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

If you have sold or transferred all of your Existing Ordinary Shares in ViaLogy plc (the "Company") before the date when the Existing Ordinary Shares are marked ex-entitlement, please send this document, together with the accompanying Form of Proxy and Application Form, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred part of your holding of Existing Ordinary Shares in the Company, you should contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications set out in the Application Form, if relevant. If your registered holding of Existing Ordinary Shares was held in uncertificated form and were sold or transferred before the date that the Existing Ordinary Shares are marked as ex-entitlement, a claim transaction will automatically be generated by CREST which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. However, neither this document nor any Application Form should be forwarded to or transmitted in or into any jurisdiction where to do so may constitute a violation of local securities laws or regulations, including, but not limited to, subject to certain exceptions, the Excluded Territories or their respective territories or possessions. Please refer to paragraph 6 of Part IV of this document if you propose to send this document and/or the Application Form outside the United Kingdom.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange. Application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. The Existing Ordinary Shares are not traded on any other recognised investment exchange and no application has been made for the Consideration Shares, the Placing Shares or the Open Offer Shares to be admitted to trading on any other stock exchange. It is expected that Admission will become effective and that dealings in the Enlarged Ordinary Share Capital will commence on AIM on 4 July 2014.

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

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

ViaLogy PLC

Incorporated and registered in England and Wales with registered number 3971582

PROPOSED ACQUISITION OF PREMAITHA HEALTH LIMITED
PLACING OF 59,090,909 NEW ORDINARY SHARES AT A PRICE OF 11 PENCE PER SHARE
OPEN OFFER OF UP TO 6,723,651 NEW ORDINARY SHARES AT A PRICE OF 11 PENCE PER SHARE
100:1 SHARE CONSOLIDATION
CHANGE OF NAME TO PREMAITHA HEALTH PLC
APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE
APPOINTMENT OF THE PROPOSED DIRECTORS
RENEWAL OF SHAREHOLDER AUTHORITIES
ADOPTION OF NEW ARTICLES OF ASSOCIATION
ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF GENERAL MEETING

premaithahealth

Nominated Adviser

Cairn

Cairn Financial Advisers LLP
Authorised and regulated by the Financial Conduct Authority

Broker

PANMURE GORDON & CO

Panmure Gordon (UK) Limited
Authorised and regulated by the Financial Conduct Authority

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

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Cairn Financial Advisers LLP, 61 Cheapside, London EC2V 6AX from the date of this document until one month from the date of Admission.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, this document, the Application Form and any other such documents should not be distributed, forwarded to or transmitted in or into any jurisdiction where the extension or availability of the Open Offer would breach any applicable law.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 15 to 32 of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below and also to the Risk Factors set out in Part II of this document.

Notice convening a General Meeting of the Company to be held at the offices of Panmure Gordon (UK) Limited, One New Change, London EC4M 9AF on 3 July 2014 at 11.00 a.m. is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy and Application Form for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by Capita Asset Services, PXS1, 34 Beckenham Road, Kent BR3 4ZF as soon as possible but in any event by not later than 11.00 a.m. on 1 July 2014. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

Cairn Financial Advisers LLP and Panmure Gordon (UK) Limited, which are authorised and regulated in the United Kingdom by the FCA and are members of the London Stock Exchange, are the Company's nominated adviser and broker respectively in connection with Admission for the purposes of the AIM Rules and are acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cairn Financial Advisers LLP and Panmure Gordon (UK) Limited or for advising any other person in respect of the proposed Placing, Open Offer and Admission or any acquisition of shares in any company. The responsibilities of Cairn Financial Advisers LLP, as nominated adviser under the AIM Rules, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, express or implied, is made by Cairn Financial Advisers LLP or Panmure Gordon (UK) Limited as to any of the contents of this document. Neither Cairn Financial Advisers LLP nor Panmure Gordon (UK) Limited has authorised the contents of any part of this document for any purpose and no liability whatsoever is accepted by Cairn Financial Advisers LLP or Panmure Gordon (UK) Limited for the accuracy of any information or opinions contained in this document. Neither the delivery of this document hereunder nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this document is correct as of any time subsequent to the date of this document.

OVERSEAS SHAREHOLDERS

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

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

FORWARD-LOOKING STATEMENTS

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

CONTENTS

PLACING AND OPEN OFFER STATISTICS

Issue price per Consideration Share, Placing Share and Open Offer Share	11 pence
Number of Existing Ordinary Shares in issue before Admission	2,689,460,366
Consolidation ratio	100:1
Number of New Ordinary Shares in issue pursuant to the Share Consolidation, prior to the Acquisition, the Placing and the Open Offer	26,894,604
Number of Consideration Shares to be issued	95,454,545
Number of Placing Shares to be issued	59,090,909
Maximum number of Open Offer Shares[1]	6,723,651
Enlarged Ordinary Share Capital[1]	188,163,709
Percentage of the Enlarged Ordinary Share Capital constituted by the Consideration Shares, the Placing Shares and Open Offer Shares	85.7 per cent.
Number of New Ordinary Shares under warrant and option following the Share Consolidation, the Acquisition, the Placing and the Open Offer	30,871,933
Number of New Ordinary Shares on a fully diluted basis following the Share Consolidation, the Acquisition, the Placing and the Open Offer[2]	219,035,642
Estimated cash proceeds of the Placing and the Open Offer receivable by the Company (net of expenses)[1]	£6.6 million
Market capitalisation of the Enlarged Group on Admission[3]	£20.7 million
Existing AIM symbol	VIY
New AIM symbol[4]	NIPT
ISIN for Existing Ordinary Shares	GB0031647653
ISIN for New Ordinary Shares[4]	GB00BN31ZD89

[1] on the assumption that the Open Offer is taken up in full by Shareholders
[2] on the basis that all warrants and options in existence on Admission have been exercised
[3] based on the share price of 11p per New Ordinary Share
[4] the new AIM symbol and ISIN shall become effective only if the Resolutions are passed at the General Meeting

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2014
Record Date for the Open Offer	5.00 p.m. on 11 June
Publication of this document	13 June
Announcement of the Open Offer	7.00 a.m. on 13 June
Ex Entitlement date for the Open Offer	8.00 a.m. on 13 June
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	16 June
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 24 June
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 25 June
Latest time and date for splitting of Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 26 June
Latest time and date for receipt of completed Application Forms, and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 30 June
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 1 July
Time and Date for the General Meeting	11.00 a.m. on 3 July
Record Date and Time for the Consolidation	5.00 p.m. on 3 July
Completion of the Proposals and commencement of dealings of the Enlarged Ordinary Share Capital on AIM	8.00 a.m. on 4 July
CREST accounts expected to be credited in respect of Placing Shares and Open Offer Shares in uncertificated form	As soon as practicable after 8.00 a.m. on 4 July
Despatch of definitive share certificates in respect of Placing Shares and Open Offer Shares by	16 July

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

If you have any queries on the procedures for application under the Open Offer, you should contact the Receiving Agents, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or telephone Capita Asset Services on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service. Certain of the events in the timetable above are conditional upon, *inter alia*, the approval of the Resolutions.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Adam Reynolds *Executive Chairman** Mark Kingsley Collingbourne *Finance Director* Nicholas Mustoe *Non-Executive Director* ** to step down as Executive Chairman and continue as a Non-Executive Director with effect from Admission*
Proposed Directors	David Eric Evans *Non-Executive Chairman* Stephen Little *Chief Executive Officer* Peter Collins *Chief Commercial Officer* Charles Edward Selkirk Roberts *Non-Executive Director*
Company Secretary	Mark Kingsley Collingbourne
Registered office	St James' House St James' Square Cheltenham GL50 3PR
Website	www.vialogy.com
Nominated Adviser	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
Broker	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Solicitors to the Company	BPE Solicitors LLP St James' House St James' Square Cheltenham GL50 3PR
Solicitors to the Nominated Adviser and Broker	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Reporting Accountant and Auditor *(Member firm of the Institute of Chartered Accountants in England and Wales)*	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Public Relations	Tooley Street Communications Regency Court 68 Caroline Street Birmingham B3 1UG
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4ZF
Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

DEFINITIONS

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

"Acquisition"	the proposed acquisition by the Company of the entire issued share capital of Premaitha, pursuant to the terms of the Acquisition Agreements;
"Acquisition Agreements"	the Premaitha Acquisition Agreement and the NWF Acquisition Agreement;
"Act"	the Companies Act 2006, as amended;
"Admission"	the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
"AIM Rules for Companies"	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time;
"AIM Rules for Nominated Advisers"	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time;
"Application Form"	an application form enclosed with this document for use by Qualifying Non-CREST Shareholders in connection with the Open Offer;
"Board" or "Directors"	the current directors of the Company, whose names are set out on page 6 of this document;
"Cairn"	Cairn Financial Advisers LLP, the Company's nominated adviser;
"Capita Asset Services"	a trading division of Capita Registrars Limited;
"Capital Reorganisation Circular"	the circular dated 7 January 2014 issued by the Company, a copy of which is available on the Company's website;
"CCSS"	Crest Courier and Sorting Service, operated by Euroclear;
"Certificated" or "in Certificated Form"	a share or other security recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form;
"Change of Name"	the proposed change of name of the Company to Premaitha Health plc, further details of which are set out in paragraph 9 of Part I of this document;
"Company"	ViaLogy plc, a company registered in England and Wales with registered number 3971582;
"Concert Party"	those parties described in paragraph 1 of Part V of this document;

"Consideration Shares"	in aggregate, the 95,454,545 New Ordinary Shares to be issued as to 90,909,090 New Ordinary Shares to the Vendors and as to 4,545,455 New Ordinary Shares to NWF;
"Corporate Governance Code"	the UK Corporate Governance Code published by the Financial Reporting Council, as amended;
"CREST"	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form operated by Euroclear;
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterpart Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated in November 2001);
"CREST member"	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual);
"CREST member account ID"	the identification code or number attached to a member account in CREST;
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations);
"CREST participant ID"	shall have the meaning given in the CREST Manual issued by Euroclear;
"CREST payment"	shall have the meaning given in the CREST Manual issued by Euroclear;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
"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;
"Deferred Shares"	the deferred shares of 0.9p each in the capital of the Company;
"Disclosure and Transparency Rules"	the rules and regulations made by the FCA in its capacity as the UKLA under Part VI of FSMA, as amended, and contained in the UKLA publication of the same name;
"EMEA"	Europe, Middle East and Africa;
"Enlarged Group" or "Group"	the Company, the ViaLogy Subsidiaries and Premaitha upon completion of the Acquisition;
"Enlarged Ordinary Share Capital"	the share capital of the Company on Admission of 188,163,709 New Ordinary Shares, comprising the New Ordinary Shares arising from the Share Consolidation, the Consideration Shares, the Open Offer Shares and the Placing Shares;
"Enterprise Ventures"	Enterprise Ventures Limited, an independent fund management company which is authorised and regulated by the Financial Conduct Authority;
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST;

"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement, provided that they have agreed to take up their Open Offer Entitlement in full;
"Excess CREST Open Offer Entitlement"	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offers Shares pursuant to the Excess Application Facility;
"Ex-Entitlement Date"	the date on which the Existing Ordinary Shares are marked "ex" for entitlement under the Open Offer;
"Existing Articles"	the articles of association of the Company as at the date of this document;
"Existing Ordinary Shares"	the ordinary shares of 0.1p each in issue as at the date of this document;
"Existing Ordinary Share Capital"	the ordinary share capital of the Company at the date of this document, comprising 2,689,460,366 Existing Ordinary Shares;
"Financial Conduct Authority"	the United Kingdom Financial Conduct Authority;
"Form of Proxy"	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting;
"FSMA"	the Financial Services and Markets Act 2000 (as amended);
"General Meeting"	the general meeting of the Company, convened for 11.00 a.m. on 3 July, and any adjournment thereof, notice of which is set out at the end of this document;
"Historical Financial Information on the Company"	the Company's historical financial information for the years ended 31 March 2012, 31 March 2013 and 31 March 2014;
"Historical Financial Information on Premaitha"	Premaitha's historical financial information for the period from incorporation on 08 March 2013 to 28 February 2014;
"HMRC"	Her Majesty's Revenue & Customs;
"IFRS"	International Financial Reporting Standards as adopted by the European Union;
"Independent Directors"	the Directors with the exception of Adam Reynolds;
"Independent Shareholders"	the holders of Existing Ordinary Shares other than any person being a member of the Concert Party;
"IPR"	intellectual property rights;
"Issue Price"	11 pence, being the price at which the Consideration Shares, the Placing Shares and the Open Offer Shares are to be issued;
"Lock-in Arrangements"	the lock-in arrangements entered into by the Locked-in Persons, described in paragraph 14 of Part I and paragraph 14.3 of Part IX of this document;
"Locked-in Persons"	the Directors, the Proposed Directors, Zoragen Biotechnologies LLP, Animatrix Capital LLP, Loxbridge Research LLP and Rupert Lywood;
"London Stock Exchange"	London Stock Exchange plc;

"Loxbridge"	Loxbridge Research LLP;
"Member Account ID"	the identification code or number attached to any member account in CREST;
"Memorandum of Association"	the Company's constitutional document setting out the Company's name, registered office, objects and initial subscribers as adopted on incorporation of the Company on 13 April 2000 and deleted on 28 October 2011 as summarised in paragraph 8.1 of Part IX of this document;
"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;
"New Board"	the directors of the Enlarged Group with effect from Admission, comprising the Directors and the Proposed Directors;
"New Articles"	the articles of association proposed to be adopted by the Company at the General Meeting;
"Net Proceeds"	£6.7 million, being the estimated proceeds of the Placing and the Open Offer after the deduction of expenses;
"New Ordinary Shares"	ordinary shares of 10p each in the capital of the Company following the Share Consolidation;
"Notice"	the notice of the General Meeting set out at the end of this document;
"NWF"	NWF (Venture Capital) LP, a fund managed by Enterprise Ventures;
"NWF Acquisition Agreement"	the conditional acquisition agreement between the Company and NWF in relation to the sale and purchase of the shares held in the capital of Premaitha by NWF, as summarised in paragraph 14.1 of Part IX of this document
"Official List"	the list maintained by the UKLA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
"Open Offer"	the offer to Shareholders, constituting an invitation to apply for the Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form;
"Open Offer Entitlement"	an entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply for one Open Offer Share for every four hundred Existing Ordinary Shares held by the Qualifying Shareholder at the Record Date;
"Open Offer Shares"	up to 6,723,651 New Ordinary Shares to be issued pursuant to the Open Offer;
"Ordinary Shares"	the ordinary shares in the issued share capital of the Company from time to time;

"Overseas Shareholders"	Shareholders who are resident in or a citizen or a national of any country outside the United Kingdom;
"Panel"	the Panel on Takeovers and Mergers;
"Panmure Gordon"	Panmure Gordon (UK) Limited, the Company's broker;
"Placees"	investors to whom Placing Shares are issued pursuant to the Placing;
"Placing"	the conditional placing by Panmure Gordon on behalf of the Company of the Placing Shares at the Issue Price pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 13 June 2014 between the Company, the Directors, the Proposed Directors, Cairn and Panmure Gordon relating to the Placing, details of which are set out at paragraph 14.2 of Part IX of this document;
"Placing Shares"	59,090,909 New Ordinary Shares to be issued to the Placees pursuant to the Placing;
"Premaitha" or "Target"	Premaitha Health Limited, a company registered in England and Wales with registered number 08436676;
"Premaitha Acquisition Agreement"	the conditional acquisition agreement between the Company, the Vendors, Stephen Little, Animatrix Finance Limited and Adam Reynolds in relation to the sale and purchase of the issued share capital of Premaitha, with the exception of any shares held by NWF, as summarised in paragraph 14.1 of Part IX of this document;
"Proposals"	the Acquisition, the Share Consolidation, the Placing, the Open Offer, the appointment of the Proposed Directors, the Change of Name, the Rule 9 Waiver, the adoption of the New Articles, the renewal of the Company's share authorities, the General Meeting and Admission;
"Proposed Directors"	the persons to be appointed directors pursuant to the General Meeting, whose names are set out on page 6 of this document;
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary shares in a CREST account;
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary shares in certificated form;
"Qualifying Shareholders"	Shareholders whose Existing Ordinary Shares are on the register of members of the Company at the close of business on the Record Date with the exclusion (subject to exemptions) of persons with a registered address or located or resident in the Restricted Jurisdictions;
"Receiving Agent"	Capita Asset Services;
"Record Date for the Consolidation"	5.00 p.m. on 3 July 2014;
"Record Date for the Open Offer"	5.00 p.m. on 11 June 2014;
"Restricted Jurisdiction"	each and any of Australia, Canada, Japan, the United States and the Republic of South Africa;

"Resolutions"	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice;
"Restructuring Circular"	the circular dated 18 November 2013 issued by the Company, a copy of which is available on the Company's website;
"Rule 9 Waiver"	the waiver of the obligations of the Concert Party to make a general offer under Rule 9 of the Takeover Code which may otherwise arise as a consequence of the issue of the Consideration Shares to the Concert Party, granted by the Panel conditional upon approval of the Independent Shareholders voting on a poll, further details of which are set out in paragraph 8 of Part I of this document;
"Share Consolidation"	the proposed consolidation of every 100 Existing Ordinary Shares into 1 New Ordinary Share;
"Shareholders"	the persons who are registered as holders of Ordinary Shares;
"Sterling" or "£"	the lawful currency of the UK;
"Takeover Code"	the City Code on Takeovers and Mergers;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"UKLA"	the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
"Uncertificated" or "in Uncertificated Form"	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"US" or "United States"	the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
"USE"	unmatched stock event;
"US$"	the lawful currency of the United States;
"VAT"	value added tax;
"VEC"	ViaLogy Energy Corp., a company incorporated in the State of Delaware under registration number 5414828;
"VEC Transfer"	the transfer of the Company's trading activities to VEC, as detailed in the Restructuring Circular;
"ViaLogy LLC"	ViaLogy LLC, the Company's wholly-owned US subsidiary;
"ViaLogy Group"	the Company and the ViaLogy Subsidiaries;
"ViaLogy Subsidiaries"	ViaLogy LLC and VEC;
"Vendors"	the shareholders of Premaitha, further details of whom are set out in paragraph 70 of Part V of this document; and
"Zoragen"	Zoragen Biotechnologies LLP.

GLOSSARY OF TECHNICAL TERMS AND MEASUREMENTS

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

Barcodes to allow multiplex testing	Short unique DNA sequences which are incorporated into DNA samples to be analysed. Samples containing barcodes can be multiplexed (mixed) and then subsequently decoded within the mixture
Circulating DNA	Cell free DNA found at low levels in blood samples
CE mark	European Conformity mark
CE marked IVD	an *in vitro* diagnostic which carries a CE mark to show that it meets the requirement of the *in vitro* diagnostic devices directive (Directive 98/79/EC)
DMS	Device Management System being a software designed to coordinate the various individual steps which comprise the IONA Test
DNA	Deoxyribonucleic Acid
EGFR	A gene commonly mutated in lung cancer
FDA	US Food and Drug Administration
FDA PMA	US Food and Drug Administration Pre-Market Approval
IONA® Test	a pre-natal screening test which is being developed by Premaitha comprising a combination of proprietary and third party technology, further details are provided in paragraph 3 of Part I of this document
IVD	*in vitro* diagnostic; a diagnostic device intended for the analysis of specimens derived from the human body
KRAS	A gene commonly mutated in colon cancer
Mis-sequenced homopolymer runs	A common problem associated with some methods of next generation sequencing whereby regions of DNA containing repeated identical bases (homopolymers) are incorrectly counted (mis-sequenced)
Nanopore sequencing	A novel method of next generation sequencing which analyses single DNA molecules rather than populations of DNA molecules
Next Generation Sequencing	A generic term for methods of DNA sequencing characterised by very high throughputs producing thousands or millions of sequences concurrently
Notified Body	third party bodies recognised by the European Commission as able to carry out a conformity assessments under EU Standards
PCR	polymerase chain reaction, being a technology in molecular biology used to amplify a single or a few copies of a piece of DNA across several orders of magnitude, generating thousands to millions of copies of a particular DNA sequence
QMS	Quality Management System

Trisomy	the condition of having three copies of a given chromosome or chromosome segment in each somatic cell rather than the normal number of two
Trisomy 13	Patau's Syndrome
Trisomy 18	Edwards Syndrome
Trisomy 21	Down's Syndrome

PART I

LETTER FROM THE CHAIRMAN OF VIALOGY PLC

ViaLogy PLC

Incorporated and registered in England & Wales under the Companies Act 1985 with registered number 3971582

Directors:
Adam Reynolds
Mark Kingsley Collingbourne
Nick Mustoe

Registered Office:
St James' House
St James' Square
Cheltenham
Gloucestershire
GL50 3PR

13 June 2014

Dear Shareholder,

PROPOSED ACQUISITION OF PREMAITHA HEALTH LIMITED

PLACING OF 59,090,909 NEW ORDINARY SHARES AT A PRICE OF 11 PENCE PER SHARE

OPEN OFFER OF UP TO 6,723,651 NEW ORDINARY SHARES AT A PRICE OF 11 PENCE PER SHARE

100:1 SHARE CONSOLIDATION

CHANGE OF NAME TO PREMAITHA HEALTH PLC

APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE

APPOINTMENT OF THE PROPOSED DIRECTORS

RENEWAL OF SHAREHOLDER AUTHORITIES

ADOPTION OF NEW ARTICLES OF ASSOCIATION

ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM

AND

NOTICE OF GENERAL MEETING

1. INTRODUCTION

Shareholders approved an investing policy for the Company on 27 January 2014. The Company has since held discussions with various parties regarding possible transactions with a view to implementing its investing policy.

On 15 April 2014, trading on AIM in the Existing Ordinary Shares was temporarily suspended following an announcement on the same date that the Company was in discussions in relation to a possible reverse takeover of the Company under the AIM Rules.

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

Premaitha is a molecular diagnostic company that has developed the IONA® Test, an *in vitro* diagnostic non-invasive pre-natal screening test for fetal chromosomal abnormalities such as Down's Syndrome. The IONA® Test is based on the analysis of circulating fetal DNA in the maternal bloodstream, an approach that has been used since 2011 by several pre-natal screening companies, principally in the USA. The Directors and Proposed Directors believe that the IONA® Test will be the first regulated CE marked *in vitro* diagnostic non-invasive pre-natal screening product to market.

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

The consideration of £10.5 million is to be satisfied by the issue of 95,454,545 New Ordinary Shares at a price of 11 pence per share, which equates to a price for the Existing Ordinary Shares of 0.11 pence, representing a 42.1 per cent. discount to the Company's share price of 0.19 pence on 15 April 2014.

The Company intends to raise £7.2 million (before expenses) by means of the Placing and the Open Offer which will be used to develop and commercialise the IONA® Test and for general working capital purposes. Further details of the Placing and the Open Offer are set out in paragraphs 6 and 7 of this Part I.

Following implementation of the Proposals, certain Shareholders of the Enlarged Group who are deemed to be acting in concert (pursuant to the Takeover Code) will hold 104,573,862 New Ordinary Shares, representing 55.6 per cent. of the Enlarged Ordinary Share Capital. If the options held by members of the Concert Party are exercised, assuming no other options are exercised, the Concert Party will hold 126,885,262 New Ordinary Shares representing 62.2 per cent. of the Enlarged Ordinary Share Capital (assuming only the members of the Concert Party take up their entitlements under the terms of the Open Offer).

Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged to make a mandatory offer to all Shareholders (other than the Concert Party) to acquire their New Ordinary Shares. Following an application by the Concert Party, the Takeover Panel has agreed to waive this obligation, subject to the approval of the Independent Shareholders (on a poll) at the General Meeting. Your attention is drawn to the Takeover Code and the Rule 9 Waiver section contained in paragraph 8 of this Part I.

The Directors believe that it is appropriate, should the Acquisition be approved by Shareholders at the General Meeting and the Acquisition completes, that the name of the Company be changed to Premaitha Health plc and the Company adopts new articles of association, *inter alia*, to reflect the Share Consolidation.

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

The purpose of this document is to provide Shareholders with further information regarding the matters described above and to seek Shareholder approval of the Resolutions, which include the Rule 9 Waiver, at the General Meeting. The notice of General Meeting is set out at the end of this document. The Proposals are conditional, *inter alia*, on the passing of the Resolutions and Admission. If the Resolutions are approved by Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on AIM on or around 8.00 a.m. on 4 July 2014. The General Meeting of the Company, at which the Resolutions will be proposed, has been convened for 11.00 a.m. on 3 July 2014.

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

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Company was admitted to trading on AIM under the name BioProjects International plc in May 2002 with the stated objective of providing development capital and commercial and strategic advice to early-stage biotechnology and biotechnology-related companies.

Pursuant to a reverse takeover in October 2006, the Company acquired ViaLogy Corp, a company which provided development and marketing services and software solutions for signal-processing for high technology industries. The lynchpin of its activities was the furtherance of a unique technology, Quantum Resonance Interferometry (QRI™), originally developed to detect, enhance and characterise weak signals in high background noise and interference environments. By late 2013, the Company's focus had evolved into bringing its analytical service offering to clients in the upstream oil and natural gas sector.

The Company posted the Restructuring Circular to shareholders on 18 November 2013, in which the Board proposed a comprehensive restructuring and refocusing by transferring the trading activities carried out by its subsidiary ViaLogy LLC to VEC, a newly incorporated entity formed for the purpose of the VEC Transfer.

In consideration for the VEC Transfer, ViaLogy LLC received preferred shares representing 75 per cent. of the issued and outstanding share capital of VEC at the date of the transfer. The remaining preferred shares representing 25 per cent. of VEC are held by Dr. Sandeep Gulati (19.5 per cent.), a former director of the Company, and certain members of the US-based technical team (5.5 per cent.).

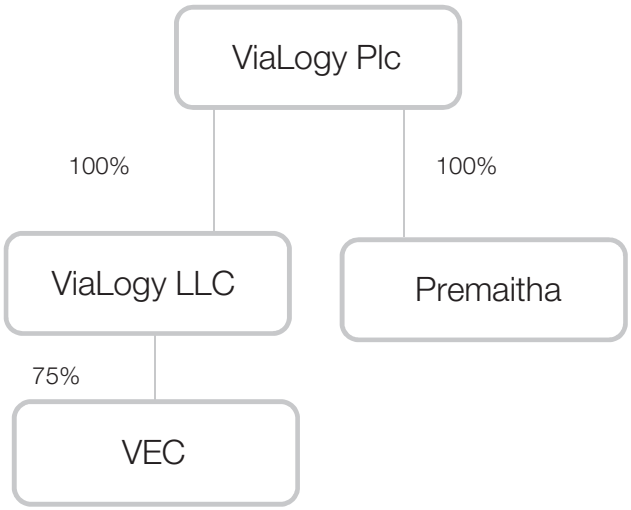
Following Shareholders' approval of the resolutions set out in the Restructuring Circular at a general meeting on 4 December 2013, the Company published the Capital Reorganisation Circular on 7 January 2014 setting out details of, *inter alia*, a proposed capital reorganisation, placing, open offer and adoption of an investing policy to invest in companies in the facilities management and/or support services sectors. Shareholders approved the proposals contained in the Capital Reorganisation Circular at a general meeting of the Company held on 27 January 2014.

It is proposed that the Company's investing policy is amended at the General Meeting to permit investment into the biotechnology sector which will enable the Acquisition to proceed.

The Directors have identified Premaitha as a suitable target for the Company to undertake a reverse takeover. Accordingly, the Directors propose that, subject to Shareholders' approval of the Resolutions, the Company will acquire the entire issued share capital of Premaitha. The Enlarged Group's operations would thereafter constitute exclusively those of Premaitha which is a life science diagnostic company (although it would retain its 75 per cent. holding in VEC as described above). Details of the business and operations of Premaitha are set out in paragraph 3 of this Part I.

Group Structure

The proposed structure of the Enlarged Group from Admission is as follows:



3. INFORMATION ON PREMAITHA & FUTURE STRATEGY OF THE ENLARGED GROUP

Introduction

Premaitha is a molecular diagnostic company that has developed the IONA® Test, an *in vitro* diagnostic non-invasive pre-natal screening test for fetal chromosomal abnormalities such as Down's Syndrome. The IONA® Test is based on the analysis of circulating fetal DNA in the maternal bloodstream, an approach that has been used since 2011 by several pre-natal screening companies, principally in the USA. The Directors and Proposed Directors believe that the IONA® Test will be the first regulated CE marked *in vitro* diagnostic non-invasive pre-natal screening product to market.

The IONA® Test is a pre-natal screening test which will be offered to pregnant women to determine the risk that their fetus is affected with Down's Syndrome or other serious genetic diseases. The IONA® Test is based

on analysis of circulating fetal DNA: an approach which has both a higher detection rate and a lower false positive rate than existing screening tests. This means that expectant mothers can make better informed choices about their pregnancy without risk to them or their fetus.

History and background

In the field of pre-natal screening it has long been apparent that there is an opportunity for an improved test to deal with the limitations of the existing screening methods. It has been known for many years that a small amount of fetal DNA leaks into the maternal circulation. Zoragen, which was founded in 2007, successfully researched whether analysis of this circulating fetal DNA could provide an improved test to reveal whether or not the pregnancy was affected by Down's Syndrome.

Premaitha was incorporated on 8 March 2013 and, on 1 April 2013, Premaitha entered into an asset purchase agreement with Zoragen pursuant to which it acquired all technology, intellectual property and other business assets relating to Zoragen's research products within the field of molecular diagnostics. The consideration for the transfer of the assets from Zoragen to Premaitha was the issue of 347,500 ordinary shares in Premaitha.

The market for pre-natal screening

The global market for pre-natal testing is estimated at $4.2 billion. This market is undergoing rapid change as new technologies emerge which offer safer and better tests to allow pregnant women to determine their risk of having a fetus with Down's Syndrome or other genetic disorders. Pre-natal screening is already widely available throughout the developed world but existing tests are not completely accurate leading to many women with healthy pregnancies being incorrectly identified as "at risk" and subject to invasive follow up tests, which are stressful, costly and carry a risk to the fetus. Recent advances in DNA sequencing technology mean that it is now possible to perform a blood test which overcomes the problems with the existing tests by being more specific (>99 per cent. – means fewer false positives) more sensitive (>99 per cent. – higher detection rate) and is completely safe to the fetus. So compelling is the evidence surrounding this new approach the Directors and Proposed Directors believe that over time all pre-natal screening will be carried out this way.

The Directors and the Proposed Directors believe that the market potential is significant. There are an estimated 9.5 million births per annum in the USA and Europe and an estimated 140 million births per annum globally. Initially the new tests will be primarily offered to the 20 per cent. of women at high risk of an affected fetus in the developed world with subsequent expansion to lower risk pregnancies and wider geographies. At present the price of the new DNA-based tests is between $800 and $1,800 suggesting a market size of between $4 -8 billion in Europe and the USA alone. Over time the price will fall but the number of women taking the test will increase. A recent market report[1] estimated the existing market potential as $1.5 billion growing to $5 billion in 2018 if a reliable cost effective test was available to encourage widespread adoption. It is precisely this market need that the IONA® Test aims to address.

