of the respective national and regional phase applications. If the response were successful, and if no other objections were raised against the national and regional phase applications, there would in our view be a good chance of obtaining granted patents in the aforementioned territories which contain claims having the same scope as the claims of the PCT application as published. It is noted that the claims of the PCT application as published include an independent claim 12, which is a product claim directed to a silica vesicle. On the assumption that claim 12 does indeed embrace the silica particles employed in the current Nuvac technology there would, in that case, in our view, be a good chance that the resulting granted patents would provide effective protection for Nuvac.

It is possible that lack of unity objections will be raised against the national and regional phase applications, on the basis that the product claims and the method claims relate to two separate inventions (this issue has been raised by the ISA). In that case it may be necessary to file divisional applications in those territories if both the product claims and the method claims are to be pursued. Such divisional applications do not need to be filed now but can be filed later, if and when such a lack of unity objection is raised.

It should also be noted that even if prosecution is successful granted patents are open to challenge, including on the basis of prior art not considered in prosecution which might be identified by a challenger.

7.3 ***Nuvec***

We understand that the pending international patent application no. PCT/AU2016/050283, entitled "Composition, particulate materials and methods for making particulate materials", relates to the Nuvec technology.

The PCT application has not yet entered the national phase, so substantive examination of the application in individual countries has not yet begun. It is not therefore known at this time what objections will be raised by the patent offices that will examine the respective national and regional phase applications, if and when such national and regional phase applications are filed based on the PCT application.

However, as discussed above, the Australian Patent Office, in its capacity as International Searching Authority (ISA), has searched and examined claims 1-63 of the PCT application.

The Written Opinion of the ISA indicates that the subject matter defined in claim 1 namely "particulate material comprising rough mesoporous hollow nanoparticles" is considered by the ISA to lack novelty over prior art that is cited in the ISR. It also indicates that the scope of claim 1 is too broad because claim 1 embraces particles that can be made of materials other than silica, whereas the only class of particles defined in claim 1 which the ISA considers to be supported by and sufficiently disclosed in the application appears to be silica nanoparticles which have silica projections, prepared by competitive deposition between silica precursors and resourcinol-formaldehyde, aminophenol-formaldehyde or dopamine.

The fact that the ISA has raised these lack of novelty and undue breadth-of-claim issues, indicates that such issues will probably also be raised as objections by the national and regional patent offices that will in due course examine the respective national and regional phase applications based on the PCT application, if and when such national and regional phase applications are filed.

It is also of course possible that one or more of those national or regional patent offices will find further relevant prior art, which has not thus far been cited, and raise additional or different objections of lack of novelty and/or lack of inventive step, based on such prior art. Also, as is the case with any patent application, it is possible that one or more of the national or regional patent offices will raise further objections that are not based on the prior art, but on other grounds such

as, for example, that the claims of the application lack clarity or lack support by the description, or that the invention as defined in the claims is not disclosed sufficiently clearly and completely enough in the application.

Turning however to the particular issues of lack of novelty and undue breadth-of-claim that have been raised by the ISA against claim 1 of the PCT application, it is possible if not likely, in our view, that the issues could be overcome by amending claim 1.

Indeed, as discussed above in the comments on the prosecution of this patent family, the Written Opinion identifies particular subject matter which the ISA Examiner considers to be novel. This includes the subject matter defined in claim 4 of the PCT application, which relates to rough mesoporous hollow nanoparticles which comprise a mesoporous shell, the external surface of which has projections thereon, the projections having smaller sizes than the particle size, and the size of the projections being from 100 nm to 500 nm.

Accordingly, an amendment to restrict the particles defined in claim 1 to the particular particles defined in claim 4, could well address the particular lack of novelty issue raised by the ISA. Whether or not such an amendment would be acceptable to N4 from a commercial perspective would depend on whether or not the resulting claim embraces the particles currently employed in the Nuvec technology.

A further amendment to claim 1, which additionally limits the particles of claim 1 to silica particles, having silica projections, could well address the particular breadth of claim issues raised by the ISA.

A combination of the two amendments discussed above may well therefore be sufficient to overcome the specific novelty and breadth-of-claim issues raised by the ISA.

Although it may be possible to address the breadth of claim issues raised by the ISA by argument alone, such an approach in our view is less likely to be successful than amending claim 1 to define the particles as being silica particles, having silica projections. Besides, we understand from N4 that rough silica nanoparticles, having silica projections, are commercially the most important embodiment of the invention as defined in claim 1 of the PCT application, because such particles are employed in the Nuvec technology. Accordingly, we understand that making the further amendment discussed above would probably be acceptable, in that it could still result in valuable patent protection for N4 which embraces the Nuvec technology.

In addition to the novelty and breadth-of-claim issues raised by the ISA, it will most likely be necessary to address the issue of inventive step. In general, inventive step can be addressed by arguing, or amending the claims to clarify, that the subject matter defined in the claims would not have been obvious to a person skilled in the art, in view of the cited prior art.

If amendments along the lines suggested above were made in order to address the particular novelty and breadth-of-claim issues raised by the ISA, the issue of inventive step were also addressed successfully, and no other objections were raised against the national and regional phase applications, there does in our view seem to be a reasonable chance of obtaining granted patents. Assuming that the amendments in question result in a scope of claim that embraces the current Nuvec technology, such resulting granted patents should provide effective patent protection for N4's Nuvec technology.

However, it should be again be noted that even if prosecution is successful granted patents are open to challenge, including on the basis of prior art not considered in prosecution which might be identified by a challenger.

8. N4's Trade Mark Portfolio

We understand that N4's trade mark portfolio contains the following registered trade marks:

United Kingdom Registration No. 00003160821 nuvec in Classes 5 and 42 in the name of N4 Pharma limited;

United Kingdom Registration No. 00003074260 nuvac in Classes 5 and 42 in the name of N4 Pharma Limited; and

United Kingdom Registration No. 00003074262 cocrys in Classes 5 and 42 in the name of N4 Pharma limited

Further particulars relating to all three registrations are provided in the table below.

Trade Mark	*Application/ Registration No.*	*Owner*	*Classes & Goods/Services*	*Country*	*Status*	*Next Renewal Date*
nuvec	00003160821	N4 Pharma limited Weston House 1 Bradgate Park View Chellaston Derby DE73 5UJ United Kingdom	Class 5 – Pharmaceutical and veterinary preparations for the use of nano particles to improve delivery of plasmid DNA and messenger RNA molecules for oncology vaccines and oncology therapeutics; pharmaceutical drugs being reformulated for the use of nano particles to improve delivery of plasmid DNA and messenger RNA molecules for oncology vaccines and oncology therapeutics. Class 42 - Pharmaceutical services, namely research and development of pharmaceutical drugs for the use of nano particles to improve delivery of plasmid DNA and messenger RNA molecules for oncology vaccines and oncology therapeutics.	United Kingdom	Registered	22 Apr 2026
nuvac	00003074260	N4 Pharma Limited Weston House 1 Bradgate Park View Chellaston Derby DE73 5UJ United Kingdom	Class 5 - Pharmaceutical and veterinary preparations; pharmaceutical drugs being reformulated. Class 42 - Pharmaceutical services, namely research and development of pharmaceutical drugs.	United Kingdom	Registered	26 Sept 2024
cocrys	00003074262	N4 Pharma limited Weston House 1 Bradgate Park View Chellaston Derby DE73 5UJ United Kingdom	Class 5 - Pharmaceutical and veterinary preparations; pharmaceutical drugs being reformulated. Class 42 - Pharmaceutical services, namely research and development of pharmaceutical drugs.	United Kingdom	Registered	26 Sept 2024

8.1 ***N4 Pharma***

It should be noted that our investigations did not reveal any applications or registrations for the mark "N4 Pharma". We therefore recommend that searches be carried out, and that trade mark applications be filed in respect of the company name. Ideally, this ought to be done in all countries in which the business operates (or will operate) as "N4 Pharma" or "N4 Pharma Limited" and where use will be made of the same. Whilst the position is likely to differ between countries, from a legal perspective "use" of a trade mark *may* encompass applying the mark to products or their packaging, offering or exposing goods for sale under the mark (or offering services under the mark), importing or exporting goods under the mark and/or using the mark on business papers or in advertising. This is at least the position in the UK.

Given that "use" may include exporting goods under the mark, it is important to give consideration to not only where product will be sold, but also to where product may be manufactured. If product may be manufactured overseas, steps ought to be taken in order to ensure that, to the extent that it is possible to do so, N4 is free to use the mark in the relevant jurisdiction(s) (achieved by carrying out any necessary clearance work and obtaining trade mark registrations).

8.2 ***nuvec and nuvac***

In respect of the marks "nuvec" and "nuvac", we note that they are registered only in the United Kingdom. As addressed above, to the extent that use will be made of either of these marks overseas, it is recommended that searches be carried out in the relevant jurisdictions and trade mark applications filed.

Turning to N4's UK trade mark registration for the mark nuvec (registered under United Kingdom Registration No. 00003160821) it is noted that the specification was amended after the application's filing. Specifically, it appears that Classes 5 and 42 were limited (by request) to the goods and services which we believe are of specific commercial interest (nano particles for improving the delivery of plasmid DNA and messenger RNA molecules for oncology vaccines and oncology therapeutics and research and development of the same). From a review of the case history, it appears that a Notice of Threatened Opposition was filed by a third party on 12 July 2016 (identity unknown). It is therefore possible that the limitation was made in order to avoid opposition.

Given the limitation described above, this registration's scope of protection is narrower than that of your UK registration for nuvac (registered under United Kingdom Registration No. 00003074260) which encompasses "pharmaceutical and veterinary preparations" at large, as well as reformulated pharmaceutical drugs and research and development of the same. Nevertheless, provided that the limitation reflects accurately N4's commercial interests, this may be of little or no concern to the business.

It is important to note that, in the UK, once a trade mark has been registered for five years or more, third parties can apply to revoke it on the grounds of non-use. If a revocation action is filed, it is up to the trade mark owner to prove that genuine use has in fact been made of the mark within the relevant period. As neither mark has yet been registered for five years, they are not yet vulnerable to cancellation on such grounds. The earliest date upon which a third party could apply to revoke N4's UK registration for nuvec is 27 August 2021 and, in respect of nuvac, 3 January 2020. Similar rules regarding use apply in other countries, though the 'grace period' may differ. If considering filing further applications for either mark overseas, it is important to consider whether the mark will be used within the relevant non-use period.

8.3 ***cocrys***

Whilst, from a commercial perspective, we are led to believe that the technology to which this mark relates is no longer a key part of the business, from a trade marks perspective it is worth noting that N4's corresponding registration (United Kingdom Registration No. 00003074262) encompasses "pharmaceutical and veterinary preparations" at large, as well as reformulated pharmaceutical drugs and their research and development. The registration is also not yet vulnerable

to cancellation on the grounds of non-use, and will not become so until 3 January 2020. As a result, the registration could potentially be sold or licensed to a third party in order to derive additional revenue.

8.4 ***New products***

Regarding the development of new products based on, and in some cases new uses for, sildenafil, losartan, valsartan, tadalafil and aprepitant, it is important to have in place a strategy for protecting the products' associated brand names.

Trade marks for pharmaceutical products are subject to an extra layer of regulation in order to protect public health. Pharmaceutical brands can only be put into commercial use once they have been granted a marketing authorisation. In determining whether to grant a marketing authorisation, the competent authorities will, amongst other things, decide whether the brand poses a risk to public health. This decision will centre on the potential for medication errors which could lead to serious health risks. For this reason, it is often common for brand creation agencies to develop approximately 500 candidate brand names in order to produce 1 registration and 2 back up marks. This is often started during Phase I or the start of Phase II of the clinical drug development process. Initial on-line legal screening checks should be conducted to 'knock out' the candidate brands which face obvious obstacles in the EU and USA. Those candidate brands which survive this process should then be searched comprehensively in these and other jurisdictions in which the product is planned for early commercialisation.

At the end of this process, it is common for the top three names for each product to be registered as trade marks in the countries of interest, before submitting an application for marketing authorisation to the relevant regulatory authority or authorities.

Yours faithfully

DR P J Silcock
J A KEMP

PART VI

TECHNOLOGY EXPERT'S REPORT

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13 April 2017

Dear Sirs

Onzima Ventures Plc – proposed acquisition of N4 Pharma Limited

The purpose of this expert report, provided by Black Swan Analysis (BSA), is to deliver an independent commercial perspective related to current assets of N4 Pharma Limited that are entering clinical development. The primary focus of this report is on the portfolio of reformulated generic products, utilising N4 Pharma Limited's patent applications and know-how. These reformations aim to deliver optimal product dosing and fulfil an unmet need that the current licensed product in its existing formulation is unable to deliver.

The reformulation portfolio consists of 3 lead assets:

1. **sildenafil (Viagra)** – with a proposed product profile that will deliver a faster onset of action and a longer duration of treatment versus the current formulations.

2. **losartan (Cozaar)** – expand the therapeutic effect/duration of the medication taken before sleep / at night in order to manage the patient's blood pressure on waking and avoid the side-effects associated with a rapid change in blood pressure.

3. **aprepitant (Emend)** - reformulation of the product to deliver a quick-onset and longer anti-nausea treatment duration for patients currently receiving chemotherapy treatment.

The sildenafil product is the lead asset in development with considerable published research to support the proposed product profile. Utilising customer insight obtained via qualitative primary market research, BSA has explored and tested the utility and potential unmet need of this asset. Since the other two lead assets are at an early stage of development, the addressable markets for each of these assets has been determined based on the potential patient population addressable according to the likely target indication.

ERECTILE DYSFUNCTION MARKET

Disease Overview

Erectile dysfunction (ED) is defined by the American Urological Association as the inability to achieve and maintain an erection sufficient for satisfactory sexual intercourse.

There are several risk factors which are associated with erectile dysfunction, which include:

- Cardiovascular disease (hypertension, atherosclerosis, hyperlipidaemia)
- Diabetes & obesity
- Depression
- Alcohol use
- Smoking
- Pelvic/perineal surgery or trauma (including surgery for prostate, bladder, and colon cancers)
- Neurologic disease
- Pelvic radiation
- Peyronie disease

The normal development of an erection is a complicated event and involves several biological systems. Sexual arousal is activated in higher brain centres which send signals to several parts of the body through networks of nerve cells. These signals stimulate nerves and endothelial cells to release nitric oxide (NO) and relaxing factors in the penis. The release of nitric oxide increases levels of a substance called cyclic guanosine monophosphate (GMP). This results in the relaxation of the smooth muscle in the penis, allowing arterial dilation and venous constriction. This entrapment of blood changes the position of the penis from flaccid to erect.

There are two major types of ED:

- ***Lifelong*** – where erection cannot be achieved from the onset of sexual desire
- ***Acquired*** – ED begins after a period of normal erectile and sexual activity

Each of these sub-types can have either **psychogenic** or **organic** contributors (or a mix of both) and may require intervention if they last more than 3-6 months.[1] Contributing factors are identified in more detail in Table 1.

Table 1. Types of ED and associated causes

Classification	*Cause*
	Psychogenic
Psychogenic	Physical and Mental health problems Psychological trauma Relationship problems/partner dissatisfaction Family/social pressures Depression
	Organic
Neurologic	Central Nervous System – Spinal Cord Injury, multiple sclerosis, stroke
Vasculogenic	Arterial insufficiency/peripheral arterial disease Veno-occlusive-disease Hypertension Trauma

1 Pastuszak A. Current Diagnosis and Management of Erectile Dysfunction, Curr Sex Health Rep (2014) 6: 164-176

Classification	*Cause*
Medical Disorder	Hepatic insufficiency Dyslipidemia Renal insufficiency Chronic Obstructive Pulmonary Disorder (COPD) Sleep apnoea
Penile Factors	Cavernous fibrosis Peyronie's disease Penile fracture
Endocrine	Hypogonadism Hyperprolactinemia Diabetes mellitus Thyroid Disorder
Urologic disorders	Benign prostatic hypertrophy Lower urinary tract symptoms
Drug-induced	Antihypertensive Antidepressants Antiandrogens Marijuana Heroin
Iatrogenic	Drug-induced Postoperative Postradiation

From a large US population-based study on erectile dysfunction, which included over 6.2 million ED patients over a 12 month period, only 25.4 per cent. of patients were treated. The most common treatment received was a PDE5 inhibitor (75.2 per cent. of the total treated population)[2].

Many of the underlying conditions that contribute to ED also appear to have a negative impact on patient adherence to treatment in the long term. The Global Better Sex Survey of 12,563 individuals showed that approximately 50 per cent. of patients had stopped using their PDE5 inhibitor after a year of treatment, with some of the cause being attributed to other conditions that the patient had.[3]

Erectile Dysfunction Disease Epidemiology

Several well-recognised large patient surveys have been conducted in order to estimate the prevalent number of ED sufferers in different countries. Data from the National Health and Nutrition Examination Survey (NHANES) indicates a prevalence of around 18.4 per cent. in adult males in the USA[4].

Utilising publically available data from peer-reviewed publications, BSA has generated an estimated number of patients with ED (as published in the online Epiomic™ database) in the 6 key global markets under consideration. Please note that this includes the full spectrum of ED, from mild to severe sufferers. Mild patients are only occasionally affected with ED and would most likely not consult a physician for treatment. Those with severe ED are those that would most likely require devices or injectables to treat their condition (severe underlying organic disease). The most likely eligible target population for PDE5 inhibitors resides within the moderate ED sufferers, who are a mix of aetiologies including those with cardiovascular disease and psychosomatic underlying causes.

2 Fredrick LR et al. Undertreatment of erectile dysfunction: claims analysis of 6.2 million patients. J Sex Med. 2014; 11(10):2546-53.

3 Smith WB et al. PDE5 inhibitors: considerations for preference and long-term adherence. Int J Clin Pract. 2013; 67(8): 768-780

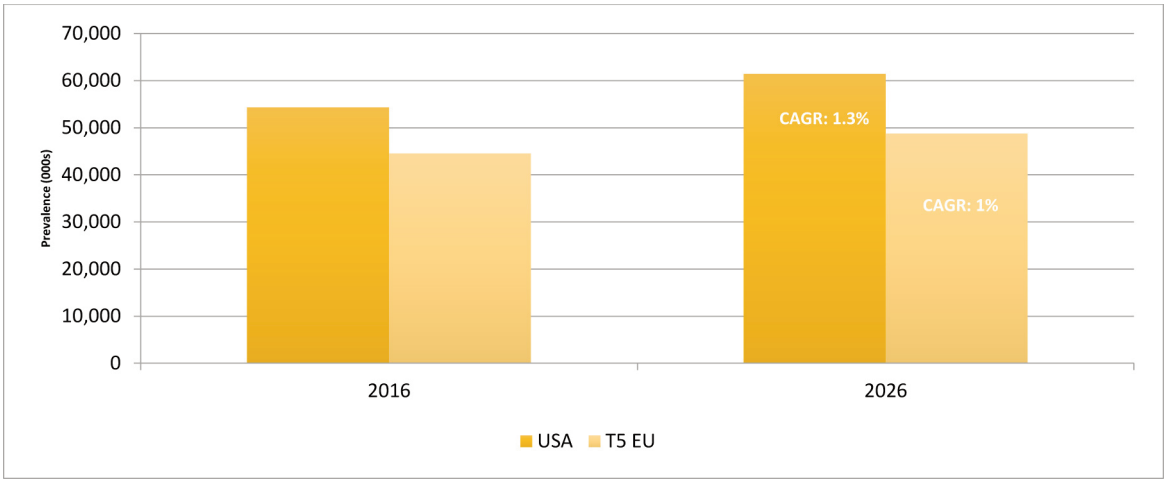
4 Selvin E et al. Prevalence and risk factors for erectile dysfunction in the US. Am J Med. 2007; 120: 151-7.

Table 2. Prevalence of ED in the Major Markets (000s)

	2016	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*
USA	54,316	55,137	55,959	56,781	57,602	58,368	59,134	59,900	60,665	61,431
T5 EU[1]	44,562	45,063	45,564	46,065	46,566	47,007	47,449	47,890	48,332	48,773
TOTAL	98,878	100,201	101,523	102,845	104,168	105,375	106,562	107,790	108,997	110,204

Source: *Epiomic™ Epidemiology database, Erectile Dysfunction Disease, Accessed February 2017;*[1] *T5 EU = France, Germany, Italy, Spain, UK*

Figure 1. ED population prevalence – increase over the next 10 years



The number of patients with ED is expected to increase in these six global markets over the forecast period at a combined CAGR of ~1.2%.

There are a number of factors that contribute to development of ED, as detailed in Table 1. Expected change in some of these underlying contributing variables over the next 10 years is under debate, with arguments for both increases and decreases in factors such as obesity and cardiovascular disease. Anticipated changes in prevalence of ED over time for the purposes of this forecast have been assumed to be driven nearly exclusively by:

1. Increase in the population overall
2. Increase in the ageing population profile

There are no significant changes to either the market or the environment expected or built in to the forecast during the forecast period that will drive the number of treated patients up or down.

