ALLIED MINDS

ALLIED MINDS™

PROSPECTUS
20 JUNE 2014

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TRANSFORMING U.S. INVENTION INTO INNOVATION

This document comprises a prospectus (the "**Prospectus**") relating to Allied Minds plc (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority ("**FCA**") made under section 73A of the Financial Services and Markets Act 2000 ("**FSMA**"). This Prospectus has been approved by the FCA in accordance with section 87A of FSMA and made available to the public as required by Rule 3.2 of the Prospectus Rules. This Prospectus has been prepared in connection with the offer of ordinary shares of one pence each in the capital of the Company (the "**Ordinary Shares**") to certain institutional and other investors described in Part XIV (*Details of the Offer*) of this Prospectus (the "**Offer**") and admission of Ordinary Shares to the premium listing segment of the Official List maintained by the FCA (the "**Official List**") and to trading on the London Stock Exchange's main market for listed securities ("**Admission**").

Application has been made to the FCA for all of the Ordinary Shares, issued and to be issued, to be admitted to the Official List and to the London Stock Exchange for all of the Ordinary Shares to be admitted to trading on the London Stock Exchange. Admission to trading on the London Stock Exchange's main market for listed securities constitutes admission to trading on a regulated market. Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange on 20 June 2014. It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, on 25 June 2014. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. **All dealings before the commencement of unconditional dealings will be on a "when issued" basis and of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application has been or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other exchange.**

Prospective investors should read the whole of this Prospectus. In particular, your attention is drawn to the "Risk Factors" section of this Prospectus for a description of certain important factors, risks and uncertainties that should be considered in connection with an investment in the Ordinary Shares. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in this Prospectus occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Ordinary Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

Allied Minds plc

(Incorporated under the Companies Act 2006 with registered number 8998697)

Offer of 61,695,208 Ordinary Shares at an Offer Price of 190 pence per Ordinary Share (*subject to an over-allotment option in respect of up to 6,638,161 additional Ordinary Shares*) and admission to the premium listing segment of the Official List and to trading on the main market of the London Stock Exchange

Jefferies

Bookrunner and Sponsor

Issued and fully paid share capital immediately following Admission of 209,499,425 Ordinary Shares (assuming no exercise of the Over-allotment Option)

This Prospectus does not constitute an offer of, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares to any person in any jurisdiction to whom or in which jurisdiction such offer or solicitation is unlawful and, in particular, is not for distribution in Australia, Canada (except in compliance with an exemption from applicable securities laws), Japan, South Africa or the United States. The Ordinary Shares have not been and will not be registered under the Securities Act or any US State securities laws. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the US (as defined in Regulation S under the Securities Act) unless the Offer and sale of the Ordinary Shares has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares are being offered and sold solely outside the US, in reliance on Regulation S.

The issued share capital following Admission as set out above assumes all the New Ordinary Shares are successfully applied for and issued. All the New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the other Ordinary Shares and will carry the right to receive all dividends and other distributions declared, made or paid on or in respect of the issued Ordinary Shares after

Admission. The New Ordinary Shares will, immediately following Admission, be freely transferable under the Articles.

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Prospectus and the offer, sale and/or issue of Ordinary Shares in jurisdictions other than the United Kingdom may be restricted by law. No action has been or will be taken by the Company, the Directors or Jefferies to permit a public offer of Ordinary Shares or possession or distribution of this Prospectus (or any other offering or publicity material or application form relating to the Ordinary Shares) in any jurisdiction, other than in the UK. Persons into whose possession this Prospectus comes are required by the Company, the Directors and Jefferies to inform themselves about and to observe any such restrictions. This Prospectus does not constitute or form part of an offer to sell, or the solicitation of an offer to buy, Ordinary Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful.

Jefferies, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Bookrunner and Sponsor to the Company in connection with the Offer and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice or otherwise in relation to the contents of this Prospectus or any transaction, arrangement or other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies by the FSMA or the regulatory regime established thereunder, Jefferies does not accept any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Group, the Offer or Admission. Jefferies accordingly disclaims to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

The date of this Prospectus is 20 June 2014.

CONTENTS

PART I – SUMMARY

Summaries are made up of disclosure requirements known as "Elements". The Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for these types of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of these types of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
A.1	Introduction and warnings	This summary should be read as an introduction to this Prospectus only. Any decision to invest in the Ordinary Shares should be based on consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. No consent has been given by the Company or any person responsible for drawing up this Prospectus to the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries.