Premaitha's diagnostic solution

Given the size of the market opportunity and the benefits of the technology for non-invasive pre-natal testing, several companies, principally in the USA, have emerged offering a similar laboratory developed testing service directly to obstetricians and pregnant women. These companies target the final customer for the improved pre-natal tests but the Directors and Proposed Directors believe that the new technology will also cause significant change in the laboratory testing market. A well-established pre-natal Down's Syndrome screening infrastructure is already in existence in Europe. It is estimated that there are currently 600 laboratories performing around 3.5 million Down's Syndrome screens annually in Europe. The Directors and Proposed Directors believe that laboratories providing the existing pre-natal screening assays will need to adopt the new technology or see their business disappear to new providers.

Premaitha's non-invasive pre-natal IONA® Test is based on next generation DNA sequencing technology. To date the complexity of this technology has meant that tests which employ next generation sequencing technology are only available in a small number of specialised reference laboratories. The IONA® Test is

[1] http://seekingalpha.com/article/2153913-market-outlook-non-invasive-prenatal-screening-poised-for-significant-growth

designed to simplify and standardise the next generation sequencing workflow so that laboratory customers without a background in molecular technology can offer the new tests. Rather than compete with the current providers to displace them, Premaitha supplies a product to these laboratories allowing them to continue to provide their services.

Premaitha's product – the IONA® Test

There is significant demand from existing screening laboratories for access to the new methodology. The challenge such laboratories face is that the testing procedure is complex and that interpretation is dependent on an algorithm which will allow the DNA sequence data to be converted into a test result. Premaitha's simplified IONA® Test is designed to meet these customer's user needs:

Performance	Clinical validation data to demonstrate >99 per cent. detection, <1 per cent. false positive rate Detection of Trisomy 21 (Down's Syndrome), Trisomy 18, Trisomy 13
Ease of Use	Suitable for trained laboratory technicians
Throughput	>200 samples/week
Cost	Around 50-60 per cent. of the price of tests from other service providers to allow laboratory customers to achieve typical profit margins
Turnaround time	2 days from sample to result
Regulatory status	CE marked IVD

Premaitha has developed a partnership approach in developing the IONA® Test, by using established test processes.

The five principle elements and key supply partners for the test are detailed below:

Test Element	*Description*	*Partner/Supplier*
DNA extraction	isolates a mixture of maternal and fetal DNA from blood samples	QIASymphony® QIAGEN
Library preparation	prepares the isolated DNA for sequencing and adds barcodes to allow multiplex testing and subsequent decoding	premaithahealth IONA® reagents automated using Sciclone®NGS PerkinElmer
Emulsion PCR	creates millions of clonal copies of each DNA molecule so that the sequencing reactions can generate sufficient signal to allow detection	ION Chef™ ThermoFisher SCIENTIFIC
DNA sequencing	identifies the DNA sequence of each of the molecules from the previous step	ION Proton™ ThermoFisher SCIENTIFIC
Data interpretation	counts the numbers of molecules derived from each chromosome and calculates whether this is consistent with an affected or an unaffected pregnancy	IONA® Software premaithahealth

The proprietary components of the IONA® Test comprise both reagents and software provided by Premaitha and reagents provided by its supply partners. To date over 200 samples have been tested with 100 per cent. agreement to the reference Invasive Method.

How the test works

The cause of Down's Syndrome is an extra copy of chromosome 21 in all of the cells of affected individuals. Existing screening tests measure the indirect effect of this duplication on biochemical markers secreted into the bloodstream whereas the IONA® Test directly measures the increase in chromosome 21 DNA in an affected pregnancy.

The key event which allowed the development of non-invasive pre-natal tests was the observation that in pregnant women the placenta leaked fetal DNA which circulated in the maternal bloodstream. This means that circulating DNA extracted from a maternal blood sample is a mixture of fetal and maternal. Initially tests were developed for regions of the genome which should not normally be observed in the mother's blood; for example presence of DNA from the Y chromosome would indicate that the fetus was male.

The detection of Trisomies is more challenging because instead of trying to detect the presence or absence of a particular chromosome such as Y, the test must detect whether the amount of DNA from an extra copy of a chromosome is increased in the maternal circulation. This task is made more difficult because of two complications – firstly, only a small proportion of the DNA in the maternal circulation is fetal in origin and secondly, 21 is the smallest of the chromosomes meaning that an extra copy only leads to a small increase in the amount of DNA.

The small increase in chromosome 21 DNA can be reliably measured if the maternal/fetal DNA mixture is sampled at a sufficiently high density. Until recently this was not possible but the introduction of next generation sequencing technologies means that it is now possible to take millions of different samples of circulating DNA. Such is the sampling density that even a very small change can be reliably and consistently detected.

IONA® Test development

Premaitha has assembled a development team and clinical scientists with substantial experience in the development of molecular diagnostic products.

The Directors and the Proposed Directors anticipate that:

– test development and design verification processes (Phase I and IIa – in the table below) will be substantially complete by 30 September 2014;

– clinical performance and commercialisation testing (Phase IIb and IIc) will be substantially complete by 31 December 2014; and

– a commercial launch of the IONA® Test is anticipated to commence January 2015.

A summary of the overall development process (including certain steps already complete) is shown in the table below:

Phase	*Time*	*Purpose*	*Principal Activities*	*Milestone*
0	Complete	Refine the proposed product to best meet the customer needs	● Market Research ● Recruitment ● Testing of additional samples	User needs, product requirements and product design specifications
I	Mid Oct 2013 – end Sept 2014	Develop IONA® testing and interpretation system to meet user needs	● Establish process ● Establish supply agreements ● Determine and challenge key system variables ● Design transfer of library kit to QMS ● Develop bioinformatics methods for analysis software ● Initiate DMS development ● Design clinical trial and initiate sample collection	Defined process with data to support IVD technical file
IIa	July 2014 – end Sept 2014	Design Verification (Analytical Validation) of the IONA® Test and Software	● Verify Product Design Specifications ● Complete Development and verify analysis software ● Library Preparation Kit Process Validation and initiate Stability Study ● Submission of technical file (part 1) to notified body	Proven analytical performance
IIb	Oct 2014 – end Nov 2014	Demonstrate the clinical performance of the process developed in phase I	● Finalise collection of clinical samples ● Samples tested in Premaitha's laboratory ● Determine detection rate ● Determine false positive rate ● Determine success rate ● Submission of technical file (part 2) to notified body	Proven clinical utility
IIc	Jun 2013 end Dec 2014	Ensure IONA® Test can be successfully commercialised	● Build relationships with platform partners and distribution partners ● Build commercialisation and technical support teams ● Plan global marketing strategy ● Begin pre-selling the product	Market readiness
III	Jan 2015 onwards	Commercialisation	● Global (ex USA) roll out the IONA® Test ● Extend applications and platforms	Commercialisation

Global commercialisation plan

The proposed customers for the IONA® Tests are the estimated 600 laboratories offering pre-natal screening within the EMEA region as well as similar labs throughout the rest of the world. Premaitha's primary channel to market will be through its own direct sales force targeting laboratory directors supported by activities to target and gain support of key opinion leaders. A secondary channel to market may be direct or indirect support from Premaitha's platform partners.

The technology used in the IONA® Test will be new to many potential customers so Premaitha is in the process of establishing a demonstration laboratory at its Manchester headquarters. This laboratory will reproduce the complete IONA® Test workflow so that customers can test their own samples and be trained in the process. This laboratory will also act as a technical back-up which can provide testing should a customer have a problem in their own operation.

Following the initial launch in Europe, the New Board intend to extend sales and marketing activities into Asia. There are no current plans to launch the IONA® Test in the USA. This is primarily due to the more stringent regulatory regime imposed by the FDA.

Intellectual property

Premaitha owns several patents and has made several further patent applications. The most significant is Premaitha application of August 2013 (WO 2014/033455, Method of detecting chromosomal anomalies, which claims the use of DNA sequencing to assign free fetal DNA from maternal plasma to particular chromosomes, with the aim of counting such molecules for detection of trisomy and other chromosomal abnormalities.

The key feature of the invention is the use of sequencing technology that may be prone to characteristic errors, while having other benefits of speed and cost ('economy grade' sequencing, such as delivered by the Ion Torrent™ platform, amongst others). Exploitation of this grade of sequencing is combined with data analysis software that is specifically tolerant of certain characteristic inaccuracies, most notably a relatively high frequency of 'indel' errors and mis-sequenced homopolymer runs.

Premaitha also has additional applications relating to pre-natal testing using nanopore sequencing, a potential future direction of the space.

Premaitha has commissioned a freedom to operate analysis which indicates that there are currently no intellectual property restrictions on commercialisation of the IONA® Test within Europe.

As well as intellectual property, the IONA® Test has additional protections based on trade secrets around reagents used in the library preparation kit. The analysis software is primed to look for specific sequences incorporated at this stage and will not generate a report unless such sequences are present.

Further details of the patents and intellectual property of Premaitha are set out in paragraph 15 of Part IX of this document.

Premaitha's key management team and directors

As of the date of this document, Premaitha has a total of 13 employees primarily based at its headquarters located at the Manchester Science Park, UK.

Premaitha's executive management team has a proven diagnostic and commercial track record comprising Dr Stephen Little (Chief Executive Officer), Dr Michael Risley (Chief Development Officer) and Dr William (Pepper) Denman (Chief Medical Officer), details of whom are set out in Paragraph 13 of this Part I. Peter Collins will join the executive team as Chief Commercial Officer with effect from Admission.

Future directions

As Premaitha builds and commercialises the IONA® Test the Directors and Proposed Directors believe that the Company is not only building a valuable *in vitro* diagnostic product in its own right but also establishing a template for creating valuable diagnostic content on third parties' next generation sequencing systems. The Directors and the Proposed Directors believe there are many other potential clinical applications of next generation sequencing technology and that as these emerge Premaitha will be in a position to capitalise upon them.

The most likely applications appear to be next generation sequencing technology for therapy selection in cancer (personalised medicine) or for early cancer detection or monitoring. Premaitha does not intend to establish research activities to discover new markers, rather it intends to use its capabilities in *in vitro*

diagnostic development and manufacture to take biomarkers identified elsewhere and translate these into valuable clinical content which can be used to improve human health.

Funding

The IONA® Test is currently in development. Investment to date has amounted to over £4.5 million. The proceeds of the Placing and Open Offer will be used, *inter alia* to commercialise the IONA® Test (estimated at £3.5 million) and provide capital for the Enlarged Group's sales and marketing initiative.

4. PRINCIPAL TERMS OF THE ACQUISITION

The Company has entered into the Acquisition Agreements, pursuant to which it has conditionally agreed to acquire the entire issued share capital of Premaitha for a consideration of £10.5 million, to be satisfied by the issue of the Consideration Shares.

Further details of the Acquisition Agreements are set out in paragraph 14.1 of Part IX of this document.

5. FINANCIAL INFORMATION

Historical financial information on the Company and on Premaitha is set out in Parts VI and VII respectively of this document. An unaudited pro forma statement of net assets showing the hypothetical net assets of the Enlarged Group after the Acquisition, the Share Consolidation, the Placing and the Open Offer is set out in Part VIII of this document.

6. PLACING

Panmure Gordon has conditionally raised £6.5 million (before expenses) for the Company through the placing of the Placing Shares at the Issue Price conditional on the Resolutions being approved by Shareholders at the General Meeting and Admission. The net proceeds of the Placing are estimated at £5.9 million and will be used to develop and commercialise the IONA® Test and to provide the Company with general working capital. Once the Placing Shares are admitted to trading on AIM, the Placees will, in aggregate, hold approximately 31.4 per cent. of the Enlarged Ordinary Share Capital.

In order to facilitate the Placing and to enable the Company to raise further funds (if required), it is necessary for the Company to increase its authority to issue Ordinary Shares and to dis-apply pre-emption rights in relation to any such issue as detailed in Resolution 9. In each case, the authorities conferred by Resolutions 9 and 11 shall expire fifteen months after the passing of the relevant resolutions or at the conclusion of the next annual general meeting of the Company following the passing of these resolutions, whichever occurs first. The Directors may look to raise additional funds for the Company following the General Meeting subject to the Resolutions being approved by Shareholders.

7. OPEN OFFER

In order to provide Qualifying Shareholders who have not taken part in the Placing with an opportunity to participate in the Company's increase in share capital, the Company is providing all Qualifying Shareholders with the opportunity to subscribe at the Issue Price for an aggregate of up to 6,723,651 Open Offer Shares. This allows Qualifying Shareholders to participate whilst providing the Company with the flexibility to raise additional capital to further improve its financial position.

The Open Offer Shares will be made available to Qualifying Shareholders at the Issue Price on the basis of:

one Open Offer Share for every four hundred Existing Ordinary Shares held at the Record Date for the Open Offer

Shareholders are also being offered the opportunity to apply at the Issue Price for additional Open Offer Shares in excess of their pro rata entitlements to the extent that other Shareholders do not take up their entitlements in full. In the event that applications are received for in excess of 6,723,651 Open Offer Shares, excess applications will be scaled back pro rata to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility. The Open Offer Shares have not been placed

subject to claw-back nor have they been underwritten. Consequently, there may be fewer than 6,723,651 Open Offer Shares issued pursuant to the Open Offer.

Both the Placing and the Open Offer are conditional upon, *inter alia*, the approval by Shareholders of the Resolutions at the General Meeting and upon the Placing Agreement becoming unconditional in all respects.

The Open Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the New Ordinary Shares arising pursuant to the Share Consolidation and the Placing Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission. The estimated proceeds of the Open Offer, assuming that it is subscribed in full, are anticipated to amount to £0.7 million. The terms and conditions applying to the Open Offer are set out in Part III of this document. The Open Offer Shares will not qualify for tax relief under the Enterprise Investment Scheme (**EIS Relief**).

8. TAKEOVER CODE & RULE 9 WAIVER

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

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

Investors should be aware that, under the Takeover Code, if a person (or group of persons acting in concert) holds interests in shares carrying more than 50 per cent. of the company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding or voting rights without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of the concert party will not be able to increase their percentage shareholding above a Rule 9 threshold without Panel consent. Such persons should, however consult with the Panel in advance of making such further acquisitions.

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

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

The members of the Concert Party are deemed to be acting in concert for the purposes of the Takeover Code. Full details of the members of the Concert Party are set out in Part V of this document.

Maximum potential controlling position

Immediately following Admission, the Concert Party will hold in aggregate 104,573,862 New Ordinary Shares, representing 55.6 per cent. of the Enlarged Ordinary Share Capital which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Concert Party to make a general offer to Shareholders under Rule 9 of the Takeover Code. The Concert Party will, on Admission, hold, in aggregate, 22,311,400 options over New Ordinary Shares in the Company.

If the options held by the Concert Party are exercised and assuming no other options are exercised, the Concert Party will hold 126,885,262 New Ordinary Shares representing 62.2 per cent. of the so enlarged share capital (assuming that only members of the Concert Party take up their entitlement under the terms of the Open Offer).

The Concert Party's existing shareholdings in the Company and its proposed interest in the Enlarged Group immediately following Admission are set out in the table below.

	As at the date of this document		*On Admission*				
	Number of Existing Ordinary Shares	*% of the Existing Ordinary Share Capital*	*Number of New Ordinary Shares held*	*% of the Enlarged Ordinary Share Capital*[2]	*Number of Options held*[3]	*Maximum potential interest*	*% of the Enlarged Ordinary Share Capital*[2,4]
Zoragen Biotechnologies LLP	–	–	29,373,230	15.6%	–	29,373,230	14.4%
Animatrix Capital LLP	–	–	21,858,754	11.6%	–	21,858,754	10.7%
Loxbridge Research LLP		–	12,425,510	6.6%	–	12,425,510	6.1%
Rupert Lywood[1]	–	–	19,644,140	10.4%	–	19,644,140	9.6%
Stuart Lawson[1]		–	–	–	–	–	–
Charles Roberts	–	–	6,339,546	3.4%	–	6,339,546	3.1%
David Evans	–	–	3,540,636	1.9%	1,599,391	5,140,027	2.5%
Stephen Little	–	–	2,272,727	1.2%	10,555,984	12,828,711	6.3%
Peter Collins	–	–	2,272,727	1.2%	3,198,783	5,471,510	2.8%
William Denman	–	–	–	–	2,654,989	2,654,989	1.3%
Michael Risley	–	–	–	–	2,654,989	2,654,989	1.3%
Rachel Shelmerdine	–	–	–	–	1,055,598	1,055,598	0.5%
NWF	–	–	4,545,455	2.5%	–	4,545,455	2.2%
Adam Reynolds	75,000,000	2.8%	2,301,137	1.2%	591,666	2,892,803	1.4%
Total	75,000,000	2.8%	104,573,862	55.6%	22,311,400	126,885,262	62.2%

[1] *Rupert Lywood and Stuart Lawson are the founders and ultimate beneficial owners of Animatrix Capital LLP, which holds significant interests in Zoragen Biotechnologies LLP and Loxbridge Research LLP*

[2] *for the purposes of Panel disclosure, the definition of Enlarged Ordinary Share Capital in this table assumes that only Adam Reynolds (being the only member of the Concert Party with a shareholding prior to Admission) subscribes for his Open Offer Entitlement*

[3] *with the exception of the options held by Adam Reynolds, all of the options in the above table are to be issued as soon as reasonably practicable following Admission*

[4] *assuming only members of the Concert Party exercise their options*

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

Save as described in paragraph 13.2 of this Part I, the Concert Party is not intending to seek any further changes to the Board and has confirmed that its intention is that, following completion of the Proposals, the business of the Company would become the business of Premaitha which would be continued in substantially the same manner as it is at present.

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

The Panel has agreed, subject to Resolution 1 at the General Meeting being passed on a poll of Independent Shareholders, to waive the requirement which might otherwise arise as a result of the Acquisition, for the members of the Concert Party to make a general offer to all Shareholders. Accordingly, Shareholders should be aware that, following completion of the Acquisition, as the members of the Concert Party will between them hold more than 50 per cent. of the Company's voting share capital, for as long as they continue to be treated as acting in concert they will normally be entitled to increase their aggregate holding in the Company without incurring any obligation under Rule 9 to make a mandatory offer to the other Shareholders although individual members of the Concert Party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without Panel consent.

Additional information required by the Takeover Code in relation to the Rule 9 Waiver is detailed in Part V of this document.

9. CHANGE OF NAME

Subject to Shareholders' approval by way of a special resolution, it is proposed, pursuant to a Resolution, that the name of the Company be changed to Premaitha Health plc with effect from the General Meeting.

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 NIPT ('Non-Invasive Prenatal Testing') and its website address will be changed to www.premaitha.com following the General Meeting.

10. SHARE CONSOLIDATION

The Placing and Open Offer are conditional upon the approval and completion of the Proposals, including the Share Consolidation. The Company's Existing Ordinary Share Capital comprises 2,689,460,366 Existing Ordinary Shares.

Resolution 4 to be proposed at the General Meeting proposes that every 100 Existing Ordinary Shares of the Company be consolidated into one New Ordinary Share. Holders of fewer than 100 Existing Ordinary Shares will not be entitled to receive a New Ordinary Share following the Share Consolidation. Shareholders with a holding in excess of 100 Existing Ordinary Shares, but which is not exactly divisible by 100, will have their holding of New Ordinary Shares rounded down to the nearest whole number of New Ordinary Shares following the Share Consolidation. Fractional entitlements, whether arising from holdings of fewer or more than 100 Existing Ordinary Shares, will be aggregated and sold in the market and the proceeds will be retained for the benefit of the Company.

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

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

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

Further details of the Share Consolidation are set out in paragraph 5 of Part IX of this document.

11. NEW ARTICLES OF ASSOCIATION

It is proposed, subject to the passing of Resolution 13, that the New Articles are adopted at the General Meeting in substitution for the Existing Articles. The purpose of adopting the New Articles is, *inter alia*, to reflect the Share Consolidation.

12. ADMISSION TO AIM AND DEALINGS IN ORDINARY SHARES

Trading in the Company's Existing Ordinary Shares was temporarily suspended on 15 April 2014. The suspension will be lifted shortly after the publication of this document.

If all of the Resolutions are passed at the General Meeting, the last day of trading on AIM of the Existing Ordinary Shares is expected to be 3 July 2014. Application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM and it is expected that Admission will become effective and dealings in the New Ordinary Shares (including the Consideration Shares, the Placing Shares and the Open Offer Shares) will commence on 4 July 2014. No application has been or will be made for any warrants to be admitted to trading on AIM.

If any of the Resolutions are not passed at the General Meeting, the Share Consolidation, the Acquisition, the Placing and the Open Offer will not proceed and the Directors will consider alternative options for the Company.

Cairn and Panmure Gordon have been retained as the Company's nominated adviser and broker respectively in relation to Admission and the Placing. Further details of Cairn's and Panmure Gordon's engagements are set out at paragraphs 14.4 and 14.5 of Part IX of this document.

13. EXISTING DIRECTORS, PROPOSED DIRECTORS AND KEY MANAGEMENT OF THE ENLARGED GROUP

It is proposed that, immediately following Admission: (i) David Evans, Stephen Little, Peter Collins and Charles Roberts will join the Board as Executive Chairman, Chief Executive Officer, Chief Commercial Officer and Non-Executive Director, respectively; and (ii) Adam Reynolds will step down as Executive Chairman and will remain as a Non-Executive Director.

Immediately prior to the publication of this document, the Company announced that Sandeep Gulati had stepped down as a Non-Executive Director and resigned from the Board as at 13 June 2014.

13.1 Existing Directors

Adam Reynolds (*Executive Chairman*, aged 51)

Adam is a former stockbroker, specialising in corporate finance. In 2000, Adam set up Hansard Group plc which was admitted to AIM in 2001. Through a reverse takeover, this became First Africa Oil and Gas plc, one of the most successful listings on AIM in 2005. Since then Adam has built, rescued and re-financed a number of AIM companies including Plectrum plc which was sold to Cairn Energy in 2007, Curidium plc which was acquired by Avacta, International Brand Licensing the owner of the Admiral sportswear brand, which has become EKF Diagnostics Holdings plc and Medavinci plc which is now Orogen Gold plc. He is currently a non-executive director of EKF Diagnostics Holdings plc and Chairman of Orogen Gold plc, Hubco Investments plc and Autoclenz Limited.

Mark Kingsley Collingbourne (*Finance Director*, aged 48)

Mark is a fully qualified accountant with significant experience in financial management, particularly in the area of publicly quoted companies. He has dealt with all aspects of plc development from bringing small companies to flotation to supervising the on-going accountancy and ensuring the good governance of international businesses. During his eight-year tenure with the Company, Mark was a key member of the team that arranged its transformation from a private US organisation to an AIM company, via a merger with Original Investments plc. He also played a major part in arranging the financial details of the recent restructuring.

Previously, after periods with ITV Network Centre and Mechanical Copyright Protection Society Limited, Mark was appointed Finance Director of Curtis Brown Group Limited, one of the UK's leading literary agencies, in 1996, where he managed the financial implications of the management buyout in 2001.

Nicholas Mustoe (*Non-Executive Director*, aged 52)

Nick started his career in 1981 working in London advertising agency Foote Cone and Belding followed by nine years at Lowe Howard Spink working with a number of blue-chip companies.

In 1993, Nick started his own agency, Mustoes Merriman Levy (Mustoes), which he ran as an independent agency for 15 years, with a brief period under the ownership of Japanese multi-national Hakuhodo. During this time the agency managed clients including Kia Cars, Lloyds Pharmacy, Doctor Marten, Bauer Publishing, Coca Cola, and Unilever.

In 2008, Mustoes merged with a leading PR agency Geronimo to form Kindred, the first fully integrated PR & advertising agency. Nick subsequently led an MBO of Kindred in 2010.

Nick has always had a keen interest in business, backing start-up companies ranging from Hall & Partners (research), ABC Connection (on-line publishing) to Caravell (industrial refrigeration MBO). He is Chairman of Kempton Park Racecourse, a trustee of charity Starlight Children's Foundation and a non-executive director of Hub Capital (corporate finance).

13.2 **Proposed Directors**

David Eric Evans (*Non-Executive Chairman*, aged 54)

David has a proven track record in acquiring, integrating and growing businesses in the diagnostic area and in value creation, exemplified by his role at BBI Holdings plc where he grew the company through acquisition and organic growth, from a value of £4 million to a value of £84 million in 2007, when BBI was sold to Inverness Medical Innovations Inc. He was chairman of DxS Limited ("DxS"), which was sold three months after his departure in 2009 for £82 million. David was also chairman of Sirigen Group Limited, an early stage medical technology company that was sold in 2012 to Becton, Dickinson and Company, a global medical technology company. David was also previously Chairman of Immunodiagnostics Systems Holdings plc.

David is currently chairman of Epistem Holdings plc, EKF Diagnostic Holdings plc, Scancell Holdings plc, Omega Diagnostics Group plc and Venn Life Sciences Holdings plc.

Dr Stephen Little (*Chief Executive Officer*, aged 57)

Stephen is a successful serial biotechnology entrepreneur. His previous business, DxS was an innovator in the field of personalised medicine. The Manchester-based company was funded with £3.5 million in 2001 and was sold to QIAGEN BV ("QIAGEN") in 2009 for £82 million. During that time DxS pioneered the use of molecular diagnostic tests such as KRAS and EGFR mutation analysis to predict the use of novel cancer therapies. The legacy of DxS is a major global *in vitro* diagnostic business within QIAGEN BV employing over 250 people which continues to develop and expand in Manchester. Following on from this success, Stephen has now assembled a talented and experienced team of individuals with the skills, knowledge and background needed to address both the technical and commercial challenges of bringing a pre-natal screening product to market.

Peter Collins, (*Chief Commercial Officer*, aged 55)

Peter is a seasoned executive in the molecular diagnostics arena with a wealth of experience in strategic leadership, business development and commercialisation. Peter has joined Premaitha Health from a prestigious role as Vice President, Head of Diagnostics at GSK. Peter led GSK's Diagnostic Nucleus focused on supporting the diagnostic needs of GSK's Clinical Development Programs across all business units.

Peter was formerly Vice President of Pharma Business Development for QIAGEN driving the uptake of companion diagnostic programs in multiple partnerships across the pharma industry. Before this he was VP Business Development at DxS prior to its acquisition by QIAGEN in September 2009. Peter's role at DxS was pivotal in securing a number of the company's companion diagnostic agreements for KRAS and EGFR with key pharma clients. Peter was also VP of Marketing and Sales for Vysis Europe (now Abbott Molecular Diagnostics), where he lead the introduction PathVysion Her2 for selection of patients eligible for Herceptin in the EU.

Peter has strong entrepreneurial background and has held senior executive roles, including CEO, at a number of early stage diagnostics and life sciences companies including Quantase (Bio-Rad) where Peter worked in the field of prenatal screening. Further executive roles have been held at Gentronix, Biogenex and Pronostics. He began his commercial diagnostic career with Syva (Dade Behring/Bayer/Siemens) and BD's Immunocytometry division. Peter is a founder and held a board position for two years at EPEMED, a not for profit European organisation to bring together global forces in personalised medicine

Charles Edward Selkirk Roberts, (*Non-Executive Director*, aged 36)

Charles is CEO of Loxbridge Research LLP, a venture pilot investment company specialising in the healthcare and technology sector. He is also CEO of Altermune LLC, working with Nobel Laureate Kary Mullis (inventor of PCR). Charles began his career as a doctor in the UK and worked on drug trials for large pharmaceutical companies, having studied medicine and psychology at University of Dundee, University College London and the University of Oxford. Charles is also a member of Zoragen Biotechnologies LLP.

13.3 **Key management of Premaitha**

Dr William (Pepper) Denman, *Chief Medical Officer*

William instructs at Massachusetts General Hospital, specialising in paediatric anesthesia and medical device development. He is Principal of Denman Associates and was former CMO of Loxbridge Research LLP. William has significant experience in the clinical aspects of device and diagnostic development. His previous role was as CMO with GE Healthcare with primary responsibility for all matters of patient safety in this multi-billion dollar business. Prior to this he was at Covidien plc where he was responsible for strategic direction of medical affairs, clinical affairs and healthcare economics and outcomes across Covidien's entire medical device sector. William studied medicine at the University of Aberdeen. William is a director of Premaitha and will be a consultant to the Enlarged Group from Admission.

Dr Michael Risley, *Chief Development Officer*

Michael has gained a wealth of molecular diagnostic experience. He successfully led the product design and development of QIAGEN BV's companion diagnostic systems from project inception through to FDA approval. This included the design and development of the assay reagents, software and utilisation of automated instruments and additional regulatory registrations including CE marking and Canadian and Japanese approvals. Michael played a key role in mapping the product development process for a diagnostic assay then utilising this to make improvements to processes and projects. Before Premaitha, Dr Risley spent many years working in personalised medicine and had various senior roles at University of Manchester, DxS and QIAGEN BV. Michael has a PhD from the University of Manchester, where he also spent two years as a Post-Doctoral Research Associate.

14. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

The Locked-in Persons have undertaken to the Company, Cairn and Panmure Gordon that they will not dispose of any interest they hold in New Ordinary Shares for a period of 12 months following Admission and that, for a further period of 12 months thereafter, they shall only dispose of an interest in New Ordinary Shares having first obtained the consent of Cairn and Panmure Gordon such consent not to be unreasonably withheld.

Further details of the lock-in and orderly market arrangements are set out in paragraph 14.3 of Part IX of this document.

15. EIS/VCT Status

The Company has obtained advance assurance from HMRC that it should be a qualifying company for EIS purposes and the Placing Shares should be eligible shares under the VCT provisions. However, investors should be aware that, whilst advance assurance has been obtained from HMRC, the Directors cannot guarantee that the Placing Shares or the Company will satisfy, and will continue to satisfy, the requirements for tax relief under EIS and VCT rules.

The continuing status of the Placing Shares as qualifying for EIS purposes will be conditional on the qualifying conditions being satisfied throughout the relevant period of ownership.

Neither the Company nor the Directors give any warranty, representation or undertaking that any investment in the Company by way of Placing Shares will be or will continue to be a qualifying investment for EIS or VCT purposes. EIS eligibility is also dependent on a Shareholder's own position and not just that of the Group. Accordingly, investors should take their own advice in this regard, investors are also referred to the risk factors set out in Part II of the document.

The Open Offer Shares will not qualify for EIS Relief.

16. WARRANTS

At the date of this document, the Company has no existing warrants in issue. On Admission, the Company has agreed to issue warrants to subscribe for 1,411,227 New Ordinary Shares exercisable at the Issue Price to each of Cairn and Panmure Gordon.

Further details of the warrants to be issued to Cairn and Panmure Gordon are set out in paragraphs 14.6 and 14.7 of Part IX of this Document.

17. OPTIONS

At the date of this document, the Company has 2,619,158 unapproved options in issue (taking into account the effect of the Share Consolidation). The Company has agreed to issue a further 25,430,321 options to directors and senior management of Premaitha, conditional on Admission.

On Admission, the Company will therefore have 28,049,479 options in issue.

The Company will establish an EMI option scheme for eligible key employees and directors following Admission.

Further details of the options and the proposed EMI option scheme are set out in paragraph 10.5 of Part IX of this document.

18. DIVIDEND POLICY

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

19. CORPORATE GOVERNANCE AND INTERNAL CONTROLS

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

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

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

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

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

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

20. TAXATION

General information regarding UK taxation is set out in paragraph 20 of Part IX of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his tax position he should consult his own independent financial adviser immediately.