Estimating PDE5 treated patients from the epidemiology

Reconciliation of prescription volumes for PDE5s to overall treated patients within the ED population requires an estimate of:

1. Those with ED sufficient to seek physician consultation
2. ED of sufficient severity / profile that the physician will prescribe a drug product for treatment
3. Absence of concomitant medications / conditions that allow safe prescribing of PDE5s

It is difficult to estimate rate of presentation for treatment within the overall ED population. Most studies investigating treatment seeking behaviour are drawn from those patients already under physician care, and thus do not capture those that do not seek medical treatment for their ED (Haro et al).

However, data from a recent survey conducted by Burri et al found that only around 19-20 per cent. of patients with ED are currently being treated for the condition. Another study conducted by Perelman et al found that around a third of ED sufferers could not bring themselves to speak to a doctor about their ED ("To speak face to face with someone about erections is impossible for me"), thought it was a natural part of the ageing process or more of a psychological problem than a physical one.

Table 3. Overall attitudes and behaviours of ED patients

Category	*USA*	*France*	*Germany*	*Italy*	*Spain*	*UK*
Attitudes about ED						
1. The erection problem is a source of great sadness for me	55%	63%	42%	52%	51%	64%
2. I'm too old for sex	7%	15%	7%	9%	5%	8%
3. Hardly a day goes by that I do not think about this problem	47%	44%	28%	42%	51%	50%
4. I think that the erection problem is more psychological than physical	26%	61%	44%	65%	58%	30%
Attitudes about treatment						
1. It's not so much that I want more sex, it's that I want to know that I could do it if I wanted	68%	75%	67%	71%	85%	65%
2. I would give almost anything to be able to cure my erection problem	64%	37%	49%	25%	60%	61%
3. When you have this sort of problem, you must learn to accept it	35%	61%	50%	42%	60%	35%
4. I don't want to take drugs for this condition	12%	46%	25%	27%	35%	13%
5. The erection problem is a source of great sadness for my partner	51%	59%	42%	50%	54%	61%
Attitudes about sexual activity & partner						
1. If I had a different partner, the problem might go away	15%	23%	18%	32%	30%	12%
2. There are other ways to get sexual gratification that do not require a good erection	46%	41%	40%	36%	46%	41%
3. My sex partner and I are able to work around the erection problem	58%	53%	45%	44%	49%	51%
Speaking to Dr/other						
1. To speak face to face with someone about erections is impossible for me	23%	47%	29%	38%	28%	33%
2. Embarrassed to talk about it	28%	38%	23%	35%	16%	38%

***Source**: Adapted from Perelman et al.*

Depending on the country, guidelines for the prescribing of PDE5 inhibitors varies. Data from a study conducted in the UK estimated that of those seeking treatment for ED, only ~ 47 per cent. met eligibility criteria which would allow them to be prescribed a PDE5 under NHS guidelines (Sairam et al). This is broadly in line with findings from the primary market research (PMR) conducted for this report whereby physicians reported that a drug was prescribed in ~ 49 per cent. of ED patients presenting for treatment.

Despite only a small proportion of the overall ED population presenting for treatment, there is likely to be a large population that may seek OTC medication. This group has not been included within the analysis or the PMR sections; however they have been included within the forecast as a scale up factor.

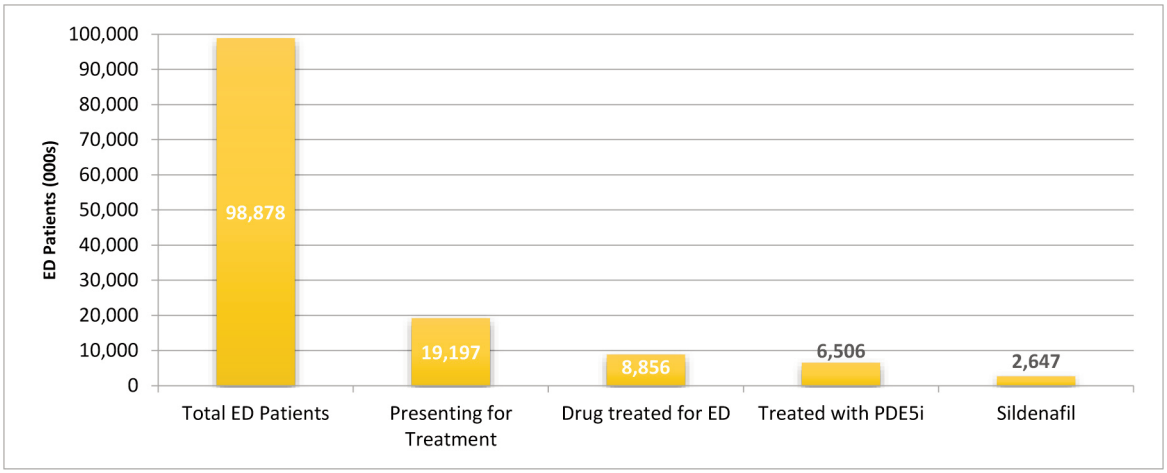


Figure 2. ED Patients from prevalence to treatment, 2016, USA and T5 EU Markets combined

Figure 2 provides a visual representation of relationship between the overall ED population and those that ultimately are most likely to receive a PDE5 inhibitor, specifically sildenafil. Starting with the patient prevalence of ED in the six markets, approximately twenty percent (20%) are likely to present to a physician for treatment. Of those that seek treatment, around half of those patients will be likely to receive drug treatment for their ED (based on PMR results), of which approximately 75 per cent. will receive a PDE5. These figures are based on a number of sources including:

1. Primary market research conducted for this report
2. Analysis of prescription data for England, 2012-2015
3. Published studies previously referenced in this document

The potential addressable prescription market in terms of patients that would likely be prescribed sildenafil by their clinician is ~2.6 million out of the 8.8 million receiving some form of treatment across the six markets.

Current Treatment Environment

There are several drug treatments available for ED. The recommended first line treatment is oral phospodiesterease-5 (PDE5) inhibitors. These work by blocking the enzyme which normally breaks down GMP. There are currently 4 PDE5 inhibitors which are prescribed in the major western markets. These include:

- sildenafil (Nipatra, sildenafil and Viagra)
- vardenafil (Levitra and Levitra Orodispersible)
- tadalafil (Cialis)
- avanafil (Spedra) (*not mentioned during market research*)

PDE5 inhibitors are normally available in a range of dose sizes, e.g. 25 mg, 50 mg and 100mg, and pack sizes of either 4 or 8 pills (although larger packs are available).

Primary Care clinician surveys in the USA have shown that patients are normally started on the middle dose of these PDE5 inhibitor treatments and over time may get an adjustment in dose depending on their response to treatment. Special considerations are given to elderly patients or those with hepatic or renal failure who are normally started on the lowest available dose.[5] Findings from the primary market research conducted for this report did see a slight change to this practice in the UK market where clinicians tended to start patients on the lowest available dose and titrate up in strength if needed, rather than starting at the middle strength available.

5 Rosen et al. Overview of phosphodiesterase 5 inhibition in erectile dysfunction. Am J Cardiol. 2003; 92(9A): 9-18.

Along with the tablet form, there is also an orodispersible (ODT) formulation available for both sildenafil and vardenafil in the USA and T5 EU markets. ODT has some benefits over the standard film coated tablets in that ODT forms can be taken discretely without water and are also useful for patients with dysphagia. Additionally, some trials have suggested that ODT medications have improved treatment adherence.4

Other treatments for ED include intracavernosal injections of vasoactive agents (alprostadil), vacuum erection devices (VED), urethral suppositories and penile prostheses.

Table 4. Features of current PDE5 inhibitors

Drug	*Sildenafil*	*Vardenafil*	*Tadalafil*	*Avanafil*
Year approved	1998	2003	2003	2012
Normal dose	50-100 mg	10-20 mg	10-20 mg	50-200 mg
Peak effect	30 mins to 1 hr	40-55 mins	15 mins to 2 hrs	15-30 mins
Alcohol/fatty meal decreases absorption	Yes	Yes but not as signif. as sildenafil	No	Yes but not as signif. as sildenafil
Duration of effect	4-6 hrs	5-7 hrs	24-36 hrs	4-6 hrs
Side effects	Visual changes	Can prolong QT interval	Back and limb muscle pain	No gastric reflux or nausea
Side effects (all)	Decreased blood pressure, headache, flushing (12%-16%) Nasal congestion (2%-4%) Gastric reflux, nausea (5%-7%) Priapism (very rare)			
Contraindications /warnings	Hereditary degenerative retinal disorders, bleeding disorders	Unstable angina, hereditary degenerative retinal disorders, bleeding disorders, QT prolongation risk factors , elderly	Uncontrolled arrhythmias , uncontrolled hypotension, hypertension	Unstable angina, CHF, bleeding disorders
Contraindications /warnings (all)	Cardiac conditions where sexual activity is inadvisable, non- arteritic anterior ischemic optic neuropathy, hepatic impairment , hypotension, recent stroke or MI, renal impairment, abnormal penile anatomy or predisposition to priapism			
Interactions	Dosing should be avoided for 4 hours after dose of alpha blocker, CYP3A4 inducers	Type1A/3 anti-arrhythmics, HIV protease inhibitors, alpha-blockers, nifedipine (Ca channel blocker)	5- alpha-reductase, CYP3A4 inducers, anti-hypertensives, theophylline, nifedipine	Alcohol, anti-hypertensives, alpha-blockers, CYP inducers
Interactions (all)	Nitrate containing compounds, riociguat, grapefruit juice, nicorandil, CYP3A4 inhibitors			

***Source**: Cleveland Clinic and Monthly Index of Medical Specialities, March 2016*

(i) Current Comparative Product Pricing

Table 5. Current sildenafil generic prices by country

	Price per tablet (£)		
	sildenafil 25 mg	*sildenafil 50 mg*	*sildenafil 100 mg*
USA	£0.33	£0.85	£1.24
France	£0.54	£0.63	£0.71
Germany	£0.28	£0.74	£0.99
Italy	£0.32	£0.48	£0.75
Spain	£0.28	£0.50	£0.55
UK	£0.43	£0.50	£0.55

***Source**: Rx Price Index, accessed March 2016*

Table 6. Current PDE5 prices for the UK

	Price per tablet (£)		
UK	*Low Strength*	*Mid Strength*	*High Strength*
tadalafil	£3.14	£10.92	£10.95
vardenafil	£1.68	£3.41	£5.22
avanafil	£2.31	£3.02	£4.62

***Source**: Rx Price Index, accessed March 2016*

Please note that patent expiry is expected for both tadalafil and vardenafil in the next few years, plus launch of Teva's sildenafil in the USA later in 2017 followed by patent loss in 2020. Comparator pricing in these markets will change between today and the likely time of launch of the reformulated sildenafil product.

SILDENAFIL REFORMULATION OPPORTUNITY

Product Profile

The reformulated product in development is a PDE5 inhibitor which has the additional beneficial feature of reducing the time of taking the drug to the onset of action and increasing the duration of effect.

As previously described in the disease description, sexual stimulus leads to the release of nitric oxide in the penis. This then stimulates the activation of cyclic GMP, leading to smooth muscle relaxation and an erection. Phosphodiesterase 5 (PDE5) normally breaks down cyclic GMP and therefore stops penile erections[6]. PDE5 inhibitors function by binding to the catalytic sites of PDE5 effectively competing with GMP. This results in increased levels of GMP and therefore increases the likelihood of an erection occurring. This also means that PDE5 inhibitors are not functional without sexual arousal.

The proposed new product combines what is considered to be the two most desirable features of the current market leaders[3]. This product also bypasses a common complaint of the existing PDE5 inhibitors because its effect is not diminished by food which increases the convenience of administration.

A brief overview of the product was used in the market research to describe the offering to clinicians.

Voice of the Customer

Primary market research in the form of an online survey was commissioned to support this report. This provided qualitative insights to the potential commercial attractiveness of the sildenafil reformulation asset in development. It also provided some insight regarding the Target Product Profile (TPP), which will help to align what the product can offer with the perceived clinical unmet need in the market. The primary respondent groups were Primary Care Physicians in the USA and General Practitioners (GPs) in the UK. These are the physicians that would typically prescribe treatment for ED.

6 Scaglione F et al 2017. Phosphodiesterase Type 5 Inhibitors for the Treatment of Erectile Dysfunction: Pharmacology and Clinical Impact of the Sildenafil Citrate Orodispersible Tablet Formulation. Clin Ther. 2017; S0149-2918(17): 30002-4.

The total number of respondents for the primary market research was 15 clinicians (USA = 8, UK =7) with the intention of providing confirmation from the literature on the treatment pathways for ED and solidifying some of the key assumptions that underpin the business model.

Current clinical practice as reported by physicians interviewed

On average, the respondents see around 57 ED patients a month. Of these patients, approximately 26 (46%) would be likely to receive drug treatment for ED. Of those receiving drug treatment for ED, 19 (73%) would be likely to receive a PDE5 inhibitor. These results are broadly in line with larger patient survey studies published by the American Urological Association (AUA). The split between the PDE5 inhibitors favoured sildenafil with around a 41 per cent. share of the patients in both markets.

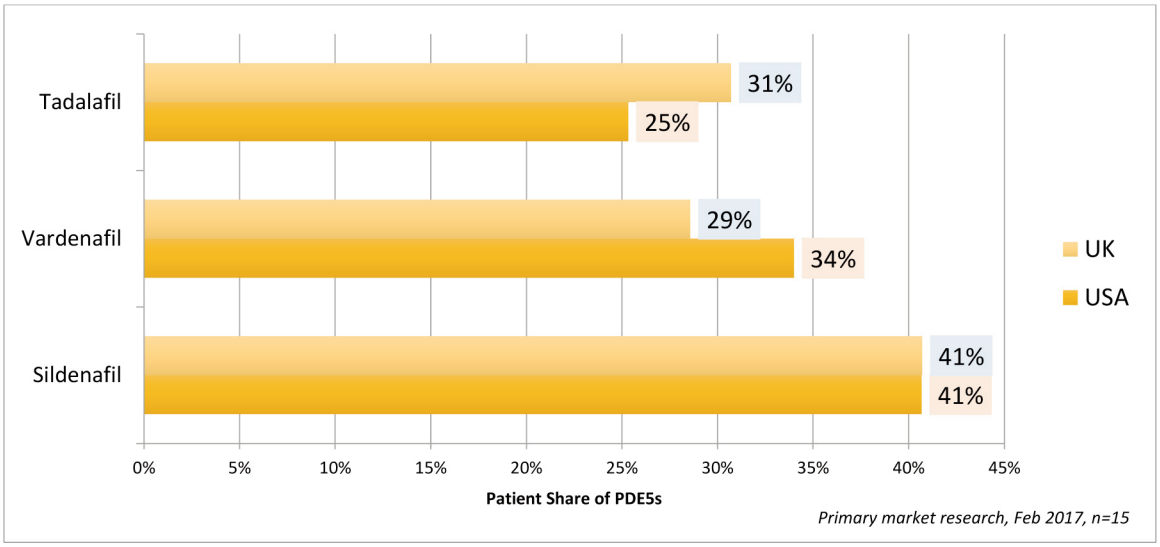


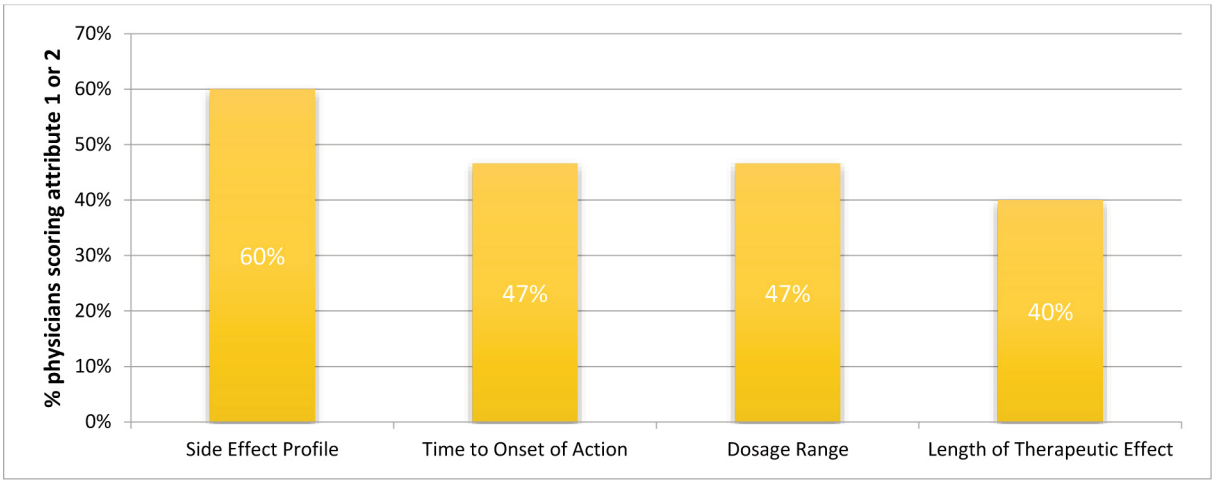
Figure 3. Patient share of PDE5 inhibitors treatments

In terms of the specific tablet strength for sildenafil, there was usage across all strengths but the majority of the patients were prescribed the 50mg dosage, with a slight preference for the 8 pill pack size in the USA and the 4 pill pack size in the UK market.

Sixty percent of respondents reported a slight increase in their prescribing of PDE5 inhibitors over the past 12 months with only 7 per cent. reporting a slight decrease.

Side effect profile was perceived as the most important attribute when choosing a PDE5 inhibitor.

Figure 4. Attributes considered important* in selection of PDE5 Inhibitor



Review of Product Profile

The market research feedback for the sildenafil reformulation profile was encouraging with the majority of responses being positive (67%) or neutral (33%). There were no negative responses to the product profile. Some specific testimonials for responses were as follows:

"Not affected by food intake .....with a longer therapeutic window, ideal for my patients", UK General Practitioner (GP NHS)

"I can see the real benefits of the quicker onset of action... ", UK General Practitioner (GP NHS)

"*Effectiveness over 2 days coupled with the quick reaction time...* ", US Primary Care Physician

There was also a favourable switch rate across all 3 of the existing prescribed products to this new product offering with the largest switch being 28 per cent. from vardenafil. This could present an additional switching opportunity for this reformulation product.

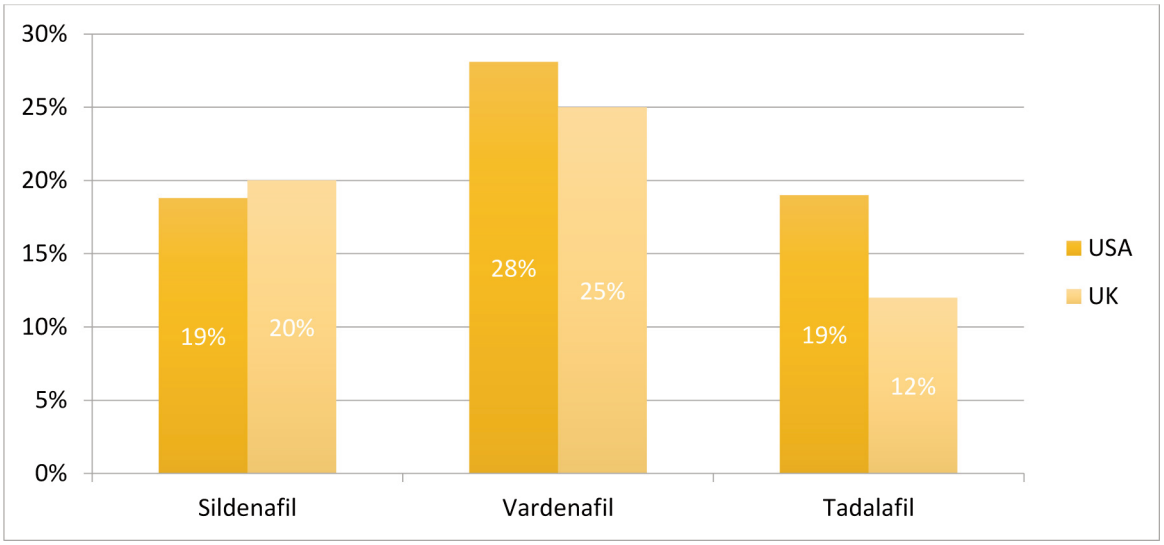


Figure 5. Percent of current usage likely to switch to new product

Future sildenafil Reformulation Competitive Landscape

The market landscape for ED is not likely to undergo major upheavals in the near future with the exception of patent expiry events, since many of the current methods satisfy the current therapeutic need of patients. Although there are a number of new technologies on the horizon, most, fail to meet a significant unmet need, are experiencing significant technical hurdles or are at an extremely early stage in development.