Section B – Issuer		
B.1	Legal and commercial name	The Company's legal and commercial name is Allied Minds plc.
B.2	Domicile and legal form, applicable legislation and country of incorporation	The Company is a public limited company, incorporated on 15 April 2014 as a public company limited by shares in the United Kingdom with its registered office situated in England. The Company operates under the Companies Act 2006.
B.3	Current operations, principal activities and markets	Allied Minds is an innovative US-focused science and technology development and commercialisation company. The Group commenced operations in 2006 to invest in and advance science and technology innovation developed in some of the leading universities in the US. Its business model is to form, fund, manage and build start-up companies to undertake research and product development and ultimately to commercialise the scientific research and innovations emerging from the universities and US federal research institutions with which it collaborates. Allied Minds has a highly skilled workforce, with significant expertise throughout the Group across a range of science and technology disciplines. The Group has 204 employees and consultants, of whom 111 are directly involved in Allied Minds' scientific research and product development activities, 125 hold advanced degrees and 65 have PhDs (as at 31 March 2014). The Group currently has 18 operating businesses at varying stages of maturity across the life sciences and physical sciences sectors with a range of technological innovations in medical devices, biologics, pharmaceutical compounds, cyber security, wireless communications, semiconductors,

		medical diagnostics and food safety. Whilst none of these businesses currently generate significant revenue, since inception, the Group has invested significant capital and resources in laboratory based scientific research and product development, which include the following: ● Spin Transfer Technologies has undertaken research to incorporate magnetic tunnel junctions into proposed MRAM prototypes. This required innovations to improve the material composition and structure for an MRAM device. The business has since demonstrated current induced magnetic field reversal in a spin valve device as well as key OST-MRAM behaviours on bit cells fabricated at a partner facility. It has also developed a process for patterning bulk wafer-level magnetic thin films into nanoscale devices. Whilst early stage, OST-MRAM's application areas can potentially address large parts of the semiconductor market, and, specifically, the standalone memory markets, as well as the embedded memory markets in logic, microprocessors, microcontrollers and analogue integrated circuits. The Directors believe that OST-MRAM has the potential to replace large segments of the Flash, SRAM and DRAM markets which had a combined estimated value of $60 billion per annum worldwide in 2013. ● Optio Labs seeks to develop mobile security systems that leverage "contextual awareness" (i.e. ability to determine a user's location accurately and to affect the features of a mobile device based on the user's location). This business has to date tested and developed a firewall integrated into the Android system process and also an Android-based application for controlling access to information based on proximity. Optio Labs seeks to become a leader in security and productivity software for the mobile enterprise and interconnected embedded systems markets. In 2013, the global installed base of mobile devices surpassed that of desktop personal computers and laptops and the market for global mobile security solutions was estimated to be worth $3.5 billion. ● SciFluor engages in drug discovery and development using fluorine and is building a portfolio of proprietary fluorinated compounds. It has developed two drug compounds (SF0166 and SF0034) and has conducted preclinical trials on both compounds. SF0166 is a fluorinated small molecule integrin antagonist developed with the aim of treating age-related macular degeneration. SF0034 is a compound developed to treat epilepsy. SciFluor's technology is intended to primarily compete in the small molecule arena of pharmaceuticals which is large and growing. It is estimated that the global epilepsy treatment market will increase from $2.9 billion in 2011 to nearly $3.7 billion in 2016, and the global age-related macular degeneration treatment market is estimated at $30 billion per year. ● SiEnergy Systems initially conducted research seeking to develop a functioning low temperature solid oxide fuel cell membrane and developed a macro-scale thin-film solid oxide fuel cell in 2010. It has since set up its own research and development facility in Cambridge, MA, and has focused its research on scaling the technology (i.e. replacing platinum anode with cermet or oxide material, increasing fuel cell active area and development of stacking of thin film fuel cells). The fuel cell industry is growing, with more than 200MW of fuel cell power capacity shipped worldwide in 2013, generating more than $1.0 billion in industry sales in 2012, and projected to grow to $10.0 billion per year within the next decade.