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

21. CREST

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

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

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

22. BRIBERY ACT 2010

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

23. RISK FACTORS

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

24. FURTHER INFORMATION

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

25. GENERAL MEETING

You will find set out at the end of this document a notice convening the General Meeting to be held at 11.00 a.m. on 3 July 2014, at which, *inter alia*, Resolutions will be proposed to approve:

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

At the general meeting of the Company held on 4 December 2013, the proposed restructuring (as defined in the Restructuring Circular) was approved by Shareholders. Regrettably the description of the VEC Transfer in the Restructuring Circular was incorrect as it wrongly described the Company as the party which was licensing certain intellectual property rights to VEC, whereas the party which actually licensed the intellectual property and transferred certain assets was ViaLogy LLC. The commercial effect and the material terms of the VEC Transfer were correctly summarised in the Restructuring Circular. Therefore Resolution 10 has been proposed at the forthcoming General Meeting asking shareholders to ratify the entering into of the agreements relating to the VEC Transfer.

26. ACTION TO BE TAKEN

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

27. RECOMMENDATION

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

Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of the Resolution to approve the Rule 9 Waiver as they intend to do in respect of their own shareholdings of 150,000,000 Existing Ordinary Shares, representing approximately 5.6 per cent. of the Existing Ordinary Share Capital as at the date of this document.

Yours faithfully

Adam Reynolds
Chairman

PART II

RISK FACTORS

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

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

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

RISKS RELATING TO THE ENLARGED GROUP'S BUSINESS

Dependence on key personnel

The Enlarged Group will have a small management team and the future success of the Enlarged Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the New Board and key management. However, the retention of such key personnel cannot be guaranteed. The loss of any key personnel, or the inability to attract appropriate personnel could materially adversely impact the Enlarged Group's business, prospects, financial condition or results of operations.

Early stage of operations

Premaitha's operations are at an early stage of development and there can be no guarantee that the Enlarged Group will be able to, or that it will be commercially advantageous for the Enlarged Group to, develop and commercialise the IONA® Test.

To date, the Enlarged Group has no positive operating cash flow and its ultimate success will depend on the success of the IONA® Test and the New Board's ability to implement the Enlarged Group's strategy, generate cash flow and access equity markets. Whilst the New Board is optimistic about the Enlarged Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Enlarged Group does not expect to generate any material income until the completion of the clinical trials of the IONA® Test and commercialisation of its proprietary technology has successfully commenced and in the meantime the Group will continue to expend its cash reserves. There can be no assurance that the Enlarged Group's proposed operations will be profitable or produce a reasonable return, if any, on investment.

Technology and products

Premaitha is a diagnostic products discovery and development company. The development and commercialisation of its proprietary technology and future products, which are in late stage development, will require successful completion of a verification and validation trials and there is a risk that the performance will not meet satisfactory levels of accuracy.

Technology risks

Technologies used within the diagnostics market place are constantly evolving and improving. Therefore there is a risk that the Group's products may become outdated as improvements in technology are made. To mitigate this risk the Group has a research and development department which seeks to keep up with the latest developments in the diagnostic devices industry.

Intellectual Property

The Group is focused on protecting its intellectual property ("IP") and seeking to avoid infringing on third parties' IP. To protect its products, the Group has secured and is securing patents to protect its key products. However there remains the risk that the Group may face opposition from third parties to patents that it seeks to have granted and that the outstanding patent applications are not granted. The Group engages legal advisers to mitigate the risk of patent infringement and to assist with the protection of the Group's IP.

The Group's success will depend in part on its ability to maintain adequate protection of its intellectual property portfolio. The intellectual property on which the Group's business is based is a combination of patent applications and confidential know-how. No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's patents will be held valid if challenged, or that third parties will not claim rights in, or ownership of, the patents and other proprietary rights held by the Group.

There is a risk that certain objections may be raised by patent offices in relation to the ongoing patent applications which have been filed by the Group. These may result in revised applications or prevent those patent applications from being granted. If the patent applications are not granted, the consequence is that the techniques and processes described in the patent applications would not be protected and would be in the public domain. The Group would then continue to rely on the confidential know- how it has developed.

Once granted, a patent can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, granted patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

Until the Company's patents are granted, the Company is unable to take action to protect its proprietary processes.

A substantial cost may be incurred if the Group is required to assert its intellectual property rights, including any patents, against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Group's intellectual property rights and activities. There is no assurance that obligations to maintain the Group's know-how would not be breached or otherwise become known in a manner which provides the Group with no recourse.

Any claims made against the Group's intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Group's resources. A third party asserting infringement claims against the Group and its customers could require the Group to cease the infringing activity and/or require the Group to enter into licensing and royalty arrangements. In addition, the Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims would not have a material adverse effect on the Group's business, financial condition or results.

No assurance can be given that third parties will not in the future claim rights in or ownership of the patents and other proprietary rights from time to time held by the Group. As further detailed above, substantial costs (both financially and in management time) may be incurred if the Group is required to defend its intellectual property.

Product development timelines

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take

longer than presently expected by the Directors and the Proposed Directors; if such delays occur the Enlarged Group may require further working capital. The New Board shall seek to minimise the risk of delays by careful management of projects.

Third Party Reimbursement

The Enlarged Group may be adversely affected by third party reimbursement (such as NHS). The Enlarged Group may not be able to sell its products profitably if reimbursement from these sources is unavailable or limited. Third party payers are increasingly attempting to contain costs through measures that could impact the products the Enlarged Group is developing, including challenging the prices charged for products and services, limiting both coverage and the amount of reimbursement for new diagnostics products and services, and denying or limiting coverage for products that are approved by the regulatory agencies but are considered experimental by third party payers.

There can be no certainty that third parties will perform, or be able to perform, their obligations under various contracts with the Enlarged Group or that the Enlarged Group will be able to recover damages for breach of contract. The insolvency of third parties or their default under the terms of such contracts could have a material adverse effect on the Enlarged Group and its operations.

Management of growth

The ability of the Enlarged Group to implement its strategy requires effective planning and management control systems. The speed at which the market, particularly for diagnostic devices, develops, may place a significant strain on the Enlarged Group's management, operational, financial and personnel resources. Failure to expand and improve operational, financial and management information and quality control systems in line with the Enlarged Group's growth could have a detrimental impact on the trading performance of the Enlarged Group.

Competition

There is a risk that the Group's competitors also adopt a product based strategy, which could lead to a higher competition and have the effect of reducing anticipated margins.

Changes in Legislation

Changes in laws and legislation affecting the diagnostics market could have a negative impact on the Group's business activities and consequently may have a detrimental effect upon the future trading performance of the Group.

The international diagnostics industries are highly regulated by governmental authorities in Europe, the UK, and the US and by regulatory agencies in other countries where the Enlarged Group intends to market products or and where its customers operate. No assurance can be given that the Enlarged Group's products will successfully obtain any necessary regulatory approvals to market these products.

In carrying out its activities the Enlarged Group may potentially face contractual and statutory claims, or other types of claim from customers, suppliers and/or investors. In addition, the Enlarged Group is exposed to potential product liability risks that are inherent in the research, development, production and supply of its products.

Future funding requirements

In the longer term, the Enlarged Group may need to raise additional funding to undertake work beyond that being funded by the net proceeds of the Placing and the Open Offer. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, Shareholders.

Exposure of the Enlarged Group to the general economic climate

The trading activities of the Enlarged Group will, to a certain extent, be dependent on the economic environment. Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital have an impact on business costs. The Group's operations, business and profitability can be affected by

these factors. The current adverse economic environment may have a detrimental effect on the trading activity and overall results of the Enlarged Group and investors should be aware of the risks involved.

Environmental regulation

The operations and proposed activities of the Group are subject to government laws and environmental regulations. Such laws and regulations may change in a manner which requires stricter or additional standards than those currently in force. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Health and safety

The Enlarged Group's activities are and will continue to be subject to health and safety standards and regulations. Failure to comply with such requirements may result in fines, penalties and/or litigation.

RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

Trading and performance of Ordinary Shares

The AIM Rules are less demanding than those of the Official List and an investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. It may be more difficult for investors to realise their investment in a company whose shares are traded on AIM than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded, early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally. The value of 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.

Volatility of share price

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

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 Group may undertake a public or private offering of Ordinary Shares. The Group cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Group's existing shareholders were to sell, or the 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 Group's existing Shareholders could also make it more difficult for the Group to sell equity securities in the future at a time and price that it deems appropriate.

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

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

Condition of the proposals

The Proposals are subject to certain conditions including the need for Shareholder approval in connection with the Acquisition, the Share Reorganisation, the Placing and the Open Offer, the nonfulfillment of which would mean that certain aspects of the Proposals (including the Placing, Open Offer and Acquisition) could not be implemented and that the Company would have to bear the abortive costs of making 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 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 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.

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

Economic, Political, Judicial, Administrative, Taxation or Other Regulatory Matters

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as other unforeseen matters.

Taxation

The attention of potential investors is drawn to paragraph 20 of Part IX 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.

EIS and VCT Relief

The Group has received notification from HM Revenue & Customs that the Placing Shares will be eligible shares within the meaning of section 204(1) Income Tax Act 2007 ("ITA") and that the Group will be a qualifying company for VCT purposes. Accordingly, a proportion of the Placing Shares should qualify for EIS and VCT relief but the availability of tax relief will depend, inter alia, upon the investor and the Group continuing to satisfy various qualifying conditions. The Group cannot guarantee to conduct its activities in

such a way as to maintain its status as a qualifying EIS or VCT investment. The Open Offer Shares will not qualify for EIS or VCT Relief.

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 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 III

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

As explained in the letter set out in Part I: "Letter from the Executive Chairman" of this document, the Company is proposing to issue up to 6,723,651 Open Offer Shares, at the Issue Price, to raise, assuming that it is fully subscribed, approximately £739,602 (before expenses incurred in relation to the Open Offer).

The Record Date for entitlements under the Open Offer for Qualifying Shareholders is close of business on 11 June 2014. Application Forms are for Qualifying Non-CREST Shareholders enclosed with this document and Open Offer Entitlements and excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST on 16 June 2014.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for further Open Offer Shares. Further details in relation to the Excess Application Facility are set out in paragraphs 4.1 (c) and paragraph 4.2 (c) of this Part III "Terms and Conditions of the Open Offer" and also, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 30 June 2014 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 4 July 2014.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. The attention of Qualifying Non-CREST Shareholders is drawn to paragraph 4.1, and the attention of Qualifying CREST Shareholders is drawn to paragraph 4.2, of this Part III which gives details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the New Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

Subject to Admission, and assuming that the Open Offer is fully subscribed, the Open Offer Shares will represent approximately 3.6 per cent. of the Enlarged Ordinary Share Capital and the Existing Ordinary Shares (as represented by New Ordinary Shares following the Share Consolidation) will represent approximately 14.3 per cent. of the Enlarged Ordinary Share Capital. The Company is proposing to issue up to 6,723,651 Open Offer Shares at the Issue Price subject to Admission, in respect of valid applications by Qualifying Shareholders. Application will be made to AIM for the Placing Shares and Open Offer Shares to be admitted to trading on AIM.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 6,723,651 Open Offer Shares pro rata to their current holdings at the Issue Price in accordance with the terms of the Open Offer. **Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full.**

The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there will be no more than and could be potentially fewer than 6,723,651 Open Offer Shares issued pursuant to the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Existing Ordinary Shares prior to the Record Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the AIM Rules.

The Open Offer Shares will not qualify for EIS Relief.

The attention of Overseas Shareholders is drawn to paragraph 6.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for any number of Open Offer Shares pro rata to their holdings, at the Issue Price on the basis of:

one Open Offer Share for every four hundred Existing Ordinary Shares held

and so in proportion for any greater of lesser number of Existing Ordinary Shares registered in the name of each Qualifying Shareholder on the Record Date.

The Issue Price is at a discount of 42.1 per cent. to the closing middle market price of 0.19 pence per Existing Ordinary Share on 12 June 2014 (being the last practicable date before publication of this document). Fractional entitlements to Open Offer Shares will be disregarded and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

Admission to trading in the Company's shares was temporarily suspended on 15 April 2014. There has been no price change since that date to the date of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 6). Qualifying Non-CREST Shareholders should refer to paragraph 4.1 of this Part III for information on the relevant application procedures and further details on the Excess Application Facility as well as the Application Form.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV "Questions and Answers about the Open Offer" and, for Qualifying Non-CREST Shareholders, the Application Form.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part III for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back pro rata to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Please refer to paragraphs 4.1(c) and 4.2(c) of this Part III for further details of the Excess Application Facility.

Following the issue of the Open Offer Shares to be allotted pursuant to the Open Offer, a Qualifying Shareholder who holds 1,000 Existing Ordinary Shares who takes up his entitlement under the Open Offer pro rata to his current holding will suffer a dilution of up to 82.1 per cent. of his interest in the Company on the basis that all Qualifying Shareholders take up their entitlements under the Open Offer pro rata to their current holdings.

If the same Qualifying Shareholder does not take up any of his entitlement under the Open Offer, he will suffer a dilution, between approximately 82.1 per cent. and 85.7 per cent. of his interest in the Company dependent on the number of Open Offer Shares taken up by Qualifying Shareholders under the Open Offer.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST

and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit.

Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements will be used to satisfy applications by Qualifying Shareholders who have made an application for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility, with the proceeds retained for the benefit of the Company. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be no more than and could be potentially fewer than 6,723,651 Open Offer Shares issued pursuant to the Open Offer.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 16 June 2014.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. Conditions and further terms of the Open Offer

The Open Offer is conditional upon, amongst other things, the approval of the Resolutions at the General Meeting and upon the Placing Agreement becoming unconditional in all respects (other than as to Admission) and Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 4 July 2014 (or such later time and/or date as the Company and Cairn may determine, not being later than 8.00 a.m. on 31 July 2014).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 16 July 2014. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by as soon as possible after 8.00 a.m. on 4 July 2014.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 4 July 2014, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your Open Offer Entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares at the Record Date. It will also show Qualifying Shareholders the number of Open Offer Shares available under their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2 of this Part III: "Terms and Conditions of the Open Offer".

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

4.1 *If you have an Application Form in respect of your Open Offer Entitlements under the Open Offer*

(a) *General*

Subject as provided in paragraph 6 of this Part III: "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows (in Box 7) the Open Offer Entitlement allocated to them (calculated on the basis that, and as if, the Share Consolidation has already occurred). Fractional entitlements to Open Offer Shares will be disregarded and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Box 8 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying Non-CREST Shareholders may apply for less than their Open Offer Entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 6,723,651 Open Offer Shares applications under the Excess Application Facility will be scaled back pro rata to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

The instructions and other terms set out in the Application Form forms part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 4 July 2014 or such later time and date as the Company and Cairn may agree (being no later than 31 July 2014), the Placing and Open Offer will lapse, any Application Forms submitted to the Receiving Agent will be deemed invalid and the Receiving Agent will refund the amount paid by a Qualifying Non-CREST Shareholder by way of cheque, without interest, as soon as practicable thereafter.

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 26 June 2014. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States or any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2(b) below.

(c) *The Excess Application Facility*

Subject to availability and provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Open Offer Shares in excess of his Open Offer Entitlement.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back pro rata to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Qualifying Non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Placing and Open Offer become unconditional and applications for Open Offer Shares exceed 6,723,651 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(d) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 6,723,651 Open Offer Shares applications under the Excess Application Facility will be scaled back pro rata to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Completed Application Forms should be posted in the accompanying pre-paid envelope or returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in

relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 30 June 2014, after which time Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four working days for delivery.

All payments must be made by cheque or duly endorsed banker's draft in pounds sterling and made payable to Capita Registrars Limited re ViaLogy plc Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Non-CREST Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Third party cheques will not be accepted except banker's drafts or building society cheques which must be endorsed by the bank or building society on the back of the draft or cheque. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Placing and Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Placing and Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Placing and Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

(i) Application Forms received after 11.00 a.m. on 30 June 2014; or

(ii) applications in respect of which remittances are received before 11.00 a.m. on 30 June 2014 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of

the Receiving Agent, Cairn, or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-Crest Shareholders.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or you can contact the Receiving Agent on 0871 664 0321 or +44 208 639 3399 between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from within the UK are charged at 10 pence per minute (including VAT) plus your service provider's network extras. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualify Non-CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by using the Proxy Form that accompanies this document.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 4.2(g) below for more information.

(e) *Effect of application*

By completing and delivering an Application Form the applicant:

(i) represents and warrants to the Company and Cairn that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

(ii) agrees with the Company and Cairn that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;

(iii) confirms to the Company and Cairn that in making the application he is not relying on any information or representation in relation to ViaLogy other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to ViaLogy contained in this document;

(iv) represents and warrants to the Company and Cairn that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;

(v) represents and warrants to the Company and Cairn that if he has received some or all of his Open Offer Entitlements from a person other than ViaLogy he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;

(vi) requests that the Ordinary Shares, to which he will become entitled, be issued to him on the terms set out in this document and the Application Form;

(vii) represents and warrants to the Company and Cairn that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the

application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

(viii) represents and warrants to the Company and Cairn that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to the increased rates referred to in sections 67, 70, 93 or 96 (depositary receipts and clearance services) of the Finance Act 1986; and

(ix) confirms to the Company and Cairn that in making the application he is not relying and has not relied on Cairn or any person affiliated with Cairn in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

4.2 ***If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer and also an Excess CREST Open Offer Entitlement. Fractional entitlements to Open Offer Shares will be disregarded and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held (calculated on the basis that, and as if, the Share Consolidation has already occurred) on the Record Date by the Qualifying CREST Shareholder.

If for any reason the Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 16 June 2014, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Capita Asset Services on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

Qualifying CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not give, or procure that there is given, any USE instruction to Euroclear. Qualifying CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by using the CREST Proxy Voting service.

(b) *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *The Excess Application Facility*

Subject to availability and provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back pro rata to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

To apply for excess Open Offer Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions set out below in this paragraph 4.2 and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Placing and Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 6,723,651 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk.

(d) *Unmatched Stock Event ("USE") instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear which, on its settlement, will have the following effect:

(i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

(ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above

(e) *Content of USE instruction in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);

(ii) the ISIN of the Open Offer Entitlement. This is Part GB00BN31ZQ19;

(iii) the CREST participant ID of the accepting CREST member;

(iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;

(vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 28288VIA;

(vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 30 June 2014; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 30 June 2014.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

(i) a contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 30 June 2014 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 4 July 2014 or such later time and date as the Company and Cairn determine (being no later than 11.00 a.m. on 31 July 2014), the Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlements being delivered to the Receiving Agent);

(ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BN31ZR26;

(iii) the CREST participant ID of the accepting CREST member;

(iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;

(v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;

(vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 28288VIA;

(vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 30 June 2014 and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 30 June 2014.

(i) In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction: a contract name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 30 June 2014 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 4 July 2014 or such later time and date as the Company and Cairn determine (being no later than 8.00 a.m. on 31 July 2014), the Placing and Open Offer will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(g) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 30 June 2014. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold his Open Offer Entitlement set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 25 June 2014 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 24 June 2014 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under

the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 30 June 2014.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 30 June 2014 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 30 June 2014. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

(i) to reject the application in full and refund the payment to the CREST member in question (without interest);

(ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and

(iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

(i) represents and warrants to the Company and Cairn that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

(ii) agrees with the Company and Cairn to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

(iii) agrees with the Company and Cairn that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(iv) confirms to the Company and Cairn that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document;

(v) represents and warrants to the Company and Cairn that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;

(vi) represents and warrants to the Company and Cairn that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;

(vii) requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the articles of association of the Company;

(viii) represents and warrants to the Company and Cairn that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

(ix) represents and warrants to the Company and Cairn that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depositary receipts and clearance services) of the Finance Act 1986; and

(x) confirms to the Company and Cairn that in making the application he is not relying and has not relied on Cairn or any person affiliated with Cairn in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

(l) *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

(i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;

(ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the **first instruction**) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(m) *Lapse of the Open Offer*

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 4 July 2014 or such later time and date as the Company and Cairn may agree (being no later than 31 July 2014), the Placing and Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

5. Money laundering regulations

5.1 *Holders of Application Forms*

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the **verification of identity requirements**). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the **acceptor**), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the **relevant Open Offer Shares**) shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned

(at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent, and Cairn from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

(i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.2005/60/EC));

(ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;

(iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or

(iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £12,500).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(a) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to Capita Registrars Limited re ViaLogy plc Open Offer A/C in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form; or

(b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at the address set out on page 6 of the Application Form.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Capita Asset Services on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £12,500) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 30 June 2014, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 ***Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 ***General***

The distribution of this document and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, Cairn, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is

satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Cairn, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and Cairn determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 ***United States***

The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act of 1933 as amended, is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a nondiscretionary basis in the United States or any state of the United States. The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or dispatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company, Cairn reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Placing and Open Offer) may violate the registration requirements of the US Securities Act of 1933 as amended.

6.3 ***Restricted Jurisdictions***

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

6.4 ***Other overseas territories***

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 ***Representations and warranties relating to Overseas Shareholders***

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Cairn and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company, Cairn that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not

result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.6 ***Waiver***

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and/or Cairn and the Receiving Agent in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 3 July 2014. Applications will be made to the London Stock Exchange plc for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 4 July 2014.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 30 June 2014 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 4 July 2014, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 4 July 2014). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements , and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the New Ordinary Shares validly applied for (including excess Open Offer Shares successfully applied for under the Excess Application Facility) are expected to be dispatched by post by 16 July 2014. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Application Form.

8. Times and Dates

The Company shall, in agreement with Cairn and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are dispatched or amend or extend the latest date for

acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify AIM, and make an announcement on a Regulatory Information Service approved by AIM but Qualifying Shareholders may not receive any further written communication.

9. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, whether by way of their Open Offer Entitlement or through the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground.

PART IV

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV: "Questions and Answers about the Open Offer" are intended to be in general terms only and, as such, you should read Part III of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call Capita Asset Services on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the Open Offer.

This Open Offer is an invitation by ViaLogy to Qualifying Shareholders to apply to acquire up to an aggregate of 6,723,651 Open Offer Shares at a price of 11 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of one Open Offer Share for every 400 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Open Offer Shares are being offered to Qualifying Shareholders at a 42.1 per cent. discount to the Company's share price of 0.19 pence on 15 April 2014.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back

pro rata to existing shareholdings if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Placing.

2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 13 June 2014 (the time when the Existing Ordinary Shares are expected to be marked "ex-entitlement" by AIM).

3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any of the Restricted Jurisdictions, you will not receive an Application Form.

4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

(a) ***If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 30 June 2014, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be further diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of New Ordinary Shares pursuant to the Placing and Open Offer (assuming all Open Offer Shares are subscribed for in full).

(b) ***If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 2 and 4 of your Application Form; for example, if you are entitled to take up 500 shares but you only want to take up 250 shares, then you should write '250' in Boxes 2 and 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '250') by £0.11, which is the price in pounds of each Open Offer Share (giving you an amount of £27.50 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence and this

should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), to the Receiving Agent, Capita Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 30 June 2014, after which time Application Forms will not be valid.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Capita Registrars Limited re ViaLogy plc Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 5 of Part III).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you by no later than 16 July 2014.

(c) ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to Capita Registrars Limited re ViaLogy plc Open Offer A/C and crossed "A/C payee only", in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), to the Receiving Agent, Capita Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 30 June 2014, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Capita Registrars Limited re ViaLogy plc Open Offer A/C and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you by no later than 16 July 2014.

(d) ***If you want to apply for more than your Open Offer Entitlement***

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of additional Open Offer Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4.

For example, if you have an Open Offer Entitlement for 500 Open Offer Shares but you want to apply for 750 Open Offer Shares in total, then you should write '500' in Box 2, '250' in Box 3 and '750' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '750') by £0.11, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £82.50 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence. You should then return your Application Form by post or by hand (during normal business hours) to the Receiving Agent, Capita Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 30 June 2014 . Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back pro rata the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility to existing shareholdings. It should be noted that applications under the Excess Application Facility may not be satisfied in full. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you, at your own risk, by no later than 16 July 2014.

5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in paragraph 4.2 of Part III of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility (provided they choose to take up their Open Offer Entitlement in full) and should contact them should they not receive this information.

6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 11 June 2014 and who have converted them to certificated form;

- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 8.00 a.m. on 13 June 2014 but were not registered as the holders of those shares at the close of business on 11 June 2014; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Capita Asset Services on 0871 664 0321 from within the UK or on +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

7. Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

8. What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

9. What if the number of Open Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Open Offer Shares?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold shares in ViaLogy directly and have sold some or all of your Existing Ordinary Shares before 11 June 2014, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 11 June 2014, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11. I hold my Existing Ordinary Shares in certificated form. How do I pay?

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to Capita Registrars Limited re ViaLogy plc Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and

must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in ViaLogy will be reduced.

13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), together with the monies in the appropriate form, to: Capita Asset Services Corporate Actions, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as receiving agent in relation to the Open Offer). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 30 June 2014, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15. How do I transfer my entitlements into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?

It is expected that Capita Asset Services will post all new share certificates by 16 July 2014.

17. If I buy Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Existing Ordinary Shares.

18. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III of this document.

19. Will EIS Relief be available in respect of the Open Offer Shares?

The Board has decided that the Open Offer Shares will not qualify for EIS Relief.

20. Further assistance

Should you require further assistance please call Capita Asset Services on 0871 664 0321 from within the UK or on +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

PART V

ADDITIONAL INFORMATION REQUIRED BY THE TAKEOVER CODE

1. Details of the Concert Party

The composition of the Concert Party and a brief biography of each of members of the Concert Party is set out below.

The Concert Party members and their respective addresses are as follows:

	Name	*Address*
1	Zoragen Biotechnologies LLP	*All of:*
2	Animatrix Capital LLP	First Floor
3	Loxbridge Research LLP	Thavies Inn House
4	Rupert Lywood	3-4 Holborn Circus
5	Stuart Lawson	London
6	Charles Roberts	EC1N 2HA
7	David Evans	*All of:*
8	Stephen Little	Rutherford House
9	Peter Collins	Manchester Science Park
10	Adam Reynolds	40 Pencroft Way
11	William Denman	Manchester M15 6SZ
12	Michael Risley	
13	Rachel Shelmerdine	
14	NWF	Preston Technology Management Centre Marsh Lane Preston Lancashire PR1 8UQ

A biography of each of the members of the Concert Party is set out below:

Zoragen Biotechnologies LLP

Zoragen was the original entity that carried out the early research into what is now the IONA® Test. Zoragen sold all rights to the ideas and all data and technology files to Premaitha pursuant to an asset purchase in 2013. Zoragen is now a holding entity for its shareholding in Premaitha.

Animatrix Capital LLP

Animatrix Capital LLP is a privately funded investment, debt sourcing and management entity owned by Rupert Lywood and Stuart Lawson. It invests in a wide range of sectors specialising in early stage medical, alternative energy and software projects. Animatrix Capital LLP invests in innovative ideas that will be disruptive in their space and help large numbers of people. Animatrix Capital LLP is a shareholder in Premaitha and a member of Zoragen and Loxbridge.

Loxbridge Research LLP

Established in 2008, Loxbridge has a proven track record of being at the forefront of enabling growth and success across innovations in science, medicine and technology to meet global healthcare needs. Loxbridge supports an eclectic portfolio of growth stage companies that utilise a novel technology or approach, and enables them to become commercially successful investments. Loxbridge is a shareholder in Premaitha.

Rupert Lywood

Rupert Lywood, Chartered Accountant, qualified with Robson Rhodes, latterly specialising in structured finance and venture capital. He has spent the last 25 years founding and building businesses in the information, finance, medical, energy and media sectors, including co-founding and chairing a multi-billion

euro trans-European energy business which he sold to International Power in 2007. He remains active in each of these sectors and, in addition, is currently focused on creating and delivering literacy programs in both the developed and developing world. Rupert is a shareholder in Premaitha and a member of Animatrix Capital LLP.

Stuart Lawson

Stuart is an experienced CEO and CFO, having qualified as an ACA with KPMG. Stuart then went on to become CFO of a fully quoted company with which he carried out over 20 acquisitions. Stuart established Animatrix Capital LLP with Rupert Lywood in 2009 and is CEO. Outside of his core role, Stuart is a Trustee of children's charity The Safepoint Trust and Chairman of a small mergers and acquisitions business based in Istanbul.

Charles Roberts

Charles is CEO of Loxbridge Research LLP, a venture pilot investment company specialising in the healthcare and technology sector. He is also CEO of Altermune LLC, working with Nobel Laureate Kary Mullis (inventor of PCR). Charles began his career as a doctor in the UK and worked on drug trials for large pharmaceutical companies, having studied medicine and psychology at University of Dundee, University College London and the University of Oxford. Charles is also a member of Zoragen Biotechnologies LLP.

David Evans

David Evans has a proven track record in acquiring, integrating and growing businesses in the diagnostic area and in value creation, exemplified by his role at BBI Holdings plc where he grew the company through acquisition and organic growth, from a value of £4 million to a value of £84 million in 2007, when BBI was sold to Inverness Medical Innovations Inc. He was chairman of DxS Limited (DxS), which was sold three months after his departure in 2009 for £82 million. David was also chairman of Sirigen Group Limited, an early stage medical technology company that was sold in 2012 to Becton, Dickinson and Company, a global medical technology company. David was also previously Chairman of Immunodiagnostics Systems Holdings plc.

David is currently chairman of Epistem Holdings plc, EKF Diagnostic Holdings plc, Scancell Holdings plc, Omega Diagnostics Group plc and Venn Life Sciences Holdings plc.

Stephen Little

Dr Little is a successful serial biotechnology entrepreneur. His previous business, DxS, was an innovator in the field of personalised medicine. The Manchester based company was funded with £3.5 million in 2001 and was sold to QIAGEN BV in 2009 for £82 million. During that time DxS pioneered the use of molecular diagnostic tests such as KRAS and EGFR mutation analysis to predict the use of novel cancer therapies. The legacy of DxS is a major global *in vitro* diagnostic business within QIAGEN BV employing over 250 people which continues to develop and expand in Manchester. Following on from this success, Dr Little has now assembled a talented and experienced team of individuals with the skills, knowledge and background needed to address both the technical and commercial challenges of bringing a pre-natal screening product to market.

Peter Collins

Peter is a seasoned executive in the molecular diagnostics arena with a wealth of experience in strategic leadership, business development and commercialisation. Peter has joined Premaitha Health from a prestigious role as Vice President, Head of Diagnostics at GSK. Peter led GSK's Diagnostic Nucleus focused on supporting the diagnostic needs of GSK's Clinical Development Programs across all business units.

Peter was formerly Vice President of Pharma Business Development for QIAGEN BV driving the uptake of companion diagnostic programs in multiple partnerships across the pharma industry. Before this he was VP Business Development at DxS prior to its acquisition by QIAGEN BV in September 2009. Peter's role at DxS was pivotal in securing a number of the company's companion diagnostic agreements for KRAS and EGFR with key pharma clients. Peter was also VP of Marketing and Sales for Vysis Europe (now Abbott Molecular Diagnostics), where he lead the introduction PathVysion Her2 for selection of patients eligible for Herceptin in the EU.