Table 7. Potential future competitors to the ED market

Product or Technology	*Description*	*Company or Institution*	*Current Phase of Development*	*Expected Launch Date*
TD0025 (Rocket1h)	Purported to be needed to be taken less frequently than sildenafil citrate,	Vietstar Biomedical Research	Phase 2 completion date set for April 2017.	Est. 2020

Product or Technology	*Description*	*Company or Institution*	*Current Phase of Development*	*Expected Launch Date*
Eroxon (-Guanylate cyclase activator)	Repurposing Glyceryl trinitrate, this previously was used to treat angina. Drug delivered through an in-house delivery method called 'DermaSys' which drives the drug (in its gel form) through the skin, almost like an injection.	Futura Medical	Widespread success in Phase II, Phase III trials underway.	Est. 2021 (Phase 3 announced but no press release since Jun-15)
Dornier Aries 2 Device	For the treatment of vasculogenic erectile dysfunction using the device to emit a low intensity extracorporeal shock wave.	Dornier MedTech systems	Early stage technology	Post 2022
Nanoparticles (Ghasemain, E et al., 2013**)**	sildenafil citrate loaded PLGA nanoparticles as a mode of transport to the tissue in question.	University of Tehran	Formulation and Optimization	Post 2022
B8 Formulation (Sivakranth, M et al., 2010)	Fast dissolving tablet containing sildenafil Citrate and 5 per cent. crospovidone detailed a lesser disintegration time and less wetting time.	Sri Venkateswara University	Formulation and Evaluation	Post 2022

Whilst there are very few new molecular entities in development currently, a number of companies and institutions are looking at the feasibility of reformulating existing forms of sildenafil into new products. In addition to this a number of academic institutions are researching the feasibility of new technologies to be used to reformulate sildenafil at a very early stage. Reformulations currently being investigated include:

- Dermatological gels – Eroxon by Futura Medica
- Faster dissolving tablets – Sri Venkateswara University
- Nano-particles – University of Tehran

The exception to the new molecular entities is TD0025 (Rocket1h) which is a herbal product currently available commercially in Vietnam. The product is currently being investigated in a Phase 2 clinical trial (NCT02798159) to show parity of efficacy with sildenafil as a primary end point.

Whilst there are new devices in development, Dornier Aries 2, these tend to be targeted towards patients at the more severe end of the ED spectrum who are generally more resistant to pharmacological treatment since the underlying cause of severe ED is more likely to be organic.

Sildenafil Reformulation Valuation Market Model

Based on the favourable review of the product profile by the target customer group, there is potential for this sildenafil reformulation to take existing market share from the currently licensed PDE5 inhibitors being used to treat patients with ED.

The initial strategy would be to take share from the existing sildenafil patient base. There is also the opportunity to take share from vardenafil and tadalafil, from which the clinicians felt there was a potential opportunity.

Table 8. Source of business for the sildenafil reformulation product (based on PMR)

	USA		***UK***	
	Current Share	*%Conversion to N4 sildenafil*	*Current Share*	*%Conversion to N4 sildenafil*
sildenafil 50mg	23%	18% (4.1%)	23%	20% (4.6%)
vardenafil	34%	31% (10.5%)	29%	25% (7.2%)
tadalafil	25%	26% (6.5%)	31%	12% (3.7%)
N4 share*	21%		15%	

**Based on straight application of PMR data*

Please note that these are shares stated with current branded pricing of both tadalafil and vardenafil in both the UK and USA markets. Pricing was not explicitly discussed during the PMR section of the project.

Sildenafil Reformulation Valuation Assumptions

Three forecast valuations for the prescription market for the new formulation have been generated based on the following assumptions:

Table 9. Valuation scenarios and assumptions for the sildenafil reformulation

	Scenario 1	*Scenario 2*	*Scenario 3*
Estimated US Launch date	Jan 2020	Jan 2020	Jan 2020
Estimated EU launch date	Jan 2021	Jan 2021	Jan 2021
Source of business	All PDE5s, 100% of PMR results		
Patient Share PDE5 market – USA		21%	
Patient Share PDE5 market – T5 EU		15%	
Price vs. sildenafil 100mg	200% premium	300% premium	400% premium
Average tablets / patient / yr	42	42	42
Peak revenue USA & T5EU, 2026	£253M	£493M	£657M

Please note that the USA comparator price for sildenafil 100mg has been based on 10 per cent. of the current branded price.

Taking Scenario 1 as the baseline scenario, sensitivity analysis of the assumptions driving the revenue are as follows (using peak year sales at 2026 as the baseline revenue value):

Figure 6. Revenue sensitivity to price and average days of therapy

Revenue increases approximately £60M for each 50 per cent. price increase over and above that of generic 100mg sildenafil.

Please note that the above table only provides estimated revenue for USA and top 5 EU markets within the prescription market ONLY. There could be potential opportunity within other 'rest of world' regions as well as within the OTC market as follows:

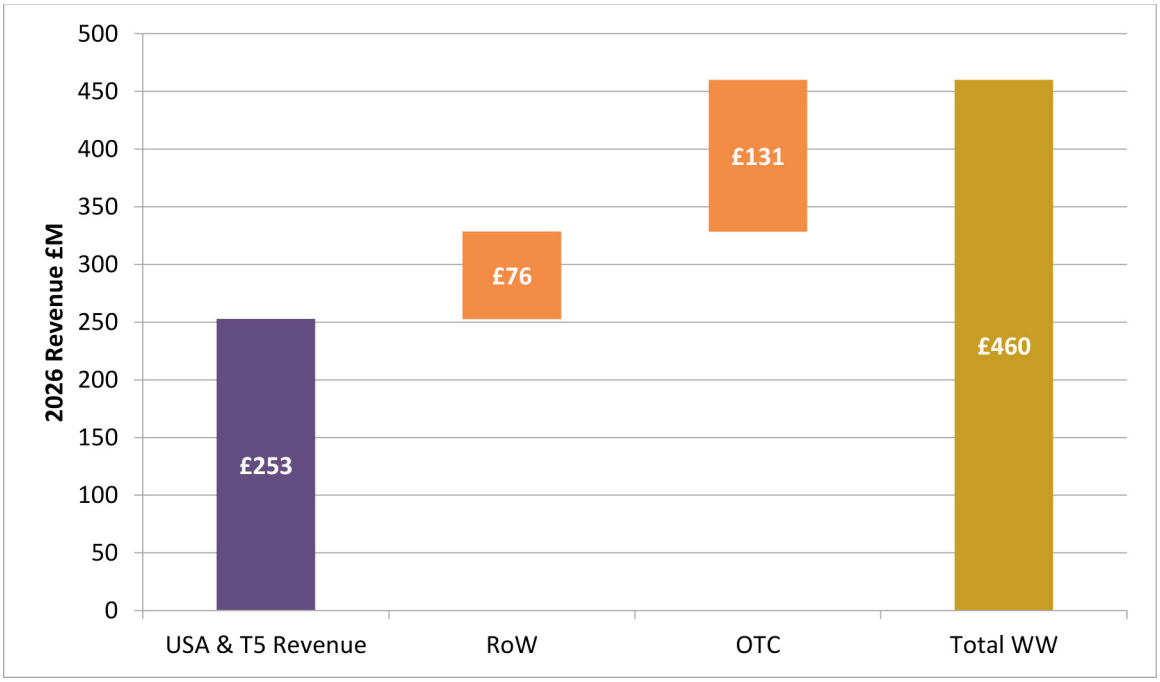


Figure 7. Estimate of worldwide and OTC revenue sensitivity for the sildenafil reformation product

LOSARTAN /VALSARTAN REFORMULATION ADDRESSABLE MARKET

Losartan indication

Losartan is currently indicated for the following populations:

1. Chronic heart failure in stabilised patients with an LVEF < 40 per cent. (in whom ACE inhibitors are contraindicated or not well tolerated*)
2. Essential hypertension in adults and children > 6 years.
3. Treatment of renal disease in patients with hypertension and type II diabetes with proteinuria ≥ 0.5mg/day.
4. Reduction in risk of stroke in patients with hypertension with left ventricular hypertrophy

Losartan eligible populations, by indication

Table 10. Chronic heart failure with LVEF < 40%.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	2,605	2,663	2,721	2,779	2,844	2,909	2,973	3,038	3,103	3,170
T5 EU	2,440	2,478	2,515	2,553	2,592	2,631	2,669	2,708	2,747	2,787
Total	5,045	5,141	5,237	5,332	5,436	5,539	5,643	5,746	5,850	5,957

* *Populations where ACE inhibitors are contraindicated include pregnancy & lactation, history of angioedema (hereditary/idiopathic). Frequency of angioedema related to ACE inhibitor use ranges from 0.1 per cent. to 6%, depending on age, ethnicity and other underlying diseases (Byrd et al).*

***Source**: Epiomic Database, accessed 20/2/2017*

Table 11. Essential hypertension > 6 years of age.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	87,521	88,793	90,066	91,338	92,574	93,809	95,045	96,280	97,516	98,665
T5 EU	80,173	81,054	81,934	82,815	83,646	84,476	85,307	86,137	86,968	87,713
Total	167,694	169,847	172,000	174,153	176,219	178,285	180,352	182,418	184,484	186,378

N.B: Approximately 4 per cent. of hypertension patients also have chronic heart failure and could be an overlapping population with CHF indication.

***Source**: Epiomic Database, accessed 20/2/2017*

Table 12. Hypertension with T2DM and renal disease, macroalbuminuria & CKD Stage 3.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	4,243	4,305	4,367	4,430	4,493	4,556	4,619	4,682	4,746	4,809
T5 EU	4,243	4,305	4,367	4,430	4,493	4,556	4,619	4,682	4,746	4,809
Total	8,098	8,246	8,394	8,542	8,695	8,848	9,002	9,155	9,308	9,458

***Source**: Epiomic Database, accessed 20/2/2017*

Table 13. Hypertension with LVH.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	15,404	15,628	15,852	16,076	16,293	16,510	16,728	16,945	17,163	17,365
T5 EU	14,111	14,265	14,420	14,575	14,722	14,868	15,014	15,160	15,306	15,438
Total	29,514	29,893	30,272	30,651	31,015	31,378	31,742	32,105	32,469	32,803

According to a study by Verdecchia et al, LVH measured by ECG was present in approximately 18 per cent. of patients with hypertension.

***Source:** Epiomic Database, accessed 20/2/2017*

Valsartan indications

Valsartan is currently indicated for the following populations:

1. Heart failure when ACE inhibitors cannot be used or as add-on therapy to ACE inhibitors when –blockers cannot be used.

2. Hypertension.

3. Treatment following MI in clinically stable patients with symptomatic heart failure or asymptomatic left ventricular systolic dysfunction.

Valsartan eligible populations, by indication

Table 14. CHF.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	7,312	7,458	7,605	7,751	7,909	8,067	8,225	8,382	8,540	8,699
T5 EU	6,701	6,793	6,885	6,978	7,070	7,163	7,255	7,348	7,440	7,533
Total	14,013	14,251	14,490	14,729	14,979	15,229	15,480	15,730	15,980	16,232

***Source**: Epiomic Database, accessed 20/2/2017*

Table 15. Hypertension.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	87,757	89,031	90,305	91,579	92,815	94,051	95,288	96,524	97,760	98,910
T5 EU	80,278	81,159	82,039	82,919	83,749	84,580	85,410	86,240	87,070	87,815
Total	168,036	170,190	172,344	174,498	176,564	178,631	180,698	182,764	184,831	186,725

N.B: there are no age restrictions on valsartan, includes < 6 yr old population.

Source: Epiomic Database, accessed 20/2/2017

Table 16. Acute MI with LV systolic dysfunction.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	257	263	269	275	281	287	293	298	304	310
T5 EU	247	250	254	258	261	265	268	271	275	278
Total	504	514	523	533	542	551	560	570	579	588

According to a study by Weir et al, approximately 60 per cent. of acute MI patients develop LV dysfunction following the incident event.

***Source**: Epiomic Database, accessed 20/2/2017*

Table 17. Acute MI with symptomatic HF.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	107	110	112	115	117	119	122	124	127	129
T5 EU	103	104	106	107	109	110	112	113	114	116
Total	210	214	218	222	226	230	234	237	241	245

***Source**: Epiomic Database, accessed 20/2/2017*

APREPITANT REFORMULATION ADDRESSABLE MARKET

Aprepitant indications

Aprepitant is an anti-emetic (nausea) medication indicated for both the prevention and treatment of nausea following chemotherapy.

Aprepitant eligible populations

Table 18. Incident stage III & IV cancer patients eligible for chemotherapy.

(000s)	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
USA	676	690	705	720	734	749	764	779	794	808
T5 EU	727	737	747	757	767	777	787	797	807	817
Total	1,402	1,427	1,452	1,477	1,501	1,526	1,552	1,577	1,602	1,625

***Source**: Epiomic Database, accessed 20/2/2017*

Please note that there may be additional relapse patients that have not been included within the above table. Also, not all patients will be able to receive treatment, and treatment rates with systemic therapy vary by country and disease.

Please see accompanying Excel workbook for breakdown by country and tumour type.

CONCLUSION

Due to the establishment of PDE5 inhibitors over the past 20 years as a first line treatment for patients with moderate levels of ED, these treatments and their clinical profiles are well understood by primary care physicians who are the main prescribers for these treatments.

For the sildenafil reformulation product that is currently in development by N4 Pharma Limited, the addressable market will be primarily patients that receive a PDE5 inhibitor and within this patient segment, those that are being prescribed sildenafil. In terms of actual patient numbers, this would equate to 2.65 million across the 6 major markets. If the target product profile was to achieve its clinical end points in terms of faster onset of action via a sub lingual route coupled with a sustained release to deliver a longer therapeutic window to 18-24 hours without any loss of efficacy with food consumption, it could achieve a 21 per cent. USA share switch and 15 per cent. EU share from all existing PDE5 inhibitor products based on primary market research in these key markets. These proposed product attributes were seen as a current unmet need and was received positively by clinicians in the market research and confirmed as the attributes required in any new PDE5 inhibitor coming to market.

Although only the product utility and profile was tested with clinicians, a pricing premium of 2 times the current price point for a 100 mg sildenafil would be the base scenario for this innovative profile.

With a targeted launch date of January 2020 (USA) and 2021 (EU), there are limited number of new reformulation products currently in development that will launch before or at the same time that will limit the expected uptake of the product. Based on the suggested price point, peak revenues are expected in 2026 at £253 million per annum. If we factor in the ROW markets and the OTC potential in the global 6 major markets, the world-wide revenue for the sildenafil reformulation product becomes £460 million.

In terms of commercial risks related to launching this new sildenafil reformulation, confirmation of the price point will be required with payers and managers of healthcare systems to ensure acceptance and reimbursement of the product in the various markets. The average days of treatment is also a key assumption that will require confirmation to a more detailed level with further market research prior to launch. The regulatory pathway, the formulation strategy and the Intellectual property strategy of the product composition is outside the scope of this report but can be key potential commercial risks that need to be confirmed by the development team to ensure commercial success.

For the other 2 products in the reformulation portfolio, the addressable markets in terms of patient populations are significant in size and worth pursuing further. As the target product profiles for each of these opportunities are developed in the short-term, the clinical utility and the unmet need can be confirmed utilising primary market research with primary care and secondary care physicians in the case of the Aprepitant reformulation. The combination of these 3 opportunities would yield a deep product portfolio for the business that has the potential to deliver a long term revenue stream as the products launch over the next 4 to 8 years, that leverages a similar mechanism of action with this proprietary technology.

Yours faithfully

Christopher Ehinger
Director
Black Swan Analysis

ABBREVIATIONS & TERMS

Abbreviation	*Explanation*
ACE	
AJCC	American Joint Committee on Cancer
AUA	American Urological Association
BNF	British National Formulary
CAGR	Compound annual growth rate
CHF	Chronic Heart failure
CKD	Chronic Kidney Disease
DOT	Days of therapy
ED	Erectile dysfunction
GMP	Guanosine monophosphate
GP	General practitioner
HF	Heart failure
LV	Left ventricle
LVEF	Left ventricular ejection fraction
LVF	Left ventricular failure
LVH	Left ventricular hypertrophy
MI	Myocardial infarction
MIMS	Monthly Index of Medical Specialities
NHANES	National Health & Nutrition Examination Survey
NHS	National Health Service
NO	Nitric oxide
ODT	Orodispersible
OTC	Over the counter
PCP	Primary care physician
PDE	Phosphodiesterase
PEF	Preserved ejection fraction
PMR	Primary market research
POM	Prescription only medicine
REF	Reduced ejection fraction
RoW	Rest of World
TPP	Target product profile
T2DM	Type 2 diabetes mellitus
US	United States
VED	Vacuum Erection device
WW	World Wide

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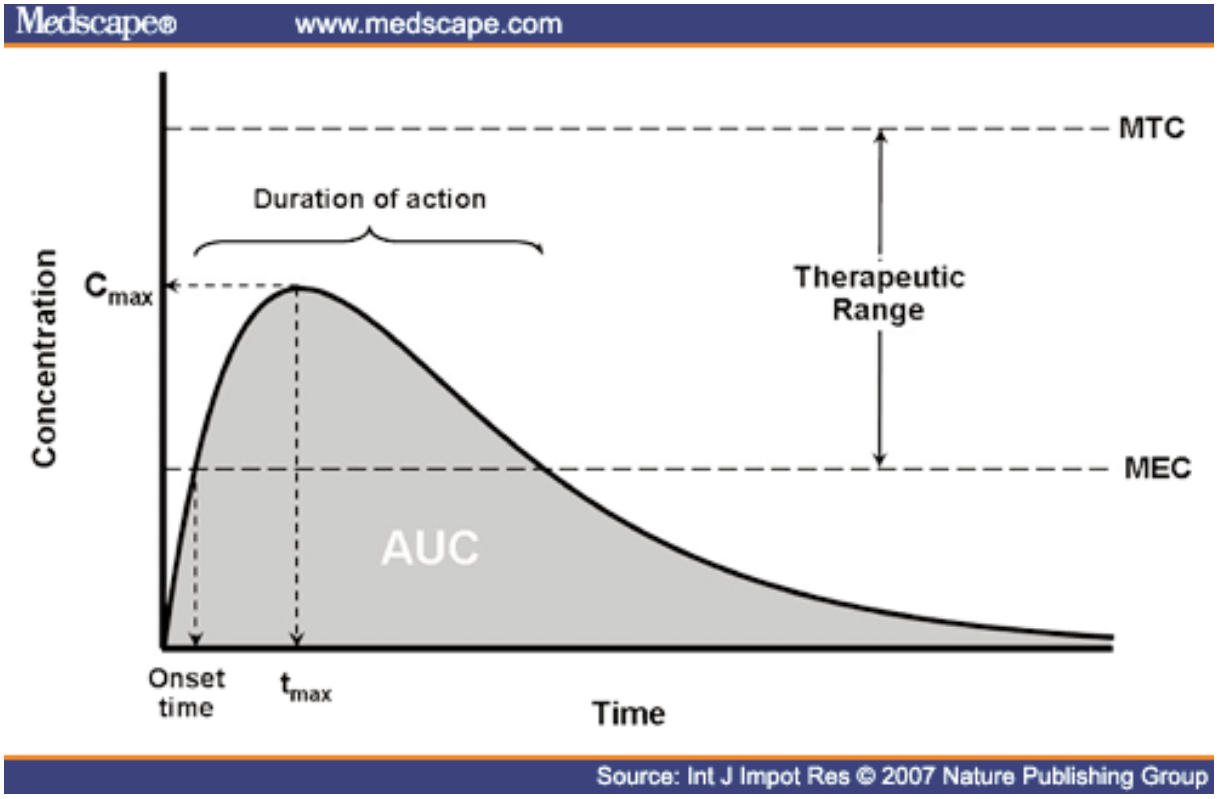
APPENDIX 1: SILDENAFIL TARGET PRODUCT PROFILE

sildenafil

Target product Profile: Male Erectile Dysfunction

Based on the simplified diagram below the pharmacokinetic profile, which is a reasonable approximation to the effect profile, should deliver the following features compared to immediate release tablet:

- a reduced onset time/ faster Tmax
- plasma concentration within Therapeutic range for longer (define longer)
- Cmax never in excess of MTC (maximum tolerated concentration) to remain within existing established safety profile



APPENDIX 2: LOSARTAN AND VALSARTAN MARKET BACKGROUND

Disease overview

High blood pressure and hypertension are common conditions which often lead to events such as myocardial infarction, stroke, renal failure and death. There are several current treatments for patients with high blood pressure or hypertension. Defined as having a blood pressure of >140/90 mm Hg. However for several patients hypertension and high blood pressure are asymptomatic, this reduces the adherence to treatment regimes. Tolerability of treatment is therefore critical. This is why angiotensin II receptor blockers (ARB's) are often prescribed as they have few side effect and therefore are tolerable. Losartan and valsartan are currently available ARB's.

Angiotensin II binds its receptors and causes blood vessels to narrow which subsequently increases blood pressure. ARB's block angiotensin receptors in a competitive manner, so the blood vessels don't constrict which lowers the overall blood pressure. Additionally, ARB's also increase the release of sodium and water to urine. And an overall decrease in body fluid through urination also lowers blood pressure.