		• Cephalogics is undertaking research to develop and commercialise a non-invasive bedside neuroimaging system. It has also undertaken initial clinical testing on human subjects and has built a prototype device. Cephalogics plans to target neurocritical care units in the US which represent a potentially significant opportunity. The Directors believe that there is currently a need for fully developed non-invasive bedside tools that provide continuous imaging of the brain. Most patients in need of brain monitoring currently undergo invasive monitoring or conventional imaging like computed tomography and magnetic resonance imaging. • The research activity of ProGDerm has been focused on demonstrating and validating a technology that potentially represents a natural, biologic approach to the generation of subcutaneous fat growth to enhance the appearance of skin. The business has identified peptides and antibodies with the ability to induce adipogenesis, and has also undertaken a number of toxicity tests. The technology developed by ProGDerm is primarily intended to compete in the aesthetics market which is large and growing. The aesthetics market for anti-aging products for appearance enhancement in the US alone is expected to be more than $5 billion per year by 2015. The Directors also believe that the technology may have a variety of applications and could be applied in the medical field; for example in treating wounds, loss of metatarsal foot fat pads, HIV lipodystrophy and in prevention of bed sores. • Precision Biopsy is developing a next generation prostate cancer biopsy system, with the aim of being able to analyse prostate tissue in real-time and distinguish normal compared with suspicious tissue including cancerous tissue. The business has undertaken a number of laboratory based research tests and clinical tests to further this product's development. The current focus is in developing a product with a real-time tissue classification and biopsy system for approval by the FDA and other regulatory bodies. Precision Biopsy's primary market is the prostate cancer diagnosis market. It is estimated that unnecessary care (overtreatment) of prostate cancer costs approximately $3 billion per year in the US. • RF Biocidics engages in the development, manufacturing, and sale of environmentally friendly, chemical-free food safety solutions using radio frequency technology. RF Biocidics is currently undertaking research activities to develop and expand its product lines. These include engineering design modifications to its technology with respect to the treatment of food commodities. Two lines of equipment are offered from the company's Vacaville, California facility. The APEX line targets drier commodities such as nuts and seeds and its SENTINEL product serves higher moisture commodities mainly dried fruits. For many commodities, RF technology provides a chemical-free food treatment methodology that may be an economical alternative to existing process technologies, such as hot air, steam or ionising radiation. Today, RF Biocidics's addressable market includes the dried fruit, tree nut and seed/grain markets representing approximately 500 million metric tonnes, in aggregate, globally per annum. • CryoXtract Instruments is developing technology that enables the robotic aliquotting of biosamples while keeping them frozen. It has launched its flagship product, CXT 750 fully-automated Frozen Sample Aliquotter, directed at large-scale automated access to frozen biofluids. It also subsequently launched the CXT 350 Frozen Sample

		Aliquotter directed at smaller-scale semi-automated access to frozen tissue samples as well as frozen biofluids. The current primary focus of Cryoxtract is the large and growing human biosample market. The target users for the technology are biobanks ranging from large automated facilities to small, manually operated laboratories processing frozen samples into aliquots to support bench and clinical trials and research. North America and Europe account for the largest proportion of biobanks. ● SoundCure has developed an acoustic therapy technology known as S-Tones®, and subsequently developed and commercialised a handheld tinnitus treatment device, the Serenade®. Studies demonstrate advantages for S-Tones® compared with conventional maskers. SoundCure has obtained FDA Clearance and CE Mark for the Serenade®. An estimated 50 million US residents (approximately 16 per cent. of the population of the US) experience tinnitus to some degree. Approximately two million Americans experience tinnitus as a life-altering, disabling condition. SoundCure has developed a tinnitus management approach with the goal of providing acute and long term relief to those seeking care. The Group is dependent upon innovative technology and relies significantly upon technologies which are the subject of intellectual property licenses from its university partners or US federal government laboratories. The Group also has various solely or jointly held US and/or international patents or patent applications. Collectively or individually, this technology and intellectual property may be of material importance to the Group's business.
B.4a	Recent trends	There are numerous companies and other organisations seeking to provide commercialisation services to universities and other research intensive institutions in the US, which operate a variety of business models and include venture capital funds, hedge funds, the technology transfer offices of certain universities, angel investors and other boutique investors. In many cases, these entities operate in a different manner to the Company. The Directors believe many of these entities focus on a narrower technology and/or geographic area, are structured as life limited entities (e.g. funds), take only minority equity positions, have little or no active participation or no management responsibility, and/or source opportunities from non-institutional sources. In contrast, the Group's business model focuses on the commercialisation of early-stage technologies and has, as a result, invested significant capital and resources in laboratory based scientific research and product development since inception. This has enabled Allied Minds to progress and, in some cases, complete testing of a number of potentially innovative products.
B.5	Description of Issuer's group	Following the Reorganisation, the Company is the parent company of Allied Minds, LLC (formerly Allied Minds, Inc.) which has 15 direct subsidiaries and 5 indirect subsidiaries in which it holds, directly or indirectly, a majority of the voting interests and through which the Company operates its 18 subsidiary businesses.