Peter has strong entrepreneurial background and has held senior executive roles, including CEO, at a number of early stage diagnostics and life sciences companies including Quantase (Bio-Rad) where Peter worked in the field of prenatal screening. Further executive roles have been held at Gentronix, Biogenex and Pronostics. He began his commercial diagnostic career with Syva (Dade Behring/Bayer/Siemens) and BD's Immunocytometry division. Peter is a founder and held a board position for two years at EPEMED, a not for profit European organisation to bring together global forces in personalised medicine

Adam Reynolds

Adam is a former stockbroker, specialising in corporate finance. In 2000, Adam set up Hansard Group plc which was admitted to AIM in 2001. Through a reverse takeover, this became First Africa Oil and Gas plc, one of the most successful listings on AIM in 2005. Since then Adam has built, rescued and re-financed a number of AIM companies including Plectrum plc which was sold to Cairn Energy in 2007,Curidium plc which was acquired by Avacta, International Brand Licensing the owner of the Admiral sportswear brand, which has become EKF Diagnostics Holdings plc and Medavinci plc which is now Orogen Gold plc. He is currently a non-executive director of EKF Diagnostics Holdings plc, and Chairman of Orogen Gold plc, Hubco Investments plc and Autoclenz Limited. Adam is a Director and shareholder of the Company.

William (Pepper) Denman

Dr Denman instructs at Massachusetts General Hospital, specialising in paediatric anesthesia and medical device development. He is Principal of Denman Associates and was former CMO of Loxbridge Research LLP. Dr Denman has significant experience in the clinical aspects of device and diagnostic development. His previous role was as CMO with GE Healthcare with primary responsibility for all matters of patient safety in this multi-billion dollar business. Prior to this he was at Covidien plc where he was responsible for strategic direction of medical affairs, clinical affairs and healthcare economics and outcomes across Covidien's entire medical device sector. Dr Denman studied medicine at the University of Aberdeen. Dr Denman is a director of Premaitha and will be a consultant to the Enlarged Group from Admission.

Michael Risley

Dr Risley has gained a wealth of molecular diagnostic experience. He successfully led the product design and development of QIAGEN BV's companion diagnostic systems from project inception through to FDA approval. This included the design and development of the assay reagents, software and utilisation of automated instruments and additional regulatory registrations including CE marking and Canadian and Japanese approvals. Dr Risley played a key role in mapping the product development process for a diagnostic assay then utilising this to make improvements to processes and projects. Before Premaitha, Dr Risley spent many years working in personalised medicine and had various senior roles at University of Manchester, DxS and QIAGEN BV. Dr Risley has a PhD from the University of Manchester, where he also spent two years as a Post-Doctoral Research Associate.

Rachel Shelmerdine

Prior to joining Premaitha, Dr Shelmerdine worked at DxS and subsequently QIAGEN BV, where she led the successful development of molecular diagnostic products through regulatory submissions including FDA approval. Dr Shelmerdine managed the IVD development team at QIAGEN BV, responsible for multiple project teams. Her experience grew from a foundation in molecular biology where she holds a PhD in Molecular Immunology, University of Sheffield. Dr Shelmerdine progressed quickly at DxS and QIAGEN BV and continues to expand her skills, due to soon qualify with a Statistics MSc.

NWF

NWF (being NWF (Venture Capital) LP, a limited partnership registered in England under number LP014162) is a fund managed by Enterprise Ventures.

Enterprise Ventures is a provider of venture capital and loans to small businesses in England and Wales. It manages funds in excess of £140m and invested in over 211 transactions in 2013.

At the date of this document, NWF holds £500,000 of convertible loan notes in Premaitha, which will be converted into shares in Premaitha prior to Admission.

Relationship of the Concert Party

The Concert Party members and the rationale for their inclusion in the Concert Party are set out below.

Concert Party Member	*Rationale*
The Vendors (including the shareholders of those Vendors which are corporate entities), namely: *Zoragen Biotechnologies LLP* *Animatrix Capital LLP* *Loxbridge Research LLP* *Rupert Lywood* *Stuart Lawson* *Charles Roberts* *NWF*	Under the presumption that all shareholders of a private company (in this case Premaitha) who sell their shares to a company to which the Takeover Code applies (the Company) in consideration for shares in the Company are acting in concert with one another.
David Evans *Stephen Little* *Peter Collins*	Each is a Proposed Director and will be a Shareholder in the Enlarged Group on Admission.
William Denman	Director of Premaitha, will hold options over New Ordinary Shares in the Enlarged Group from Admission and has prior business relationship with Loxbridge.
Michael Risley *Rachel Shelmerdine*	Each is a member of key management in Premaitha, will hold options over New Ordinary Shares on Admission and was previously employed by Stephen Little.
Adam Reynolds	On account of his business relationship and common directorship with David Evans.

2. Further disclosure required by the Takeover Code

2.1 No person has made a public takeover bid for the Company's issued share capital in the financial period to 31 December 2013 or in the current financial year.

2.2 As at the date of this document, the Concert Party in aggregate has an interest in Existing Ordinary Shares representing 2.8 per cent. of the total voting rights in the Company.

2.3 Save as disclosed in this document, there are no other agreements, arrangements or understandings (including compensation arrangements) between the Concert Party and any of the Directors, the Proposed Directors, Shareholders or recent Shareholders of the Company connected with or dependent upon the Acquisition other than any relating to the Acquisition process.

2.4 The Directors, the Proposed Directors and the Concert Party have confirmed that, save as set out in paragraph 8 of Part I, they are not proposing any changes that would effect: (i) the employment rights, including pension rights of any of the employees or the management of the Company or Premaitha; (ii) the strategic plans for the Company or Premaitha; (iii) the redeployment of fixed assets of the Company; and (iv) the Company's main place of business.

2.5 There is no agreement, arrangement or understanding between any of the members of the Concert Party and any other person pursuant to which any Ordinary Shares which they will acquire pursuant to the Acquisition will be transferred.

2.6 The payment of interest on, repayment of, or security for, any liability (contingent or otherwise) will not depend to any significant extent on the business of the Company.

2.7 As at the close of business on the disclosure date, save as disclosed in this document, none of the Concert Party members nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Act), nor any person acting in concert with such persons, owns or controls, or has borrowed or lent, or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the relevant securities, nor has any such person dealt for value therein during the disclosure period or has any short position (whether conditional or absolute and whether in the money or otherwise), including a short position under a derivative, any agreement to sell or any delivery obligation in respect of any right to require any person to purchase or take delivery of, any of the relevant securities.

2.8 Save as disclosed in paragraph 9.1 of Part IX of this document, in the 12 months prior to the date of this document neither:

2.8.1 the Company;

2.8.2 the Directors or the Proposed Directors;

2.8.3 any of their immediate families or related trusts;

2.8.4 the pension funds of the Company or its subsidiary undertakings;

2.8.5 any employee benefit trust of the Company or its subsidiary undertakings;

2.8.6 any connected adviser to the Company or its subsidiary undertakings or any person acting in concert with the Directors;

2.8.7 any person controlling, controlled by or under the same control as any connected adviser falling within (6) above (except for an exempt principal trader or an exempt fund manager); nor

2.8.8 any other person acting in concert with the Company;

owns or controls, or has borrowed or lent (or entered into any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the relevant securities, nor has any such person any short position (whether conditional or absolute or whether in the money or otherwise), including a short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any of the relevant securities.

2.9 Save as disclosed in this document, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company and no contract or arrangements exists in which a Director is materially interested and which is significant in relation to the business of the Company.

2.10 Save as disclosed in this document, there are no outstanding loans made or guarantees provided by any member of the Company or its subsidiary undertakings for the benefit of any of the Directors, nor are there any guarantees provided by any of the Directors for any member of the Company or its subsidiary undertakings.

2.11 Save as disclosed in this document, there are no personal, financial or commercial relationships arrangements or undertakings between any member of the Concert Party and any Directors, their close relatives and related trusts.

2.12 No agreement, arrangement or understanding exists whereby the beneficial ownership of any New Ordinary Shares to be acquired by the Concert Party will be transferred to any other person.

2.13 There are no financing arrangements in place in relation to the Proposals whereby repayment or security is dependent on the Company.

2.14 Members of the Concert Party have confirmed that no changes are envisaged to be introduced to the Company's business a result of completion of the Proposals.

2.15 No incentivisation arrangements have been entered into and no proposals as to any incentivisation arrangements have reached an advanced stage between Premaitha and the Directors or the Proposed Directors.

2.16 In this paragraph 2:

"acting in concert" has the meaning attributed to it in the Takeover Code; persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. A person and each of its affiliated persons will be deemed to be acting in concert all with each other. Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established:

(1) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);

(2) a company with any of its directors (together with their close relatives and related trusts);

(3) a company with any of its pension funds and the pension funds of any company covered in (1) above;

(4) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts;

(5) a connected adviser with its client and, if its client is acting in concert with an offeror or with the offeree company, with that offeror or with that offeree company respectively, in each case in respect of the interests in shares of that adviser and persons controlling, controlled by or under the same control as that adviser (except in the capacity of an exempt fund manager or an exempt principal trader); and

(6) directors of a company which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent.

"arrangement" includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

"connected adviser" has the meaning attributed to it in the Takeover Code;

"connected person" has the meaning attributed to it in sections 252 to 255 of the Act;

"control" means an interest in relevant securities carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the interest gives *de facto* control;

"dealing" or "dealt" includes the following:

(a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;

(b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an

option (including a traded option contract) in respect of any relevant securities;

(c) subscribing or agreeing to subscribe for relevant securities;

(d) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;

(e) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and

(f) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

"derivative" includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of a underlying security;

"disclosure date" means 12 June 2014, being the latest practical date prior to the posting of this document;

"disclosure period" means the period commencing on 13 June 2013, being the date 12 months prior to the posting of this document and ending on the disclosure date;

"exempt principal trader" or "exempt fund manager" has the meaning attributed to it in the Takeover Code;

"interest" being "interested" in relevant securities includes where a person has long economic exposure (whether absolute or conditional) to changes in the price of those securities. A person who only has a short position in securities will not be treated as interested in those securities. In particular, a person will be treated as having an interest in securities if:

(a) owns relevant securities;

(b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;

(c) by virtue of any agreement to purchase, option or derivative, has the rights or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;

(d) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it; or

(e) has received an irrevocable commitment in respect of the relevant securities.

"relevant securities" means ordinary shares (or derivatives referenced thereto) and securities convertible into or rights to subscribe for ordinary shares, options in respect of ordinary shares (including traded options) or short positions in ordinary shares in the Company, Premaitha and/or any member of the Concert Party;

"short position" means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

PART VI

(A) HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

1. Accounting policies

ViaLogy plc ('the Company') is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is St James' House, St James Square, Cheltenham, Gloucestershire, England, GL50 3PR.

1.1 ***Basis of accounting***

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying ViaLogy's accounting policies. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 3.

(a) New and amended standards adopted by ViaLogy

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2014 that would be expected to have a material impact on ViaLogy.

(b) Standards, interpretations and amendments to published standards that are not yet effective

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on ViaLogy.

1.2 ***Revenue***

Service fees arising from analytical surveys using ViaLogy's patented computational software products are recognised once the report is delivered to the customer.

Service fees arising from government contracts are billed at the end of each month based on the man hours worked on the project.

Revenue arising from sales of ViaLogy's direct entitlement of oil and gas production is recognised by reference to the quantity and price of oil sold by the customer into the market at the date of transfer of the risk and reward.

1.3 ***Operating segments***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.4 ***Basis of consolidation***

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries as if they form a single entity. Inter-company transactions and balances between group companies are therefore eliminated in full.

Non-controlling interests are accounted at a proportionate share of the acquiree's identifiable net assets which are at fair value.

1.5 ***Impairment of property, plant and equipment and intangible assets***

Property, plant and equipment and identifiable intangibles are reviewed for impairment at the reporting date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected discounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

1.6 ***Externally acquired intangible assets***

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within the administrative expenses line in the income statement.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts are arrived at by using appropriate valuation techniques.

In-process research and development programmes acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for research and development costs above are not met.

The significant intangible asset recognised by the Group and its useful economic life is shown in the table below:

Intangible assets	*Useful economic life*
Intellectual Property	6 years

1.7 ***Internally generated intangible assets (research and development costs)***

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised on a straight line basis over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within administrative expenses in the income statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the income statement as incurred.

Intangible assets	*Useful economic life*
Development	6 years

1.8 ***Property, plant and equipment***

Items of property, plant and equipment are initially recognised at cost.

Depreciation is provided on all items of property, plant and equipment to write off the carrying value of items over their expected useful lives. Depreciation is applied at the following rates:

Office equipment	20% per annum reducing balance
Computer equipment	33.3% per annum reducing balance
Motor vehicles	33.3% per annum reducing balance
Furniture	20% per annum reducing balance

1.9 ***Oil and gas assets***

ViaLogy follows a successful efforts based accounting policy for oil and gas assets.

Interests acquired in successful production wells are initially recognised at cost within property, plant and equipment. Where interests in such wells are acquired as the success fee element of the revenue from an analytical contract, no cost is initially recognised.

Subsequent expenditure is capitalised only where it enhances the economic benefits of the producing asset.

1.10 ***Depletion***

ViaLogy depletes oil and gas assets on a unit of production basis, based on proved and probable reserves on a field by field basis.

1.11 ***Impairment***

Impairment reviews on Oil and Gas assets are carried out on each cash generating unit. ViaLogy's cash generating units are those assets which generate largely independent cash flows and are normally, but not always, single development areas.

1.12 ***Share-based payments***

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received.

1.13 ***Tax***

The major components of income tax on the profit or loss from ordinary activities include current and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Income tax is charged or credited to the income statement, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

1.14 ***Deferred taxation***

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- the initial recognition of goodwill;
- goodwill for which amortisation is not tax deductible;
- the initial recognition of an asset or liability which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where ViaLogy is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that the taxable profit will be available against which the differences can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

1.15 ***Foreign currency***

The functional currency of the parent entity is pounds sterling. The functional currency of the subsidiary is US dollars. Transactions entered into by group entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of the unsettled monetary assets and liabilities are similarly recognised in the income statement.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date.

1.16 ***Presentation currency***

These accounts have been presented in Sterling as the directors consider this to be most useful form of presentation to the shareholders.

1.17 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, deposits held on call with banks, other short term liquidity investments with final maturity of 3 months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

1.18 ***Financial assets***

ViaLogy classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. ViaLogy's accounting policy for each category is as follows:

Loans and receivables:

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are carried at cost less any provision for impairment.

Financial liabilities and equity

Financial liabilities and equity instruments issued by ViaLogy are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including

obligations which may be settled by ViaLogy using its equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of ViaLogy after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities

At initial recognition, financial liabilities (trade and other payables), are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. These financial liabilities are subsequently carried at amortised cost.

Equity instruments

Equity instruments issued by ViaLogy are recorded at the proceeds received net of direct issue costs.

2. Risks and sensitivity analysis

Refer to note 9.15 for risk and sensitivity analysis.

3. Critical accounting estimates and judgments

The preparation of consolidated financial statements under IFRS requires ViaLogy to make estimates and judgments that effect the application of policies and reported amounts. In applying these policies the directors are required to make estimates and subjective judgments that may affect the reported amounts of assets and liabilities at the reporting date and reported profit or loss for the year. Although the directors base these on a combination of past experience and any other evidence that is relevant to the particular circumstance, the actual results could ultimately differ from those estimates.

Included in the note are accounting policies which cover areas that the directors consider require estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. These policies together with references to the related notes to the financial statements can be found below:

Intangible assets and amortisation Note 9.7

ViaLogy capitalises development costs based on the recognition criteria identified in IAS 38. Internally generated intangible assets are amortised over a period of six years on a straight line basis. The key judgment relates to the demonstrability of the capitalisation criteria for these costs which are dependent upon the belief of management in the feasibility of the product.

Share based payments and warrants Note 9.17

The fair value is measured by use of a Black-Scholes model which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Management are also required to apply their judgment in assessing a reasonable volatility figure to be applied in the model.

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and identifiable intangibles are reviewed for impairment at the reporting date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected discounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within the administrative expenses line in the income statement.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts are arrived at by using appropriate valuation techniques.

In-process research and development programmes acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for research and development costs above are not met.

The significant intangible asset recognised by ViaLogy and its useful economic life is shown in the table below:

Intangible assets	*Useful economic life*
Intellectual Property	6 years

Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- ViaLogy is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised on a straight line basis over the periods ViaLogy expects to benefit from selling the products developed. The amortisation expense is included within administrative expenses in the income statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the income statement as incurred.

Intangible assets	*Useful economic life*
Development costs	6 years

4. Consolidated Statements of Comprehensive Income

	Notes	*Year ended 31 March 2014 £'000*	*Year ended 31 March 2013 £'000*	*Year ended 31 March 2012 £'000*
Revenue	9.1	62	258	51
Cost of sales		(194)	(555)	(437)
Gross loss		(132)	(297)	(386)
Share based payments	9.19	(51)	(528)	(195)
Depreciation and amortisation	9.4	(243)	(2,204)	(3,186)
Other administrative expenses	9.4	(1,235)	(1,932)	(1,626)
Impairment of intangible fixed assets		(828)	–	–
Impairment of tangible fixed assets		(192)	–	–
Impairment of goodwill		(2,253)	–	–
Operating loss	9.4	(4,934)	(4,961)	(5,393)
Finance income	9.3	1	2	–
Loss before taxation		(4,933)	(4,959)	(5,393)
Income tax credit	9.5	–	295	490
Loss for the year		(4,933)	(4,664)	(4,903)
Other comprehensive income for the year		(35)	23	8
Total comprehensive loss for the year		(4,968)	(4,641)	(4,895)
Attributable to:				
Owners of the parent		(4,968)	(4,641)	(4,895)
Non-controlling interests		–	–	–
		(4,968)	(4,641)	(4,895)
Loss per share				
Basic and diluted	9.6	(0.245)p	(0.506)p	(0.643)p

5. Consolidated Statements of Financial Position

	Notes	*31 March 2014 £'000*	*31 March 2013 £'000*	*31 March 2012 £'000*
Assets				
Non-current assets				
Intangible assets	9.7	–	1,022	2,776
Tangible assets	9.8	104	359	394
		104	1,381	3,170
Current assets				
Trade and other receivables	9.11	90	154	157
Cash and cash equivalents	9.12	1,364	1,305	555
		1,454	1,459	712
Total assets		1,558	2,840	3,882
Equity and liabilities attributable to equity holders of the parent company				
Called up share capital	9.16	2,689	10,391	8,520
Deferred share capital	9.16	9,357	–	–
Share premium	9.18	22,814	22,734	21,475
Warrant reserve	9.18	–	225	–
Foreign exchange translation reserve	9.18	1,601	1,638	1,615
Retained deficit	9.18	(34,983)	(32,354)	(28,218)
Total equity		1,478	2,634	3,392
Liabilities				
Current Liabilities				
Trade and other payables	9.13	(80)	(206)	(205)
Total current liabilities		(80)	(206)	(205)
Non-current liabilities				
Deferred tax liability	9.13	–	–	(285)
Total liabilities		(80)	(206)	(490)
Net assets		1,478	2,634	3,392

6. Consolidated Statements of Changes in Equity

	Share capital £'000	*Share premium £'000*	*Warrant reserve account £'000*	*Foreign exchange translation reserve £'000*	*Non-controlling interests £'000*	*Retained deficit £'000*	*Total £'000*
Balance at 1 April 2011	7,341	21,438	–	1,607	–	(23,510)	6,876
Loss for the year	–	–	–	–	–	(4,903)	(4,903)
Other comprehensive income	–	–	–	8	–	–	8
Issue of shares	1,179	52	–	–	–	–	1,231
Share issue expenses	–	(15)	–	–	–	–	(15)
Share options expense	–	–	–	–	–	195	195
Balance at 31 March 2012 and 1 April 2012	8,520	21,475	–	1,615	–	(28,218)	3,392
Loss for the year	–	–	–	–	–	(4,664)	(4,664)
Other comprehensive income	–	–	–	23	–	–	23
Issue of shares	1,871	1,363	–	–	–	–	3,234
Share issue expense	–	(104)	–	–	–	–	(104)
Share option expense	–	–	–	–	–	528	528
Issue of warrants	–	–	225	–	–	–	225
Balance at 31 March 2013 and 1 April 2013	10,391	22,734	225	1,638	–	(32,354)	2,634
Loss for the year	–	–	–	–	–	(4,933)	(4,933)
Lapse of warrants	–	225	(225)	–	–	–	–
Other comprehensive income	–	–	–	(37)	–	–	(37)
Issue of shares	1,655	1	–	–	–	–	1,656
Share issue expense	–	(146)	–	–	–	–	(146)
Share option expense	–	–	–	–	–	51	51
Acquisition of subsidiary	–	–	–	–	2,253	–	2,253
Write-off of NCI	–	–	–	–	(2,253)	2,253	–
Balance at 31 March 2014	12,046	22,814	–	1,601	–	(34,983)	1,478

Share capital is the amount subscribed for shares at nominal value.

Share premium is the excess amount over the nominal value of subscribed shares.

Warrant reserve is the amount issued to share subscribers as an incentive for subscription representing an additional cost to the company associated with the fundraising.

Foreign exchange translation reserve is the amount related to exchange differences on exchange of foreign currencies.

Retained deficit is the cumulative net gains and losses recognised in the consolidated income statement. The share option expense is recognised directly through the retained deficit reserve.

7. Consolidated Statements of Cash Flows

	Notes	*Year ended 31 March 2014 £'000*	*Year ended 31 March 2013 £'000*	*Year ended 31 March 2012 £'000*
Net cash used in operating activities	8.1	(1,444)	(2,174)	(1,854)
Finance income		1	2	–
Net cash used in operating activities		(1,443)	(2,172)	(1,854)
Cash flows from investing activities				
Internally generated intangible asset		–	(341)	(371)
Purchase of property, plant and equipment		(3)	(25)	(26)
Net cash used in investing activities		(3)	(366)	(397)
Cash flows from financing activities				
Issue of shares		1,656	3,460	1,231
Share issue costs		(146)	(105)	(15)
Net cash from financing activities		1,510	3,355	1,216
Net (decrease)/increase in cash and cash equivalents		64	817	(1,035)
Cash and cash equivalents at beginning of period		1,305	555	1,624
Effects of exchange rate fluctuations		(5)	(67)	(34)
Cash and cash equivalents at end of period		1,364	1,305	555
Represented by:				
Bank balances and cash		1,364	1,305	555

8. Notes to the Consolidated Statements of Cash Flows

8.1 Cash outflow from operations

	Year ended 31 March 2014 £'000	*Year ended 31 March 2013 £'000*	*Year ended 31 March 2012 £'000*
Profit/(Loss) before interest and tax	(4,934)	(4,961)	(5,393)
Depreciation of tangible assets	49	77	96
Amortisation of intangible assets	194	2,126	3,089
Impairment of intangible fixed assets	828	–	–
Impairment of tangible fixed assets	192	–	–
Impairment of goodwill	2,253	–	–
Share option charge	51	528	195
Foreign exchange movements	4	23	24
Director's fees prepaid	–	28	111
Operating cash flows before movement in working capital	(1,363)	(2,179)	(1,878)
Decrease in trade and other receivables	64	3	–
(Decrease)/increase in trade and other payables	(145)	2	24
Net cash used in operating activities	(1,444)	(2,174)	(1,854)

9. Notes to the financial information

9.1. Segmental analysis

ViaLogy has two reportable segments:

- Head office – this segment is the head office of ViaLogy.
- Operations – this segment is involved in sales technology development in the USA.

The operating results of these segments are regularly reviewed by ViaLogy's chief operating decision maker in order to make decisions about the allocation of resources and assess their performance.

2014 Reportable segment analysis

	Operations £'000	*Head office £'000*	*Consolidated £'000*
Revenue from external customers	62	–	62
Gross loss	(132)	–	(132)
Finance income	–	1	1
Loss for the year after taxation	(4,339)	(594)	(4,933)
Segment assets	154	1,404	1,558
Segment liabilities	23	57	80
Costs to acquire plant, property and equipment	1	2	3
Depreciation and amortisation	242	1	243
Share based payments charged	–	51	51

2013 Reportable segment analysis

	Operations *£'000*	*Head office* *£'000*	*Consolidated* *£'000*
Revenue from external customers	258	–	258
Gross loss	(297)	–	(297)
Finance income	–	2	2
Tax credit	295	–	295
Loss for the year after taxation	(4,028)	(636)	(4,664)
Segment assets	1,559	1,281	2,840
Segment liabilities	128	78	206
Costs to acquire plant, property and equipment	42	(17)	25
Costs to acquire intangible assets	341	–	341
Depreciation and amortisation	2,211	(8)	2,203
Share based payments charged	451	77	528

2012 Reportable segment analysis

	Operations *£'000*	*Head office* *£'000*	*Consolidated* *£'000*
Revenue from external customers	51	–	51
Gross loss	(386)	–	(386)
Finance income	–	–	–
Tax credit	490	–	490
Loss for the year after taxation	(4,253)	(650)	(4,903)
Segment assets	3,345	537	3,882
Segment liabilities	417	73	490
Costs to acquire plant, property and equipment	21	5	26
Costs to acquire intangible assets	371	–	371
Depreciation and amortisation	3,180	5	3,185
Share based payments charged	116	79	195

All material non-current assets are owned by the USA subsidiary and are located in the USA.

Revenues by product/service

	2014 *£'000*	*2013* *£'000*	*2012* *£'000*
Revenues from analytical surveys	57	249	44
Oil and gas revenues	5	9	7
	62	258	51

All sales in the current and previous year were to external customers.

£56,629 of total external revenues arose from three customers (2013: four customers attributed £257,681 and 2012: two customers attributed £51,256).

9.2 Employees and directors

	2014 £'000	*2013* £'000	*2012* £'000
Wages and salaries including directors remuneration	707	1,456	1,404
Employers national insurance contributions and similar taxes 41	101	91	
Pension costs	4	5	6
Share based payment charge	51	528	195
	803	2,090	1,696

Of the amounts in the disclosure above, wages and salaries of £194,383 (2013: £539,059 and 2012: £388,968) was disclosed within cost of sales.

Of the amounts in the disclosure above, an amount of £nil (2013: £341,222 and 2012: £371,456) was capitalised as R&D rather than expensed to the income statement, as follows:

	2014 £'000	*2013* £'000	*2012* £'000
Wages, salaries and benefits capitalised	–	317	343
Employers national insurance contributions and similar taxes capitalised	–	24	28
	–	341	371

The average monthly number of employees during the periods:

	2014 No	*2013* No	*2012* No
Directors	4	4	4
Research and development	3	5	4
Sales and marketing	1	1	1
Administration	2	3	3
	10	13	12

Directors

	2014 £'000	*2013* £'000	*2012* £'000
Directors emoluments	356	620	607
Share based payment charge	26	404	140
Total emoluments	382	1,024	747

The remuneration of the directors during the years was as follows:

	Salaries	*Share Based Payment*	*Fees*	*Total 2014*	*Total 2013*	*Total 2012*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Terry Bond	44	–	–	44	181	181
Mark Collingbourne	–	7	26	33	–	–
Robert Dean	107	3	–	110	271	296
Sandeep Gulati	117	4	–	121	532	233
Peter Reynolds	–	–	17	17	40	37
Adam Reynolds	–	6	37	43	–	–
Nicholas Mustoe	–	6	8	14	–	–
	268	26	88	382	1,024	747

The directors listed above are deemed to be the key management personnel of ViaLogy.

Emoluments of the highest paid director were £121,007 (2013: £531,406 and 2012: £295,666).

9.3 Finance income

	2014	*2013*	*2012*
	£'000	*£'000*	*£'000*
Interest received	1	2	–
	1	2	–

9.4 Loss for the year before taxation

Costs by nature:

	2014 £'000	*2013* £'000	*2012* £'000
Staff costs (note 9.2)	748	1,215	1,124
Other cost of sales	–	16	48
Share option expense (note 9.17)	51	528	195
Depreciation of property, plant and equipment (note 9.8)	49	78	97
Amortisation of intangible fixed assets (note 9.7)	194	2,126	3,089
Impairment of intangible fixed assets	828	–	–
Impairment of tangible fixed assets	192	–	–
Impairment of goodwill	2,253	–	–
Foreign exchange differences	4	23	24
Plant, property, equipment operation lease expense	75	85	85
Auditors remuneration for:			
Audit of financial statement of the ViaLogy	20	27	27
Audit of the financial statements of the parent	4	3	3
Taxation services	–	10	10
Travel expenses	139	231	141
Legal and professional fees	163	336	274
Other expenses	276	541	327
	4,996	5,219	5,444

9.5 Taxation

	2014 £'000	*2013* £'000	*2012* £'000
Current tax			
UK corporation tax and income tax of overseas operations on profits for the year	–	–	–
	–	–	–
Deferred tax credit			
Release of provision	–	(295)	(490)
Total tax credit	–	(295)	(490)

The reason for the difference between the actual tax credit for the years and the standard rate of corporation tax in the UK applied to losses for the years are as follows:

	2014 £'000	*2013* £'000	*2012* £'000
Loss before tax	(4,933)	(4,959)	(5,393)
Expected tax recovery based on the standard rate of corporation tax in the UK of 23% (2013 – 26%, 2012 – 26%)	(1,135)	(1,289)	(1,402)
Amortisation of intangibles and depreciation of tangibles not deductible for tax purposes	56	555	803
Expenses not deductible for tax purposes	13	90	113
Increase in carried-forward losses	1,066	648	486
Temporary differences (see note 9.13)	–	(295)	(490)
Total tax credit for the year	–	(295)	(490)

ViaLogy is required to estimate the income tax in each of the jurisdictions in which it operates. This requires an estimation of the current tax liability together with an assessment of the temporary differences which

arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included within the statement of financial position. Deferred tax assets and liabilities are measured using substantially enacted tax rates expected to apply when the temporary differences reverse. Management judgment is required to determine the total provision for income tax. Amounts accrued are based on management's interpretation of country specific tax law and the likelihood of settlement.

Factors that may affect future tax charges

Deferred tax assets relating to UK revenue losses and UK capital losses of £4,099,914 and £1,934,399 respectively (2013: £4,363,392 and £1,934,399 and 2012: £3,849,755 and £1,934,399) have not been recognised as these losses can only be offset against future taxable profits and at present there is insufficient evidence to justify recognition.

Deferred tax assets relating to US revenue losses of £9,573,177 (2013: £7,486,221 and 2012: £5,156,537) have not been recognised as these losses can only be offset against future taxable profits and at present there is insufficient evidence to justify recognition. In addition ViaLogy LLC may be entitled to further tax losses. The maximum amount of losses available is $6,000,000, however this is subject to an annual limitation which is estimated at $250,000 per year. At the reporting date the accrued potential losses claimable are estimated at $ 2,000,000 (2013: $1,750,000 and 2012 – $1,500,000). The losses disclosed in relation to the US have not been agreed with the US taxation authorities and thus are the best estimate of management as at 31 March 2014.

9.6 Loss per share

Basic

Basic loss per share is calculated by dividing the loss after tax attributable to the equity holders of the parent company for the year of £4,933,443 (2013: £4,664,186 and 2012: £4,903,395) by the weighted average number of ordinary shares in issue during the year 2,014,231,609 (2013: 921,224,058 and 2012: 762,556,327).