Table 19. Comparison of Current Angiotensin II Receptor Antagonists

Drug	*Time until onset (hrs)*	*½ life*	*Affected by food intake*	*Reduction in starting dose required for elderly, hepatic or renal impairment*	*Price per average daily dose ($)*
losartan	1	1.5-2.5	No	Yes	50mg-$38
valsartan	2-4	6-9	No	Should not be used in patients with kidney disease	80mg-$36
irbesartan	2	11-15	No	No	150mg-$36
candesartan Eilexetil	4-6	9	No	No	16mg-$36
eprosartan mesylate	1-2		Yes	No	600mg-$37
telmisartan	0.5-1	24	Slightly	Caution with biliary obstructive disorders/hepatic insufficiency	40mg-$39

***Source**: Dina R et al.*

Table 20. Drug Selection in Hypertensive Patients with or without Major Conditions

Patient Type	*First Drug*	*Add Second Drug If Needed to Achieve a BP <140/90 mm Hg*	*If Third Drug is Needed to Achieve a BP of <140/90 mm Hg*
A. When hypertension is the only or main condition			
Black patients (African ancestry): All ages	CCB or thiazide diuretic	ARB or ACE inhibitor (If unavailable can add alternative first drug choice)	Combination of CCB + ACE inhibitor or ARB + thiazide diuretic
White and other non-black Patients: Younger than 60	ARB or ACE inhibitor	CCB or thiazide diuretic	Combination of CCB + ACE inhibitor or ARB + thiazide diuretic
White and other non-black patients: 60 y and older	CCB or thiazide diuretic (Although ACE inhibitors or ARBs are also usually effective)	ARB or ACE inhibitor (or CCB or thiazide if ACE inhibitor or ARB used first)	Combination of CCB + ACE inhibitor or ARB + thiazide diuretic
B. When hypertension is associated with other conditions			
Hypertension *and* diabetes	ARB or ACE inhibitor Note: in black patients, it is acceptable to start with a CCB or thiazide	CCB or thiazide diuretic Note: in black patients, if starting with a CCB or thiazide, add an ARB or ACE inhibitor	The alternative second drug (thiazide or CCB)
Hypertension *and* chronic kidney disease	ARB or ACE inhibitor Note: in black patients, good evidence for renal protective effects of ACE inhibitors	CCB or thiazide diuretic	The alternative second drug (thiazide or CCB)
Hypertension *and* clinical coronary artery disease	β -Blocker plus ARB or ACE inhibitor	CCB or thiazide diuretic	The alternative second step drug (thiazide or CCB)
Hypertension *and* stroke history	ACE inhibitor or ARB	Thiazide diuretic or CCB	The alternative second drug (CCB or thiazide)

Abbreviations: ACE, angiotensin-converting enzyme; ARB, angiotensin receptor blocker; BP, blood pressure; CCB, calcium channel blocker; eGFR, estimated glomerular filtration rate.

CCBs are generally preferred, but thiazides may cost less.

ARBs can be considered because ACE inhibitors can cause cough and angioedema, although ACE inhibitors may cost less.

If eGFR <40 mL/min, a loop diuretic (e.g. furosemide or torsemide) may be needed.

Note: If history of myocardial infarction, a -blocker and ARB/or ACE inhibitor are indicated regardless of blood pressure.

Note: If using a diuretic, there is good evidence for indapamide (if available).

Source: *Weber et al. Clinical Practice Guidelines for the Management of Hypertension in the Community, JCH; Volume 16 (1), Jan 2014, 14-26.*

APPENDIX 3: APREPITANT MARKET BACKGROUND

Disease overview

Nausea and vomiting are distinct but often occur simultaneously. They are recognised as one of the most unpleased side effects of chemotherapy and can reduce patient adherence to chemotherapy regimes.[7] Vomiting is a reflex resulting in the expulsion of gastric contents. Nausea is defined as epigastric discomfort or an awareness of being about to vomit. In 2012 it was recorded that 4 million people were treated with chemotherapy and of that 70-80 per cent. were affected by chemotherapy induced nausea and vomiting (CINV)[8]. Chemotherapy induced nausea and vomiting (CINV) can be acute (24hours post treatment) and delayed (after the first 24 hours post treatment and may last up to 8 days). Serotonin is the neurotransmitter associated with CINV which has been most widely studied. This research has resulted in the use of 5HT3 antagonist being used to compete with serotonin and block pro-emetic signals. Another neurotransmitter associated with CINV is substance P which binds the NK-1 receptor which can be found in the CNS or the gut. NK-1 receptor antagonists are therefore also used to alleviate CINV symptoms.

Chemotherapies are grouped into distinct classes based on their associated emetic risk. These are commonly known as HEC (high emetic chemotherapy) and MEC (moderate emetic chemotherapy). MEC can include non- or anthracycline–cyclophosphamide based chemotherapy (AC). (Table 21)

It is thought that serotonin is the main mediator of acute CINV and substance P is the main mediator of delayed CINV. It is therefore currently recommended that CINV is treated using a 5-HT antagonist a NK-1 antagonist and dexamethasone.

Table 21. Chemotherapy Emetic Risk Categories

Emetic risk category	*Emetic risk*	*Chemotherapy examples*	*Recommended anti-emetics*
High	>90%	Cisplatin Carmustine Dacarbazine	NK1RA 5-HT3RA DEX
Anthracycline–cyclophosphamide based chemotherapy (AC)	85%	Cyclophosphamide Doxorubicin Epirbubicin	NK1RA 5-HT3RA DEX
Moderate	30-90%	Carboplatin Ifosfamide Oxaliplatin Irinotecan	NK1RA Palonosetron DEX

Source: *Jordan et al. 2015*

Current and future competitive environment

Aprepitant (oral tablet) and fosaprepitant (intravenous injection aprepitant prodrug) are neurokinin 1 receptor antagonists (NK1RA). NK1 is a GPCR with a dominant ligand (Substance P). There are high levels of receptors in the vomiting centre of the brain which is a benefit to intravenous drugs in this instance as patients with extreme nausea and vomiting may not tolerate oral medication.

Netupitant is another existing NK1 receptor antagonist which was licensed by the FDA in 2014. Netupitant is combined with Polonosetron (5-HT receptor antagonist) in the first combination therapy. Netupitant has a high binding affinity for the NK1 receptor and a long half life of 90 hours. It is also conveniently combined with polonosetron so a single dose may entirely prevent CINV.

7 Bošnjak et al 2017. Prevention of chemotherapy-induced nausea: the role of neurokinin-1 (NK1) receptor antagonists.

8 Transparency Market Research. CINV Existing and Pipeline Drugs Market: Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2014-2020.

Rolapitant (approved 2015) is also a NK1RA which is highly selective with a long (180 hr) plasma half life. A single dose may therefore be sufficient to treat the entire risk period of CINV. Unlike other drugs in the NK1RA class it doesn't interfere with CYP3A4 activity and therefore there is no requirement to adjust simultaneously given drugs which are metabolised by CYP3A4. 180 mg should be taken in the form of two 9mmg tablets, 1-2 hours before chemotherapy. Unlike other NK1RA's there is no dose adjustment required of dexamethasone.

Cinvanti from Heron Therapeutics is expected to receive approval in Q4 2017. Cinvanti is a proposed injectable to work by similar mechanism to fosaprepitant. However, it does not contain polysorbate 80 which often causes allergic reactions with patients who receive fosaprepitant.

Comparative price points

aprepitant – 3 day = 3 x 80 mg -£47.42[9]

fosaprepitant – 1 x 10 ml vial - £47.42

netupitant/Palonosetron- 1 x 300mg /0.5 mg- £69

A report by Allied Market Research suggested global netupitant-palonosetron was valued at $257,162 million in 2015.[10]

Current standard of care

For HEC and MEC risk groups, a treatment regime should include a NK-1 receptor antagonist combined with a $5HT_3$ antagonist and dexamethasone.[11] However, studies into antiemetic guideline adherence[12] suggest that $5HT_3$ receptor antagonist are prescribed appropriately but corticosteroids (dexamethasone) and NK-1 receptor antagonists are not utilised to their full therapeutic potential.

9 March 2016 MIMS

10 Allied Market Research, 2017 "Netupitant Palonosetron Market: Global Opportunity Analysis and Industry Forecast, 2014-2022

11 Rapoport, et al 2016. The Role of Neurokinin-1 Receptor Antagonists in CINV. In Management of Chemotherapy-Induced Nausea and Vomiting

12 Jordan et al 2015. Recent developments in the prevention of chemotherapy-induced nausea and vomiting (CINV): a comprehensive review.

PART VII

FINANCIAL INFORMATION ON N4 PHARMA

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF N4 PHARMA LIMITED

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13 April 2017

The Directors
Onzima Ventures plc
6th Floor
60 Gracechurch Street
London
EC3V 0HR

The Directors
Stockdale Securities Limited
Beaufort House
15 St. Botolph Street
London
EC3A 7BB

Dear Sirs

N4 Pharma Limited ("N4 Pharma" or the "Company")

Introduction

We report on the historical financial information set out in Section B Part VII of the admission document of Onzima Ventures plc dated 13 April 2017 (the "Admission Document"). This historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in Note 2. 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.

Responsibility

The Directors of Onzima Ventures plc are responsible for preparing the historical financial information on the Company in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any 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 AIM Admission Document.

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 historical financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate, consistently applied and adequately disclosed.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of N4 Pharma as at the dates stated and of its profits and losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as 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

Saffery Champness LLP
Chartered Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION ON N4 PHARMA LIMITED

Statements of comprehensive income

		14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Revenue		—	—	—
Administrative expenses		(48,292)	(70,694)	(185,083)
Other operating income	6	1,968	2,532	—
Operating loss	6	(46,324)	(68,162)	(185,083)
Finance costs	7	—	—	(5,857)
Loss before tax		(46,324)	(68,162)	(190,940)
Tax credit	8	1,630	4,670	14,362
Total comprehensive loss for the period/year		(44,694)	(63,492)	(176,578)
Loss per share attributable to the equity holders of the company				
Basic and diluted (£)	15	(4.47)	(6.34)	(17.65)

All recognised gains and losses are included in the Statements of comprehensive income. As such there is no other comprehensive income.

All operations are continuing operations.

Statements of financial position

		As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
ASSETS				
Current assets				
Trade and other receivables	9	532	12,669	8,825
Tax		1,630	4,670	14,362
Cash and cash equivalents	10	5,572	50,171	19,751
		7,734	67,510	42,938
Total assets		7,734	67,510	42,938
LIABILITIES				
Current liabilities				
Trade and other payables	11	52,328	100,596	122,680
		52,328	100,596	122,680
Non-current liabilities				
Borrowings	12	—	75,000	204,922
		—	75,000	204,922
Total liabilities		52,328	175,596	327,602
Net liabilities		(44,594)	(108,086)	(284,664)
Equity attributable to owners of the company				
Issued capital	14	100	100	100
Retained losses		(44,694)	(108,186)	(284,764)
Total equity		(44,594)	(108,086)	(284,664)

Statements of changes in equity

	Issued capital £	*Retained losses* £	*Total* £
At 5 February 2014	100	—	100
Total comprehensive expense for the period	—	(44,694)	(44,694)
At 31 March 2015	100	(44,694)	(44,594)
Total comprehensive expense for the year	—	(63,492)	(63,492)
At 31 March 2016	100	(108,186)	(108,086)
Total comprehensive expense for the period	—	(176,578)	(176,578)
At 31 December 2016	100	(284,764)	(284,664)

Statements of cash flows

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Cash flows used in operating activities			
Loss before taxation	(46,324)	(68,162)	(190,940)
Adjustments for:			
(Increase)/decrease in trade and other receivables	(532)	(12,137)	3,844
Increase in trade and other payables	6,328	3,268	32,084
Tax credit received	—	1,630	4,670
Net cash flows from operating activities	(40,528)	(75,401)	(150,342)
Cash flows from financing activities			
Issue of share capital	100	—	—
Loan amounts introduced by directors	46,000	45,000	—
Loan advances	—	75,000	129,922
Loan repayments to directors	—	—	(10,000)
Net cash from financing activities	46,100	120,000	119,922
Net increase/(decrease) in cash and cash equivalents	5,572	44,599	(30,420)
Cash and cash equivalents at the beginning of the period	—	5,572	50,171
Cash and cash equivalents at the end of the period	5,572	50,171	19,751

1 General information

N4 Pharma Limited (the "Company") is a private company, limited by shares, registered in England and Wales. The Company's registered number is 08878121 and its registered office address is The Mills, Canal Street, Derby, DE1 2RJ

2 Significant accounting policies

The principal accounting policies adopted in the preparation of the historical financial information, which have been applied consistently to all periods presented, are set out below.

Basis of preparation

The historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and International Financial Reporting Interpretations Committee (IFRIC). The standards used are those published by the International Accounting Standards Board (IASB) and endorsed by the EU effective as at 1 April 2016.

Going concern

The Company made a loss of £176,578 in the period ended 31 December 2016 with net liabilities of £284,664 as at 31 December 2016. The directors believe that the Company is subject to other risks, including, but not limited to, an evolving business model, development of new innovations and dependence on key personnel. The Company is continuing to grow and its long-term viability is dependent on its ability to generate sufficient revenue, net income and cash flows from its operations to support its business along with the ability to raise additional capital from shareholders.

The directors are confident that the Company has sufficient funding available to continue trading for at least 12 months from the reporting date and therefore considers the preparation of the historical financial information on a going concern basis to be appropriate.

Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or services, excluding discounts, rebates, VAT and other sales taxes and duties

The Company has not yet completed the reformation of its generic drugs and as such reports no revenue.

Research and Development

Research costs are charged against the income statement as they are incurred. Certain development costs will be capitalised as intangible assets when it is probable that the future economic benefits will flow to the Company. Such intangible assets will be amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit, and are reviewed for impairment at each year end date. Other development costs are charged against income as incurred since the criteria for their recognition as an asset not met.

The criteria for recognising expenditure as an asset are:

- It is technically feasible to complete the product;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources are available to complete the development, use and sale of the product; and
- Expenditure attributable to the product can be reliably measured.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the income statement on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to income on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the income statement in the period in which they become receivable.

Taxation

Taxation for the periods comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or direct in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable/ receivable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the historical financial information. Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through income are recognised immediately in the income statement.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the entire contract can be valued using active market quotes or verifiable objective market information. Depending on the type of financial instrument, the Company can adopt one of the following policies for the amortisation of day 1 gain or loss:

- calibrate unobservable inputs to the transaction price and recognise the deferred gain or loss as the best estimates of those unobservable inputs change based on observable information; or
- release the day 1 gain or loss in a reasonable fashion based on the facts and circumstances (i.e. using either straight-line or non-linear amortisation).

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised immediately in profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through the income statement, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting

payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

New and amended standards, interpretations and amendments in issue but not yet effective and have not been early adopted.

The following standards, interpretations and amendments have been published by the IASB but are yet to be endorsed by the EU or are not effective for the periods provided in the historical financial information and have not been early adopted.

Standard	*Effective date, annual period beginning on or after*
Annual Improvements 2014-2016 cycle	1 January 2017/ 1 January 2018
Amendments to IAS 12 – *Recognition of Deferred Tax for Unrealised Losses*	1 January 2017
Amendments to IAS 7 – *Disclosure Initiative*	1 January 2017
IFRS 9 *Financial instruments*	1 January 2018
IFRS 15 *Revenue from contracts with Customers* including amendments to IFRS 15: *Effective date of IFRS 15*.	1 January 2018
Clarifications to IFRS 15 *Revenue from contracts with Customers*	1 January 2018
IFRS 16 *Leases*	1 January 2019
IFRS 2 (amendments) *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
IFRS 4 (amendments) *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*	1 January 2018
IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to IAS 40: *Transfers of Investment Property*	1 January 2018

The directors are evaluating the impact that these standards may have on the future financial statements of the Company.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Deferred tax

The company has not recognised a deferred tax asset in relation to unrelieved tax losses as it is not considered probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development costs

Research costs incurred during the year have been charged against the income statement as it is not yet considered probable that future economic benefits will flow to the Company.

4 Segmental reporting

For the purpose of IFRS8, the chief operating decision maker takes the form of the board of directors. The directors' opinion is that the business of N4 Pharma Limited is to reformulate existing drugs and vaccines, which is considered to be one reportable segment. Therefore, the historical financial information of the single segment is the same as that set out in the statements of comprehensive income, statements of changes in equity, statements of financial position and statements of cash flows.

5 Directors and employees

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Wages and salaries	—	—	25,000
	—	—	25,000
The average number of employees during the period was:			
Directors	—	—	1
Management and administration	—		1
	—	—	2

Details of emoluments (including pension) paid to the directors, who are the key management personnel, are as follows:

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Total emoluments paid to:			
Directors	—	—	16,667
	—	—	16,667
Emoluments of highest paid director	—	—	16,667
	—	—	16,667

6 Operating loss

Loss before financing and taxation is arrived at after charging/(crediting):

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Auditors remuneration:			
– audit of the annual accounts of the Company	—	—	12,500
Research and development	6,767	30,146	65,387
Grant income	(1,968)	(2,532)	—

7 Finance costs

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Interest payable on loans	—	—	5,857

8 Taxation

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Domestic current period tax			
Research and development tax credit receivable	(1,630)	(4,670)	(14,362)
Total current tax	(1,630)	(4,670)	(14,362)

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month period ended 31 December 2016* £
Factors affecting the tax credit for the period			
Loss before tax	(46,324)	(68,162)	(190,940)
Loss before tax multiplied by standard rate of UK corporation tax of 20 per cent.	(9,265)	(13,632)	(38,188)
Effects of:			
Non-deductible expenses	515	2	24
Research and development enhanced deduction	(1,249)	(3,641)	(11,197)
Losses for the period carried forward	7,751	10,830	29,551
Losses surrendered for R&D tax credit	2,248	6,441	19,810
R&D tax credit	(1,630)	(4,670)	(14,362)
Total tax charge	(1,630)	(4,670)	(14,362)

The total value of the deferred tax assets arising on losses which have not been recognised were £7,800 as at 31 March 2015, £18,500 as at 31 March 2016 and £44,700 as at 31 December 2016.

9 Trade and other receivables

	As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
Other receivables	298	6,011	3,251
Prepayments and accrued income	234	6,658	5,574
	532	12,669	8,825

The directors consider that the carrying value of trade and other receivables approximates to their fair value. Other receivables balances do not contain impaired assets.

10 Cash and cash equivalents

	As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
Cash at bank and in hand	5,572	50,171	19,751

11 Trade and other payables

	As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
Trade payables	1,557	8,819	19,053
Other payables	46,571	91,573	82,993
Accruals	4,200	204	20,634
	52,328	100,596	122,680

The fair value of trade and other payables approximates to book value at each period end. Trade payables are non-interest bearing. Accruals are normally settled monthly throughout the financial year.

Security has been provided over the company's banking facilities by way of fixed and floating charge over all of the company's assets.

12 Non-current liabilities

	As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
Borrowings	—	75,000	204,922
	—	75,000	204,922

The loan is from Onzima Ventures plc and is unsecured. The loan is repayable in February 2020 and interest is charged at 5 per cent.

13 Financial risk management

The Company's financial instruments comprise cash and various items such as trade receivables, trade payables and other payables that arise directly from its operations. The main purpose of these financial instruments is to finance the Company's operations. The policies to address the risks associated with the Company's financial instruments are reviewed and approved by the Board. A summary of the risks is set out below.

Liquidity risk

In the normal course of business, the Company is exposed to liquidity risk. The Company's objective is to ensure that sufficient resources are available to fund short term working capital and longer term strategic requirements.

The ageing of the company's financial and other liabilities and cash and cash equivalents is as follows:

	As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
Cash and cash equivalents	5,572	50,171	19,571
Other receivables	298	6,011	3,251
	5,870	56,182	22,822
Financial and other liabilities	(6,328)	(9,596)	(41,680)
Net liquidity (deficit)/surplus	(458)	46,586	(18,858)

All of the above are due or mature in less than three months.

Credit risk

Credit risk principally arises on cash deposits and trade receivables. The credit risk arising on cash deposits is limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies.

The Board's investment strategy for its cash investments in all institutions should be rated A1 for short term investments. The Board keeps this situation under review in light of new developments.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The carrying value of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk as no collateral or other credit enhancements are held.

Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows fund at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Foreign currency risk

It is recognised that the Company has an exposure to foreign currency risks however the Board consider this to be an acceptable level of risk which does not threaten the financial stability of the Company, however the Board keeps this risk under regular review.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in note 12 and director loan disclosed in note 16) and equity of the Company (comprising issued capital and retained losses).

14 Share capital

	As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
Allotted, called up and fully paid			
Ordinary shares of £1 each	100	100	100

15 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	14 month period ended 31 March 2015 £	*Year ended 31 March 2016* £	*9 month Period ended 31 December 2016* £
Loss attributable to the equity holders of the Company	(44,694)	(63,492)	(176,578)
Weighted average number of basic ordinary shares in in issue	10,001	10,001	10,001
Weighted average number of diluted ordinary shares in issue	10,001	10,001	10,001
Loss per share:			
Basic	(4.47)	(6.35)	(17.66)
Diluted	(4.47)	(6.35)	(17.66)

16 Related party transactions

Details of directors' remuneration are given in note 5. A director made loans available to the Company as follows:

	As at 31 March 2015 £	*As at 31 March 2016* £	*As at 31 December 2016* £
N J Theobald			
Balance outstanding at start of period	—	46,000	91,000
Amounts introduced	46,000	45,000	—
Amounts repaid	—	—	(10,000)
Balance outstanding at end of period	46,000	91,000	81,000

The above loan is interest free and repayable on demand.