B.6	Shareholders	The interests in the share capital of the Company of the Directors and the Senior Managers, (all of which, unless otherwise stated, are beneficial or are interests of a person connected with the Director or Senior Manager) as at 19 June 2014, the latest practicable date prior to publication of this Prospectus, were as follows (assuming no exercise of the Overallotment Option:

	Number of issued Ordinary Shares immediately prior to Admission	Percentage of issued Ordinary Share Capital immediately prior to Admission	Number of issued Ordinary Shares immediately following Admission	Percentage of issued Ordinary Share Capital immediately following Admission
Director				
Mark Pritchard[1]	20,350,000 7,275,422	12.32%	20,350,000	9.71%
Christopher Silva		4.40%	2,844,402	1.36%
Peter Dolan	39,600	0.02%	39,600	0.02%
Jeffrey Rohr	39,600	0.02%	39,600	0.02%
Rick Davis	1,139,600	0.69%	259,600	0.12%
Senior Manager				
Marc Eichenberger	5,110,996	3.09%	1,615,966	0.77%
Omar Amirana	—	—	—	—
Sam Milenkov	—	—	—	—
Michael Turner	—	—	—	—

(1) In addition (a) 1,225,356 shares of the Ordinary Shares of the Company, being approximately: 0.74 per cent. of the total Ordinary Shares of the Company immediately prior to Admission and 0.58 per cent. of the total Ordinary Shares immediately following Admission, assuming the Overallotment Option has not been exercised, are registered to Lomcon PLC ("**Lomcon**"). Lomcon re-registered as a private limited company incorporated under the laws of England and Wales on 13 May 2009 and, following a voluntary application, was struck off the register of companies maintained by Companies House in the UK. Action is currently being undertaken to restore Lomcon to the register of companies. The majority of the shares in Lomcon were owned, directly or indirectly, by Mark Pritchard. Accordingly, as and when Lomcon is reinstated, it is anticipated that Mark Pritchard's shareholding interest in the Ordinary Shares will increase accordingly; and (b) Lomond Consultancy Limited holds 832,348 Ordinary Shares. Mark Pritchard holds 50 per cent. of the share capital in Lomond Consultancy Limited and therefore has an interest in these Ordinary Shares in addition to his shareholding set out in the table above.

As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, the Directors were aware of the following persons who, in addition to the Directors and Senior Managers set out above, directly or indirectly, were interested in three per cent. or more of the Company's share capital or voting rights (assuming no exercise of the Overallotment Option):

Shareholders	Number of Ordinary Shares immediately prior to Admission	Percentage of issued Ordinary Share Capital immediately prior to Admission	Number of issued Ordinary Shares immediately following Admission	Percentage of issued Ordinary Share Capital immediately following Admission
Invesco[1]	74,396,278	45.02%	89,826,699	42.88%
P3 Private Equity Fund I, LLC	8,701,330	5.27%	8,701,330	4.15%
Roy Nominees Limited[2]	5,962,286	3.61%	7,493,457	3.58%
Hayder Alani	5,618,778	3.40%	3,994,952	1.91%
Pictet Private Equity Investors SA[2]	4,432,538	2.68%	4,432,538	2.12%

(1) As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Hare & Co., a nominee company of the Bank of New York Mellon, was the registered holder of 74,396,278 Ordinary Shares acting as custodian on behalf of a number of funds controlled by Invesco. Invesco will also subscribe for, or acquire, a further 15,430,421 Ordinary Shares upon Admission. Such Ordinary Shares will be held by one or more nominee companies acting as custodian on behalf of a number of funds controlled by Invesco.

(2) As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Roy Nominees Limited was the registered holder of 5,962,286 Ordinary Shares and Pictet