Diluted

Diluted earnings per share dilute the basic earnings per share to take into account share options and warrants. The calculation includes the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive share operations and warrants into ordinary shares. 261,916,546 options (2013: 125,535,913 and 2012: 96,162,368) and nil (2013: 38,693,654 and 2012: 1,193,654) warrants have been excluded from this calculation as the effect would be anti-dilutive.

9.7 Intangible assets

	Intellectual property £'000	*Research and development £'000*	*Total £'000*
Cost			
At 1 April 2011	13,246	3,479	16,725
Additions			
– Internally developed	–	371	371
Foreign exchange movements	2	1	3
At 1 April 2012	13,248	3,851	17,099
Additions			
– Internally developed	–	341	341
Foreign exchange movements	–	2	2
At 31 March 2013	13,248	4,194	17,442
Additions			
– Internally developed	–	–	–
Foreign exchange movements	–	–	–
Impairment	(13,248)	(4,194)	(17,442)
At 31 March 2014	–	–	–
Amortisation			
At 1 April 2011	9,412	1,840	11,252
Charge for the year	2,407	682	3,089
Foreign exchange movements	(5)	(13)	(18)
At 1 April 2012	11,814	2,509	14,323
Charge for the year	1,433	693	2,126
Foreign exchange movements	–	(30)	(30)
At 31 March 2013	13,248	3,172	16,420
Charge for the year	–	194	194
Foreign exchange movements	–	–	–
Impairment	(13,248)	(3,366)	(16,614)
At 31 March 2014	–	–	–
Net book value			
At 31 March 2014	–	–	–
At 31 March 2013	–	1,022	1,022
At 31 March 2012	1,434	1,342	2,776

In accordance with IAS 36, ViaLogy regularly monitors the carrying value of its intangible assets.

9.8 Tangible assets

	Office equipment £'000	*Furniture £'000*	*Computer equipment £'000*	*Motor vehicles £'000*	*Oil and gas assets £'000*	*Total £'000*
Cost						
At 1 April 2011	13	31	534	13	204	795
Additions	–	1	20	5	–	26
Foreign exchange movements	–	–	2	–	–	2
At 1 April 2012	13	32	556	18	204	823
Additions	–	–	38	7	–	45
Disposals	–	–	–	(21)	–	(21)
Foreign exchange movements	–	2	30	–	–	32
At 31 March 2013	13	34	624	4	204	879
Additions	–	–	3	–	–	3
Disposals	(6)	–	(4)	(4)	(204)	(218)
Foreign exchange movements	(1)	(3)	(53)	–	–	(57)
At 31 March 2014	6	31	570	–	–	607
Depreciation						
At 1 April 2011	9	14	296	6	8	333
Charge for the year	1	4	86	4	2	97
Foreign exchange movements	–	–	(1)	–	–	(1)
At 1 April 2012	10	18	381	10	10	429
Charge for the year	–	4	71	1	2	78
Disposals	–	–	–	(10)	–	(10)
Foreign exchange movements	–	1	22	–	–	23
At 31 March 2013	10	23	474	1	12	520
Charge for the year	–	2	47	–	–	49
Disposals	(6)	–	(4)	(1)	–	(11)
Impairment	–	–	–	–	(12)	(12)
Foreign exchange movements	(1)	(2)	(40)	–	–	(43)
At 31 March 2014	3	23	477	–	–	503
Net book value						
At 31 March 2014	3	8	93	–	–	104
At 31 March 2013	3	11	150	3	192	359
At 31 March 2012	3	14	175	8	194	394

The oil and gas assets have been fully impaired in the year to 31 March 2014. The decision as to when oil is pumped from the wells is taken by the well operator independent of any other interest owners. During the year one of the wells has been turned off for operational reasons. The Board does not believe that both wells will generate significant revenue in the foreseeable future.

9.9 Subsidiaries

ViaLogy plc has two subsidiaries, ViaLogy LLC and ViaLogy Energy Corp. (VEC), which have been included in these consolidated financial statements: ViaLogy LLC is a company whose principal activity is developing applications for its patented Quantum Resonance Interferometry (QRI) technology. QRI is a technology which separates the background 'noise' that envelopes weak signals. On 12 February 2014, ViaLogy LLC sold to VEC its licence to use QRI together with some fixed assets and contracts.

Name	*Country of incorporation*	*Country of operation*	*Proportion of ownership interest and share capital held*	
			Direct	*Indirect*
ViaLogy LLC	USA	USA	100%	–
ViaLogy Energy Corp.	USA	USA	–	75%

9.10 Business combinations, goodwill and non-controlling interests

Acquisition of ViaLogy Energy Corp.

On 12 February 2014, the Group sold the licence to its intangibles, the fixed assets in ViaLogy LLC and two of its contracts to VEC in exchange for 75 per cent. of the shares of VEC. The remaining 25 per cent. interest is held by VEC's directors and senior staff. At the date of acquisition non-controlling interests have been measured at their proportionate interest in the book values of VEC's net assets.

Assets acquired and liabilities assumed:

	At date of acquisition £
Assets	
Intangibles	8,908
Property, plant and equipment	105
Trade and other receivables	1
Total assets	9,014
Liabilities	
Trade and other payables	–
Total liabilities	–
Total net assets	9,014
Goodwill:	
Fair value of purchase consideration	9,014
Fair value Net assets of non-controlling interest at date of acquisition	2,254
Fair value of net assets of VEC at date of acquisition	(9,015)
Goodwill acquired	2,253
Goodwill impairment	(2,253)
Carrying value	–

The goodwill acquired has been fully impaired at 31 March 2014 as the Board believe it will take significant further time to raise the necessary funds to continue to develop the QRI technology. As a result, the non-controlling interest has been transferred to the accumulated deficit.

9.11 Trade and other receivables

	2014 *£'000*	*2013* *£'000*	*2012* *£'000*
Trade receivables	48	73	–
Other receivables	35	13	12
Prepayments and accrued income	7	68	145
	90	154	157
Aged trade receivables summary			
30 – 60 days	–	28	–
Over 60 days	48	45	–
	48	73	–

There has been no provision made for doubtful receivables, as the Board consider all receivables to be recoverable.

The book values of trade and other receivables approximate to the fair values.

9.12 Cash and cash equivalents

	2014 *£'000*	*2013* *£'000*	*2012* *£'000*
Current account	1,364	1,305	555

9.13 Trade and other payables – due within one year

	2014 *£'000*	*2013* *£'000*	*2012* *£'000*
Trade payables	4	73	56
Accruals and deferred income	76	133	149
	80	206	205

The book value of trade and other payables approximate to the fair values. See note 9.15 for maturity analysis.

9.14 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 35 per cent. as the deferred tax is expected to be offset against profits in the USA.

The movement on the deferred tax account is as shown below:

	2014 *£'000*	*2013* *£'000*	*2012* *£'000*
At 1 April	–	285	772
Exchange rate adjustment	–	10	3
Release for the year	–	(295)	(490)
At 31 March	–	–	285

On 26 October 2006 ViaLogy acquired the remaining 56.74 per cent. of the share capital in ViaLogy Corp, a company whose principal activity is developing applications for its patented Quantum Resonance Interferometry (QRI) technology.

The accounting policy of the acquired entity was not to recognise internally generated intangibles; however, it is the policy of ViaLogy to recognise such an intangible.

A deferred tax liability was recognised in respect of the increase in the intangible asset on acquisition. The deferred tax liability is released over a period of 6 years in accordance with the amortisation period of the acquired intangible assets.

9.15 Financial instruments

Principal financial instruments

The principal instruments used by ViaLogy, from which the financial instrument risk arises, include cash and cash equivalents, trade receivables and trade payables.

A summary of the financial instruments held by category is shown below:

Categories of financial assets

	2014 *£'000*	*2013* *£'000*	*2012* *£'000*
Current financial assets			
Loans and receivables	48	73	12
Cash and other equivalents	1,364	1,305	555
Total current financial assets	1,412	1,378	567

Categories of financial liabilities

	2014 *£'000*	*2013* *£'000*	*2012* *£'000*
Current financial liabilities			
Trade and other payables	4	73	56
Total other financial liabilities	4	73	55

Risk and sensitivity analysis

There have been no substantive changes in ViaLogy's exposure to financial instrument risks, its objectives policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

ViaLogy is exposed through their operations to one or more of the following financial risks: foreign currency risk, liquidity risk, credit risk and investment risk. The policy for managing these risks is set by the Board and all such risks are managed at a group level within the organisation. There have been no changes in the way ViaLogy manages risks during the period. The policies for these risks are described further below:

Foreign currency risk

Foreign currency risk arises because ViaLogy has operations located in the USA whose functional currency is not the same as the parent company's functional currency (sterling). The net assets from such overseas operations are exposed to currency risk giving rise to gains or losses on retranslation to sterling for the purposes of the consolidated financial statements.

A US$0.25 increase in the value of the US dollar against sterling will result in a fall in pre-tax losses by £620,477 (2013: decrease in loss of £554,973 and 2012: decrease in loss of £555,384).

The table below shows the split between currencies that balances are denominated in:

2014	*US$'000*	*GBP'000*	*Total GBP'000*
Trade and other receivables	48	–	48
Cash and cash equivalents	3	1,361	1,364
Trade and other payables	4	–	4

2013	*US$'000*	*GBP'000*	*Total GBP'000*
Trade and other receivables	73	–	73
Cash and cash equivalents	110	1,195	1,305
Trade and other payables	59	14	73

2012	*US$'000*	*GBP'000*	*Total GBP'000*
Trade and other receivables	11	1	12
Cash and cash equivalents	102	454	556
Trade and other payables	35	21	56

Liquidity risk

Liquidity risk is the risk that ViaLogy fails to have sufficient funds to meet its debts as they become due. The liquidity risk of ViaLogy is managed centrally. ViaLogy holds funds in short-term bank deposits so that they are available when required.

Maturity analysis of financial liabilities

All financial liabilities (trade and other payables) are due for payment within one year as follows:

	2014 £'000	*2013 £'000*	*2012 £'000*
Due:			
Current	4	73	56
	4	73	56

The Board believe the current level of financial liabilities to be in line with expectations. The level of cash balances and trade and other receivables is sufficient to discharge ViaLogy's financial liabilities.

Credit Risk

During the year, ViaLogy's credit risk was primarily attributable to its cash balances, and its trade receivables. Credit risk, is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The credit risk on liquid funds is limited as the funds are held at banks with high credit ratings. The risk to ViaLogy's trade receivables going bad is low due to the size and stature of the customers the company now trades with. There were no allowances for debt recovery as at 31 March 2014, 31 March 2013 or 31 March 2012.

ViaLogy's maximum exposure to credit risk by class of financial instruments amounts to their carrying value of £1,405,559, (2013: £1,390,421 and 2012 £567,289). ViaLogy deems that entities from whom credit exposure arises are of adequately strong credit quality and will therefore be able to pay the amounts due when they arise.

Investment risk

Investment risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

ViaLogy is exposed to interest rate risk from its interest earning financial assets. The floating rate assets are held in a money market account earning interest at Bank of England base rate less 0.3 per cent. The interest rate risk is mitigated by the fact cash is held in short-term deposits allowing rapid transfer of funds to alternative commercial banks to obtain improved interest rates. There are no financial assets earning interest at fixed rates.

Capital

As described in note 9.15 ViaLogy considers its capital to comprise its ordinary share capital, share premium and accumulated retained deficit as its capital reserves. In managing its capital ViaLogy's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth.

There have been no other significant changes to ViaLogy's capital management objectives, policies and processes over the period nor has there been any change in what ViaLogy considers to be its capital.

9.16 Called up share capital

					Allotted, called up and fully paid	
	2014 Number	*2013 Number*	*2012 Number*	*2014 £'000*	*2013 £'000*	*2012 £'000*
Ordinary shares of 0.1p (2013: 1p, 2012: 1p) each						
At 1 April	1,039,106,911	851,955,130	734,102,725	1,039	8,520	7,341
Shares issued	1,650,353,455	187,151,781	117,852,405	1,650	1,871	1,179
At 31 March	2,689,460,366	1,039,106,911	851,955,130	2,689	10,391	8,520

					Allotted, called up and fully paid	
	2014 Number	*2013 Number*	*2012 Number*	*2014 £'000*	*2013 £'000*	*2012 £'000*
Deferred shares of 0.9p each						
At 1 April	1,039,640,244	–	–	9,357	–	–
Shares issued	–	–	–	–	–	–
At 31 March	1,039,640,244	–	–	9,357	–	–

The Company raised £1.045 million before expenses via a private placing of 38,000,000 shares at 2.75 pence per share on 21 May 2012.

The Company also raised £1 million before expenses via a private placing of 36,363,637 shares at 2.75 pence per share on 15 June 2012.

The Company also raised £1.406 million before expenses via a private placing of 112,500,000 shares at 1.25 pence per share on 8 February 2013.

On the 26 June 2013, 533,333 warrants were converted into 0.01 pence shares at 1.25 pence per share.

On the 24 January 2014, the Company subdivided its shares into 1,039,640,244 ordinary shares of 0.1 pence each and 1,039,640,244 deferred shares of 0.9 pence each. The brought forward balance of the share capital for the Company for 2014 has been re-stated to reflect the subdivision at the beginning of the year.

On the 24 January 2014, the Company issued 1,100,000,000 ordinary shares at 0.1 pence each by way of placing 519,820,122 ordinary shares at 0.1 pence each by way of an open offer and 30,000,000 ordinary shares at 0.1p each in lieu of fees.

All ordinary shares in issue have equal voting rights.

9.17 Share option schemes

Share Options

At 31 March 2014, the following share options were outstanding in respect of Ordinary shares:

Number of options	*Exercise Period*	*Exercise Price (pence)*
248,199,893	March 2014 to March 2024	0.10
3,902,307	August 2005 to January 2023	1.00
500,000	February 2012 to February 2019	1.83
1,368,111	January 2013 to January 2023	2.25
2,555,809	December 2012 to December 2022	2.42
2,050,000	October 2011 to October 2018	2.80
618,449	November 2011 to November 2018	3.00
2,571,977	June 2010 to June 2020	3.75
77,000	June 2007 to August 2016	4.50
73,000	August 2010 to August 2017	7.38

Share options vest over differing periods from date of issue to three years.

	2014 Weighted average exercise price	*2014 Number*	*2013 Weighted average exercise price*	*2013 Number*	*2012 Weighted average exercise price*	*2012 Number*
Outstanding at start of year	£0.028	125,535,913	£0.024	96,162,368	£0.035	108,152,274
Granted during the year	£0.001	248,119,893	£0.014	31,479,449	£0.029	1,950,000
Forfeited during the year	£0.028	(111,739,260)	£0.052	(1,817,760)	£0.038	(13,837,501)
Exercised during the year		–	£0.029	(288,144)	£0.029	(102,405)
Outstanding at end of year	£0.015	261,916,546	£0.028	125,535,913	£0.024	96,162,368

The options held by the directors at the beginning and end of the year are as detailed below:

	At 1 April 2013	*Awarded*	*Lapsed*	*At 31 March 2014*	*Exercise price*	*Earliest date of exercise*	*Latest date of exercise*
Terry Bond							
– Unapproved scheme	6,000,000	–	6,000,000	–	4p	02/12/09	02/12/16
– Unapproved scheme	4,475,408	–	4,475,408	–	1p	22/06/13	22/06/20
– Unapproved scheme	4,475,408	–	4,475,408	–	3.75p	22/06/13	22/06/20
Robert Dean							
– Unapproved scheme	403,500	–	(403,500)	–	4p	31/10/09	31/10/16
– Unapproved scheme	77,000	–	(77,000)	–	4.5p	26/10/09	26/10/16
– Unapproved scheme	21,133,163	–	(21,133,163)	–	4p	24/10/10	24/10/17
– Unapproved scheme	3,032,422	–	(3,032,422)	–	1p	22/06/12	22/06/20
– Unapproved scheme	3,032,421	–	(3,032,421)	–	3.75p	22/06/12	22/06/20
– Unapproved scheme	5,538,264	–	(5,538,264)	–	1.63p	08/02/15	08/02/23
– Unapproved scheme		23,486,368	–	23,486,368	0.1p	19/03/14	27/01/19
Sandeep Gulati							
– Unapproved scheme	9,004,898	–	(9,004,898)	–	4.5p	01/03/10	01/03/16
– Unapproved scheme	7,230,000	–	(7,230,000)	–	4p	31/10/09	31/10/16
– Unapproved scheme	4,000,000	–	(4,000,000)	–	8.38p	24/10/10	24/10/17
– Unapproved scheme	2,704,000	–	(2,704,000)	–	5p	24/10/10	24/10/17
– Unapproved scheme	12,343,819	–	(12,343,819)	–	1p	26/10/10	25/01/21
– Unapproved scheme	18,003,005	–	(18,003,005)	–	1p	25/01/12	08/02/23
– Unapproved scheme	–	38,503,632	–	38,503,632	0.1p	19/03/14	19/03/19
Adam Reynolds							
– Unapproved scheme	–	59,166,666	–	59,166,666	0.1p	19/03/14	19/03/19
Nick Mustoe							
– Unapproved scheme	–	59,166,666	–	59,166,666	0.1p	19/03/14	19/03/19
Mark Collingbourne							
– Unapproved scheme	1,464,480	60,166,666	(2,464,480)	59,166,666	0.1p	19/03/14	19/03/19

The options held by the directors at the beginning and end of the year ended 31 March 2013 are as detailed below:

	At 1 April 2012	*Awarded*	*Lapsed*	*At 31 March 2013*	*Exercise price*	*Earliest date of exercise*	*Latest date of exercise*
Terry Bond							
– Unapproved scheme	6,000,000	–	–	6,000,000	4p	02/12/09	02/12/16
– Unapproved scheme	4,475,408	–	–	4,475,408	1p	22/06/13	22/06/20
– Unapproved scheme	4,475,408	–	–	4,475,408	3.75p	22/06/13	22/06/20
Robert Dean							
– Unapproved scheme	403,500	–	–	403,500	4p	31/10/09	31/10/16
– Unapproved scheme	77,000	–	–	77,000	4.5p	26/10/09	26/10/16
– Unapproved scheme	21,133,168	–	–	21,133,168	4p	24/10/10	24/10/17
– Unapproved scheme	3,032,422	–	–	3,032,422	1p	22/06/12	22/06/20
– Unapproved scheme	3,032,421	–	–	3,032,421	3.75p	22/06/12	22/06/20
– Unapproved scheme	–	5,538,264	–	5,538,264	1.63p	08/02/15	08/02/23
Sandeep Gulati							
– Unapproved scheme	9,004,898	–	–	9,004,898	4.5p	01/03/10	01/03/16
– Unapproved scheme	7,230,000	–	–	7,230,000	4p	31/10/09	31/10/16
– Unapproved scheme	4,000,000	–	–	4,000,000	8.38p	24/10/10	24/10/17
– Unapproved scheme	2,704,000	–	–	2,704,000	5p	24/10/10	24/10/17
– Unapproved scheme	12,343,819	–	–	12,343,819	1p	26/10/10	25/01/21
– Unapproved scheme	–	18,003,005	–	18,003,005	1p	25/01/12	08/02/23
Peter Reynolds							
– Unapproved scheme	403,500	–	403,500	–	8.38p	24/10/10	24/10/17

No directors have exercised share options during the year.

The options held by the directors at the beginning and end of the year ended 31 March 2012 are as detailed below:

	At 1 April 2011	*Awarded*	*Lapsed*	*At 31 March 2012*	*Exercise price*	*Earliest date of exercise*	*Latest date of exercise*
Terry Bond							
– Unapproved scheme	6,000,000	–	–	6,000,000	4p	02/12/09	02/12/16
– Unapproved scheme	4,475,408	–	–	4,475,408	1p	22/06/13	22/06/20
– Unapproved scheme	4,475,408	–	–	4,475,408	3.75p	22/06/13	22/06/20
Robert Dean							
– Unapproved scheme	403,500	–	–	403,500	4p	31/10/09	31/10/16
– Unapproved scheme	77,000	–	–	77,000	4.5p	26/10/09	26/10/16
– Unapproved scheme	21,133,168	–	–	21,133,168	4p	24/10/10	24/10/17
– Unapproved scheme	3,032,422	–	–	3,032,422	1p	22/06/12	22/06/20
– Unapproved scheme	3,032,421	–	–	3,032,421	3.75p	22/06/12	22/06/20
Sandeep Gulati							
– Unapproved scheme	9,004,898	–	–	9,004,898	4.5p	01/03/10	01/03/16
– Unapproved scheme	7,230,000	–	–	7,230,000	4p	31/10/09	31/10/16
– Unapproved scheme	4,000,000	–	–	4,000,000	8.38p	24/10/10	24/10/17
– Unapproved scheme	2,704,000	–	–	2,704,000	5p	24/10/10	24/10/17
– Unapproved scheme	12,343,819	–	–	12,343,819	1p	26/10/10	25/01/21
Peter Reynolds							
– Unapproved scheme	403,500	–	–	403,500	8.38p	24/10/10	24/10/17

The terms, conditions and vesting requirements for these share based payments can be found within note 9.19 to these financial statements.

Warrants

The company issued 37,500,000 warrants as part of a share placing on 8 February 2013. The warrants have a conversion price of 1.25p per share and expire on 23 February 2014. Warrants issued in connection with the share issues are measured at the fair value on recognition using the Black-Scholes model and are accounted for as a deduction from equity.

At 31 March 2014, there were no warrants outstanding in respect of Ordinary shares.

At 31 March 2013, the following warrants were outstanding in respect of Ordinary shares:

Number	*Exercise Period*	*Exercise Price*
1,193,654	March 2010 to March 2016	4.50p
37,500,000	February 2013 to February 2014	1.25p

There are no conditions attached to the warrants.

At 31 March 2012, the following warrants were outstanding in respect of Ordinary shares:

Number	*Exercise Period*	*Exercise Price*
1,193,654	March 2010 to March 2016	4.50p

There are no conditions attached to the warrants. The warrants have been valued on a consistent basis to the share options as detailed above.

The Black-Scholes method was used to calculate the fair value of warrants at the date of grant for those warrants issued during the year. The volatility assumption, measured as the standard deviation of expected share price returns is based on analysis of daily share prices over a three year period. The table below lists the inputs to the model used for warrants granted during the years.

	2014	*2013*	*2012*
Share price	–	1.6p	–
Volatility	–	70%	–
Dividend Yield	–	0%	–
Risk- free interest rate	–	0.25%	–
Expected warrant life	–	1 year	–

9.18 Reserves

The following describes the nature and purpose of each reserve within shareholders equity:

Reserve	*Description and purposes*
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained deficit	Cumulative net gains and losses recognised in the consolidated income statement. The share option expense is recognised directly through the retained deficit reserve.
Foreign exchange translation reserve	Exchange difference arising on translation of foreign operations.
Warrant reserve	Amounts issued to share subscribers as an incentive for subscription representing an additional cost to the Company associated with the fundraising.
Non-controlling interests	Non-controlling interests represent the share of ownership of subsidiary companies outside ViaLogy.

9.19 Share-based payment

ViaLogy operates two equity settled share based remuneration schemes for employees: an inland revenue approved scheme and an unapproved scheme, jointly known as the "option scheme". Under the scheme employees may be granted options to purchase shares, which vest over varying periods up to three years and must be exercised within 10 years from the date of grant.

Under the terms of their employment contracts entered into on 22 June, 2010 the Company's executive directors, Dr. Sandeep Gulati, Dr. Robert W. Dean and Terry Bond are entitled to additional options awards in order to retain their interests in the ordinary share capital of the Company. Any such option awards for Dr Sandeep Gulati would have an exercise price of 1p per share and would be exercisable within 10 years of grant. Half of any such option awards for Dr Robert Dean and Terry Bond, would have an exercise price of 1p per share, the remaining options would have an exercise price equivalent to the market price at the date of grant. All options for Dr Robert Dean and Terry Bond would be exercisable within 10 years of grant.

On 19 March 2014, the directors were granted share options at an exercise price of 0.1 pence per share. The options will only vest if the company's share price reaches or exceeds 0.5p for a continuous period of 30 days at any time during the period of 5 years from date of grant. As per the agreement, the options previously granted to the directors shall forthwith lapse and cease to exist.

The exercise price of options outstanding at the end of the year ranged between 0.1p and 8.38p and their weighted average contractual life was 5.7 years (2013: 6.5 years and 2012: 6.4 years).

Of the total number of options outstanding at the end of the year 8,119,895 (2013: 114,212,959 and 2012: 88,221,513) had vested and were exercisable at the end of the year at a weighted average exercise price of 0.1p. (2013: 3.8p and 2012: 4.6p).

The weighted average fair value of each option granted during the year was 1.45p (2013: 1.5p and 2012: 2.9p).

The Black-Scholes method was used to calculate the fair value of options at the date of grant. The volatility assumption, measured as the standard deviation of expected share price returns is based on analysis of daily share prices over a three year period. The table below lists the inputs to the model used for options granted during the year.

	2014	*2013*	*2012*
Weighted average share price	1.57p	1.48p	2.94p
Volatility	70%	70%	70%
Dividend Yield	0%	0%	0%
Risk- free interest rate	0.25%	0.25%	0.25%
Weighted average exercise Price	0.1p	1.43p	2.94p
Expected option life	5 years	5 years	5 years

Share based payment expense for the year	*2014* *£'000*	*2013* *£'000*	*2012* *£'000*
Issued to employees of parent	21	77	79
Issued to employees of subsidiary	30	451	116
	51	528	195

9.20 Leases

Operating leases

ViaLogy LLC leases its premises on three year basis. Non-cancellable operating lease commitments are analysed as:

	2014 *£*	*2013* *£'000*	*2012* *£'000*
Not later than one year	–	16	39

9.21 Related party transactions

During the year there were no related party transactions, other than those with key management personnel. Key management personnel are considered to be the directors; their emoluments are disclosed in note 9.2.

9.22 Events after the reporting period

On 13 June 2014, the Group published proposals to acquire the entire issued share capital of Premaitha Health Limited. The resolutions will be put to a General Meeting of shareholders on 3 July 2014.

9.23 Controlling party

There is no ultimate controlling party.

9.24 Auditors

The auditors who reported on the year ended 31 March 2012 and 31 March 2013 financial statements for ViaLogy plc were BDO LLP, 55 Baker Street London.

The auditors who reported on the 31 March 2014 financial statements for ViaLogy plc were Jeffreys Henry LLP.

PART VI

(B) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

13 June 2014

JEFFREYS HENRY LLP

Chartered Accountants
Finsgate 5-7 Cranwood Street
London EC1V 9EE
Telephone 020 7309 2222
Fax 020 7309 2309
Email jh@jeffreyshenry.com
Website www.jeffreyshenry.com

Accounting Outsourcing
Business Advisors
Corporate Finance
Financial Services
Listed Company Specialists
Statutory Auditors
Tax Specialists

The Directors
ViaLogy plc
St James' House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

and

The Directors
Cairn Financial Advisers LLP
61 Cheapside
London
EC2V 6AY

and

The Directors
Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Dear Sirs,

ViaLogy plc ("Company")

We report on the financial information set out in this Part VI (B) on pages 74 to 101. This financial information has been prepared for inclusion in the AIM admission document (the "Admission Document") of the Company dated 13 June 2014, on the basis of the accounting policies set out in paragraph 1 of the financial information.

Responsibilities

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 regulation and for no other purpose.

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 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 this Admission Document.

Basis of Preparation

The financial information has been based on the audited consolidated financial statements of the Company for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 which comprise the Company and its subsidiaries (together referred to as 'ViaLogy'), to which no adjustments were considered necessary.

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in paragraph 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

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

Basis of opinion

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

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

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affair of ViaLogy as at 31 March 2014, 31 March 2013 and 31 March 2012 of its results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation and the applicable reporting framework set out in paragraph 1 of the financial information.

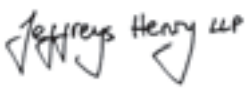
Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the 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.

The financial information included herein comprises:

- a statement of accounting policies;
- income statements, balance sheets, statements of changes in equity, cash flow statements;
- notes to the income statements and the balance sheets.

Yours faithfully



JEFFREYS HENRY LLP

PART VII

(A) HISTORICAL FINANCIAL INFORMATION ON PREMAITHA

1. Accounting policies

Premaitha is a company incorporated in England under the Companies Act 2006 under Company number 08436676. Its registered office is at First Floor, Thavies Inn House, 3-4 Holborn Circus, London EC1N 2HA. The principal activity of Premaitha is that of a molecular diagnostics business for research into, and the development and commercialisation of gene analysis techniques for pre-natal screening and other clinical applications in the early detection, monitoring and treatment of disease.

The financial statements have been prepared on a going concern basis.

1.1 ***Basis of accounting***

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Premaitha's accounting policies. Those areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 3.

(a) New and amended standards adopted by Premaitha

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial Period beginning on or after 1 March 2014 that would be expected to have a material impact on Premaitha.

(b) Standards, interpretations and amendments to published standards that are not yet effective

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on Premaitha.

1.2 ***Revenue***

Grant income is recognised when all conditions for receiving the grant have been satisfied.

1.3 ***Cash and cash equivalents***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.4 ***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.5 ***Research and development***

Research expenditure is written off to the statement of comprehensive income in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of the individual projects. In this situation, the expenditure is deferred and amortised over the period during which Premaitha is expected to benefit.

1.6 ***Property, plant and equipment***

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life:

Short leasehold property	20%
Plant and equipment	25%

1.7 ***Leasing***

Rentals payable under operating leases are charged against the statement of comprehensive income on a straight line basis over the lease term.

1.8 ***Pensions***

Premaitha operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of comprehensive income in the period they are payable.

1.9 ***Tax and deferred taxation***

The tax expense in the profit and loss represents the sum of expected tax payable on taxable profit for the period, any adjustments to tax payable in respect of previous periods and the income statement deferred tax charge or credit for the period.

Current tax is the taxable profit, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred income tax is provided in full, using the liability method, on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the timing differences can be utilised.

1.10 ***Foreign currency translation***

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

1.11 ***Financial instruments***

A financial instrument is recognised in the financial statements when, and only when, Premaitha becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus directly attributable transaction costs.

(a) Financial assets

Premaitha determines the classification of its financial assets as loans and receivables and they comprise debt instruments that are not quoted on an active market, trade and other receivables and cash and cash equivalents.

(i) Subsequent measurement

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(ii) De-recognition

A financial asset or part of it is derecognised when, and only when, the contractual right to receive cash flows from the asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

(iii) Impairment of financial assets

At each reporting date Premaitha assesses whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and it can be reliably measured.

(b) Financial liabilities

Premaitha determines the classification of its financial liabilities as other financial liabilities and they comprise trade and other payables.

Other financial liabilities are subsequently measured at amortised cost.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On de-recognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Comprehensive Income.

2. Risks and sensitivity analysis

Premaitha's activities expose it to a variety of financial risks: interest rate risk, liquidity risk, and capital risk. Premaitha's activities also expose it to non-financial risks: market risk, regulatory and legislative risk. Premaitha's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on Premaitha's financial performance. The Board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

2.1 ***Interest rate risk***

Premaitha does not have formal policies on interest rate risk. However, Premaitha's exposure in these areas (as at the balance sheet date) was minimal.

2.2 ***Liquidity risk***

Premaitha prepares periodic working capital forecasts for the foreseeable future, allowing an assessment of its cash requirements to manage liquidity risk. Cash resources are managed in accordance with planned expenditure forecasts and the directors have regard to the maintenance of sufficient cash resources to fund Premaitha's immediate operating activities.

3. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key estimate – Deferred tax assets

Management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

4. Statement of Comprehensive Income

	Notes	*Period ended 28 February 2014 £'000*
Revenue	9.3	103
Administrative expenses	9.1	(1,773)
Operating loss	9.3	(1,670)
Finance costs	9.2	(110)
Loss before taxation		(1,780)
Income tax expense	9.4	215
Loss for the period		(1,565)
Other comprehensive income for the period		–
Total comprehensive loss for the period attributable to the owners		(1,565)
Loss per share		
Basic	9.5	(£3.74)

5. Statement of Financial Position

	Notes	*28 February 2014 £'000*
Non-current assets		
Property, plant and equipment	9.6	436
		436
Current assets		
Trade and other receivables	9.7	197
Current tax asset	9.7	254
Cash and cash equivalents	9.8	50
		501
Total assets		937
Liabilities		
Current Liabilities		
Trade and other payables	9.9	(312)
Borrowings	9.10	(538)
Total current liabilities		(850)
Non-current liabilities		
Trade and other payables	9.9	(104)
Borrowings	9.10	(1,500)
Deferred tax liability	9.11	(40)
Total liabilities		(1,644)
Net non-current liabilities		1,557
Equity		
Called up share capital	9.12	8
Accumulated deficit	9.13	(1,565)
Total equity		1,557

6. Statement of Changes in Equity

	Share capital £'000	*Deficit £'000*	*Total £'000*	*Total £'000*
Balance at 8 March 2013	–	–	–	–
Loss for the period	–	(1,565)	(1,565)	(1,557)
Issue of shares	8	–	8	8
Balance at 28 February 2014	8	(1,565)	(1,557)	(1,549)

Share capital is the amount subscribed for shares at nominal value.

7. Statement of Cash Flows

	Notes	*Period ended 28 February 2014 £'000*
Cash flows from operating activities		
Cash used in operations	8.1	(1,470)
Net cash generated by operating activities		(1,470)
Cash flows from investing activities		
Acquisition of fixed assets		(521)
Net cash used in investing activities		(521)
Cash flows from financing activities		
Issue of shares		3
Borrowings		2,038
Net cash from financing activities		2,041
Net increase in cash and cash equivalents		50
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period		50
Represented by:		
Bank balances and cash		50

8. Notes to the Statement of Cash Flows

8.1 Cash outflow from operations

	Period ended 28 February 2014 £'000
Loss before tax	(1,780)
Depreciation	85
Operating cash flows before movement in working capital	(1,695)
(Increase) in trade and other receivables	(192)
Increase in trade and other payables	417
Net cash (used in) operating activities	(1,470)

9. Notes to the financial information

9.1 Employees and directors

	Period ended 28 February 2014 £'000
Salaries	474
Social security costs	36
Pension costs	13
	523

The average monthly number of employees during the period:

	Period ended 28 February 2014 Number
Administrative and management	7
	7

None of the directors received any emoluments during the period. Key management personnel received £205,024 in short term employee benefits in the period.

9.2 Finance costs

	Period ended 28 February 2014 £'000
Interest payable on loans from related parties	110
	110

9.3 Operating loss

The revenues represent grant income receivable in the period. The operating loss is stated after charging:

	Period ended 28 February 2014 £'000
Depreciation of fixed assets	85
Research and development	381
Operating lease rentals	45
Auditors' remuneration- audit	2
Auditors' remuneration-other	2

9.4 Tax

	Period ended 28 February 2014 £'000
UK Corporation tax for the period	(254)
Deferred tax	39
	215

	£'000
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	1,780
UK corporation tax of 20.00%	(356)
Effects of:	
Depreciation	17
Non-deductible expenses	1
Capital allowances	(55)
R & D tax credit	(49)
Tax losses carried forward	188
Current tax credit	(254)

The tax losses carried forward at 28 February 2014 were £940,000. A deferred tax asset arising from the losses of £188,000 has not been recognised as recovery cannot be foreseen with reasonable certainty in the foreseeable future.

9.5 Earnings per share

	Period ended 28 February 2014
Loss per ordinary share (£)	
Basic and diluted	3.74

Earnings per share has been calculated on the net basis of the loss after tax of £1,565,000 using the weighted average number of ordinary shares in issue of 418,459.

9.6 Property, plant and equipment

	Short leasehold property £'000	*Plant and equipment £'000*	*Total £'000*
Cost			
As at 8 March 2013	–	–	–
Additions	103	418	521
As at 28 February 2014	103	418	521
Depreciation			
As at 8 March 2013	–	–	–
Charge for the period	7	78	85
As at 28 February 2014	7	78	85
Net book value			
At 28 February 2014	96	340	436

9.7 Trade and other receivables

	28 February 2014 £'000
Other receivables	75
Accrued income	60
Prepayments	62
	197
Current tax asset	
Research and development tax credit claimed	254

The directors consider that the carrying value of other receivables approximates to the fair value.

9.8 Cash and cash equivalents

	28 February 2014 £'000
Current account	50
	50

9.9 Trade and other payables

	28 February 2014 £'000
Current	
Trade payables	283
Other tax and social security	16
Accruals and deferred income	13
	312
Non-Current	
Accruals and deferred income	104
	104

The directors consider that the carrying value of trade and other payables approximates to their fair value.

9.10 Borrowings

	28 February 2014 £'000
Unsecured	
Loans from related parties	538
Secured	
Loans from related parties	1,500
	2,038
Current borrowings	538
Non-current borrowings	1,500
	2,038

The secured loan provided by Animatrix Finance Limited is secured by way of a fixed and floating charge over the assets of Premaitha. Both the secured and unsecured loans accrue interest at 12 per cent.

9.11 Deferred tax liability

	28 February 2014 £'000
Deferred tax liability is in respect of:	
Other timing differences	40

9.12 Called up share capital

	28 February 2014 £'000
Issued share capital	
828,100 Ordinary shares of 1p each	8,281

The Ordinary shares carry one vote each and carry the right to dividends.

On 8 March 2013, 1 Ordinary share of 1p was issued at par.

On 11 May 2013, 99,999 Ordinary shares of 1p were issued at par.

On 18 September 2013, 728,100 Ordinary shares of 1p were issued at par.

9.13 Retained earnings

	28 February 2014 £'000
At the beginning of the period	–
Loss for period	(1,565)
At the end of the period	(1,565)

9.14 Non-cancellable operating lease commitments

At 28 February 2014 Premaitha is committed to making the following payments under non-cancellable operating leases:

	£'000
Total amounts payable	
Within 1 year	54
Between 2 -5 years	285
After 5 years	146
	485

9.15 Related party disclosures

Animatrix Finance Limited, Loxbridge LLP, Animatrix Capital LLP, Origin Sciences Limited and Zoragen Biotechnologies LLP are all under common control with Premaitha.

At 28 February 2014, Premaitha owed £2,038,133 to Animatrix Finance Limited in respect of amounts outstanding on secured and unsecured loans. Interest of £110,282 accrued on these loans during the period remained outstanding at 28 February 2014.

During the period Loxbridge Research LLP invoiced Premaitha £112,789 for consultancy services and £149,286 of recharged salary costs. At 28 February 2014, £88,189 was due to Loxbridge Research LLP in respect of these costs and £1,470 was due from Loxbridge Research LLP in respect of unpaid share capital.

During the period Animatrix Capital LLP invoiced Premaitha £46,100 for management fees, £17,725 for consultancy services and £13,875 for recharged costs. At 28 February 2014, £31,338 was due to Animatrix Capital LLP in respect of these costs and £2,586 was due from Animatrix Capital LLP in respect of unpaid share capital.

During the period Origin Sciences Limited invoiced Premaitha £49,767 of consultancy fees. At 28 February 2014, £267 was due to Origin Sciences Limited in respect of these costs.

During the period Zoragen Biotechnologies LLP recharged £400,299 of costs to Premaitha. At 28 February 2014, £3,755 was due to Zoragen Biotechnologies LLP in respect of these costs.

During the period W Denman, a director of Premaitha, invoiced Premaitha £81,205 for consultancy services. At 28 February 2014. £4,588 was due to W Denman in respect of these costs.

At 28 February 2014, £750 was due from C Roberts, a director of Premaitha, in respect of unpaid share capital.

All services were charged on an arm's length basis.

9.16 Financial risk management, objectives and policies

Premaitha's activities expose it to a number of financial risks that include liquidity risk and cash flow interest rate risk. These risks and Premaitha's policies for managing them, which have been applied consistently throughout the period, are set out below:

Interest rate risk

Premaitha's interest rate risk arises from interest bearing assets and liabilities. Premaitha has in place a policy of maximising finance income by ensuring that cash balances earn a market rate of interest; offsetting where possible, cash balances and by forecasting and financing its working capital requirements.

Liquidity risk

Premaitha's working capital requirements are managed through regular monitoring of the overall position and regularly updated cash flow forecasts to ensure there are funds available for its operations.

Capital risk

Premaitha's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide optimal returns for shareholders and to maintain an efficient capital structure to reduce the cost of capital.

9.17 Controlling party

The ultimate controlling party of Premaitha is R C G Lywood.

9.18 Subsequent events

On 15 May 2014, 15,000 ordinary shares of 1p each were issued for £150.

Prior to Admission, Premaitha received a convertible loan note of £500,000 with a coupon of 10 per cent. from NWF (Venture Capital LP) which was then converted into 53,775 ordinary shares of 1p each.

On 11 June 2014, 232,400 ordinary shares of 1p each were issued to Animatrix Finance Limited in settlement of its loans with a value of £2 million.

(B) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON PREMAITHA

JEFFREYS HENRY LLP

Chartered Accountants
Finsgate 5-7 Cranwood Street
London EC1V 9EE
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Accounting Outsourcing
Business Advisors
Corporate Finance
Financial Services
Listed Company Specialists
Statutory Auditors
Tax Specialists

13 June 2014

The Directors
ViaLogy plc
Ashcombe Court
Woolsack Way
Godalming
Surrey GU7 1LQ

and

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

and

The Directors
Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Dear Sirs,

Premaitha Health Limited ("Premaitha")

We report on the financial information set out in this Part VII (A) on pages 104 to 115. This financial information has been prepared for inclusion in the AIM admission document (the "Admission Document") of ViaLogy plc, on the basis of the accounting policies set out in paragraph 1 of the financial information.

Responsibilities

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 regulation and for no other purpose.

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 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 this Admission Document.

Basis of Preparation

The financial information has been based on audited financial statements for the period from 8 March 2013 to 28 February 2014 to which no adjustments were considered necessary.

The Directors of Premaitha are responsible for preparing the financial information on the basis of preparation set out in paragraph 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

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

Basis of opinion

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

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

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Premaitha as at 28 February 2014 of its results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation and the applicable reporting framework set out in paragraph 1 of the financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the 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.

The financial information included herein comprises:

- a statement of accounting policies;
- income statement, balance sheet, statement of changes in equity, cash flow statement;
- notes to the income statements and the balance sheets.

Yours faithfully

JEFFREYS HENRY LLP

PART VIII

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets based on the net assets of ViaLogy and Premaitha. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of the Acquisition and Placing as if they had occurred on 31 March 2014.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of ViaLogy or the Enlarged Group.

The statement of pro forma net assets set out below is based on the audited balance sheet of ViaLogy as at 31 March 2014 (as extracted without material adjustment from ViaLogy's financial information in Part VI (A) of this document and Premaitha (as extracted without material adjustment from Premaitha's financial information as at 28 February 2014 in Part VII (A) of this document), and other adjustments on the basis described in the notes below. The Enlarged Group will adopt Premaitha's accounting policies.

Unaudited pro forma statement of net assets

	ViaLogy £'000 Note 1	*Premaitha £'000 Note 2*	*New loans £'000 Note 3*	*Loan conversion £'000 Note 3*	*Debt repayment £'000 Note 4*	*Placing and Open Offer £'000 Note 5*	*Consolidated position enlarged group £'000*
Non current assets							
Goodwill	–	–	–			–	–
Tangible assets	104	436	–			–	540
	104	436	–			–	540
Current assets							
Trade and other receivables	90	197	–			–	287
Current tax asset	–	254					254
Cash and cash equivalents	1,364	50	1,275		(837)	6,659	8,511
	1,454	501	1,275		(837)	6,659	9,052
Total assets	1,558	937	1,275		(837)	6,659	9,592
Current liabilities							
Trade and other payables	(80)	(312)	–			–	(392)
Borrowings	–	(538)	(1,275)	1,000	813		–
	(80)	(850)	(1,275)	1,000	813	–	(392)
Non-current liabilities							
Trade and other payables	–	(104)	(80)		184		–
Borrowings	–	(1,500)		1,500			–
Deferred tax liability	–	(40)	–			–	(40)
	–	(1,644)	(80)	1,500	184	–	(40)
Total liabilities	(80)	(2,494)	(1,355)	2,500	997	–	(432)
Net assets	1,478	(1,557)	(80)	2,500	160	6,659	9,160

Notes:

1. The financial information in respect of ViaLogy as at 31 March 2014 has been extracted, without material adjustment, from the financial information, as set out in Part VI (A) to this document.
2. The financial information in respect of Premaitha as at 28 February 2014 extracted, without material adjustment, from the consolidated financial information, as set out in Part VII (A) to this document.
3. Premaitha's borrowings have increased by £1,275,000 since 28 February 2014 and £2 million of borrowings were converted to equity on 11 June 2014 as set out in Part IX, paragraph 14.26 and £0.5 million of borrowings will be converted to equity immediately prior to Acquisition as set out in Part IX, paragraph 14.18 of this document.
4. Premaitha will repay borrowings of £837,000 in cash on admission.
5. The Placing and Open Offer receipts (after estimated expenses) of £6,659,000 are conditional on Admission.
6. The pro forma statement of net assets has been prepared on the basis that the acquisition by the shareholders of Premaitha of a majority interest in ViaLogy is not accounted for as a business combination under IFRS (3) Revised but as a reverse acquisition.
7. The pro forma statement of net assets does not constitute statutory accounts within the meaning of section 485 of CA 2006.
8. Apart from the above, no other adjustments have been made to reflect any trading, changes in working capital or other movements since 31 March 2014 or 28 February 2014 for either ViaLogy or Premaitha.

PART IX

ADDITIONAL INFORMATION

1. RESPONSIBILITY

1.1 The Directors and the Proposed Directors, whose names appear on page 6 of this document, and the Company accept responsibility for the information contained in this document (other than the information concerning the Concert Party and its intentions for which the Concert Party takes sole responsibility). To the best of the knowledge and belief of the Directors, the Proposed Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of that information. The Directors and the Proposed Directors accept individual and collective responsibility for compliance with the AIM Rules.

1.2 Jeffreys Henry LLP's responsibility for its Accountant's Report on the Historical Financial Information of the Company and for its Accountant's Report on the Historical Financial Information of Premaitha, appearing at Parts VI.A and VII.A of this document respectively, is as set out in those reports.

1.3 The members of the Concert Party, whose names are set out in paragraph 1 of Part V of this document, accept responsibility, both collectively and individually, for the information contained in this document relating to themselves. To the best of the knowledge and belief of each member of the Concert Party (who have each taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible 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 incorporated and trades under the name ViaLogy plc.

2.2 The Company is domiciled in the United Kingdom and was incorporated and registered in England and Wales on 13 April 2000 as a private limited company (registered number 3971582) with the name BioProjects International Limited. On 2 August 2000, the Company was re-registered as a public limited company with the name BioProjects International plc. The Company has undergone the following name changes:

Previous name	*New name*	*Date of change*
BioProjects International plc	Original Investments plc	28 September 2005
Original Investments plc	ViaLogy plc	30 October 2006

2.3 The liability of its members is limited.

2.4 The Company is governed by, and its securities were created under, the Act.

2.5 As at the date of this document, the Company's registered office is located at St James' House, St James' Square, Cheltenham, Gloucestershire GL50 3PR and its principal place of business is at Ashcombe Court, Woolsack Way, Godalming, Surrey GU7 1LQ. The telephone number of the Company's principal place of business is 01620 810183.

With effect from Admission, the Company's registered office will continue to be located at St James' House, St James' Square, Cheltenham, Gloucestershire GL50 3PR but its principal place of business will be situated at Rutherford House, Manchester Science Park, 40 Pencroft Way, Manchester M16 6SZ. The telephone number for the Company's principal place of business will be 0161 667 6865.

2.6 The Company has no administrative, management or supervisory bodies other than the Board, the remuneration committee and the audit committee, all of whose members are Directors.

2.7 The Company's auditors during the period covered by the Historical Financial Information were BDO Stoy Hayward LLP and Jeffreys Henry LLP, who are members of the Institute of Chartered Accountants in England and Wales.

2.8 The principal activity of the Company is that of an investing company.

2.9 The Group

The Company has two subsidiaries:

Name and registered office	*Principal Activity*	*Country of incorporation (and residence, if different)*	*Per cent. interest*
ViaLogy LLC 283 South Lake Ave., Suite 205 Pasadena, CA 91101	The provision of network-centric real-time signal processing platforms for sensor applications in life sciences, public safety and security, surveillance, defence, and geoseismology	USA (State of Delaware)	100
ViaLogy Energy Corp 283 South Lake Ave., Suite 205 Pasadena, CA 91101	The arrangement of worldwide sales and marketing of oil and gas related applications for ViaLogy QuantumRD® technology.	USA (State of Delaware)	75 (held by ViaLogy LLC)

2.10 Save as set out in paragraph 3.2 of this Part IX, the Company has no subsidiaries and there are no undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profit and losses.

3. MIDDLE-MARKET QUOTATIONS

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

Date	*Price per Ordinary Share (p)*
2 January 2014	0.43
3 February 2014	0.28
3 March 2014	0.19
1 April 2014	0.19*
1 May 2014	0.19
1 June 2014	0.19

* Admission to trading in the Company's shares was temporarily suspended on 15 April 2014; there has therefore been no price change since that date to the date of this document.

4. SHARE CAPITAL

4.1 The issued, fully paid, share capital of the Company as at 12 June 2014 (being the latest practicable date before publication of this document) was as follows:

	Number	*Amount (£)*
Ordinary Shares of 0.1p each	2,689,460,366	2,689,460.36
Deferred Shares of 0.9p each	1,039,640,244	9,356,762.12

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

	Number	*Amount (£)*
Ordinary Shares of 10p each	188,163,709	18,816,370.90
Deferred Shares of 0.9p each	1,039,640,244	9,356,762.12

4.3 During the period from 1 January 2014 to 12 June 2014 (being the latest practicable date before publication of this document), the Company subdivided each of its Ordinary Shares of 1p each into one Ordinary Share of 0.1p and one Deferred Share of 0.9p and allotted and issued a further 1,619,820,122 Ordinary Shares of 0.1p each at a price of 0.1p per Ordinary Share but has not otherwise allotted or issued any Ordinary Shares.

4.4 The Acquisition, the Placing and the Open Offer (assuming this is taken up in full by Shareholders) will result in the allotment and issue of 161,269,105 New Ordinary Shares, diluting existing holders of New Ordinary Shares by 85.7 per cent.

4.5 The Company was incorporated with a share capital of £1 divided into 1 Ordinary Share of £1, issued to the subscriber to the Memorandum of Association.

4.6 The changes to the issued share capital of the Company which occurred between 1 January 2011 and 31 December 2013 are as follows:

1 January to 31 December 2011

On 25 January 2011, the Company completed a placing of 41,666,664 ordinary shares of 1p each at a price 3p per share.

On 17 February 2011, the Company issued 160,727 ordinary shares of 1p each following the exercise of options by a former employee of ViaLogy LLC.

On 18 May 2011, the Company issued 102,405 ordinary shares of 1p each following the exercise of options by a former employee of ViaLogy LLC.

On 11 October 2011, the Company completed a placing to an institutional shareholder of 17,750,000 ordinary shares of 1p each at a price 1p per share.

1 January to 31 December 2012

On 18 January 2012, the Company completed a placing of 100,000,000 ordinary shares of 1p each at a price 1.05p per share.

On 11 May 2012, the Company issued 288,144 ordinary shares of 1p each following the exercise of options by a former employee of ViaLogy LLC.

On 21 May 2012, the Company completed a placing of 74,363,637 ordinary shares of 1p each at a price 2.75p per share.

1 January to 31 December 2013

On 8 February 2013, the Company completed a placing of 112,500,000 ordinary shares of 1p each at a price 1.25p per share. At the same time it issued 37,500,000 warrants to subscribe for one ordinary share of 1p at 1.25p per share.

On 19 June 2013, the Company issued 533,333 ordinary shares of 1p each following the exercise of warrants.

4.7 Save as disclosed in paragraphs 4, 6, 9 and 10:

4.7.1 no share or loan capital of the Company has been issued or is proposed to be issued;

4.7.2 there are no shares in the Company not representing capital;

4.7.3 there are no shares in the Company held by or on behalf of the Company itself;

4.7.4 there are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

4.7.5 there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital; and

4.7.6 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

4.8 The par value of the Existing Ordinary Shares is 0.1 pence.

4.9 The Company has no issued Existing Ordinary Shares that are not fully paid up.

5. SHARE CONSOLIDATION

5.1 The Share Consolidation, which is expected to take place after close of business on the Record Date, will involve every 100 Existing Ordinary Shares being consolidated into 1 New Ordinary Share. Accordingly, the Board will issue one New Ordinary Share in exchange for every 100 Existing Ordinary Shares held. The rights attached to the New Ordinary Shares shall be the same as the rights attaching to the Existing Ordinary Shares.

5.2 Following the Share Consolidation, Shareholders will own the same proportion of Ordinary Shares in the Company as they did previously (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held. The Share Consolidation will result in an issued share capital of 26,894,604 New Ordinary Shares and 1,039,640,244 Deferred Shares. The Deferred Shares will not be affected by the Share Consolidation.

5.3 In order to ensure that a whole number of New Ordinary Shares is created, it is proposed that the Company may issue Existing Ordinary Shares to Adam Reynolds. The number of Existing Ordinary Shares to be issued will be 34 Existing Ordinary Shares (**the Consolidation Shares**) which will result in the total number of Existing Ordinary Shares being exactly divisible into New Ordinary Shares in accordance with the consolidation ratio.

5.4 No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares on the date of the General Meeting (a **Fractional Shareholder**), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders would be entitled so as to form full New Ordinary Shares (**Fractional Entitlement Shares**). These Fractional Entitlement Shares shall be sold on behalf of the relevant Fractional Shareholders, as explained below. To the extent that any holdings of Fractional Entitlement Shares would not be able to be aggregated to form a full New Ordinary Share post the Share Consolidation, such Fractional Entitlement Shares shall be sold and the net proceeds of the sale shall be retained for the benefit of the Company.

5.5 The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares, and as noted above, Shareholders with only a fractional entitlement to a New Ordinary Share (i.e. those Shareholders holding fewer than 100 Existing Ordinary Shares at the Record Date) will cease to be a Shareholder following the Share Consolidation. Any fractions of New Ordinary Shares created by the Share Consolidation will be aggregated and sold for the benefit of the Company as per paragraph 5.4. Accordingly, Shareholders currently holding fewer than 100 Existing Ordinary Shares who wish to remain a Shareholder following the Share Consolidation would need to increase their shareholding to at least 100 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice before taking any action.

6. SECURITIES BEING ADMITTED

6.1 The New Ordinary Shares will be ordinary shares with a nominal value of £0.10 each in the capital of the Company, issued in British Pounds Sterling.

6.2 The International Security Identification Number (ISIN) of the New Ordinary Shares is GB00BN31ZD89 and the Stock Exchange Daily Official List (SEDOL) number is BN31ZD8.

6.3 The New Ordinary Shares will be in registered form. They will be capable of being held in certificated form or in uncertificated form in the CREST system, which is a paperless settlement procedure

enabling securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the CREST Regulations. The Company's register of members will be kept by Euroclear UK & Ireland, the operator of the CREST system and the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

6.4 The dividend and voting rights attaching to the New Ordinary Shares are set out in paragraphs 8.5 to 8.6 of this Part IX.

6.5 Section 561 of the Act gives the Shareholders rights of pre-emption in respect of allotments of securities which are or are able to be paid up in cash (other than by way of allotments to employees pursuant to an employee share scheme as defined under section 1166 of the Act). Subject to limited exceptions and to the extent authorised pursuant to the resolutions described in paragraph 6.9 below, unless shareholder approval is obtained in a general meeting of the Company, the Company must normally offer Ordinary Shares to be issued for cash to existing shareholders pro-rata.

6.6 The New Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital (further details of which are set out in paragraph 8.6 below).

6.7 Each New Ordinary Share is entitled on a *pari passu* basis with all other issued New Ordinary Shares to share in any surplus on a liquidation of the Company.

6.8 The New Ordinary Shares have no redemption or conversion provisions.

6.9 The Resolutions proposed at the General Meeting will, if passed *inter alia*:

6.9.1 authorise the Directors, conditional on Admission, for the purposes of section 551 of the Act to allot relevant securities of the Company:

(a) up to an aggregate nominal amount of £16,126,910.50 in respect of the Acquisition, the Share Consolidation, the Placing and the Open Offer; and

(b) otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £10,388,382.00,

provided that that this authorisation shall expire on the earlier of fifteen months from the date on which the Resolutions are passed or the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting); and

6.9.2 authorise the Directors, conditional on Admission and subject to the passing of the resolution summarised in paragraph 6.9.1 of this Part IX, to allot equity securities of the Company pursuant to the authorities provided at paragraph 6.9.1(a) above as if section 561(1) of the Act did not apply to those allotments, provided that this authorisation shall expire on the earlier of fifteen months from the date on which the Resolutions are passed or the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in general meeting).

6.10 It is anticipated that the Consideration Shares and the New Ordinary Shares arising from the Share Consolidation, the Placing and the Open Offer will be issued and commence trading on AIM on 4 July 2014, the date of Admission.

7. CONTROL

7.1 To the best of the knowledge of the Company, there are no persons who directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company. Following Admission, the Concert Party will control the Company.

7.2 Other than pursuant to the Acquisition, the Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

8. MEMORANDUM AND ARTICLES OF ASSOCIATION

The provisions of the Company's Memorandum of Association and Articles of Association are summarised as set out below:

Memorandum of Association

8.1 On 28 October 2011, the provisions of the Memorandum of Association, which by virtue of section 28 of the Act were treated as provisions of the Company's Articles of Association, were deleted. There are no express objects or restrictions on objects and the Company is therefore able to carry on any business and do anything as the Board determines.

Articles of Association

8.2 ***Adoption***

The Existing Articles were adopted pursuant to the Capital Reorganisation Circular on 7 January 2014 and contain the provisions (amongst others) as set out below.

8.3 ***Objects***

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

8.4 ***Deferred Shares***

The Deferred Shares shall rank equally in all respects and shall constitute one class of shares. Notwithstanding anything else in this paragraph 8, the rights and restrictions applying to the Deferred Shares are as follows:

(a) no right to receive any dividend or other distribution;

(b) on any return of capital on a winding up but not otherwise the holders of Deferred Shares shall be entitled to receive the amount paid up or credited as paid up on their respective holding of Deferred Shares but only after there has been paid on each Ordinary Share the nominal amount paid up on each Ordinary Share plus a further sum of £10,000 per share but the holders of the Deferred Shares shall not be entitled to participate further in any distribution of the assets or the capital of the Company; and

(c) no right to receive notice of or to attend or to vote or to speak either in person or by proxy at any general meeting or class meeting of the Company.

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

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

8.5 ***Voting***

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

(a) each member present has one vote;

(b) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote unless the proxy is appointed by more than one such member

and is instructed by one or more of those members to vote in favour of the resolution and by one or more other of those members to vote against it. In that case, the proxy has one vote in favour of and one vote against the resolution (and the articles provide that for this purpose where a proxy is given discretion how to vote, this must be treated as an instruction by the member to vote in the way that the proxy elects to exercise that discretion); and

(c) a person present as a duly authorised representative of a corporation is entitled to exercise the same rights as the member would be entitled to (see (a) above) and where a corporation authorises more than one person, each person has the same rights as the corporation would have.

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

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

8.6 ***Dividends and Distributions***

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

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

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

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

8.7 ***Unclaimed dividends***

Any dividend which remains still unclaimed for twelve years after having become due for payment will be forfeited and revert to the Company.

8.8 ***Untraced shareholders***

The Company may sell, at the best price reasonably obtainable, any shares in the Company of a member or person entitled to shares by transmission who is untraceable if:

(a) during the period of 12 years, the Company has declared at least three cash dividends (whether interim or final) in respect of the shares in question and no cheque, warrant or money order addressed to the member or the person entitled by transmission has been cashed;

(b) as soon as practicable after the expiry of the 12 year period referred to above, the Company inserts advertisements in both a national daily newspaper and a newspaper circulating in the area where the member's or person's last known address is located giving notice of its intention to sell the shares; and

(c) during such 12 year period, or the period of 3 months following the publication of the later of the two advertisements referred to above, the Company has received no communication in respect of the shares from the holder or person entitled by transmission during either such 12 year period.

8.9 ***Variation of class rights***

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

8.10 ***Alteration of share capital***

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

8.11 ***Transfer of shares***

All transfers of certificated shares must be effected by instrument in writing, in any usual or other form approved by the Directors and must be executed by or on behalf of the transferor and, if the share is partly paid, by the transferee. Uncertificated shares may be transferred in accordance with the CREST Regulations and the facilities and requirements of the relevant system (as defined under the CREST Regulations). The Directors may, in their absolute discretion, decline to register any transfer of a share if:

(a) the share is not fully paid on which the Company has a lien; or

(b) it is in respect of more than one class of share;

(c) it is to more than four transferees;

(d) it is not duly stamped (if so required by law); or

(e) it has not been delivered for registration or is not supported by evidence of transfer of title,

provided in each case that the refusal to register could not prevent the shares of the same class from continuing to be admitted to trading.

8.12 ***Calls on shares***

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

A call, or an instalment of a call, may be postponed or revoked in whole or in part as the Board decides. A person on whom a call is made will remain liable for calls made on him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share are jointly and severally liable to pay all calls in respect of it.

8.13 ***Forfeiture***

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

8.14 ***Lien***

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

8.15 ***Disclosure of interest in shares***

There are no provisions in the Existing Articles by which persons acquiring, holding or disposing of a certain percentage of the Company's shares are required to make disclosure of their ownership percentage. However, the provisions of the Disclosure and Transparency Rule 5 made by the Financial Conduct Authority (**DTR 5**) apply so that (in summary), unless an exemption applies, a person is required to notify the Company of the percentage of its voting rights which it holds as a Shareholder (as defined in the DTR) or through its direct or indirect holding of financial instruments falling within paragraph 5.1.3R of DTR 5 (or a combination of such holdings) which reaches, exceeds or falls below 3 per cent. and each 1 per cent. threshold after that.

8.16 ***Change in control***

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

8.17 ***Remuneration of Directors***

The remuneration of the Executive Directors shall be determined by the Board. The Directors are also entitled to be repaid all travelling, hotel and other expenses properly incurred by them in connection with the performance of their duties as Directors. The Board may also grant additional special remuneration to any Director who, being called upon, performs any special duties outside his ordinary duties as a Director.