During the periods ended 31 March 2016 and 31 December 2016 the company obtained loan advances from a shareholder. At 31 December 2016 £204,922 (31 March 2016: £75,000) was due by the company. Details of the terms of the loan are given in note 12.

17 Control

During the period, the company was under the control of N J Theobald.

18 Transition to IFRS

In restating the company information into IFRS from UK GAAP as of 5 February 2014, there have been no adjustments to the profit after tax or cash flows. The only adjustments to the financial statements have been certain disclosures.

PART VIII

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Introduction

The unaudited pro forma statement of consolidated net assets set out below has been prepared to illustrate the effect of the Acquisition and the Capital Raising on the consolidated net assets of the Enlarged Group as if the Acquisition and the Capital Raising had occurred on 31 December 2016. This unaudited pro forma statement has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Enlarged Group's actual financial position or results.

This unaudited pro forma statement of consolidated net assets has been prepared on the basis set out in the accompanying notes below.

Notes	*The Company(1) £'000*	*N4 Pharma(2) £'000*	*Acquisition of N4 Pharma(3) £'000*	*Net Capital Raising proceeds(4) £'000*	*Enlarged Group pro forma statement of net assets £'000*
ASSETS					
Non-current assets					
Intangible assets	—	—	951	—	951
Investments	302	—	—	—	302
Other receivables	215	—	(211)	—	4
Total non-current assets	517		740	—	1,257
Current assets					
Inventories	232	—	—	—	232
Trade and other receivables	197	9	—	—	206
Taxation	—	14	—	—	14
Cash and cash equivalents	172	20	—	1,050	1,242
Total current assets	601	43	—	1,050	1,694
Total assets	1,118	43	740	1,050	2,951
LIABILITIES					
Current liabilities					
Trade and other payables	—	(123)	6	—	(117)
Current tax liabilities	—	—	—	—	–
Accruals and deferred income	(77)	—	—	—	(77)
Total current liabilities	(77)	(123)	6	—	(194)
Non-current liabilities					
Borrowings	—	(205)	205	—	—
Total non-current liabilities	—	(205)	205	—	—
Total liabilities	(77)	(328)	211	—	(194)
Net assets/(liabilities)	1,041	(285)	951	1,050	2,757

Notes:

(1) The net assets of the Company at 31 December 2016 have been extracted without material adjustment from the audited financial statements for the year ended 31 December 2016.

(2) The net assets of N4 Pharma at 31 December 2016 have been extracted without material adjustment from the financial information as set out in Part VII of this document.

(3) Further adjustments have been made in respect of the acquisition of N4 Pharma, in order to:

a. Eliminate the Company's investment in N4 Pharma as at 31 December 2016 of £210,779.

b. Reflect the estimated intangible assets arising on the acquisition of N4 Pharma, as follows:

For the purposes of this pro forma information, no adjustment has been made to the separate assets and liabilities of N4 Pharma to reflect their fair value. The difference between the net assets of N4 Pharma as stated at their book value at 31 December 2016 (£284,664) and the estimated consideration has therefore been presented as a single value in "Intangible assets". The net assets of N4 Pharma will be subject to a fair value restatement as at the effective date of the transaction. Actual intangible assets included in the Company's next published financial statements may therefore be materially different from that included in the pro forma statement of net assets.

The Company already holds shares in N4 Pharma. Accordingly under IFRS 3 (revised 2008), the acquisition of N4 Pharma is treated as a business combination achieved in stages. This requires that the effective consideration for the acquisition of N4 Pharma and the resulting intangible assets arising on the acquisition of N4 Pharma are calculated as follows:

	£'000
Consideration payable in Company shares for the N4 Pharma shares issued in respect of the Acquisition (excluding shares already held by the Company) (note i)	455
Fair value of existing N4 Pharma shares held by the Company (note ii)	211
Total effective consideration for the Acquisition	666
Book value of net liabilities of N4 Pharma as at 31December 2016	(285)
Estimated intangible assets arising on the acquisition of N4 Pharma	951

i. The consideration payable in the Company's shares for the N4 Pharma shares issued under the Acquisition (excluding shares already held by the Company) is calculated based on the Company's shares to be issued to the N4 Pharma shareholder pursuant to the Acquisition, priced at the closing price of the Company's shares of 1.25 pence on 16 October 2016, being the latest practicable date prior to the suspension from trading on AIM in its Ordinary Shares.

ii. The fair value of existing N4 Pharma shares held by the Company is calculated based on the 49 N4 Pharma Shares held by the Company, priced at 1.25 pence on 16 October 2016, being the latest practicable date prior to the suspension from trading on AIM in its Ordinary Shares. The uplift of £226,488 from the value as at 31 December 2016 of £210,779 is reflected in the income statement.

(4) Gross proceeds from the Capital Raising of £1.5 million less the estimated total expenses of £0.45 million.

(5) No account has been taken of the financial performance of the Company or N4 Pharma since 31 December 2016, nor of any other event save as disclosed above.

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13 April 2017

The Directors
Stockdale Securities Limited
Beaufort House
15 St. Botolph Street
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EC3A 7BB

Dear Sirs

Accountant's report on the pro forma statement of net assets of Onzima Ventures plc (the "Company")

Introduction

We report on the unaudited pro forma financial information as set out in this Part VIII of the admission document dated 13 April 2017 (the "Admission Document"), which has been prepared on the basis described, for illustrative purposes only, to provide information about how the acquisition of N4 Pharma Limited by the Company and Admission might have affected the financial information for the period ended 31 December 2016 presented on the basis of the accounting policies adopted by the Company.

This report is required by paragraph 7 of Annex II to the Prospectus Directive Regulation and is given for the purpose of complying with that requirement and for no other purpose attached to the AIM Rules for Companies.

Responsibilities

It is the responsibility solely of the directors and proposed directors of the Company (the "Directors") to prepare the pro forma financial information in accordance with paragraph 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, in accordance with paragraph 7 of Annex II of the Prospectus Directive Regulation attached to the AIM Rules for Companies, as to the proper compilation of the pro forma financial information and to report that opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as 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 item paragraph (a) of Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

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

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making the report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of the Company.

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 reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the pro forma information has been properly compiled on the basis stated; and

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

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules 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 paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

Saffery Champness LLP
Chartered Accountants

PART IX

ADDITIONAL INFORMATION

1. Responsibility Statements

1.1. The Directors and the Proposed Directors, whose names and functions are set out on page 7 of this document, and the Company, accept responsibility, both individually and collectively, for all of the information contained in this document, save for the recommendation on page 20 of this document for which the Directors take sole responsibility, and for compliance with the AIM Rules for Companies, other than information for which responsibility is taken by others pursuant to paragraphs 1.2 and 1.3 below. 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 such information.

1.2. Saffery Champness LLP accepts responsibility for its reports set out in Parts VII and VIII of this document and for any information sourced from that report in this document. To the best of the knowledge and belief of Saffery Champness LLP (which has taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3. JA Kemp accepts responsibility for its report set out in Part V of this document and for any information sourced from that report in this document. To the best of the knowledge and belief of JA Kemp (which has taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.4. Black Swan Analysis Limited accepts responsibility for its report set out in Part VI of this document and for any information sourced from that report in this document. To the best of the knowledge and belief of Black Swan Analysis Limited (which has taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1. The Company is domiciled in England and was incorporated and registered in England and Wales on 6 July 1979 as a public limited company with the name Microtec plc and registered number 01435584. It changed its name to Ultima Networks Plc on 14 April 1998 and to Onzima Ventures Plc on 14 October 2015.

2.2. The liability of the Company's members is limited to the amount (if any) unpaid on Ordinary Shares held by them.

2.3. The Company is governed by and its securities were created under the laws of England and Wales.

2.4. The Company's registered office is located at 6th Floor, 60 Gracechurch Street, London EC3V 0HR and its telephone number is 020 7264 4405. With effect from Admission, the telephone number will change to 01332 690 061.

2.5. The Company's website is www.onzimaventures.com but will change to www.n4pharma.com on Admission.

2.6. The Company has no administrative, management or supervisory bodies other than the Board.

2.7. The accounting reference date of the Company is 31 December.

2.8. On Admission, following Completion, the Company will have the following subsidiary:

Company Name	*Principal activity*	*Country of incorporation and registered number*	*Proportion of issued ordinary share capital held By the Company*
N4 Pharma	Drug reformulation	England and Wales, No. 8878121	100%

2.9. The Company's principal activity is that of a holding company for the Enlarged Group as well as performing all administrative, corporate finance, strategic, and governance functions for the Enlarged Group.

3. Share Capital of the Company

3.1. The issued fully paid up share capital of the Company as at the date of this document and as it is expected to be immediately following Admission, is as follows:

Ordinary Shares	*Number*	*Nominal Value (£)*
As at the date of this document	181,956,558	181,956.56
Immediately following Admission	71,714,285	286,857.14

Deferred Shares	*Number*	*Nominal Value (£)*
As at the date of this document	137,674,431	5,506,977.24
Immediately following Admission	137,674,431	5,506,977.24

Special Deferred Shares	*Number*	*Nominal Value (£)*
As at the date of this document	279,176,540	2,763,847.74
Immediately following Admission	279,176,540	2,763,847.74

3.2. The following changes in the issued share capital of the Company have taken place in the three years preceding this document:

3.2.1. on 14 October 2015:

3.2.1.1. the Company's 279,176,540 ordinary shares of £0.01 each were sub-divided and reclassified into 279,176,540 ordinary shares of £0.001 each and 279,176,540 special deferred shares of £0.0099 each; and

3.2.1.2. the Company's 279,176,540 ordinary shares of £0.001 each were consolidated into 27,917,654 ordinary shares of £0.001 each;

3.2.2. between 15 October 2015 and 7 March 2016, the Company issued and allotted an aggregate of 134,987,089 ordinary shares of £0.001 each;

3.2.3. on 13 June 2016, the Company issued and allotted 15,000,000 ordinary shares of £0.001 each; and

3.2.4. on 23 June 2016, the Company issued and allotted 4,051,815 ordinary shares of £0.001 each.

3.3. The Directors are seeking Shareholders' consent (Resolution 2) in accordance with section 551 of the 2006 Act, to allot the Consideration Shares and Deferred Consideration Shares and further Ordinary Shares up to a maximum aggregate nominal amount of £236,409 In the event that Shareholders' consent to Resolutions 1 and 2 is not received, the Acquisition will not complete and neither the Consideration Shares, Deferred Consideration Shares nor any New Ordinary Shares or Broker Shares will be allotted and issued.

3.4. The Directors are seeking Shareholder consent (Resolution 5), conditional upon the passing of Resolutions 1 and 2 and in accordance with section 551 of the 2006 Act to disapply statutory pre-emption rights to allot the Consideration Shares, Deferred Consideration Shares and further Ordinary Shares. This authority shall expire at the conclusion of the Company's annual general meeting in 2018.

3.5. The Consideration Shares and Deferred Consideration Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission (and in the case of the Deferred Consideration Shares, after the date of their issue) on the ordinary share capital.

3.6. Save as disclosed in paragraph 3.2 of this Part IX, in the three years preceding the date of this document.

3.6.1. no share or loan capital in the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option;

3.6.2. no share or loan capital of the Company has been issued, or is now proposed to be issued, fully or partly paid, either for cash or other consideration to any person;

3.6.3. no person has any preferential subscription rights for any share capital of the Company;

3.6.4. no commissions, discounts, brokerages or other special terms, have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company;

3.6.5. the Company does not hold any of its own Existing Ordinary Shares;

3.6.6. the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and

3.6.7. there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.

3.7. The Ordinary Shares have been created under the Companies Acts.

3.8. The Ordinary Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Company's articles of association permit the Company to issue shares in uncertificated form.

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

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

3.11. There are no issued but not fully paid Ordinary Shares.

3.12. None of the Ordinary Shares or the Warrants have been marketed or are being made available to the public in whole or in part in conjunction with the application for Admission.

3.13. Other than AIM, the Ordinary Shares have not been admitted to dealing on any Recognised Investment Exchange or other trading facility, nor has any application for such admission been made and it is not intended to make any arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with Admission.

3.14. The Company has the contractual capacity of a natural person and is empowered to borrow, guarantee and give security.

4. Share Option Schemes and Grant of Options

4.1. As part of its strategy for executive and key employee remuneration, the Company has established subject to Admission, the New Share Option Scheme under which Share Options may be granted to officers and employees or members of the Enlarged Group. The Remuneration Committee shall be responsible for administering the rules of the New Share Option Scheme and may recommend that options are granted under the New Share Option Scheme from time to time.

4.2. Under the rules of the Share Option Scheme, the Company may grant unapproved options. A share option takes the form of an individual agreement between the Company and the employee and is entered into subject to the rules of the Share Option Scheme. The Share Option Scheme includes the ability for other persons who are authorised for the puroses of the Share Option Scheme to grant options to employees to purchase Ordinary Shares subject to the rules of the Share Option Scheme.

4.3. There is no limit on the number of shares, or the percentage of issued share capital, that can be used by the Company to grant share options.

4.4. Share options may be granted at any time during the period of 42 days from Admission or within 42 days after the date of announcement of the Company's annual or half yearly results. The Board may also resolve to grant share options at other times in exceptional circumstances which justify them doing so. Options may not be granted when prohibited by law or in breach of the AIM Rules for Companies. Share options may not be granted after the tenth anniversary of the date of the adoption of the Share Option Scheme.

4.5. The exercises of share options are capable of being made subject to the satisfaction of appropriate and objective performance conditions.

4.6. It is intended that share options will not be granted with an exercise price per Ordinary Share which is at a discount to the prevailing market value of an Ordinary Share at the time of grant.

4.7. Each individual share option agreement will specify the date after which the share option may be exercised subject to an earlier exercise event or lapse. Save in the case of the cessation of employment of the option-holder with any member of the Enlarged Group due to death or change of control of the Company.

4.8. A share option will lapse on cessation of the option-holder's employment with the Enlarged Group other than where such cessation is due to the death in service of the option-holder, the disposal of the business unit or group company which employs the option-holder or, where the Board resolves in its discretion to permit exercise, in other exceptional circumstances. In the case of death of the option-holder, exercise must take place within one year of death, failing which the share option will lapse. Share options will also lapse to the extent that any performance of other exercise condition becomes incapable of fulfilment.

4.9. Exercise of a share option is conditional upon the option-holder paying to their employer an amount equal to the amount of any income taxes and, to the extent permissible, national insurance and social security contributions for which the employer is obliged to account on the exercise of the share option.

4.10. The following share options have been granted under the Share Option Scheme subject to Admission:

Name	*Number of options over New Ordinary Shares*	*Percentage of Enlarged Share Capital*	*Exercise Price (pence)*
Luke Cairns	717,143	1.00%	Issue Price
David Templeton	717,143	1.00%	Issue Price
Paul Titley	1,434,286	2.00%	Issue Price

These Share Options are exercisable following the third anniversary of Admission. In the case of Paul Titley, the exercise of the options over 717,143 Ordinary Shares (which equates to 1 per cent. of the Enlarged Share Capital) is subject to certain performance conditions.

4.11. In addition, on 14 October 2015 the Company granted Gavin Burnell options over a total of 10,804,840 Existing Ordinary Shares equating to 3.8 per cent. of the Enlarged Share Capital and granted Luke Cairns options over a total of 2,701,210 Ordinary Shares equating to 0.9 per cent. of the Enlarged Share Capital. Such options have been granted subject to individual share option agreements with the Company entered into on 13 April 2017, not under the Share Option Scheme and are exercisable at a price of 0.7 pence per share (pre-Share Reorganisation) at any time before 14 October 2025.

4.12 Pursuant to a fundraising carried out by the Company in June 2016, the Company issued warrants to investors to subscribe for 15,000,000 Ordinary Shares in the Company. The warrants may be exercised at any time up to 7 June 2017 at a price of 2p per Ordinary Share.

5. Memorandum and Articles of Association of the Company

5.1. ***Memorandum of Association***

Under the 2006 Act, as from 1 October 2009, all provisions of the Company's memorandum of association are deemed to form part of the Company's articles of association including, in particular, the statement of objects and the statement of authorised share capital. The 2006 Act does not require a company to set out its objects. It provides that, unless the articles of association state otherwise, a company's objects will be unrestricted. The 2006 Act also removes the requirement for a company to have an authorised share capital. The Company's articles of association do not contain an objects clause and accordingly, pursuant to the provisions of the 2006 Act, the Company's objects are unrestricted.

5.2. ***Articles of Association***

The following summary, which does not purport to be complete or exhaustive, contains a description of the significant rights attached to the Ordinary Shares as set out in the articles of association adopted by special resolution of the Company on 14 October 2015 ("Articles"). The Articles specifically incorporate provisions limiting members' liability to any amount unpaid on shares held by them.

5.2.1. Votes of members

Subject to the provisions of the Companies Acts and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles:

5.2.1.1. on a show of hands:

5.2.1.1.1. every member who is present in person shall have one vote;

5.2.1.1.2. where a proxy is appointed by more than one member (provided that, where some only of those members by whom the proxy is appointed instruct the proxy to vote in a particular way, those members all instruct such proxy to vote in the same way on a resolution (either "for" or "against")) such proxy shall be entitled to cast a second vote the other way in relation to any discretionary vote(s) given to him by other members by whom such proxy is appointed; and

5.2.1.1.3. every corporate representative present who has been duly authorised by a corporation shall have the same voting rights as the corporation would be entitled to; and

5.2.1.2. on a poll every member who is present in person or by duly appointed proxy or corporate representative shall have one vote for every share of which he is the holder or in respect of which his appointment of proxy or corporate representative has been made.

5.2.2. *Restriction on rights of members where calls outstanding*

No member shall be entitled to receive any dividend or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum or to exercise any other privilege as a member unless and until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

5.2.3. *Transfer of shares*

5.2.3.1. Form of transfer

Each member may transfer all or any of his shares, in the case of certificated shares, by instrument of transfer in writing in any usual form or in any form approved by the Board, or, in the case of uncertificated shares, without a written instrument in accordance with the CREST Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members of the Company in respect of it.

5.2.3.2. Right to refuse registration

The Board may in its absolute discretion refuse to register any transfer of a certificated share unless it is:

5.2.3.2.1. in respect of a share which is fully paid up;

5.2.3.2.2. in respect of a share on which the Company has no lien;

5.2.3.2.3. in respect of only one class of shares;

5.2.3.2.4. in favour of a single transferee or not more than four joint transferees;

5.2.3.2.5. duly stamped (if so required); and

5.2.3.2.6. delivered for registration to the registered office for the time being of the Company, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a financial institution where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

5.2.4. *Dividends*

5.2.4.1. Declaration of dividends

Subject to the provisions of the Companies Acts and of the Articles, the Company may by ordinary resolution declare that out of profits available for distribution dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

5.2.4.2. Interim dividends

Subject to the provisions of the Companies Acts and of the Articles, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available

for distribution and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration of, or by the lawful payment of, any interim dividend on any shares ranking after those with preferential rights.

5.2.4.3. Accrual of dividends

Except as otherwise provided by the Articles and by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

5.2.4.4. Dividends not to bear interest

Unless otherwise provided by the rights attached to the share no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

5.2.4.5. Payment of dividends

All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

5.2.4.6. Waiver of dividends

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law) and delivered to the Company and only if or to the extent that the same is accepted as such or acted upon by the Company.

5.2.4.7. Unclaimed dividends

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

5.2.4.8. Distribution in specie

The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid up shares or debentures of any other company or in any one or more of such ways.

Where any difficulty arises in regard to such distribution the Board may settle it as it thinks fit. In particular, subject to the provisions of the Companies Acts, the Board may:

5.2.4.8.1. issue fractional certificates or authorise any person to sell and transfer any fractions or disregard fractions altogether;

5.2.4.8.2. fix the value for distribution of such assets or any part of them and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and

5.2.4.8.3. vest any such assets in trustees on trust for the persons entitled to the dividend.

5.2.5. *Capitalisation of reserves*

The Board may with the authority of an ordinary resolution of the Company:

5.2.5.1. subject as provided in this article, resolve to capitalise any profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or capital redemption reserve or other undistributable reserve;

5.2.5.2. appropriate the sum resolved to be capitalised on the date specified in the resolution to the holders of Ordinary Shares in proportion to the nominal amount of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum was then distributable and was distributed by way of dividend, and apply such sum on their behalf in or towards paying up the amount, if any, for the time being unpaid on any share held by them respectively and/or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those holders of Ordinary Shares or as they may direct in those proportions provided that:

5.2.5.2.1. the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to holders of Ordinary Shares credited as fully paid; and

5.2.5.2.2. in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of it;

5.2.5.3. resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;

5.2.5.4. make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit of such fractions to the Company rather than to the holders of Ordinary Shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions; and

5.2.5.5. generally do all acts and things required to give effect to such resolution.

The Directors may appoint any person to sign any contract with the Company on behalf of those who are entitled to shares under the resolution.

5.2.6. *Classes of Shares*

a) As at the time of this document, the share capital of the Company is divided into

i. Ordinary Shares;

ii. Deferred Shares; and

iii. Special Deferred Shares.

b) The Ordinary Shares entitle the holders:

i. to receive in accordance with the number of Ordinary Shares held, any profits available for distribution;

ii. to receive notice of, attend and vote at general meetings and on a poll to one vote for each Ordinary Share held; and

iii. on a return of capital to receive in accordance with the number of Ordinary Shares held and paid up as to their nominal value, an amount up to £1,000,000 in respect of each Ordinary Share held, and the balance of any assets remaining following a winding up.

c) Holders of the Deferred Shares:

i. shall not be entitled to receive a distribution;

ii. are not entitled to receive notice of or attend or vote ant any general meeting of the Company;

iii. on a return of capital on a winding up of the Company, shall only entitled to receive the amount paid up on such shares after the holders of the Ordinary Shares have received their return on capital;

iv. the Company may, at any time, appoint a person to execute on behalf of the holders a transfer of the Deferred Shares without making any payment to the holders such shares; and

v. as regards to variations of rights, neither the reduction of capital involving the cancellation of the Deferred Shares or a reduction or the share premium account, or the purchase by the Company of any of its own shares shall constitute a variation or abrogation of rights attaching to the Deferred Shares. Nor shall they be varied by the creation or issue of shares ranking *pari passu*.

d) Holders of the Special Deferred Shares;

i. shall be entitled to receive a special dividend, which is payable upon the repayment to the Company of any amount owed under certain loan agreement, after which the Company shall, in priority to any distribution to any other class of share, pay to the holders of the Special Deferred Shares an aggregate amount equal to the amount repaid *pro rata* according to the number of such shares paid up as to their nominal value held by each shareholder;

ii. shall be entitled to no other distribution save for a special dividend;

iii. shall not be entitled to receive notice of or attend or vote at a general meeting of the Company;

iv. on a return of capital on a winding up of the Company, shall only be entitled to receive the amount paid up on such shares up to a maximum of 0.9 pence per share after the holders of the Ordinary Shares and the Deferred Shares have received their return on capital;

v. are restricted as regards to the transfer of such shares; and

vi. shall have the same rights as holders of Deferred Shares as regards to variation of rights.

5.2.7. *Share capital*

5.2.7.1. Allotment

Subject to the provisions of the Companies Acts and to any relevant authority of the Company in general meeting, the Board may allot, grant options over, offer or otherwise deal with or dispose of unissued shares as it may decide, provided that no share shall be issued at a discount.

5.2.7.2. Variation of Rights

Subject to the provisions of the Companies Acts, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with:

5.2.7.2.1. the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class; or

5.2.7.2.2. with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles (but not otherwise).

5.2.7.3. Class meetings

Save as provided in the Companies Acts, all the provisions in the Articles as to general meetings shall *mutatis mutandis* apply to every meeting of the holders of any class of shares, save that in the case of a meeting held in connection with the variation or abrogation of the rights attached to the shares of the class:

5.2.7.3.1. subject to paragraph (D) of this article, the quorum at every such meeting shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares);

5.2.7.3.2. every holder of shares of the class in question present in person or by proxy may demand a poll;

5.2.7.3.3. each such holder shall on a poll be entitled to one vote for every share of the class held by him;

5.2.7.3.4. if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum; and

5.2.7.3.5. where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which those proxies are authorised to exercise voting rights.

5.2.7.4. Deemed variation

Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or howsoever

or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Companies Acts and the Articles.

5.2.8. *Forfeiture of shares*

5.2.8.1. Notice if call not paid

If any member fails to pay the whole of any call or any instalment of any call on or before the day appointed for payment the Board may at any time serve a notice in writing on such member, or on any person entitled to the shares by transmission, requiring payment, on a date not less than 14 clear days from the date of the notice, of the amount unpaid and any interest which may have accrued on it and any reasonable costs, charges and expenses incurred by the Company by reason of such non-payment.

5.2.8.2. Forfeiture for non-compliance

If the notice referred to in the above paragraph (g)(i) (Notice if call not paid) is not complied with, any share in respect of which it was given may, at any time after the date appointed for payment pursuant to the notice, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture, and shall be deemed to occur at the time of the passing of the said resolution of the Board.

5.2.8.3. Notice after forfeiture

When any share has been forfeited notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture with the date of it shall forthwith be made in the register of members of the Company in respect of such share together with a note that dealings are not permitted in the share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.

5.2.8.4. Forfeiture may be annulled

The Board may at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of annul the forfeiture, on the terms that payment shall be made of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

5.2.8.5. Surrender

The Board may accept a surrender of any share liable to be forfeited under the Articles upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited. In such case, references in the Articles to forfeiture shall include surrender.

5.2.8.6. Disposal of forfeited shares

Every share which shall be forfeited shall thereupon become the property of the Company. The Company shall not exercise any voting rights in respect of such a share. Subject to the provisions of the Companies Acts, any such share may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture its holder or entitled to it or to any other person on such terms and in such manner as the Board shall determine and, in the case of re-allotment, whether with or without all or any part of the amount previously paid up on the share being treated

as so paid up. The Board may, for the purposes of the disposal in the case of certificated shares, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the register of members of the Company notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee in respect of certificated shares transferred to it. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to the share. In the case of un-certificated shares the Board may exercise any power conferred on it by article 22 of the Articles (Forfeiture and sale) to effect a transfer of the shares. The Company may, if the Board considers it just and equitable to do so, receive the consideration (if any) given for the share on its disposal.

5.2.8.7. Effect of forfeiture

A member whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall in the case of a certificated share surrender to the Company for cancellation the certificate for such shares. He shall nevertheless be liable (unless payment is waived in whole or in part by the Directors) to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest on them from the date of the forfeiture to the date of payment at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at such rate not exceeding 15 per cent. per annum as the Board may determine, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on the disposal.

5.2.8.8. Extinction of claims

The forfeiture of a share shall include all dividends and other payments or distributions declared in respect of the forfeited shares and not paid or distributed before forfeiture.

5.2.8.9. Evidence of forfeiture

A statutory declaration by a Director or the secretary that a share has been forfeited in pursuance of the Articles and stating the date on which it was forfeited shall as against all persons claiming to be entitled to the share adversely to its forfeiture, be conclusive evidence of the facts stated in it. The declaration, together with the receipt of the Company for the consideration (if any) given for the share on its sale or disposition and a certificate for the share delivered to the person to whom it is sold or disposed of, shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. Subject to the execution of any necessary transfer in the case of a certificated share, such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share. Such person shall not (except by express agreement with the Company) become entitled to any dividend which might have accrued on the share before the completion of the sale or disposition thereof.

5.2.9. *Directors*

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be not less than three or more than twelve.

5.2.9.1. Share qualification

A Director shall not be required to hold any shares of the Company.

5.2.9.2. Fees of non-executive Directors

Fees may be paid out of funds of the Company to directors who are not managing or executive directors at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed the sum of £99,000 per annum (exclusive of VAT if applicable) or such figure as the Company may be ordinary resolution from time to time determine.

5.2.9.3. Additional remuneration

If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

5.2.9.4. Directors' expenses

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings.

5.2.9.5. Remuneration of executive Directors

The remuneration and other terms and conditions of appointment of a director appointed to any executive office shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Directors or by any committee appointed by the Directors. The remuneration may (without limitation) be by way of fixed salary, lump sum, commission on the dividends or profits of the Company (or of any company in which the Company is interested) or other participation in any such profits or by any combination of them.

5.2.9.6. Directors' pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for or to institute and maintain any institution, association, society, club, trust, other establishment or profit sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit any person who is or has at any time been a Director of the Company or any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or any predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse or former spouse or civil partner or former civil partner) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Companies Acts, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with, any of the aforesaid matters or bodies. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not be obliged to account for it to the Company.

5.2.9.7. Disclosure of interests to the Board

5.2.9.7.1. A Director must declare the nature and extent of his interest to the other Directors in any matter of situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it).

5.2.9.7.2. If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.

5.2.9.7.3. If a Director is in any way, directly or indirectly, interested in a transaction or arrangement which has already been entered into by the Company, he must declare the nature and extent of his interest to the other Directors.

The declaration of interest must (in the case of paragraph (C) of this article) and may, but need not (in the case of (A) or (B) of this article), be made: (i) at a meeting of the Directors; or (ii) by notice to the Directors in accordance with: (a) Section 184 of the 2006 Act (Notice in writing); or (b) Section 185 of the 2006 Act (General notice).

No declaration is required in relation to an interest of which the Director is not aware, or where the Director is not aware of the transaction or arrangement in question. For this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware

5.2.10. *Appointment and retirement of directors*

5.2.10.1. Power of Company to appoint directors

Subject to the provisions of the Articles and to the Companies Acts, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board, and may also determine the rotation in which any additional Directors are to retire, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

5.2.10.2. Power of Board to appoint directors

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the Articles, the Board shall, subject to the provisions of the Companies Acts, have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.

5.2.10.3. Retirement by rotation

At each annual general meeting the following directors will retire from office and be eligible for re-election:

5.2.10.3.1. any Director who was not elected or re-elected at either of the two preceding annual general meetings; and

5.2.10.3.2. such number of the Directors (excluding any director who is required to retire by article 117 of the Articles) as would, when added to the number of directors (if any) retiring in accordance with paragraph (A) above,

represent one third of the Directors. If one third is not a whole number then the number of directors to retire is the nearest number to, but not exceeding, one third.

5.2.10.3.3. the directors to retire for the purposes of paragraph (B) above, shall include any director who wishes to retire and not offer himself for re-election. Any further directors to retire for the purposes of paragraph (B) above shall be those of the other directors who are subject to retirement by rotation and who have at the date of the meeting been longest in office since their last re-election or appointment.

5.2.10.4. Re-election of retiring directors

A Director who retires at an annual general meeting of the Company (whether by rotation or otherwise) may, if willing to act, be re-appointed. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy created by his retirement, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost or unless the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or unless the default in filling the vacancy is due to the moving of a resolution in contravention of the above article (Resolution for appointment).

5.2.10.5. Timing of retirement

The retirement of any Director retiring at an annual general meeting in accordance with the Articles shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution as the case may be. A retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

5.2.10.6. Vacation of office by Director

Without prejudice to any provisions for retirement contained in the Articles, the office of a Director shall be vacated if:

5.2.10.6.1. he resigns by notice in writing delivered to the company secretary at the registered office of the Company or tendered at a Board meeting in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign from his office and the Directors resolve to accept such offer; or

5.2.10.6.2. he ceases to be a Director by virtue of any provision of the Companies Acts, is removed from office pursuant to the Articles or becomes prohibited by law from being a Director; or

5.2.10.6.3. he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the Court for an interim order under Section 253, Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or

5.2.10.6.4. he is admitted to hospital as a result of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or

5.2.10.6.5. a court claiming jurisdiction in matters concerning mental health disorder makes an order for his detention or for the appointment of a guardian or for the appointment of a receiver, curator bonis or other person (by whatever name called) to exercise powers with respect to his property or affairs; or

5.2.10.6.6. he shall be absent, without the permission of the Board, from Board meetings for six consecutive months (whether or not an alternate Director appointed by him attends) and the Board resolves that his office be vacated; or

5.2.10.6.7. he is removed from office in accordance with article 116 of the Articles (Power to alter limits on the number of directors); or

5.2.10.6.8. he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director of the Company; or

5.2.10.6.9. he is removed from office by notice in writing served upon him and authenticated by all of the other directors; or

5.2.10.6.10. he holds any executive office or employment under the Company and that office or employment with the Company is terminated for any reason or expires and the Directors resolve that his office be vacated.

5.2.10.7. Removal by special or ordinary resolution

The Company may by special resolution, or in accordance with and subject to the provisions of the 2006 Act, by ordinary resolution at a meeting of which special notice has been given remove any director from office. The right to remove a director may be exercised notwithstanding any agreement between the Company and the director, but will not affect any claim the director may have for damages for breach of such agreement. The Company may appoint a substitute in place of the director removed from office.

5.2.10.8. Meetings and proceedings of directors

Subject to the provisions of the Articles and the Companies Acts, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. One Director may and the company secretary at the request of a Director shall summon a Board meeting at any time. Notice of a Board meeting shall be deemed to be properly given to a Director if is given to him personally or by word of mouth or sent in writing (whether in hard copy form or electronic form) to him at his last known address or any other address (including electronic address) given by him to the Company for this purpose.

5.2.11. *Borrowing powers*

Subject as provided by the Articles, the Directors may exercise all powers of the Company to borrow or raise money, to mortgage or charge all or any of its undertaking, property, assets and uncalled capital, to issue debentures and other securities, and to give security whether outright or as collateral security for any debt, liability or obligation of the Company, any subsidiary of the Company or of any third party.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (as regards to subsidiaries so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its subsidiaries (exclusive of sums borrowed from or owing to the Company or any such subsidiary) shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to

the nominal amount paid up on the share capital of the Company and the total of the capital and revenue reserves of the Company and its subsidiaries (including any share premium account, capital redemption reserve fund and credit balance on the combined profit and loss account).

5.2.12. *Shareholder meetings*

Subject to the provisions of the Companies Acts, annual general meetings of the Company shall be held at such time and place as the Board may determine. An annual general meeting must be convened, unless all shareholders entitled to attend and vote agree to short notice, on giving 21 clear days' notice in writing to the members of the Company.

The Board may convene a general meeting whenever it thinks fit. A general meeting must be convened, unless a majority in number of the members having a right to attend and vote at the meeting (being a majority who hold together not less than 95 per cent. in nominal value of the shares giving that right) agree to short notice, on giving 14 clear days' notice in writing to the members of the Company.

5.2.13. *Distribution of assets*

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively.

6. Mandatory bids, squeeze-out and sell-out rules relating to the Ordinary Shares

6.1. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to an interest (as defined in the Takeover Code) in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of an interest (as defined in the Takeover Code) in shares by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights of the Company in which he is interested.

6.2. ***Squeeze-out***

Under the 2006 Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer unless the Shareholders can show that the offer value is unfair.

6.3. ***Sell-out***

The 2006 Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7. Directors' and Other Interests

7.1. The interests of the Directors and the Proposed Directors and their immediate families (all of which are beneficial unless otherwise stated) and of connected persons, within the meaning of Section 252 of the 2006 Act in the issued share capital of the Company, which are required to be disclosed by the AIM Rules for Companies, are as follows:

	Current Holding		*Following Admission*	
Name	*Number of Existing Ordinary Shares*	*% of Existing Ordinary Share Capital*	*Number of New Ordinary Shares*	*% of Enlarged Share Capital*
Nigel Theobald*	29,893,963	16.1%	12,198,577	17.0
Humayun Mughal**	11,232,515	6.2%	2,808,129	3.9
Gavin Burnell	3,571,428	2.0%	1,107,143	1.5
Paul Titley	—	—	142,857	0.2
David Templeton	—	—	—	—
Luke Cairns	—	—	142,857	0.2

* *Included in Nigel Theobald's holding is 687,225 Existing Ordinary Shares held by his wife*

** *Included in Humayun Mughal holding is:*

269,999 Existing Ordinary Shares held by close members of his family.

5,516,248 Existing Ordinary Shares held by Akhter Group, a company in which Humayun Mughal and his family control approximately 60 per cent. and of which he is a director.

1,980,000 Existing Ordinary Shares held by the Mercator Trust of which Humayun Mughal is the settlor and principal beneficiary; and

1,773,648 Existing Ordinary Shares held by Akhter Education Foundation, a charitable trust in which Humayun Mughal has no beneficial interest.

7.2. On Admission, the following Directors and Proposed Directors and their respective connected persons will hold the following share options over Ordinary Shares:

Name	*Number of options over Existing Ordinary Shares*	*Date of grant*	*Exercise price (pence)*	*Expiry Date*
Gavin Burnell**	10,804,840	25 Oct 2015	0.7*	25 Oct 2025
Luke Cairns**	2,701,210	25 Oct 2015	0.7*	25 Oct 2025
Luke Cairns**	714,286	Date of Admission	Issue Price	
Nigel Theobald**	—	—	—	—
Paul Titley**	1,428,571	Date of Admission	Issue Price	13 Apr 2027
David Templeton	714,286	Date of Admission	Issue Price	13 Apr 2027
Humayun Mughal	—	—	—	—

* *Exercise price is pre-Share Reorganisation*

** *will also receive Warrants over New Ordinary Shares as a result of participation in the Capital Raising*

7.3. Save as disclosed above, on Admission, the Company will have no outstanding options, warrants or convertible securities pursuant to which the Company may be called to allot or issue any shares or other securities.

7.4. The persons, including the Directors and the Proposed Directors, referred to in paragraphs 7.1 and 7.2 above, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other Shareholder of the Company.

7.5. No Director or Proposed Director or members of their immediate families or any of their connected persons within the meaning of section 252 of the 2006 Act has a related financial product (within the meaning of the AIM Rules for Companies) relating to Ordinary Shares.

8. Directors' and Proposed Directors' Service Agreements/Letters of Appointment

8.1 The following agreements have been entered into between the Company and each of the Directors and the Proposed Directors:

8.1.1 pursuant to a letter of appointment dated 13 April 2017 David Templeton was appointed as Non-Executive Chairman of the Company, conditional upon Admission. Mr Templeton will be entitled to a fee of £24,000 per annum.

8.1.2 pursuant to a letter of appointment dated 13 April 2017 Luke Cairns was appointed as a Non-Executive Director of the Company. Mr Cairns will be entitled to a fee of £24,000 per annum.

Each of the Non-Executive Directors is entitled to be reimbursed in full for all reasonable out of pocket expenses which he properly incurs in the course of performing his duties. Each proposed Non-Executive Director is to consult the Board in the event of any conflict of interest. Each of the appointments of the proposed Non-Executive Directors is to continue until being terminated by the Company giving not less than three months' written notice or by the respective proposed Non-Executive Directors giving not less than one month's notice or immediately in certain circumstances including by resolution of the Shareholders. If a Non-Executive Director is removed from office by a resolution of the Shareholders, not re-elected to office or the office is vacated in accordance with the terms of the letters of appointment, such Non-Executive Directors will not be entitled to compensation.

8.2. The following agreements have been entered into between the Company and the Proposed Directors:

8.2.1. pursuant to a service agreement dated 13 April 2017 between Nigel Theobald and the Company, Nigel Theobald will be appointed Chief Executive of the Enlarged Group with effect from Admission. Subject to and conditional upon Admission his remuneration is £70,000 per annum. The term of the service agreement will be for a period of 12 months commencing on Admission and may be terminated at any time thereafter by either party by 6 months' prior written notice; and

8.2.2. pursuant to a service agreement dated 13 April 2017 between Paul Titley and the Company, Paul Titley will be appointed Executive Director with effect from Admission. Paul Titley will be paid an annual salary of £40,000. The term of the service agreement will be for a period of 6 months commencing on Admission and may be terminated at any time thereafter by either party by 6 months' prior written notice.

8.3. Save as disclosed above, there are no service agreements existing or proposed between any Director or any Proposed Director and the Company or any member of the Enlarged Group.

9. Additional Information on the Directors and the Proposed Directors

9.1. The Directors and the 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:

Name	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Gavin Burnell	Hellenic Capital plc Hot Rocks Investments plc Lizzy Bet Limited Onzima Ventures plc Rift Resources Limited Ruegg & Co Limited Woodland Capital Limited	Berkeley Estates & Management Datanostic Limited Elephant Oil Limited Globo plc Magnolia Petroleum plc North American Petroleum plc Prospex Oil & Gas plc Sports 1st Limited Sula Iron & Gold plc
Nigel Theobald	Askalane Limited Lytegro Limited Medherant Limited N4 Pharma Limited	Oxford Nutra Limited Oxford Pharmascience Group plc Oxford Pharmascience Limited

Name	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Paul Titley	Critical Pharmaceuticals Ltd Keswick Community Asset Company Keswick Museum and Art Gallery N4 Pharma Limited	Aesica Formulation Development
David Templeton	None	DT Pharmacology Consultancy Limited
Luke Cairns	Apex2100 Limited The Apex2100 Foundation Doyle Energy Limited Lionsgold Limited LSC Advisory Limited Lyford Renewables Limited Onzima Ventures Plc Weighbridge Trust Limited	Carduus Housing plc Northland Capital Partners plc Rame Solar Limited Swan Alley (Nominees) Limited Uflutter Holdings Limited
Humayun Mughal	Akhter Computers plc Akhter Group Limited Cambridge Science Schools Limited Cambridge Science & Technology Training Limited Cognito Software Limited J.C.S. Computing Solutions Limited Onzima Ventures plc Silicon CPV plc Ultima Newco Limited UTN Solutions (North) Limited	The Afghan Educational Trust New Communications Ltd

9.2. Gavin Burnell was a non-executive director of Globo plc until it went into administration on 3 November 2015. The amount owing to unsecured creditors according to the joint administrators' report dated 18 December 2015 totalled £38.1 million.