8.18 ***Appointment of Directors***

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

8.19 ***Number of Directors and Votes***

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than alternate Directors) may not be less than two in number. The quorum necessary for the transaction of business of the Board may be fixed by the Board and unless so fixed shall be two. Questions arising at a meeting of Directors must be decided by a majority of votes. In the case of equality of votes, the chairman has a second or casting vote.

8.20 ***Directors' Permitted Interests***

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

8.21 ***Directors' Conflicts of Interest***

Each Director must also declare any situation in which he has or can have a direct (or indirect) interest which conflicts (or may conflict) with the interests of the Company which, if not authorised or ratified would amount to a breach of section 175 Act (a **conflict**). Authorisation of a Director's conflict may be given by the Board, not counting the Director concerned or any other Director interested in that matter in the quorum and not counting their vote(s). The authorisation may be subject to such terms and for such duration or impose such limits or conditions as the authorisation specifies and may be terminated or varied by the Board at any time. Unless otherwise provided by the authorisation, the Director is authorised (without breaching his duties to the Company) not to disclose any information

to the Company which he has obtained otherwise than as a Director of the Company; and to absent himself from Board meetings and discussions relating to the conflict. The Director will not be accountable to the Company or the members for any remuneration, profit or other benefit he derives from an interest so authorised and no such transaction is liable to be avoided on the ground of the Director having an interest authorised by the Board.

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

A Director may not vote on or be counted to the quorum in relation to any contract or arrangement or any other proposal in which he has an interest (otherwise than by virtue of his interest in shares or debentures or other securities of, or otherwise in or through, the Company) other than a resolution:

(a) relating to the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of any member of the Enlarged Group;

(b) relating to the giving of any guarantee, security or indemnity in respect of a debt or obligation of any member of the Enlarged Group for which he himself has assumed responsibility in whole or in part, and whether alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(c) relating to an offer of securities by any member of the Enlarged Group in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(d) relating to any proposal concerning any other body corporate in which he and any person connected with him are interested in not more than one per cent. of any class of equity share capital or of the voting rights in such body corporate;

(e) relating to an arrangement for the benefit of employees of any member of the Enlarged Group which does not award him any privilege or benefit not awarded to employees to whom the arrangement relates; or

(f) relating to any proposal concerning the purchase and/or maintenance of an insurance policy under which a Director may benefit.

8.23 ***Directors' qualification shares***

There is no requirement for Directors to hold shares of the Company by way of qualification.

8.24 ***Directors' retirement by rotation***

At each annual general meeting of the Company, any Director who held office at the preceding two annual general meetings and who did not retire by rotation at either of them and such other Directors as are required to bring the number of directors retiring up to at least one third of total number of Directors shall retire from office. Any Director appointed by the Board since the last annual general meeting must also retire at the next annual general meeting. A Director who retires, if willing to act, may be reappointed.

8.25 ***Indemnity and insurance of Directors***

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

8.26 ***Shareholder meetings***

The Board must convene and the Company must hold annual general meetings in accordance with the Act. The Board may convene other general meetings when it decides to do so and on request by the members under section 303 of the Act. An annual general meeting must be convened by at least 21 clear days' notice. All other general meetings must be convened by at least 14 clear days' notice. The notice must comply with legislation applicable to the Company, including the Act relating to the content of notice of meetings including by specifying the place, day and time of the meeting together with the general nature of the business to be transacted at the meeting, and a statement of the members' right to appoint a proxy. The notice may also specify the time by which a person must be entered on the Register of Members in order for such a person to have the right to attend and vote at the meeting.

8.27 ***Proceedings at shareholder meetings***

No business may be transacted at a general meeting, other than the appointment of a chairman of the meeting, unless at least two people entitled to attend and vote are present.

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

(a) the chairman of the meeting;

(b) at least two members present in person or by proxy having the rights to vote at the meeting;

(c) a member or members present in person or by proxy representing not less than 10 per cent. of the total voting rights of all the members present in person or by proxy and having the right to vote on the resolution; or

(d) one or more members present in person or by proxy holding shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right.

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

8.28 ***Powers of borrowing and mortgaging***

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets and uncalled capital, and to issue debentures and other securities.

8.29 ***Reserves***

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

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

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

Name	*Number of Ordinary Shares at the date of this document*	*% of the Issued Ordinary Share Capital*	*Number of Ordinary Shares on Admission (post Share Consolidation, Placing and Open Offer)*	*% of Enlarged Issued Share Capital*	*Options (post Share Consolidation)*
Adam Reynolds	75,000,000	2.8	2,301,137	1.3	591,666
Nick Mustoe	150,000,000	5.6	2,784,091	1.5	591,666
Mark Collingbourne	Nil	Nil	454,546	0.2	591,666
David Evans	Nil	Nil	3,540,636	1.9	1,599,391
Charles Roberts	Nil	Nil	6,339,546	3.4	Nil
Stephen Little	Nil	Nil	2,272,727	1.2	10,555,984
Peter Collins	Nil	Nil	2,272,727	1.2	3,198,783

9.2 Save as disclosed in sub-paragraph 9.1 above, the Company is not aware of any holding (within the meaning of the AIM Rules) in the Company's Ordinary Shares which amounts or would, immediately following Admission, amount to 3 per cent. or more of the Company's issued Ordinary Shares other than the following:

Name	*Number of Ordinary Shares as at the date of this document*	*% of the Issued Ordinary Share Capital as at the date of this document*	*Number of Ordinary Shares on Admission (post Share Consolidation)*	*% of issued Share Capital on Admission (post Share Consolidation)*
Zoragen Biotechnologies LLP	–	–	29,373,230	15.6
Animatrix Capital LLP	–	–	21,858,754	11.6
Rupert Lywood	–	–	19,644,140	10.4
Loxbridge Research LLP	–	–	12,425,510	6.6
IS Partners Investment Solutions AG	–	–	9,090,910	4.8
Hargreave Hale Limited	–	–	8,228,870	4.4
Calculus Capital Limited	–	–	8,181,818	4.3

The voting rights of the Shareholders set out in paragraphs 9.1 and 9.2 do not differ from the voting rights held by other Shareholders.

9.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or Proposed Directors and there are no outstanding loans or guarantees provided by the Directors or Proposed Directors to or for the benefit of the Company.

9.4 Save as disclosed in this paragraph 9, no Director nor Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

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

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

10. OPTIONS, WARRANTS AND CONVERSION RIGHTS

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

Option/Warrant holder	*Number of shares*	*Exercise price (£)*	*Expiry*	*Revised number following the Share Consolidation*	*Revised price following the Share Consolidation (£)*
Part A – Unapproved Scheme					
Adam Reynolds	59,166,666	0.0010	19/03/19	591,666	0.10
Nick Mustoe	59,166,666	0.0010	19/03/19	591,666	0.10
Mark Collingbourne	59,166,666	0.0010	19/03/19	591,666	0.10
Sandeep Gulati	38,503,632	0.0010	19/03/19	385,036	0.10
Robert Dean	23,996,368	0.0010	19/03/19	239,963	0.10
Shirley Vick	750,000	0.0010	19/03/19	7,500	0.10
V J Dagmutti	2,803,983	0.0010	19/03/19	28,039	0.10
Part B – International Scheme					
Dr Dwight Duston	154,000	0.0100	26/10/16	1,540	1.00
Dr Louis Lome	77,000	0.0100	26/10/16	770	1.00
Dr William Wachsman	80,080	0.0100	26/10/16	800	1.00
Jeremy Healey	3,571,977	0.0100	31/07/14	35,719	1.00
Jeremy Healey	500,000	0.0183	31/07/14	5,000	1.83
Henry Gunwan	50,000	0.0280	13/06/14	500	2.80
Jeremy Healey	2,000,000	0.0280	31/07/14	20,000	2.80
Henry Gunwan	209,644	0.0300	13/06/14	2,096	3.00
Jeremy Healey	408,805	0.0300	31/07/14	4,088	3.00
Jeremy Healey	2,571,977	0.0375	31/07/14	25,719	3.75
Henry Gunwan	77,000	0.0450	13/06/14	770	4.50
Henry Gunwan	73,000	0.0738	13/06/14	730	7.38
Part C – The Tremont Options					
Tremont Energy Partners LLC	1,368,111	0.0225	31/12/22	13,681	2.25
Tremont Energy Partners LLC	2,555,809	0.0242	01/11/22	25,558	2.42
Part D – Options ***					
David Evans	N/A	N/A	**	1,599,391	0.10
Stephen Little	N/A	N/A	**	10,555,984	0.10
Peter Collins	N/A	N/A	**	3,198,783	0.10
William Denman	N/A	N/A	**	2,654,989	0.10
Michael Risley	N/A	N/A	**	2,654,989	0.10
Francesco Crea	N/A	N/A	**	1,599,391	0.10
Matthew Forman	N/A	N/A	**	1,055,598	0.10
Roslyn Mazey	N/A	N/A	**	1,055,598	0.10
Rachel Shelmerdine	N/A	N/A	**	1,055,598	0.10
*Part E –Warrants**					
Cairn	Nil	0.11	Fifth anniversary of Admission	1,411,227	0.11
Panmure Gordon	Nil	0.11	Third anniversary of Admission	1,411,227	0.11

*To be issued on Admission
**The tenth anniversary of the date of grant
***To be issued on or shortly after Admission

Share Options

10.2 ***Unapproved Scheme***

The options set out in Part A of paragraph 10.1 above were granted pursuant to the ViaLogy plc Unapproved Share Option Scheme (**Unapproved Scheme**) that the Company established in January 2014. The Unapproved Scheme is administered by the Board through its Remuneration Committee. The main features of the Unapproved Scheme may be summarised as follows:

10.2.1 *Eligibility*

All employees and all Directors of the Company are eligible to be invited to participate in the Unapproved Scheme. The Remuneration Committee will select the employees and Directors who are invited to participate.

10.2.2 *Grant*

Option awards will normally be made within the period of 42 days commencing on the date of announcement of the annual or half year results of the Company in any year. Option awards will be by way of grant of options.

10.2.3 *Vesting*

Option awards will vest subject always to the satisfaction of the performance conditions set out below.

10.2.4 *Performance Conditions*

The options granted under the Unapproved Scheme to the Directors, together with Sandeep Gulati and Bob Dean only vest provided the Company's share price reaches or exceeds 0.5p for a continuous period of 30 days at any time during the period of five years from 28 January 2014. The other options granted under the Unapproved Scheme are not subject to such a vesting condition.

10.2.5 *Individual Limit*

The maximum number of Ordinary Shares over which an option shall be granted under the Unapproved Scheme to any person is not limited.

10.2.6 *Scheme Limit*

The number of Ordinary Shares issuable pursuant to awards made under the Unapproved Scheme when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the Unapproved Scheme may not exceed 250,000 million Existing Ordinary Shares.

10.2.7 *Transfer*

An option granted under the Unapproved Scheme cannot be assigned or transferred (other than to the personal representatives of an option holder who has died).

10.2.8 *Lapse*

If the grantee ceases to be employee director of the Company at any time the Unapproved Scheme award will lapse immediately unless the grantee's cessation of employment arises by reason of certain events, e.g. injury, disability, ill health, unfair dismissal, redundancy or death in which case the grantee will be entitled to exercise his option to the extent that it has vested and the relevant performance targets have been achieved.

10.2.9 Takeover, reconstruction, amalgamation or winding up

In the event of a takeover, reconstruction or amalgamation of the Company, a grantee may be requested to exchange his Unapproved Scheme award for awards over shares in the acquiring company. If no such exchange is offered by the acquiring company or accepted

by the grantee, the option may (subject to any determination by the Remuneration Committee) be exercised over the number of Ordinary Shares subject to the Unapproved Scheme award subject to vesting and to the relevant performance conditions having been satisfied. If not so exercised the awards shall lapse.

10.2.10 *Variation*

In the event of a variation in the share capital of the Company, the number of Ordinary Shares comprised in any Unapproved Scheme award shall be adjusted in such manner as the Remuneration Committee determines and the auditors of the Company confirm in writing to be fair and reasonable.

10.2.11 *PAYE/NICs*

The Unapproved Scheme includes a tax indemnity by the grantee in favour of the Company in respect of income tax payable via PAYE and employees' National Insurance contributions.

10.2.12 *Outstanding options*

The share options that have been granted and which remain outstanding under the Unapproved Scheme are set out in paragraph 10.1 of this Part IX.

10.3 The options set out in Part B of paragraph 10.1 above were granted pursuant to the ViaLogy plc International Plan (**International Scheme**) that the Company established on 30 October 2007. The International Scheme is administered by the Board through its Remuneration Committee. The main features of the International Scheme may be summarised as follows:

10.3.1 *Eligibility*

All employees and all Directors of the Company are eligible to be invited to participate in the International Scheme. The Remuneration Committee will select the employees and Directors who are invited to participate.

10.3.2 *Grant*

Option awards will normally be made within the period of 42 days commencing on the date of announcement of the annual or half year results of the Company in any year. Option awards will be by way of grant of options.

10.3.3 *Vesting*

Option awards may be subject to the satisfaction of the performance conditions set out at the time of the relevant option and granted.

10.3.4 *Individual Limit*

The maximum number of Ordinary Shares over which an option shall be granted under the International Scheme to any person is limited to no more than a multiple of 4 times the annual salary of the option holder. The total number of options held by any person under the International Scheme cannot exceed 10 per cent. of the share capital in the Company.

10.3.5 *Scheme Limit*

The number of Ordinary Shares issuable pursuant to awards made under the International Scheme when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the International Scheme may not exceed 15 per cent. of the shares in issue in the Company.

10.3.6 *Transfer*

An option granted under the International Scheme cannot be assigned or transferred (other than to the personal representatives of an option holder who has died).

10.3.7 *Lapse*

If the grantee ceases to be employee or Director of the Company at any time the International Scheme award will lapse immediately unless the grantee's cessation of employment arises by reason of certain events, e.g. injury, disability, ill health, unfair dismissal, redundancy or death in which case the grantee will be entitled to exercise his option to the extent that it has vested and the relevant performance targets have been achieved within 3 months if the cause of him leaving the employment was other than death. If the optionholder was to die he will have 12 months to exercise the option. If the employee voluntarily resigns or is dismissed for cause the option immediately lapses.

10.3.8 *Takeover, reconstruction, amalgamation or winding up*

In the event of a takeover, reconstruction or amalgamation of the Company, a grantee may be requested to exchange his International Scheme award for awards over shares in the acquiring company. If no such exchange is offered by the acquiring company or accepted by the grantee, the option may (subject to any determination by the Remuneration Committee) be exercised over the number of Ordinary Shares subject to the International Scheme award subject to vesting and to the relevant performance conditions having been satisfied. If not so exercised the awards shall lapse.

10.3.9 *Variation*

In the event of a variation in the share capital of the Company, the number of Ordinary Shares comprised in any International Scheme award shall be adjusted in such manner as the Remuneration Committee determines and the auditors of the Company confirm in writing to be fair and reasonable.

10.3.10 *Allotment of Ordinary Shares*

Ordinary Shares allotted under the International Scheme. No amendment may adversely affect the rights of an existing option holder unless approved by Shareholders.

10.3.11 *Tax Indemnity*

The International Scheme includes a tax indemnity by the grantee in favour of the Company in respect of income tax and any other taxes payable by the employees.

10.3.12 *Outstanding options*

The share options that have been granted and which remain outstanding under the International Scheme are set out in paragraph 10.1 of this Part IX.

10.4 ***Tremont Options***

As set out in Part C of paragraph 10.1 above:

10.4.1 On the 31st October 2012 the Company granted to Tremont Energy Partners LLC (**Tremont**) options over 2,555,809 at a price of 0.0242 per option share. The options were immediately exercisable on their grant and the option expires on the tenth anniversary of their grant.

10.4.2 On the 31st December 2012 the Company granted to Tremont options over 1,368,111 at a price of 0.0225 per option share. The options were immediately exercisable on their grant and the option expires on the tenth anniversary of their grant.

10.5 ***EMI Options***

On, or as soon as reasonably practicable following Admission, the Company will adopt an Enterprise Management Incentive (**EMI**) share option scheme (**EMI Scheme**) to incentivise the Proposed Directors and key management of the Enlarged Group and to align their interests with the interests of the Shareholders. The provisions of the EMI Scheme shall be as follows:

10.5.1 EMI Options will be granted, subject to HM Revenue & Customs approval where necessary, to members of staff under the provisions of the Enterprise Management Incentives (**EMI**) legislation contained in Schedules of Income Tax (Earnings and Pensions) Act 2003 (**Schedule 5**) the details of which are set out in this paragraph 10.5 of this Part IX. An EMI Option takes the form of an individual contract between the Company and the employee and a set of scheme rules. It is envisaged that options will be granted to current and future employees under the EMI Scheme. If an employee does not satisfy the test set out in paragraph (a) below and is not an eligible employee he will be granted non-EMI Options but under the EMI Scheme:

(a) *Employee Eligibility*

Any employee of the Company or the Enlarged Group who works either at least 25 hours per week or commits at least 75 per cent., of this working time to the business of the Company or the business of the Enlarged Group and who does not already beneficially own either directly or indirectly through his associates more than 30 per cent., of the Ordinary Shares of the Company may be granted an option under the EMI Scheme.

(b) *Individual Limit on Participation*

An individual employee's participation under the EMI Scheme is limited so that the aggregate market value of the shares placed under the EMI Option, and of any unexercised options granted under any share option scheme approved by the HM Revenue & Customs under Chapter 8 of Part I and Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 valued at the date of the grant of the EMI Options which are held by that employee, cannot exceed £250,000. If this limit is exceeded, the employee may not hold further qualifying options for a three year period.

(c) *Company Limit*

The maximum value of unexercised qualifying options (valued as at the date of grant) that may exist under the EMI Scheme is restricted to £3 million. The number of Option Shares, when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the EMI Scheme or any other of the Company's employee share schemes within the previous period of ten years, may not exceed 20 per cent. of the number of Ordinary Shares in issue at the date of grant.

(d) *Exercise and Vesting*

The EMI Options granted will become exercisable at such time as the Company has determined at the date of grant and may not be exercised after the tenth anniversary of the date of the grant. At the time of grant certain performance conditions can be imposed which need to be satisfied prior to the option being capable of being exercised. An EMI Option shall only be exercised over a number of option shares in respect of which it is vested. If the option holder ceases to be an employee of the Company prior to that date the Option will lapse immediately. On an employee leaving the option shall lapse immediately unless the Board resolves to allow the option to be exercised within a 3 month period of the employee leaving.

(e) *Non-transferability of options*

The EMI Options are non-transferable (except on death to the personal representatives of the option holder). An EMI Option shall lapse immediately if it is purportedly transferred, mortgaged, charged or assigned.

(f) *Variation of share capital*

For these purposes "variation" of share capital includes any capitalisation, rights issue, sub-division, consolidation or reduction or any other variation of the Company's Ordinary Shares occurring after the date of grant. Upon a variation of the ordinary share capital of the Company, the Directors may adjust either the number of Ordinary Shares an employee is entitled to acquire or adjust the exercise price in a manner they consider

fair and reasonable, provided this is confirmed in writing by the Company's auditors, the exercise price is not reduced below the nominal value of an Ordinary Share and the option holder has approved such variation.

(g) *Alterations*

Subject to procuring advance approval from the HM Revenue & Customs, the Directors may alter the provisions of the relevant option agreement provided any such alteration is in writing and is signed by or on behalf of each party and it does not breach the provisions of Schedule 5.

(h) *Disqualifying Events*

Schedule 5 sets out specific events which are to be treated as disqualifying events. The consequence of a disqualifying event occurring prior to the exercise of the EMI Options will be the loss of the qualifying status and the tax benefits under the EMI legislation unless the options are exercised within 40 days of the date of the occurrence of the disqualifying event. Under the terms of the EMI Option Scheme, where certain disqualifying events occur, the Board may permit exercise within the 40 day timescale or such longer period as they shall determine. Failure to exercise the option within the stipulated period would cause the option to lapse on the expiry of such period.

Warrants

10.6 The proposed terms of the warrants to be issued by the Company at Admission as outlined in Part E of paragraph 10.1 above are summarised at paragraph 14.6 and 14.7 of this Part IX. There are no warrants currently in issue.

11. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Current Directors and Directors in the previous financial year

11.1 On 4 December 2013, Reyco Limited entered into a consultancy agreement with the Company under which Reyco Limited agreed to provide the services of Adam Reynolds to the Company as Executive Chairman of the Company. The services are provided for not less than 10 business days per month at a fee of £110,000 per annum (with a further fee of £500 per day for each day in excess of 10 days worked in each month). The agreement provides for an additional fee equal to 50 per cent. of its annual retainer to be paid to Reyco Limited in the event that the Company enters into a successful transaction before the first anniversary of the agreement, this payment will be made shortly after Admission. The agreement is terminable on 12 months' notice in writing by either party.

On 22 May 2014, the terms of the consultancy agreement were varied so that, conditional upon and immediately following Admission, Adam Reynolds will step down as Executive Chairman at Admission and continue as a Non-Executive Director of the Company. The services as non-executive Director will be provided at a fee of £30,000 per annum. Following Admission, Reyco Limited will receive the sum of £80,000 from the Company, being the difference between the 12 months' notice payable upon termination of the consultancy agreement and the annual fee payable for the Non-Executive Director services. This payment will be made shortly after Admission.

11.2 On 27 January 2014, Morrison Kingsley Consultants Limited entered into a consultancy agreement with the Company under which Morrison Kingsley Consultants Limited agreed to provide the services of Mark Collingbourne to the Company as Finance Director of the Company. The services are provided for not less than 10 business days per month at a fee of £77,000 per annum. The agreement provides for an additional fee equal to 50 per cent. of its annual retainer to be paid to Morrison Kingsley Consultants Limited in the event that the Company enters into a successful transaction before the first anniversary of the agreement. The agreement is terminable on 12 months' notice in writing by either party. This payment will be made shortly after Admission.

11.3 On 6 January 2014, the Company entered into a letter of appointment with Nicholas Mustoe pursuant to which he was appointed to act as a Non-Executive Director of the Company at a fee of £25,000 per annum. The appointment is terminable on three months' notice in writing by either party.

11.4 On 13 June 2013, Dr Sandeep Gulati's service agreement with the Company expired. As detailed in the Capital Reorganisation Circular, Dr Gulati voluntarily reduced his salary to a nominal amount of £1 per month until completion of the VEC Funding (as outlined in paragraph 2 of Part I of this document). Dr Gulati resigned as a Director on the date of this document and received no payment or other compensation from the Company for his resignation, but remains entitled to the options granted under the Unapproved Scheme as detailed in paragraph 10.1 of Part IX of this document.

11.5 On 21 March 2014, Dr Robert W. Dean resigned as a Director. Dr Dean received no payment or other compensation from the Company for his resignation but remains entitled to the options granted under the Unapproved Scheme as detailed in paragraph 10.1 of Part IX of this document.

11.6 Save as disclosed in this paragraph 11, there are no service contracts in place between the Company or any subsidiary and any member of the administrative/management or supervisory bodies which provide for benefits on termination of employment.

11.7 Save as disclosed in this paragraph 11, no service contract with a Director has been entered into or amended within the six months prior to the date of this document.

Proposed Directors

11.8 Immediately following Admission, it is anticipated that the Proposed Directors will be appointed to the Board and the Company will have entered into the following agreements with the Proposed Directors (all of which are conditional upon Admission):

Name	*Position*	*Annual Salary*	*Term*	*Termination Notice*	*Holiday entitlement*
David Evans	Chairman and Non-Executive Director	£30,000	No fixed term	Three months	N/A
Charles Roberts	Non-Executive Director	£25,000	No fixed term	Three months	N/A
Stephen Little	Chief Executive Officer	£120,000	No fixed term	Twelve months	25 days
Peter Collins	Chief Commercial Officer	£120,000	No fixed term	Twelve months	25 days

11.8.1 ***David Evans***

A letter of appointment between (1) the Company and (2) David Evans pursuant to which David Evans is appointed to act as the Non-Executive Chairman and non-executive Director of the Company immediately following Admission at a fee of £30,000 per annum. The appointment is terminable by three months' notice in writing by either party. The letter contains normal provisions for termination.

11.8.2 ***Charles Roberts***

A letter of appointment between (1) the Company and (2) Charles Roberts pursuant to which Charles Roberts is appointed to act as a Non-Executive director of the Company immediately following Admission at a fee of £25,000 per annum. The appointment is terminable by three months' notice in writing by either party. The letter contains normal provisions for termination.

11.8.3 ***Stephen Little***

A service agreement between (1) the Company and (2) Stephen Little pursuant to which Stephen Little is appointed as Chief Executive Officer of the Company immediately following Admission. The agreement may be terminated by either party serving at least twelve months' notice on the other. The agreement contains normal provisions for termination. The basic annual salary payable to Stephen Little is £120,000 for a four day week to be reviewed annually (without any obligation to increase the same). The agreement contains restrictive covenants normal for an agreement of this nature.

11.8.4 ***Peter Collins***

A service agreement between (1) the Company and (2) Peter Collins pursuant to which Peter Collins is appointed as Chief Commercial Officer of the Company immediately following Admission. The agreement may be terminated by either party serving at least twelve months' notice on the other. The agreement contains normal provisions for termination. The basic annual salary payable to Peter Collins is £120,000 for a four day week to be reviewed annually (without any obligation to increase the same). The agreement contains restrictive covenants normal for an agreement of this nature.

11.9 The Proposed Directors have previously entered into the following agreements with Premaitha:

11.9.1 Stephen Little entered into a contract of employment with Loxbridge Research LLP (further to a secondment agreement between Loxbridge Research LLP (1) and Zoragen Biotechnologies LLP (2) dated 27 February 2013) pursuant to which Loxbridge Research LLP agree to second Stephen Little to Zoragen Biotechnologies LLP to act as Chief Executive Officer of Zoragen Biotechnologies LLP. As at the date of this document Stephen Little is currently seconded to Premaitha on the same terms as his secondment to Zoragen Biotechnologies LLP.

12. ADDITIONAL INFORMATION ON THE BOARD

12.1 In addition to directorships of the Company, the New Board 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:

Adam Reynolds*, 51, Executive Chairman (to step down as Executive Chairman at Admission and continue as a Non-Executive Director)

Current Directorships and Partnerships (other than the Company)	*Past Directorships and Partnerships*
Ducat Ventures plc	Wilton International Consulting Limited
Autoclenz Group Limited	Porta Communications plc
EKF Diagnostics Holdings plc	Diablo Consulting Limited
Boldwood Limited	Hub Capital Partners Limited
Orogen Gold plc	Maidborough Limited
Hubco Investments plc	Chalton Consulting Limited
Emotion Fitness Limited	Hansard Group Limited
Medavinci Gold Limited	Wilton International Management Group Limited
Reyco Limited	TSE Brands Limited
	TSE Learning Limited
	Wallgate Group plc
	Bcomp 415 Limited
	Greenhills plc
	Hansard Corporate Limited
	Alan Bailey (Studios) Limited
	Biolustre UK Ltd
	Velvet Consultancy Ltd
	Marlwood plc

Nicholas Mustoe**, 52, Non-Executive Director

Current Directorships and Partnerships (other than the Company)	*Past Directorships and Partnerships*
Starlight Children's Foundation	ICAN (UK) CIC
Box 4 (Holdings) Limited	All Net Technology Limited
A B C Connection Limited	The Oven Limited
Kindred Digital Limited	Project Leaders London Limited
Poppyview Limited	Kempton Park Racecourse Company Limited
Kindred Agency Limited	(The) Thirst for Life Ltd
Hub Capital Partners Limited	

Mark Collingbourne, 48, Finance Director

Current Directorships and Partnerships (other than the Company)	*Past Directorships and Partnerships*
Morrison Kingsley Consultants Limited	Everything to Celebrate Ltd
Elm Medical Ltd	Pooley Towers Consulting Ltd
Elm Developers Ltd	JMA Rentals Limited
JMA Rentals Limited	
Slater Foundation Limited (The)	
Cesas Medical Limited	
Artemis Management Services Limited	
Brenroyd Holdings Limited	
Salar Investments Limited	

David Evans***, 54, Non-Executive Chairman

Current Directorships and Partnerships (other than the Company)	*Past Directorships and Partnerships*
Cytox Limited	BGenuinetec KK
EKF Diagnostics Holdings plc	Collbio Limited
Epistem Holdings plc	Collagen Solutions (UK) Limited (formerly Collbio Limited)
Collagen Solutions plc (formerly Healthcare Investment Opportunities plc)	DXS EBT Company Limited
Integrated Magnetic Systems Limited	Epistem Limited
Venn Life Sciences Holdings plc	Immunodiagnostics Systems Holdings plc
LochGlen Whisky Company Limited	Marine Biotech Limited
Momentum Bioscience Limited	Immunodiagnostics Systems Limited
Omega Diagnostics Group plc	Microtest Matrices Limited
OptiBiotix Health Limited	Onyx Research Chemicals Limited
Scancell Holdings plc	Qiagen Manchester Limited (formerly DxS Limited)
Scancell Limited	Quotient Diagnostics Limited
Spectrum (General Partners) Limited	Rosnes Limited
St Andrews Golf Art Limited (formerly St Andres Golf Art Limited)	Scipac Limited
	Sirigen Group Limited
	Source Bioscience (Healthcare) Limited
	Horizon Discovery Limited
	Diagnostic Capital Limited
	Jellagen pty Limited

Charles Roberts, 36, Non-Executive Director

Current Directorships and Partnerships (other than the Company)	*Past Directorships and Partnerships*
Zoragen Biotechnologies LLP	GF Greenstar Tru
Greenstar LLP	Greendex LLP
Global Renewable Energy & Emissions Elimination Networking Group LLP	
RVI LLP	
Loxbridge Research LLP	
Nanoclave Technologies LLP	
19 Colville Terrace Limited	
WZVI Limited	
Loxbridge Altermune Limited	
Agalimmune Ltd	
Altermune LLCst	

Stephen Little, 57, Chief Executive Officer

Current Directorships and Partnerships (other than the Company)	*Past Directorships and Partnerships*
	DxS Limited Snipco Limited Qiagen Manchester Limited (formerly DxS Limited)

Peter Collins, 55, Chief Commercial Officer

No current or previous directorships.

*Greenhills plc was placed into compulsory liquidation within 12 months of Adam Reynolds resigning as a director.

Adam Reynolds was appointed as a director of Wilton International Marketing Limited on 10 June 2005. The company entered a members' voluntary liquidation on 01 May 2014. The liquidator's receipts and payments accounts approved in general meeting on 22 April 2014 declared a surplus of £404,805.17.

Marlwood Plc was put into voluntary creditors' liquidation on 07 February 2012. On 10 July 2009 Adam Reynolds resigned from the company.

In July 2008, Adam Reynolds was appointed as a Non-Executive Director to Wallgate Plc and resigned in November 2008. Administrators were appointed to Wallgate plc in January. The estimated deficit to creditors was £419,000.

**Project Leaders London Limited was put into voluntary creditors' liquidation on 18 July 2012. Nick Mustoe resigned as director on 17 February 2012.

***On 18 December 2010, David Evans was appointed as a director of Cytox Limited. On 23 March 2011, Cytox Limited went into administration and the statement of affairs signed by David Evans showed a creditor shortfall of £418,500. On 2 June 2011, Cytox Limited entered into a Company Voluntary Arrangement which was completed on 24 July 2012.