9.3. Save as disclosed in this document, none of the Directors nor any of the Proposed Directors has:

9.3.1. any unspent convictions in relation to indictable offences;

9.3.2. had any bankruptcy order made against him or entered into any individual voluntary arrangements;

9.3.3. 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;

9.3.4. 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;

9.3.5. been the owner of any assets placed in receivership or a partner in any partnership any asset of 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;

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

9.3.7. 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.

9.4. Save as disclosed in this document, no Director or Proposed Director has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or its subsidiaries and which was effected by any of them and remains in any respect outstanding or unperformed.

9.5. No loans made or guarantees granted or provided by the Company or any member of the Enlarged Group to or for the benefit of any Director or Proposed Director are outstanding. Directors loan to be explained.

9.6. Save as set out in this document, none of the Directors nor any of the Proposed Directors has any interest in the share capital of any company in the Enlarged Group.

9.7. Save as disclosed in this document, none of the Directors nor any of the Proposed Directors has any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, any member of the Enlarged Group or which are proposed to be so acquired, disposed or leased.

9.8. No Director or Proposed Director has any direct or indirect interest in any contract or arrangement subsisting at the date of this document which is significant to the business of the Enlarged Group.

10. Significant Shareholdings

10.1. In addition to the interests of the Directors and the Proposed Directors set out in paragraph 7 above, as at 12 April 2017 (being the latest practicable date prior to publication of this document) so far as the Company is aware the following persons were, or will at Admission, be directly or indirectly interested (within the meaning of sections 820 to 825 (inclusive) of the 2006 Act) in 3 per cent. or more of the issued share capital of the Company and the Enlarged Share Capital respectively:

	Current Holding		*Following Admission*	
Name of Shareholder	*Number of Existing Ordinary Shares*	*% of Existing Ordinary Shares*	*Number of New Ordinary Shares*	*% of Enlarged Share Capital*
Hargreaves Lansdown (Nominees) Ltd	27,993,193	15.4	6,998,298	9.8
HSDL Nominees Ltd	27,339,936	15.0	6,834,984	9.5
TD Direct Investing Nominees (Europe) Ltd	17,121,524	9.4	4,280,381	6.0
Barclayshare Nominees Ltd	11,953,194	6.6	2,988,299	4.2
AJ Bell	11,499,052	6.3	3,089,049	4.3
Midas Investment Management Ltd	6,430,571	3.5	2,800,501	3.9

10.2. Save as disclosed above, so far as the Company is aware, there are no persons who are or will be immediately following Admission interested directly or indirectly in 3 per cent. or more of the Company's issued share capital, nor so far as the Company is aware, are there any persons who directly, or indirectly, jointly or severally, exercise or could exercise control at a subsequent date, over the Company.

10.3. The Company, the Directors and the Proposed Directors are not aware of any arrangements, the operation of which, may at a subsequent date result in a change of control of the Company.

10.4. All of the Company's significant Shareholders have the same voting rights as all other Shareholders.

11. Material Contracts

11.1. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries within the period of two years immediately preceding the date of this document and are, or may be, material or contain provisions under which any member of the Enlarged Group has any obligation or entitlement which is, or may be material:

11.1.1. Pursuant to a share sale and purchase agreement relating to Cognito Software Limited dated 16 October 2015 and to a Share Sale and Purchase Agreement relating to UTN Solutions (North) Limited dated 29 October 2015, the Company disposed of its subsidiaries which together constituted its entire business (the "Disposal"). In consideration, the Company received £1 in cash from each sale but retained various intra-group debts owed to the Company in the sum of £4,000,000. In order to ensure that any sums repaid in respect of the intra-group debts were accounted for by the Company to the existing shareholders at the time of the Disposal, prior to completion of the Disposal, the Company carried out a share capital reorganisation issuing one special deferred share for each existing ordinary share held by the existing shareholders. Following completion of the Disposal, the Company became an investing company pursuant to Rule 15 of the AIM Rules for Companies.

11.1.2. Pursuant to a share purchase agreement dated 1 March 2016, the Company agreed to purchase 49 per cent. of the issued share capital of N4 Pharma. In consideration, the Company paid £40,847.47 in cash and allotted and issued 24,272,807 fully paid up Ordinary Shares to Nigel Theobald. The agreement contains certain warranties and a tax indemnity on the part of the sellers in favour of the Company.

11.1.3. Pursuant to the Acquisition Agreement, the Company has agreed to conditionally purchase 5,101 ordinary shares of £0.01 each in N4 Pharma in consideration of the issue to Nigel Theobald of the Consideration Shares and Deferred Consideration Shares. As a result of the Acquisition, the Company will own the entire share capital of N4 Pharma. The Acquisition Agreement is conditional upon, amongst other things, publication of this document, the passing of the Resolutions and Admission becoming effective.

The Deferred Consideration Shares will only be issued if the mid-market price of the Ordinary Shares exceeds 15p per share for at least ten consecutive dealing days in the period of two years following Admission.

Nigel Theobald has given customary warranties in the Acquisition Agreement regarding N4 Pharma and a customary indemnity relating to tax liabilities and Completion is conditional upon, amongst other things, there having been no material adverse change to the prospects and business of N4 Pharma since the date of the Acquisition Agreement and the warranties remaining true. The Company may terminate the Acquisition Agreement prior to Completion if, there is a material adverse change affecting N4 Pharma or if there is a material breach of warranties. Material for this purpose is a liability to N4 Pharma of £50,000. If the Company becomes aware prior to Completion of the breach of warranties which would entitle it to terminate the Acquisition Agreement but it chooses not to do so and continues to Completion, it shall be deemed to have waived its rights to claim in respect of that breach. Nigel Theobald may terminate the Acquisition Agreement at any time, amongst other things, if there is a material adverse change affecting the Company or if there is a material breach of certain warranties given by the Company relating to it. Material for this purpose is a liability of £50,000.

11.1.4. Under an engagement letter dated 13 January 2017 between Stockdale Securities and the Company, Stockdale Securities agreed to act as nominated adviser and joint broker to the Company for the purpose of the AIM Rules. Stockdale Securities may nevertheless terminate its engagement as nominated adviser and joint broker at any time by giving written notice to the Company if there is a material breach by the Company of the terms

of the letter which include, amongst other things, if the Company fails to comply with advice given. The letter contains customary indemnities from the Company in favour of Stockdale Securities.

11.1.5 Under an engagement letter dated 13 March 2017 between Beaufort Securities Limited ("Beaufort") and the Company, Beaufort was appointed as placing agent and joint corporate broker (subject to Admission) in respect of the Firm Placing. The engagement as joint corporate broker will take effect from Admission and will be for an initial period of 12 months and continue thereafter on a monthly basis until terminated. In addition, Beaufort will be entitled to a corporate broking retainer fee of £20,000 per annum with effect from Admission. The £20,000 retainer is being paid in shares at the Issue Price and locked-in for 6 months. The number of shares to be issued is 285,714. In addition the Company has agreed to reimburse all reasonable costs and expenses (plus VAT if applicable) incurred by Beaufort in connection with the engagement. The letter contains customary indemnities from the Company in favour of Beaufort.

11.1.6 On 7 June 2016, the Company created a warrant instrument for the purpose of creating and issuing warrants to investors to subscribe for 15,000,000 Ordinary Shares in the Company. Each of these warrants may be exercised at any time up to 7 June 2017 at a price of 2p (Pre-Share Re-Organisation) per ordinary share.

11.2. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by N4 Pharma or its subsidiaries within the period two years immediately preceding the date of this document and are, or may be, material or contain provisions under which N4 Pharma or its subsidiaries has any obligation or entitlement which is, or may be material:

a) shareholders' agreement between Nigel Theobald, N4 Pharma and the Company dated 1 March 2016. It has been agreed that this agreement will terminate on Admission;

b) A loan agreement between N4 Pharma and the Company dated 1 March 2016 for the provision of an unsecured loan of £209,000 by the Company to N4 Pharma;

c) A loan repayment agreement between N4 Pharma and Nigel Theobald dated 1 March 2016 for the repayment by N4 Pharma of its outstanding loan of £91,000 from Nigel Theobald. As at the date of this document, a balance of £71,000 remains due by N4 Pharma to Nigel Theobald;

d) Lock out and research agreements:

i). A lock out agreement between N4 Pharma and the University of Bradford dated 12 June 2014 for the exclusive rights for N4 Pharma to commercialise patents in exchange for a fee of £4,000 per calendar quarter. The initial lock out period, ending 31 August 2015, was extended twice, first to 31 December 2015 by an amendment agreement dated 11 September 2015 and then to 30 June 2016 by an amendment agreement dated 31 December 2015.

ii). A lock out agreement between N4 Pharma and UniQuest Pty Limited (a University of Queensland company) ("UOQ") dated 31 December 2014 and amended by amendment agreements dated 17 February 2015, 1 June 2015 and 23 June 2015. The amendment agreements increased the scope of the research into further diseases and extended the additional lock out period to 31 December 2015 in return for a fee of £10,000.

iii). An umbrella research and option agreement between N4 Pharma and UOQ dated 19 December 2014 and associated schedule dated 19 January 2015, allowing UOQ to conduct specific research projects on N4 Pharma's behalf. A further project agreement with UOQ concerning this agreement dated 30 June 2016 was entered into in relation to Rambutan Particle DNA Vaccine Delivery Technology.

iv). A lock out agreement between N4 Pharma and UOQ dated 18 January 2016 concerning DNA vaccines. The agreement was amended three times by amendment agreements dated 4 March 2016, 4 April 2016 and 1 July 2016 extending the field of diseases and the lock out period to 31 December 2016. N4 Pharma entered into a new lock out agreement with UOQ dated 1 January 2017 concerning the preparation of delivery systems and drug products using sub-unit vaccines for a lock out period expiring on 30 June 2017, allowing N4 Pharma the use of certain intellectual property, including that which is the subject of an Australian patent application for the method of synthesis of silica vesicles and their use.

v). A lock out agreement between N4 Pharma and OPAL IP Limited ("OPAL") dated 11 March 2016 granting N4 Pharma the right to evaluate OPAL's intellectual property in a series of drugs for a twelve-month term. The agreement was extended on 11 March 2017 for a further period of 3 months. All intellectual property and know-how for those patents filed by N4 Pharma in connection with this arrangement has been assigned to N4 Pharma by a royalty and assignment agreement dated 1 April 2016, a further royalty and assignment agreement dated 4 July 2016 and a royalty and assignment agreement dated 19 December 2016.

vi). A research services Agreement between N4 Pharma and Centre for Intelligent Research in Crystal Engineering SL, a Spanish corporation, dated 22 September 2015 for the conduct of research into co-crystals of sildenafil. This project is now complete and all fees have been paid.

12. Lock-in Agreement, Placing Agreement and Warrant Instruments

12.1. On 13 April 2017, Stockdale Securities, Beaufort Securities, the Company and each Director and each Proposed Director entered into a lock-in agreement pursuant to which each Director and each Proposed Director agrees with the Company and Stockdale Securities, conditional on Admission, that he will not (subject to certain exceptions in accordance with Rule 7 of the AIM Rules for Companies) sell, transfer or dispose of Consideration Shares, Deferred Consideration Shares or any Ordinary Shares (or ordinary shares resulting from an exercise of Options) held by him or any related parties (as defined in the AIM Rules for Companies), except as referred to in the paragraph headed "Lock-in and orderly market agreement" in Part 1 of this document, until the expiry of 12 months from Admission. In addition, each Director and each Proposed Director has agreed for a further period of twelve months after expiry of the twelve-month lock-in period that, subject to certain exceptions, they will only sell such interests through Stockdale Securities or Beaufort Securities and on an orderly market basis. Those restrictions will not apply in certain limited circumstances which include, amongst others:

12.1.1. the acceptance of a general offer for the whole of the issued share capital of the Company in accordance with the Takeover Code and the ability to provide an irrevocable undertaking to accept such offer;

12.1.2. any transfer pursuant to a compromise or an arrangement between the Company and its members which is agreed by the members and sanctioned by the Court; or

12.1.3. the acceptance of an offer by the Company to purchase its own shares which is made on identical terms to all Shareholders.

12.2 A Placing Agreement was entered into on 13 April 2017 between the Company (1), the Directors and the Proposed Directors (2) Stockdale Securities (3) Beaufort Securities (4) relating to the application to be made for admission and the Firm Placing. The Placing is conditional, amongst other things, on the Acquisition Agreement becoming unconditional in all respects (save for any condition relating to Admission), the passing of the Resolutions and Admission occurring not later than 3 May 2017 (or such later date as may be agreed between the Company, Stockdale Securities and Beaufort Securities, being no later than 31 May 2017). The Placing Agreement contains customary warranties and undertakings given by the Company, the Directors and the Proposed

Directors as to the accuracy of the information contained in this document and other matters relating to the Existing Ordinary Shares, the Enlarged Group and its business. In addition, the Company is giving certain indemnities to Stockdale Securities and Beaufort Securities in respect of certain customary matters.

Stockdale Securities and Beaufort Securities are entitled to terminate the Placing Agreement in certain circumstances prior to Admission, amongst other things, in the event of the occurrence of certain force majeure events, or an unremedied breach of the Placing Agreement or a breach of any warranties or indemnities contained in it. If any of the conditions contained in the Placing Agreement are not satisfied (or waived, or are capable of being waived) or if for any other reason the Acquisition does not proceed, Admission will not take place. In consideration of its services in connection with the Placing Agreement, the Company has agreed to pay Stockdale Securities a fee in cash and placing commissions of the proceeds of the Firm Placing. The Company has also agreed to grant each of Stockdale Securities and Beaufort Securities warrants over New Ordinary Shares exercisable at 8.5 pence per share for a period of 2 years following Admission. The Company has agreed to pay Beaufort Securities a fee in shares equivalent to a value of £20,000 at the Issue Price.

The Company has agreed to pay or cause to be paid (together with any related Value Added Tax) certain costs, charges, fees (including legal fees) and expenses of, or in connection with or incidental to Admission.

Stockdale Warrant Instrument

The warrant Instrument pursuant to which the Company granted to Stockdale Securities, conditional upon Admission, a warrant to subscribe for up to 1,252,941 Ordinary Shares. The warrant shall be exercisable in whole or in part at any time during the period commencing on Admission and ending on the second anniversary thereof. The price per Ordinary Share at which the warrant may be exercised is 8.5 pence. The Warrant Instrument also contains customary anti-dilution provisions.

Beaufort Warrant Instrument

The warrant Instrument pursuant to which the Company granted to Beaufort Securities, conditional upon Admission, a warrant to subscribe for up to 29,411 Ordinary Shares. The warrant shall be exercisable in whole or in part at any time during the period commencing on Admission and ending on the second anniversary thereof. The price per Ordinary Share at which the warrant may be exercised is 8.5 pence. The Warrant Instrument also contains customary anti-dilution provisions.

12.3 On 13 April 2017 the Company, by a resolution of the Board on 12 April 2017, created a Warrant Instrument for the purpose of creating and issuing the Placing Warrants for holders of Firm Placed Shares to subscribe for up to 21,418,571 New Ordinary Shares. Each Warrant will entitle the holder to subscribe for a New Ordinary Share at 8.5 pence per share at any time in the two years following the date of issue of the Warrants. The Company is required to keep a register of Warrants, including the names and addresses of the holders of the Warrants and the date on which the Warrants are issued.

13. Premises

The Company's registered office is at 6th Floor, 60 Gracechurch Street, London EC3V 0HR. With effect from Admission the Company's principal place of business will be at Weston House, Bradgate Park View, Chellaston, Derbyshire, DE73 5UJ.

14. Employees

14.1. At the date of this document the Company has no full-time employees and N4 Pharma has no full time employees.

14.2. On Admission, the Enlarged Group will have one full time employee and one part-time employee.

15. Principal Investments

Save as disclosed in this document, the Company has no principal investments for each financial period covered by the historical financial information incorporated by reference into this document and there are no principal investments in progress and there are no principal future investments on which the Board has made a firm commitment.

16. Litigation

No member of the Enlarged Group is, nor has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings, and save as disclosed in this Part IX, the Company, the Directors and the Proposed Directors are not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Enlarged Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company's or the Enlarged Group's financial position or profitability.

Proceedings have been issued against the Company by Mr Michael Prystaj, who claims to have worked for the company from 1987 to 1991. The claim is for damages for alleged noise induced hearing loss as a result of exposure to excessive noise whilst working for a former business of the company when it was called Microvitec. Solicitors acting for AIG Europe Limited, the insurers of Microvitec, have confirmed that it insured Microvitec for the policy years covering 1987 to 1992 except that Allianz was the insurer in 1991. Confirmation is being sought from Allianz that it will cover the 1991 period.

AIG Europe has confirmed that its policy responds to the claim for the period the policy was in force and that there are no deductibles or excesses payable by the Company. In addition, whilst AIG is unable to confirm the limit of indemnity under the applicable policy, it appears that this is in the region of £1,000,000. The current claim is for damages of more than £1,000 but limited to £5,000.

17. Working Capital

The Directors and the Proposed Directors are of the opinion, having made due and careful enquiry, that following Admission the Enlarged Group will have sufficient working capital for its present requirements, that is for at least the 12-month period following Admission.

18. Significant Changes

18.1. Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company since 31 December 2016.

18.2. Save as disclosed in this document, there has been no significant change in the financial or trading position or prospects of N4 Pharma since 31 December 2016.

19. Related Party Transactions

19.1. ***The Company***

The Company has not been, party to any transactions with related parties which were material to it or any of its subsidiaries respectively during the financial periods ended 31 December 2014, 2015 and 2016.

19.2. ***N4 Pharma***

N4 Pharma has not been a party to any transactions with related parties which were material to N4 Pharma during the 14 month period ended 31 March 2015, the year ended 31 March 2016 and the 9 month period ended 31 December 2016 (as applicable).

20. Taxation

20.1. The following paragraphs, which are based on current legislation, are a general guide for UK resident Shareholders as to their tax position under United Kingdom law and practice at the date of this document. Such law and practice and rates of tax are subject to change at any time. Non-UK resident and non-UK domiciled Shareholders should consult their own tax advisers. Different tax consequences may arise to Shareholders holding at least 10 per cent.of the Ordinary shares, or who acquire the shares as a consequence of their employment.

20.2. ***Taxation of dividends***

20.2.1. No tax will be withheld by the Company when it pays a dividend.

20.2.2. A UK resident individual shareholder is exempt from income tax on a dividend allowance of up to £5,000 in the tax year 2016/2017 and 2017/18. From 6 April 2018 the dividend allowance is due to reduce to £2,000.

20.2.3. An individual UK resident shareholder whose total dividend income exceeds the annual allowance mentioned in paragraph 20.2.2 and who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the dividend at the rate of 7.5 per cent.

20.2.4. The higher rate of income tax on dividends exceeding the annual allowance mentioned in paragraph 20.2.2 is currently 32.5 per cent.

20.2.5. The additional rate of income tax on dividends exceeding the annual exemption mentioned in paragraph 20.2.2 is 38.1 per cent.

20.2.6. From 6 April 2017, the Scottish government has the ability to vary income tax rates independently, move thresholds or even abolish rates. For example, the main UK-wide higher rate threshold, inclusive of the personal allowance, will be £45,000 for 2017/18 but the threshold in Scotland will remain at £43,000

20.2.7. A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received from the Company and the dividend received will constitute franked investment income.

20.2.8. Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

20.3. ***Taxation of chargeable gains***

20.3.1. For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional. The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

20.3.2. A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant shareholder, give rise to a liability to UK taxation on chargeable gains. Shareholders will normally be subject to UK taxation of chargeable gains, unless such holders are not resident for tax purposes in the UK.

20.4. ***Individuals***

20.4.1. Where an individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£11,100 for 2016/17); £11,300 for 2017/18) and after taking account of any other capital gains or capital losses available to the individual in that tax year.

20.4.2. For individuals, capital gains tax will be charged at 10 per cent. where the individual's taxable income and gains are less than the upper limit of the income tax basic rate band (for 2016/17 £32,000 or £33,500 for 2017/18) after the personal allowance of £11,000, or £11,500 for 2017/18) if available, and any other allowances to which a taxpayer may be entitled, subject to any gift aid payments made). To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 20 per cent.

20.4.3. For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount (for 2016/17 up to £11,100 (£11,300 for 2017/18) for personal representatives of deceased persons and trustees for disabled persons and up to £5,550 (£5,650 for 2017/18) for other trustees) will be charged at a flat rate of 20 per cent. (being the current rate at the date of this document). Where a Shareholder disposes of the Ordinary Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains.

20.5. ***Companies***

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

20.6. ***Non-UK tax resident Shareholders***

A Shareholder who is not resident for tax purposes in the UK will not generally be subject to CGT on the disposal or deemed disposal of Ordinary Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Ordinary Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law in the jurisdiction in which they are resident. An individual Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty ("Treaty non-resident") for a period of five years or less (or, for departures before 6 April 2013, ceases to be resident or ordinarily resident or becomes Treaty non-resident for a period of less than five tax years) and who disposes of all or part of his Ordinary Shares during that period may be liable to CGT on his return to the UK, subject to any available exemptions or reliefs.