David Evans was appointed as a director of Lineplan Limited on 24 March 1995. Lineplan Limited went into Creditors' Voluntary Liquidation on 18 May 2000. Under the liquidation, the dividends were as follows: Preferential debts of £10809.22 received 100p per pound and unsecured debts of £52,851 received 0p in the pound. Lineplan Limited was subsequently dissolved on 22 August 2002.

David Evans was appointed as a director for CY Realisations Limited on 28 November 2000. CY Realisations went into creditors' voluntary liquidation on 11 April 2003. The directors' statement of affairs dated 11 April 2003 showed a creditor shortfall of £237,254. CY Realisations was subsequently dissolved on 29 October 2009.

12.2 Save as disclosed above none of the Directors or Proposed Directors have:

12.2.1 any unspent convictions in relation to indictable offences;

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

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

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

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

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

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

13. EMPLOYEES

13.1 As at 31 March 2014 and the date of this document, other than the current Directors, the Company had no employees.

13.2 As at 28 February 2014 and the date of this document, other than the Proposed Directors, Premaitha had the following employees all of whom are located in the UK:

Science	11
Administrative	2

14. MATERIAL CONTRACTS

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

Save as set out below, there are no material contracts relating to any corporate entity within the Concert Party entered into outside of the ordinary course of business within the two years immediately preceding the date of this document.

The Company

14.1 Under the Acquisition Agreements, the Company has agreed to acquire a) from the Vendors, the entire issued share capital of Premaitha (other than the shares held by NWF) for a consideration of £10,000,000 (pursuant to the Premaitha Acquisition Agreement) and b) from NWF, the shares held by NWF in Premaitha for a consideration of £500,000 (pursuant to the NWF Acquisition Agreement), to be satisfied by the issue of the Consideration Shares.

The Acquisition Agreements are both conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and Admission.

Pursuant to the Premaitha Acquisition Agreement, the Company has the right to rescind the Acquisition Agreement if there is a material breach of any of the warranties given by the Vendors in the Premaitha Acquisition Agreement, or any facts, matters or circumstances arise prior to Admission that may have a material adverse effect on the financial position or prospects of Premaitha. The Vendors have given normal warranties and contractual comfort under the Premaitha Acquisition Agreement. The liability of the sellers is limited to the amount which may be raised from the sale of the Consideration Shares held by each of them, and other than for a tax claim, to claims notified within 12 months of Admission.

Pursuant to the NWF Acquisition Agreement, the Company has the right to rescind the NWF Acquisition Agreement if there is a material breach of any of the warranties given by the Vendors in the Premaitha Acquisition Agreement. NWF have given limited warranties to the Company relating to the ownership of the shares they hold in Premaitha but have provided no other warranties or contractual comfort to the Company.

14.2 Under the Placing Agreement and, conditional upon, *inter alia*, Admission taking place on or before 8.00 a.m. on 4 July 2014 (or such later time as the Company, Cairn and Panmure Gordon may agree

being not later than 31 July 2014) Panmure Gordon has agreed as agent for the Company to use reasonable endeavours to procure subscribers for 59,090,909 New Ordinary Shares proposed to be issued by the Company at the Issue Price.

The Placing Agreement contains warranties from the Company, the Directors, certain Proposed Directors and indemnities from the Company in favour of Cairn and Panmure Gordon, together with provisions which enable Cairn and Panmure Gordon to terminate the Placing Agreement in certain circumstances prior to Admission, including circumstances where any warranties are found to be untrue or inaccurate in any material respect. The liability of the Directors and certain Proposed Directors for breach of warranty is limited. Under the Placing Agreement the Company has agreed to pay (i) Cairn a corporate finance fee of £90,000 and (ii) Panmure Gordon a documentation fee of £25,000 together with a commission of 4 per cent. on amounts raised by Panmure Gordon. In addition, Cairn and Panmure Gordon are to be issued with warrants as detailed in paragraphs 14.6 and 14.7 respectively.

14.3 Pursuant to the Lock-in Arrangements dated 13 June 2014 between (1) the Company, (2) Cairn and (3) the Locked-In Persons, each of the Locked-In Persons has undertaken that they will not, except in certain limited circumstances, dispose of New Ordinary Shares held by them for a period of 12 months from the date of Admission.

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

14.4 Pursuant to a nominated adviser agreement dated 9 April 2014 between (1) the Company and (2) Cairn, the Company has appointed Cairn to act as Nominated Adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Cairn a fee of £25,000 per annum for its services as Nominated Adviser under this agreement. The agreement contains certain undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is for an initial 12 month term thereafter it is terminable on 3 months' notice by either party.

14.5 Pursuant to a nominated broker agreement dated 7 April 2014 between (1) the Company and (2) Panmure Gordon, the Company has appointed Panmure Gordon to act as broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay a fee of £25,000 per annum for its services at Broker under this agreement. The agreement is for an indefinite period subject to each party being able to terminate it on notice being issued. The agreement contains an indemnity from the Company in favour of Panmure Gordon in customary terms.

14.6 Pursuant to a warrant agreement between the Company (1) and Cairn (2) dated 13 June 2014, the Company has agreed to grant Cairn warrants to subscribe for 1,411,227 New Ordinary Shares at the Issue Price, exercisable at any time in the 5 year period ending on the fifth anniversary of issue.

14.7 Pursuant to a warrant agreement between the Company (1) and Panmure Gordon (2) dated 13 June 2014, the Company has agreed to grant Panmure Gordon warrants to subscribe for 1,411,227 New Ordinary Shares at the Issue Price, exercisable at any time in the 3 year period ending on the third anniversary of issue.

14.8 Pursuant to a relationship agreement dated 13 June 2014 between (1) the Company, and (2) the members of the Concert Party have agreed, *inter alia*, that so long as they remain the controlling shareholders, the Company will be capable of carrying on its business independently of the Concert Party and that all future transactions between the Company and the Concert Party will be at arms' length. The agreement further provides that the Concert Party, being a "controlling shareholder", shall procure that any director of the Company who is also a member of the Concert Party shall not be counted in the quorum on any matter at Board meetings, where, in the opinion of the Independent Directors, there is a conflict of interests. The relationship agreement will terminate once the Concert Parties and their associates cease to be interested in 30 per cent. of the Enlarged Ordinary Share Capital.

14.9 Pursuant to a Series C-1 Preferred Stock Purchase Agreement dated 12 February 2014 between VEC (1), ViaLogy LLC (2) and the Company (3) (**Purchase Agreement**), ViaLogy LLC agreed to subscribe for 9 million shares of Series C-1 Preferred Stock of VEC at a price of US$1.6667 per share (**VEC Shares**) in consideration of ViaLogy LLC entering into the Licence Agreement (see paragraph 14.12 below) and the Asset Purchase Agreement (see paragraph 14.14 below). Under the terms of the agreement, in the event that VEC does not complete an aggregate equity investment of at least US$5,000,000 (at a minimum pre-money valuation of US$20,000,000) from external investors by 12 February 2015 (**VEC Funding**), ViaLogy LLC may terminate the agreement and all assets transferred under the VEC Transfer summarised in paragraph 2 of Part I of this document will revert. If VEC Funding is not completed by 12 February 2015, but some funding at that date has been raised from external investors at a valuation not less than $20 million, ViaLogy LLC shall be required to return the VEC Shares for nominal value, conditional on the revocation of the VEC Transfer.

14.10 Pursuant to an investor rights agreement dated 12 February 2014 between VEC (1), ViaLogy LLC (2) and the Company (3), the parties agreed the rights of ViaLogy LLC to receive information concerning VEC and participate in future equity offerings by VEC following the subscription for the VEC Shares under the Purchase Agreement.

14.11 Pursuant to a voting agreement dated 12 February 2014 between ViaLogy LLC (1), VEC (2), the Company (3) and certain founding shareholders of VEC (4), the parties agreed the manner in which their shareholdings in VEC would be voted, how transfers of such shares would be governed and how the affairs of such company would be regulated.

14.12 Pursuant to a licence agreement dated 12 February 2014 between ViaLogy LLC (1), the Company (2) and VEC (3), ViaLogy LLC granted a licence of certain patents, trademarks, applications and software to VEC (**Licensed Technology**) in consideration for the subscription of the VEC Shares and VEC agreeing to satisfy the VEC Funding in accordance with the terms of the Purchase Agreement. If VEC fails to secure VEC Funding in full in accordance with the Purchase Agreement, ViaLogy LLC may terminate the agreement and revoke the Licensed Technology. If part of the VEC Funding is secured in accordance with the Purchase Agreement, ViaLogy LLC shall return the VEC Shares for US$1.00.

14.13 Pursuant to a management rights agreement dated 12 February 2014 between VEC (1), ViaLogy LLC (2) and the Company (3), VEC confirmed the contractual management rights of ViaLogy LLC and the Company pursuant to the subscription of the VEC Shares under the Purchase Agreement, including the right for a representative of ViaLogy LLC to be represented on VEC's board of directors in a nonvoting observer capacity. The Company and LLC's rights under the agreement may be assignable upon a change of control, merger or other reconstruction of either the Company or ViaLogy LLC.

14.14 Pursuant to an asset purchase agreement dated 12 February 2014 as supplemented by an agreement dated 31 May 2014 between ViaLogy LLC (1) and VEC (2), ViaLogy LLC agreed to sell certain assets used by it in its business to VEC in consideration of VEC entering into the agreements referred to in paragraphs 14.7 to 14.11 inclusive of this Part IX.

14.15 Pursuant to a founder stock restriction agreement dated 12 February 2014 between VEC (1) and Dr Sandeep Gulati (2) Dr Gulati has agreed not to sell, transfer or in any other way encumber his 2,350,000 common stock shares of US$0.0004 held in VEC until such time as the earlier of VEC signing a binding term sheet for a first fundraising with investors who commit to invest in VEC at not less than a pre-money valuation of VEC of US$20 million as per the VEC Funding, VEC failing to fulfil the VEC Funding in full and termination of the Purchase Agreement and Licence Agreement, or sale of the VEC prior to VEC Funding.

14.16 Pursuant to a placing agreement dated 6 January 2014 between Cantor Fitzgerald Europe (1) and the Company (2), Cantor Fitzgerald Europe agreed as agent for the Company to use reasonable endeavours to procure subscribers for up to 1,000 million ordinary shares of 0.1p in the capital of the Company. The company paid Cantor Fitzgerald Europe a corporate finance fee of £30,000 (satisfied by the issue of new ordinary shares at the placing price) together with a commission of 5 per cent. on all monies raised directly by Cantor Fitzgerald Europe and a commission of 0.5 per cent. on all other monies raised by way of the placing and open offer of the Company to which such placing agreement related.

Premaitha

14.17 Pursuant to an asset purchase agreement between Premaitha and Zoragen Biotechnologies LLP (**Zoragen**) dated 1 April 2013 whereby Zoragen transferred all technology, intellectual property and other business assets relating to all Zoragen research products within specified fields. The consideration for the transfer of the assets was an issue of shares by Premaitha to Zoragen.

14.18 Premaitha and the shareholders of Premaitha have entered into a convertible loan agreement with NWF on 12 June 2014 pursuant to NWF will provide a £500,000 loan to Premaitha. Interest shall accrue on the loan from the date of the agreement to the date of repayment, or conversion to shares in the capital of Premaitha, at 10 per cent. per annum. Pursuant to the agreement, Premaitha agrees to pay, (a) an arrangement fee of £15,000 plus VAT to NWF and (b) legal fees of £5,000 plus VAT and disbursements together with any reasonable external due diligence costs (agreed with Premaitha in advance) and any out of pocket expenses incurred by NWF. Premaitha has given warranties to NWF of a type normally given in an agreement of this nature. The agreement will become immediately repayable upon the occurrence of a standard set of events of default.

Immediately prior to completion of the Acquisition, the Vendors shall procure that Premaitha issues to NWF 53,775 ordinary shares of £0.01 each in the capital of Premaitha in settlement of the loan. Upon conversion of the loan, the warranties given by Premaitha referred to above to NWF fall away. The shares held by NWF in the capital of Premaitha will be acquired by the Company pursuant to the NWF Acquisition Agreement summarised in paragraph 14.1 above.

14.19 Pursuant to a consultancy agreement dated 2 April 2014 between Premaitha (1) and Dr William Denman (2), Dr Denman is engaged to provide advisory and consultancy services as Chief Medical Officer of Premaitha from 1 October 2013. Premaitha is required to pay William Denman a retainer of $3,000 per month exclusive of VAT for services provided on an average of 2 days (8 hours per day) in each calendar month. An additional fee shall be payable where Mr Denman provides services exceeding 15 per cent. of the basic service level in a particular month, payable on time spent basis of $1,500 per additional day pro-rata. The agreement may be terminated by either party giving to the other not less than four weeks' prior written notice.

14.20 Pursuant to an employment agreement dated 8 May 2013 between the Premaitha (1) and Michael Risley (2), Michael Risley was appointed as Chief Development Officer of Premaitha from 13 May 2013. An annual gross salary of £75,000 is payable to Michael Risley for his services with an additional discretionary bonus of up to £20,000 (payable subject to meeting specified targets). The appointment may be terminated by either party giving the other not less than 3 months' prior written notice.

14.21 Pursuant to the services agreement between Loxbridge Research LLP (**Loxbridge**) (1) and Premaitha (2) dated 20 September 2013 (effective 1 April 2013), Loxbridge provides the administrative and consultancy services of specified persons. The services are provided for a fee of £8,083 per month. Premaitha may terminate the agreement at any time with immediate effect if Loxbridge (or any individual) is a) in material breach of its obligations under the agreement, or b) wilfully neglects to provide or fail to remedy any default in providing the services. The agreement is otherwise terminable by 3 months' written notice by either party.

14.22 Pursuant to the services agreement between Animatrix Capital LLP (**Animatrix**) (1) and Premaitha (2) dated 20 September 2013 (effective 1 April 2013), Animatrix provides the administrative and consultancy services of specified persons. The services are provided a fee of £4,000 per month. Premaitha may terminate the agreement at any time with immediate effect if Animatrix (or any individual) is a) in material breach of its obligations under the agreement, or b) wilfully neglects to provide or fail to remedy any default in providing the services. The agreement is otherwise terminable by 3 months' notice in writing by either party.

14.23 Pursuant to a loan facility agreement between Animatrix Finance Limited (**Animatrix Finance**) (1) and Premaitha (2) dated 20 September 2013 (with effect from 1 June 2013), Animatrix Finance agreed to provide Premaitha with a secured loan of up to £1,500,000. Pursuant to the agreement interest shall accrue on the amount of the loan drawn down under the facility at 12 per cent. per annum. The loan and all accrued interest shall be repayable by Premaitha on the earlier of (a) 30 April 2015, (b) the date of completion of a sale of Premaitha or (c) an event of default of Premaitha, including if any indebtedness of Premaitha in excess of £1,000 is not paid when due and (d) an insolvency event of

Premaitha. This facility is secured by way of a debenture over the assets of Premaitha dated 11 November 2013 which is in the standard form.

14.24 Pursuant to a loan facility agreement between Animatrix Finance (1) and Premaitha (2) dated 14 November 2013, Animatrix Finance agreed to provide Premaitha with a loan of up to £500,000. Pursuant to the agreement interest shall accrue on the amount of the loan drawn down under the facility at 12 per cent. per annum. The loan and all accrued interest shall be repayable by Premaitha on the earlier of (a) 1 December 2014 or (b) an event of default of Premaitha, including if any indebtedness of Premaitha in excess of £1,000 is not paid when due and (c) an insolvency event of Premaitha.

14.25 Pursuant to a loan facility agreement between Animatrix Finance (1) and Premaitha (2) dated 14 November 2013 as amended on the 8 May 2014 Animatrix Finance Limited agreed to provide Premaitha with a loan of up to £1,000,000. Pursuant to the agreement interest shall accrue on the amount of the loan drawn down under the facility at 12 per cent. per annum. The loan and all accrued interest shall be repayable by Premaitha on the earlier of receipt of (a) a written demand from Animatrix Finance Limited at any time after completion of a sale of Premaitha, (b) 30 June 2014 or (c) an event of default of Premaitha including if any indebtedness of Premaitha in excess of £1,000 is not paid when due and (d) an insolvency event of Premaitha.

14.26 On 4 June 2014, Premaitha and Animatrix Finance entered into an assignment in respect of the agreements summarised at paragraphs 14.23 and 14.24 above, whereupon the total amount outstanding under the two agreements, excluding interest, was assigned to Rupert Lywood. Immediately on such assignment, Animatrix Finance waived any interest due and owing but not paid as at the date of assignment. At the same time the debenture given to Animatrix Finance was assigned to Rupert Lywood.

14.27 Following the loan assignment referred to in paragraph 14.26 above, the facility agreements summarised at paragraph 14.23 and 14.24 were varied on 4 June 2014 whereby Rupert Lywood has the right upon *inter alia* on a sale of Premaitha to convert the debt owing to him into shares. Subsequently, Rupert Lywood exercised this right and was issued with 232,400 ordinary shares of £0.01 in the capital of Premaitha and the debenture was released. The loan summarised at paragraph 14.25 above remains in place.

14.28 Pursuant to a patent assignment dated 14 May 2014 between Loxbridge (1) and Premaitha (2), Loxbridge assigned to Premaitha a patent application for a Nanopore Prenatal Diagnosis in the EU and USA under application numbers 11 804 760.4 and 13/996,303 respectively (as referenced in paragraph 15 below) in consideration of the sum of £1.00. This agreement contains the usual provisions for a patent assignment.

14.29 Pursuant to a patent assignment dated 16 May 2014 between Zoragen Biotechnologies LLP (1) and Premaitha (2), Zoragen Biotechnologies LLP assigned to Premaitha a PCT patent application for a Prenatal Scoring Process under application number PCT/GB2013/0522 (as referenced in paragraph 15 below) in consideration of the sum of £1. This agreement contains the usual provisions for a patent assignment.

14.30 Pursuant to a trademark assignment dated 7 May 2014 between Loxbridge (1) and Premaitha (2), Loxbridge assigned to Premaitha the IONA trademark (as referenced in paragraph 15 below) in consideration of the sum of £1. This agreement contains the usual provisions for a trademark assignment.

15. DEPENDENCE ON INTELLECTUAL PROPERTY

One of the main assets of the Enlarged Group is the IPR owned by Premaitha, in particular the registered intellectual property rights as summarised below:

Trade Mark

Mark	*Filing Date*	*Registration Date*	*Status*	*Classes*	*Specification*	*Territory*
IONA	22/01/2013	07/06/2013	Registered	10	Apparatus for a prenatal diagnostic or screening test for medical use.	United Kingdom

Patents

Patent #	*Country*	*Description*	*Filing Date*	*Status*	*Grant Date*	*Expiry Date*	*Registrant/ Applicant*	*Assigned to Premaitha?*
US11/ 036833	USA	Nucleic Acid Detection	14/01/2005	Granted	07/08/07	27/01/26	Zoragen Biotechnologies LLP	Yes – to be registered at USPTO*
US11/ 909557	USA	Nucleic Acid Detection	23/03/2006	Granted	04/02/14	23/03/26	Zoragen Biotechnologies LLP	Yes – to be registered at USPTO*
W02014/ 033455	PCT	Prenatal Scoring	29/08/13	Application			Zoragen Biotechnologies LLP	Yes –to be registered at WIPO*
US13/ 996303	USA	Nanopore Prenatal Diagnosis	20/12/11	Application			Loxbridge Research LLP	Yes- to be registered at USPTO*
EP1180.4 4760	EU	Nanopore Prenatal Diagnosis	20/12/11	Application			Premaitha Health Limited	N/A

* Whilst Premaitha is not registered as the owner of these patents at the relevant intellectual property office, formal assignments assigning all rights to the patents and applications have been entered into between Premaitha and the registrant/applicant as summarised in paragraphs 14.28 to 14.30 above. This means that Premaitha is the legal owner of the patents/applications but the formal administrative process to record the assignments is in process and has, as of yet, not been completed. The necessary forms and records for the assignments have been submitted to the relevant intellectual property offices but the administrative process to perfect the assignments may not be completed until after Admission.

16. RELATED PARTY TRANSACTIONS

16.1 Save for those agreements or arrangements summarised in paragraphs 14.1 to 14.16 of Part IX of this document, during the period from 1 April 2012 to 31 March 2014 there were no related party transactions to which the Company or any member of the ViaLogy Group was a party.

16.2 Save for those agreements or arrangements summarised in paragraphs 14.17 to 14.30 of Part IX of this Document, during the period from 8 March 2013 to 28 February 2014 there were no related party transactions to which Premaitha was a party.

17. LITIGATION

No member of the Enlarged Group is involved or has been involved in any governmental, legal or arbitration proceedings in the previous twelve months which may have or have had in the recent past a significant effect on the Enlarged Group's financial position or profitability and, so far as the Directors and the Proposed Directors are aware, there are no such proceedings pending or threatened against any member of the Enlarged Group.

18. NO SIGNIFICANT CHANGE

18.1 Save for matters disclosed in this document, there has been no significant change in the financial or trading position of the ViaLogy Group since 31 March 2014, being the end of the last financial period included in the Historical Financial Information on the ViaLogy Group published in Part VI of this document.

18.2 Save for matters disclosed in this document, there has been no significant change in the financial or trading position of Premaitha since 28 February 2014, being the end of the last financial period included in the Historical Financial Information on Premaitha published in Part VII of this document.

19. WORKING CAPITAL

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

20. TAXATION

20.1 Introduction

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

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

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

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

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

20.2 Income Tax – taxation of dividends

Individuals

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

be subject to 37.5 per cent. tax on dividends (reduced to approximately 30.6 per cent. of the cash dividend received for eligible taxpayers as a result of applying the tax credit).

Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax at the dividend trust rate, currently 37.5 per cent. (reduced to approximately 30.6 per cent. of the cash dividend by applying the tax credit).

Companies

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, and that are not small companies, may (subject to anti-avoidance rules) be able to exempt dividends paid by the Company from being chargeable to UK corporation tax. Corporate shareholders should seek independent advice on their position.

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

Withholding tax

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

20.3 **Taxation on capital gains for Shareholders**

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

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

For individual Shareholders who are UK tax resident or only temporarily non-UK tax resident, capital gains tax at the rate of tax of 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) may be payable on any gain (after any available exemptions, reliefs or losses). For Shareholders that are bodies corporate any gain will be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances. Shareholders that are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index, but will not create or increase an allowable loss.

20.4 **Stamp duty and stamp duty reserve tax (SDRT)**

No United Kingdom stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value are intended to be exempt from stamp duty under Finance Bill 2014 on the basis that AIM qualifies as a Recognised Growth Market (though the legislation has not yet enacted).

21. GENERAL

21.1 The gross proceeds of the Placing and Open offer are expected to be £7.2 million. The total costs and expenses relating to the Acquisition, the Placing, the Open Offer and Admission are payable by the Company and are estimated to amount to approximately £0.6 million (excluding VAT). The net proceeds of the Placing and the Open Offer are expected to be £6.6 million.

21.2 Other than the current application for Admission, the Existing Ordinary Shares have not been, and the New Ordinary Shares will not be, admitted to trading on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Existing Ordinary Shares or the New Ordinary Shares.

21.3 Jeffreys Henry LLP has given and not withdrawn its written consent to the inclusion in Parts VI.B and VII.B of this document of its Accountant's Report on the Historical Financial Information on the Company and its Accountant's Report on the Historical Financial Information on Premaitha.

21.4 Cairn has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.

21.5 Panmure Gordon has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.

21.6 Where information has been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21.7 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation agreement) exists between the Company, any person acting in concert with Company and any of the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the matters referred to in this document.

21.8 There are no external financing arrangements being sourced in connection with the proposals in this document. There are therefore no arrangements in place nor any required for the payment of interest on, repayment of or security for any external liability (contingent or otherwise) as a result of the proposals in this document.

21.9 The accounting reference date of the Company is 31 March.

21.10 The Issue Price represents a premium of 1 penny over the nominal value of 10 pence per New Ordinary Share.

21.11 It is expected that definitive share certificates will be dispatched by hand or first class post by 16 July 2014. In respect of uncertificated shares it is expected that Shareholders' CREST stock accounts will be credited on 4 July 2014.

21.12 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.

21.13 There are no investments in progress which are significant to the Company and there are no principal future investments on which the Enlarged Group have at the date hereof made firm commitments. There are no existing or planned material tangible fixed assets.

21.14 The Directors and the Proposed Directors are not aware of any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.

21.15 Save as disclosed in respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.

21.16 No sums have been set aside or accrued by the Company or any member of the Company to provide pension, retirement, or similar benefits for the Directors.

21.17 Certain members and employees of Cairn have subscribed for 100,000 Placing Shares at the Issue Price, representing approximately 0.05 per cent. of the Enlarged Ordinary Share Capital.

22. DOCUMENTS AVAILABLE FOR INSPECTION

22.1 Copies of the following documents are displayed on the Company's website (www.vialogy.com) and may be inspected at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until one month following Admission:

22.1.1 the Existing Articles and the New Articles;

22.1.2 the Accountant's Report on the Historical Financial Information on the Company and the Accountant's Report on the Historical Financial Information on Premaitha, from Jeffreys Henry LLP set out in Parts III.A and IV.A of this document and its consent letter;

22.1.3 Cairn's consent letter as referred to above in 21.4;

22.1.4 the appointment letters and service contracts for the Directors and the Proposed Directors referred to in paragraph 11 of this Part IX;

22.1.5 the lock-in arrangements referred to in paragraph 14.3 of this Part IX;

22.1.6 the material contracts referred to in paragraphs 14 of this Part IX; and

22.1.7 this document, together with the notice of the General Meeting and the Form of Proxy.

22.2 Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company Secretary at the following address or telephone number:

22.2.1 the Company's registered office as provided in paragraph 2.5 of this Part IX;

22.2.2 +44 (0) 1620 810 183,

all valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

23. AVAILABILITY OF ADMISSION DOCUMENT

Copies of this document are available for download from the Company's website at www.vialogy.com and are available free of charge from the Company's registered office and at the offices of Cairn, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 13 June 2014

ViaLogy PLC

Incorporated and registered in England and Wales with registered number 3971582

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the members of the Company will be held at 11.00 a.m. on 3 July 2014 at the offices of Panmure Gordon (UK) Limited, One New Change, London EC4M 9AF for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. THAT the waiver by the Panel on Takeovers and Mergers of the obligation on the Concert Party (as defined in the admission document from the Company dated 13 June 2014 of which this notice forms part, hereinafter referred to as the "**Admission Document**") to make a general offer under Rule 9 of the City Code on Takeovers and Mergers, as a result of the issue to them of in aggregate 95,454,545 ordinary shares of £0.10 each in the capital of the Company pursuant to the Acquisition Agreements (as defined in the Admission Document and below), be and is hereby approved.

2. THAT, subject to and conditional upon the passing of Resolutions 1, 9 and 11, the Company's Investing Policy be amended to enable the Company to invest in the biotechnology sector and the acquisition by the Company of Premaitha Health Limited (the "**Acquisition**"), on the terms and subject to the conditions of the share sale and purchase agreements dated 13 June 2014 (the "**Acquisition Agreements**") between, amongst others, the Company and the shareholders of Premaitha Health Limited and constituting a reverse takeover under the AIM Rules for Companies, be and are hereby approved, including for the purposes of Rule 14 of the AIM Rules for Companies.

3. THAT, Jeffreys Henry LLP be appointed as auditors to hold office from the date of this resolution to the end of the next period for appointing auditors, as defined in section 485(2) of the Companies Act 2006 (the **Act**), at a remuneration to be determined by the Directors.

4. THAT the Company's ordinary share capital be consolidated so that every 100 Existing Ordinary Shares held by a Shareholder (as defined in the Admission Document) at the date hereof be and is hereby consolidated into 1 New Ordinary Share.

5. THAT, subject to and conditional upon the passing of Resolution 1 and 2 and Admission, David Eric Evans, having consented to act, be appointed as a director of the Company with effect immediately following Admission.

6. THAT, subject to and conditional upon the passing of Resolution 1 and 2 and Admission, Stephen Little, having consented to act, be appointed as a director of the Company with effect immediately following Admission.

7. THAT, subject to and conditional upon the passing of Resolution 1 and 2 and Admission, Charles Edward Selkirk Roberts, having consented to act, be appointed as a director of the Company with effect immediately following Admission.

8. THAT, subject to and conditional upon the passing of Resolution 1 and 2 and Admission, Peter Collins, having consented to act, be appointed as a director of the Company with effect immediately following Admission.

9. THAT, subject to and conditional upon the passing of Resolution 1, 2 and 4, in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to:

   (a) allot New Ordinary Shares in the capital of the Company in connection with the Acquisition, the Share Consolidation, the Placing and the Open Offer up to a nominal amount of £16,126,910.50 (as defined in the Admission Document); and

   (b) allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £10,388,382.00,

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

10. THAT entering into of each of the agreements summarised at paragraphs 14.9 to 14.15 of Part IX of the Admission Document on the 12 February 2014 be ratified and approved, the connection of Dr Sandeep Gulati, being a Director as at the 12 February 2014, having been noted.

SPECIAL RESOLUTIONS

11. THAT, subject to and conditional upon the passing of Resolution 9, in accordance with sections 570 and 571 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 9, as if section 561(1) of the Act did not apply to such allotment provided that this authority shall expire on the earlier of fifteen months from the date of passing this Resolution or at the Company's next annual general meeting. The Company may, before this authority expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the directors may allot equity securities pursuant to that offer or agreement.

12. THAT, subject to and conditional upon the passing of Resolution 1 and 2, the name of the Company be changed to Premaitha Health plc.

13. THAT, with effect from this Resolution being passed, the articles of association in the form available for inspection on the Company's website, be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

Notes

1. Resolution 1 will be taken on a poll by Independent Shareholders.
2. Members entitled to attend and vote at the General Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder which must be identified on the form of proxy. A proxy does not need to be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.
3. A Form of Proxy is enclosed for use by members. To be valid it should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority) to the Company's registrars Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, not later than 48 hours, excluding non-working days, before the time appointed for holding the General Meeting or in the case of a poll taken subsequently to the date of the General Meeting or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll or for holding the adjourned meeting. Shareholders who intend to appoint more than one proxy can obtain additional Forms of Proxy from Capita Asset Services. Alternatively, the form provided may be photocopied prior to completion. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.
4. An abstention option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each Resolution.
5. Any person to whom this notice is sent who is a person under section 146 of the Act 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to execute it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at 6.00 p.m. on 1 July 2014 will be entitled to attend or vote (whether in person or by proxy) at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 6.00 p.m. on 1 July 2014 will be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting (as the case may be).
8. As at 12 June 2014 (being the last business day prior to the publication of this notice of meeting) the Company's issued share capital consisted of 2,689,460,366 Existing Ordinary Shares, carrying one vote each and 1,039,640,244 Deferred Shares. The Deferred Shares have no right to received notice of a general meeting or vote, therefore, the total voting rights in the Company as at 12 June 2014 are 2,689,460,366.
9. Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which the Company must cause to be answered. Information relating to the meeting which the Company is required by the Act to publish on a website in advance of the meeting may be viewed at www.vialogy.com.
10. In accordance with section 311a of the Act, the contents of this notice of meeting, details of the total number of shares of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.vialogy.com.

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