20.7. ***Stamp Duty and Stamp Duty Reserve Tax (SDRT)***

20.7.1. No stamp duty or SDRT should arise on the issue or allotment of the new Ordinary Shares.

20.7.2. No stamp duty should be payable on instruments effecting the transfer of Ordinary Shares provided that at the time of execution of the instruments the Ordinary Shares are admitted to trading on AIM but not listed on any other market.

20.7.3. No liability to SDRT should arise on agreements to transfer existing Ordinary Shares provided that, at the date the agreement is made or in the case of conditional agreements, the date on which the conditions are satisfied, the Ordinary Shares are admitted to trading on AIM but not listed on that or any other market.

20.7.4. The above statements apply to any holders of Ordinary Shares irrespective of their residence, and are a summary the current position, intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

20.8. ***Inheritance Tax***

20.8.1. Individual and trustee investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax ("IHT") on the value of any Ordinary Shares held by them.

20.8.2. IHT may also apply to individual shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position. Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

20.8.3. A relief from IHT known as business property relief (BPR) may apply to Ordinary Shares in trading companies once these have been held for two years. This relief applies notwithstanding that the Company's shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares by 100 per cent. for IHT purposes.

Persons who are not resident in the United Kingdom should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

These comments are intended only as a general guide to the current tax position in the United Kingdom as at the date of this document. The comments assume that ordinary shares are held as an investment and not as an asset of a financial trade and that any dividends paid are not foreign income dividends. If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

21. Third Party Information

21.1. The Company confirms that the information in this document which has been sourced from third parties has been accurately reproduced and that as far as it is aware and able to ascertain from information published by each of those third parties, no facts have been omitted which would render the information reproduced inaccurate or misleading.

21.2. The source of the third party information had been indicated on the relevant pages.

22. General

22.1. The total costs and expenses relating to the Proposals payable by the Company are estimated to be £0.45 million excluding VAT.

22.2. Saffery Champness LLP has given and not withdrawn its written consent to the inclusion of references to its name herein in the form and context in which they appear and to the inclusion of their reports in this document and have authorised the contents of their accountants' report in Part VII of this document for the purposes of Schedule Two of the AIM Rules for Companies.

22.3. Black Swan Analysis Limited has given and not withdrawn its written consent to the inclusion of references to its name herein in the form and context in which they appear and to the inclusion of its report in in Part VI of this document for the purpose of Schedule Two of the AIM Rules for Companies.

22.4. JA Kemp has given and not withdrawn its written consent to the inclusion of references to its name herein in the form and context in which they appear and to the inclusion of its report in in Part V of this document for the purpose of Schedule Two of the AIM Rules for Companies.

22.5. The nominated adviser and joint broker to the Company is Stockdale Securities which is authorised and regulated by the FCA. Stockdale Securities has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which it appears.

22.6 The joint broker to the Company is Beaufort Securities which is authorised and regulated by the FCA. Beaufort Securities has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which it appears.

22.7. Pursuant to Chapter 5 of the Disclosure and Transparency Rules, a person must notify the Company the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds. Pursuant to Part 22 of the 2006 Act, the Company is empowered by notice in writing to require any person whom the Company knows or has reasonable cause to believe to be interested in the Company's shares or, to have been so interested at any time during the three years immediately preceding the date on which the notice is issued, to disclose to the Company, within a reasonable time, particulars of any interests rights, agreements or arrangements affecting any of the shares held by that person or in which such other person is interested.

22.8. Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

22.9. Save as disclosed in this document, there are no patents, industrial, commercial or financial contracts or new manufacturing processes which are material to the Enlarged Group's business or profitability.

22.10. Save as disclosed in this document, there are no investments in progress which are or may be significant to the Enlarged Group.

22.11. There are no environmental issues that may affect the Enlarged Group's utilisation of the Enlarged Group's tangible fixed assets.

22.12. The historical financial information concerning the Company incorporated by reference and referred to in Part I of this document has been audited and is unqualified. The historical financial information concerning N4 Pharma and contained in Part VII of this document has been audited and is unqualified, however, the financial information does not constitute full statutory accounts within the meaning of section 434 of the 2006 Act.

22.13. The auditors of the Company for the financial years ended 31 December 2015 and 2016 were Jeffreys Henry LLP of Finsgate, 5-7 Cranwood Street, London EC1V 9EE. Jeffreys Henry LLP are chartered accountants and statutory auditors who are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

22.14. For the financial year ended 31 December 2014, the Company's auditors were Hills Jarrett LLP. Hill Jarrett LLP are chartered accountants and statutory auditors who are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

22.15. N4 Pharma's current auditors are Saffery Champness LLP of 71 Queen Victoria Street, London EC4V 4BE. Saffery Champness are chartered accountants and statutory auditors who are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

22.16. The principal activities of the Enlarged Group are described in Part I of this document. Save as disclosed in Part I of this document, there are no known trends, uncertainties, demands, commitments or events that are reasonable likely to have a material effect on the Enlarged Group's prospects for at least the current financial year.

22.17. Except as disclosed in this document, no person (other than professional advisers named in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

(a) fees totalling £10,000 or more; or

(b) securities in the Company with a value of £10,000 or more, calculated by reference to the expected opening price; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

22.18. Each of the Directors is, or may be deemed to be, a promoter of the Company.

23. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded), at the offices of Edwin Coe LLP at 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH from the date of this document until one month from the date of Admission. The documents will also be available on the Company's website: www.n4pharma.com:

(a) this document;

(b) the Articles;

(c) the audited consolidated financial information on the Company from the years ended 31 December 2015 and 31 December 2016;

(d) the reports from Saffery Champness LLP set out in Parts VII and VIII of this document;

(e) the service contracts and letters of appointment of the Directors and Proposed Directors referred to in paragraphs 8.1 and 8.2 of this Part IX;

(f) the written consents referred to in paragraphs 22.2.2 to 22.2.6 of this Part IX;

(g) the material contracts referred to in paragraphs 11.1 and 11.2 of this Part IX; and

(h) the irrevocable undertakings referred to in Part I of this document.

24. Documents incorporated by reference

The Company's report and accounts for the three years ended 31 December 2016 are incorporated by reference into this document. Copies of these documents are available at www.onzimaventures.com and for inspection at the offices of Edwin Coe LLP, at 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document for the period ending one month after Admission and are also available at www.n4pharma.com.

25. Availability of this document

Copies of this document are available free of charge from the Company's registered office and at the offices of Edwin Coe LLP at 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission.

13 April 2017

DEFINITIONS

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

"2006 Act" or **"Companies Act"**	the Companies Act 2006 as amended
"Acquisition"	the proposed acquisition of the remaining issued share capital of N4 Pharma not already owned by the Company under the terms of the Acquisition Agreement
"Acquisition Agreement"	the conditional agreement concerning the Acquisition dated 13 April 2017 between the Company and Nigel Theobald
"Admission"	admission of the Enlarged 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 for Companies"	the AIM Rules for Companies published by the London Stock Exchange, as amended
"AIM Rules for Nominated Advisers"	means the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended
"Articles" or **"Articles of Association"**	the articles of association of the Company at the date of this document
"Audit Committee"	the audit committee of the Company
"Beaufort Securities"	Beaufort Securities Limited, a company incorporated in England and Wales with registered number 02693942
"Broker Shares"	the 285,714 New Ordinary Shares in the capital of the Company issued to Beaufort Securities in lieu of broker fees, locked-in for 6 months from Admission
"Broker Warrants"	the Warrants granted to Stockdale Securities and Beaufort Securities, further details of which are set out in paragraph 12.2 of Part IX of this document
"Board" or **"Directors"**	the board of directors of the Company from time to time appointed in accordance with the Articles and, where the context requires, those directors of the Company holding office as at the date of this document, including a duly constituted committee of such directors
"Business Day"	a day on which the London Stock Exchange is open for the transaction of business other than a Saturday or Sunday or a public holiday
"Capital Raising"	the Firm Placing
"Certificated" or **"in Certificated Form"**	means not in Uncertificated Form (that is, not in CREST)
"City Code" or **"Takeover Code"**	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers
"Company" or **"Onzima Ventures"**	Onzima Ventures plc, a company incorporated in England and Wales with registered number 01435584

"Consideration Shares"	means the 4,510,800 New Ordinary Shares to be issued pursuant to the Acquisition Agreement
"CREST"	the computerised settlement system operated by Euroclear which facilitates the holding of and transfer of shares in uncertificated form
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparts Service Manual, CREST Rules, Registrar Service Standards, Settlement Discipline Rules CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, (as amended) and published by Euroclear
"CREST member"	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
"CREST participant"	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI2001/3755)
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member
"Dealing Day"	a day on which the London Stock Exchange is open for the transaction of business
"Deferred Consideration Shares"	4,591,400 New Ordinary Shares to be issued to Nigel Theobald if shares in the Company exceed a price of 15p for 10 consecutive business days within two years of Admission
"Deferred Shares"	the deferred shares of 4p each in the capital of the Company
"EIS"	Enterprise Investment Scheme
"Enlarged Group"	the Company as enlarged by the Acquisition
"Enlarged Share Capital"	the share capital of the Company on Admission following the Share Re-organisation and the issue of the Consideration Shares, the Firm Placed Shares and the Broker Shares
"EU"	the European Union
"Euroclear"	Euroclear UK and Ireland Limited (formerly named CrestCo Limited), the operator of CREST
"Existing Ordinary Share Capital"	the ordinary share capital of the Company at the date of this document comprising 181,956,558 Existing Ordinary Shares
"Existing Ordinary Shares"	ordinary shares of 0.1p each in the capital of the Company in issue at the date of this document, prior to the Share Re-Organisation
"FCA"	the Financial Conduct Authority
"FDA"	the Food and Drug Administration
"Firm Placed Shares"	21,428,571 New Ordinary Shares which are to be issued under the Firm Placing

"Firm Placing"	the conditional firm placing by Stockdale Securities and Beaufort Securities Limited, as agents of and on behalf of the Company, of the Firm Placed Shares at the Issue Price on the terms and subject to the conditions of the Placing Agreement
"Form of Proxy"	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
"Fractional Shareholders"	a Shareholder entitled only to a fraction of a New Ordinary Share following the Share Re-organisation
"FSMA"	the Financial Services and Markets Act 2000, as amended
"General Meeting"	the general meeting of the Company convened for 2 May 2017 at the offices of Edwin Coe LLP at 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH, and any adjournment thereof, notice of which is set out at the end of this document
"HMRC"	Her Majesty's Revenue & Customs
"Issue Price"	7p per New Ordinary Share
"London Stock Exchange"	London Stock Exchange plc
"Lock-In Agreement"	the agreement between Stockdale Securities, Beaufort Securities, the Directors, the Proposed Directors and the Company, restricting the ability of those shareholders to sell their Ordinary Shares, details of which are set out in paragraph 12.1 of Part IX of this document
"MAR"	Market Abuse Regulation (596/2014)
"Member Account ID"	the identification code or number attached to any member account in CREST
"Money Laundering Regulations"	the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FSA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms, the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006
"N4 Pharma"	N4 Pharma Limited, a company incorporated in in England and Wales with registered number 08878121
"N4 Pharma Directors"	the directors of N4 Pharma as at the date of this document
"Neville Registrars"	the trading name of Neville Registrars Limited
"New Ordinary Shares"	means the ordinary shares of 0.4p each in the capital of the Company following the Share Re-organisation
"Notice"	the notice of General Meeting set out at the end of this document
"Official List"	the Official List of the UK Listing Authority
"Options"	options to subscribe for Ordinary Shares pursuant to the Share Options Scheme
"Ordinary Shares"	the ordinary shares of 0.1p each in the capital of the Company, ISIN number GB00BYQCDH57

"Overseas Shareholders"	Shareholders who are resident in or a citizen or a national of any country outside the United Kingdom
"Placees"	any person who has agreed to subscribe for Ordinary Shares pursuant to the Firm Placing
"Placing Agreement"	the agreement dated 13 April 2017 and made between the Company, the Directors, the Proposed Directors, Stockdale Securities and Beaufort Securities, details of which are set out in paragraph 12.2 of Part IX of this document
"Proposals"	the Acquisition, the Capital Raising and the Share Re-organisation
"QCA Guidelines"	the corporate governance guidelines for small and mid-size quoted companies published by the Quoted Companies Alliance in May 2013
"Registrar"	Neville Registrars Limited
"Regulatory Information Service" or **"RIS"**	a regulatory information service that is approved by the FCA and that is on the list of regulatory information service providers as maintained by the FCA
"Remuneration Committee"	the remuneration committee of the Company
"Resolutions"	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice
"Restricted Jurisdiction"	each and any of Australia, Canada, Japan, the United States and the Republic of South Africa
"Securities Act"	US Securities Act of 1933, as amended
"Share Re-organisation"	the proposed re-organisation of the Company's Existing Ordinary Shares, details of which are set out in Part I of this document
"Shareholders"	holders of Ordinary Shares
"Share Option Scheme"	the Onzima Ventures Share Option Scheme, details of which are set out in paragraph 4 of Part IX of this document
"Special Deferred Shares"	the special deferred shares of 0.9p each in the capital of the Company
"Sterling" or **"£"**	the lawful currency of the UK
"Stockdale Securities"	Stockdale Securities Limited, a company incorporated in England and Wales with registered number 00762818
"subsidiary"	as that term is defined in section 1162 of the Companies Act
"subsidiary undertaking"	a subsidiary undertaking, as that term is defined in section 1159 of the Companies Act
"UK Listing Authority"	the Financial Conduct Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA
"Uncertificated" or **"Uncertificated Form"**	recorded on the relevant register of Ordinary Shares 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
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland

"United States", "USA" or **"US"**	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"VAT"	value added tax
"VCT"	Venture Capital Trust
"Warrants" or **"Placing Warrants"**	the 21,428,571 warrants created pursuant to a Warrant Instrument dated 13 April 2017 pursuant to a resolution of the Board on that date, entitling the Placees to subscribe for 1 New Ordinary Share at a price of 8.5 pence per share for each Firm Placed Share held by them

GLOSSARY

The following glossary terms apply throughout the document unless the context requires otherwise:

"CAGR"	compound average growth rate
"DNA"	deoxyribonucleic acid, a molecule that carries the genetic instructions used in the growth, development, functioning and reproduction of all known living organisms and many viruses
"Emend®"	(aprepitant) blocks the actions of chemicals in the body that trigger nausea and vomiting
"Gold nanoparticle"	a nanoparticle consisting of gold atoms
"Half-life"	the period of time required for the concentration or amount of a drug in the body to be reduced by one-half
"IND"	investigational new drug
"losartan®"	belongs to a group of drugs called angiotensin II receptor antagonists. It keeps blood vessels from narrowing, which lowers blood pressure and improves blood flow
"mRNA"	messenger ribonucleic acid, a large family of ribonucleic acid molecules that convey genetic information from DNA to the ribosome, where they specify the amino acid sequence of the protein products of gene expression
"Nanoparticle"	a particle between 1 and 100 nanometers in size
"Nuvac®"	trademark registered by N4 Pharma
"Nuvec®"	trademark registered by N4 Pharma
"OTC"	over the counter
"pDNA"	plasmid DNA, a small DNA molecule within a cell that is physically separated from a chromosomal DNA and can replicate independently. They are most commonly found in bacteria as small circular, double-stranded DNA molecules; however, plasmids are sometimes present in archaea and eukaryotic organisms
"Pharmacokinetically bio-equivalent"	test and reference versions of a drug product can be considered bioequivalent based on pharmacokinetic parameters which describe the rate (Cmax) and extent (area under concentration curve) of drug absorption. The time to maximum concentration Tmax is also a key parameter. The ratio of geometric means of these parameters should lie within 90 per cent. confidence intervals
"Silica"	a hard, unreactive, colourless compound which occurs as the mineral quartz and as a principal constituent of sandstone and other rocks
"Sub-unit"	a unit that forms a distinct part of a larger structure
"valsartan®"	an angiotensin II receptor antagonist. Valsartan keeps blood vessels from narrowing, which lowers blood pressure and improves blood flow

ONZIMA VENTURES PLC

(Incorporated and registered in England and Wales with No: 01435584)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting ("**Meeting**") of Onzima Ventures plc (the "**Company"**) will be held at the offices of Edwin Coe LLP, 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH on 2 May 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed in the case of resolutions 1 to 4 as ordinary resolutions and in the case of resolutions 5 and 6 as special resolutions.

This Notice concerns matters described in a circular to shareholders of the Company (comprising an admission document for the purposes of the AIM Rules for Companies) dated 13 April 2017 (the "**Circular"**). Words and expressions defined in the Circular have the same meaning in this Notice.

ORDINARY RESOLUTIONS

1. That the proposed acquisition (the "**Acquisition**") by the Company of the 51 per cent. of N4 Pharma Limited not already owned by it be approved on the terms and conditions contained in the share purchase agreement dated 13 April 2017 between the Company and Nigel Theobald (the "**Acquisition Agreement**") as further described in the Circular with such non-material amendments thereto as the directors of the Company (or any duly constituted committee thereof) (the "**Directors**") may consider appropriate.

2. That, subject to the passing of Resolutions 1, 3 and 4 and pursuant to Section 551 of the Companies Act 2006 (the "**Act**"), the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot ordinary shares of 0.1 pence each and warrants in the capital of the Company ("**Ordinary Shares**") PROVIDED THAT this authority shall be limited to:

   (a) the allotment of up to 9,102,200 New Ordinary Shares (as defined in Resolution 4) pursuant to the Company's obligations under the Acquisition Agreement;

   (b) the allotment of 44,425,208 New Ordinary Shares and Broker Shares available under the Firm Placing (as defined in the Circular) and pursuant to the exercise of Warrants and Broker Warrants (as defined and disclosed in the Circular); and

   (c) the allotment of New Ordinary Shares up to an aggregate nominal amount of £28,571, provided that this authority shall expire on the date of the next annual general meeting of the Company following the date of the passing of this resolution, except that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired.

3. That, subject to the passing of Resolutions 1 and 2, in accordance with section 618 of the Companies Act 2006, the 181,956,800 ordinary shares of £0.001 each in the issued share capital of the Company be consolidated into 227,446 ordinary shares of £0.80 each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £0.001 each in the capital of the Company as set out in the Company's articles of association for the time being.

4. That, subject to the passing of Resolutions 1 to 3 inclusive, in accordance with section 618 of the Companies Act 2006, the 227,446 ordinary shares of £0.80 each in the issued share capital of the Company created pursuant to Resolution 3 be sub-divided into 45,489,200 ordinary shares of £0.004 each (the "New Ordinary Shares"), such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £0.80 each in the capital of the Company created pursuant to Resolution 3.

SPECIAL RESOLUTIONS

5. That, subject to the passing of Resolutions 1 to 4 inclusive, the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, pursuant to:

   (a) the authority conferred by sub-paragraph (a) of Resolution 2 above, up to a maximum of 9,102,200 New Ordinary Shares; and

   (b) the authority conferred by sub-paragraph (b) of Resolution 2 above, up to a maximum of 44,425,208 New Ordinary Shares; and

   (c) the authority conferred by sub-paragraph (c) of Resolution 2 above, up to a maximum aggregate nominal amount of £28,571;

   in each case, as if section 561(1) of the Act did not apply to any such allotment. The power granted by this Resolution 5 will expire at the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

6. That, conditional on completion of the Acquisition and the admission of the enlarged issued share capital of the Company immediately following completion of the Acquisition to trading on the AIM market of London Stock Exchange plc, the name of the Company be changed from Onzima Ventures plc to N4 Pharma plc.

BY ORDER OF THE BOARD
Lorraine Young Company Secretaries Limited
Company Secretary

Date: 13 April 2017

Registered Office:
6th Floor
60 Gracechurch Street
London
EC3V 0HR

EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

   - 6.00 p.m. on 27 April 2017; or
   - if this Meeting is adjourned, 6.00 p.m. on the day prior to the adjourned meeting,

   shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy your proxy card or contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA to obtain an extra proxy card.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

   - completed and signed;
   - sent or delivered to Neville Registrars Limited (at the address shown in note 4 above); and
   - received by Neville Registrars Limited no later than 11.00 a.m. on 27 April 2017.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxies through CREST

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST

sponsored members, and those CREST members who have appointed a voting service provider(s), 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 made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA11) by 11.00 a.m. on 27 April 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

Appointment of proxy by joint holders

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-name being the most senior).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

10. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than 11.00 a.m. on 27 April 2017.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

11. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

12. As at 6.00 p.m. on 12 April 2017, the Company's issued share capital comprised 181,956,558 ordinary shares of 0.1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 12 April May 2017 is 181,956,558.

Communication

13. You may not use any electronic address provided either in this notice of meeting or any related documents (including the document with which this notice of meeting was enclosed and proxy form) to communicate with the Company for any purposes other than those expressly stated.