		Private Equity Investors SA was the registered holder of 4,432,538 Ordinary Shares, each acting as custodian on behalf of a number of clients of Sand Aire Limited. Sand Aire Limited, in its capacity as investment manager for these clients, has a discretionary mandate that enables it to exercise the voting rights attaching to 4,492,158 of the Ordinary Shares held in the name of Roy Nominees Limited and all of the voting rights attaching to the Ordinary Shares held in the name of Pictet Private Equity Investors SA. In addition, Sand Aire Limited will also subscribe for, or acquire, a further 1,531,171 Ordinary Shares upon Admission. Such Ordinary Shares will be held by one or more nominee companies acting as custodian on behalf of a number of clients of Sand Aire Limited and under its discretionary mandate, Sand Aire Limited will be able to exercise the voting rights attaching to such Ordinary Shares and therefore Sand Aire Limited had an interest in 8,924,696 Ordinary Shares (5.40 per cent. of the issued ordinary share capital) immediately prior to Admission and will have an interest in 10,455,867 Ordinary Shares (4.99 per cent. of the issued ordinary share capital) immediately following Admission, assuming the Overallotment Option has not been exercised. The Ordinary Shares owned by the Company's major shareholders rank *pari passu* with other Ordinary Shares in all respects. On 19 June 2014, the Company entered into the Relationship Agreement with Invesco, which will enter into force on Admission. The Board believes that the terms of the Relationship Agreement will permit the Company to carry on its business independently from Invesco and its affiliates, and ensure that all transactions and relationships between the Company and Invesco are, and will be, at arm's length and on a normal commercial basis.
B.7	Selected historical key financial information	The selected financial information set out below has been extracted without material adjustment from the audited accounts of the Group for the financial periods ended 31 December 2011, 31 December 2012 and 31 December 2013:

Consolidated Statements of Comprehensive Income

	For the year ended 31 December		
	2011 $'000	2012 $'000	2013 $'000
Continuing Operations			
Revenue	425	1,181	2,936
Operating expenses:			
Cost of revenue	(85)	(1,500)	(2,342)
Selling, general and administrative expenses	(14,946)	(22,021)	(27,472)
Research and development expenses	(8,053)	(12,256)	(15,689)
Operating Loss	(22,659)	(34,596)	(42,567)
Finance income/(cost), net	85	185	(140)
Loss before tax	(22,574)	(34,411)	(42,707)
Income taxes	—	—	—
Loss for the year	(22,574)	(34,411)	(42,707)
Other comprehensive income/(loss):			
Foreign currency translation differences	10	53	35
Unrealised loss on short-term investments	(10)	—	—
Other comprehensive income, net of tax	—	53	35
Total comprehensive loss	(22,574)	(34,358)	(42,672)
Loss attributable to:			
Owners of the Company	(18,543)	(27,226)	(34,501)
Non-controlling interests	(4,031)	(7,185)	(8,206)
	(22,574)	(34,411)	(42,707)
Total comprehensive loss attributable to:			
Owners of the Company	(18,543)	(27,173)	(34,466)
Non-controlling interests	(4,031)	(7,185)	(8,206)
	(22,574)	(34,358)	(42,672)
	$	**$**	**$**
Loss per share			
Basic	(0.15)	(0.22)	(0.24)
Diluted	(0.15)	(0.22)	(0.24)

Consolidated Statements of Financial Position

	As of 31 December		
	2011 $'000	2012 $'000	2013 $'000
Assets			
Property and equipment	2,677	8,796	18,001
Intangible assets	5,620	5,720	4,504
Other financial assets	93	461	484
Other non-current assets	58	36	38
Non-current assets	8,448	15,013	23,027
Cash and cash equivalents	51,815	33,749	104,551
Inventories	448	643	1,045
Trade and other receivables	182	370	2,385
Subscription receivable	—	14,500	—
Prepayments and other current assets	240	292	485
Other financial assets	23	5	312
Current assets	52,708	49,559	108,778
Total assets	61,156	64,572	131,805
Equity			
Share capital	1,922	1,922	2,445
Merger reserve	86,743	86,957	185,544
Other reserve	10,354	14,839	19,814
Translation reserve	10	63	98
Accumulated deficit	(41,503)	(55,142)	(90,648)
Equity attributable to owners of the Company	57,526	48,639	117,253
Non-controlling interests	725	9,675	2,606
Total equity	58,251	58,314	119,859
Liabilities			
Loans	—	752	2,744
Deferred revenue	39	—	188
Other non-current liabilities	93	329	278
Non-current liabilities	132	1,081	3,210
Trade and other payables	2,626	4,087	5,038
Deferred revenue	147	907	2,642
Loans	—	183	1,056
Current liabilities	2,773	5,177	8,736
Total liabilities	2,905	6,258	11,946
Total equity and liabilities	61,156	64,572	131,805

Consolidated Statements of Cash Flows

	For the year ended 31 December		
	2011 $'000	2012 $'000	2013 $'000
Cash flows from operating activities			
Net Operating loss	(22,659)	(34,596)	(42,567)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation	244	591	1,352
Amortisation	485	514	532
Impairment losses on property and equipment	200	126	5
Impairment losses on intangible assets	428	142	884
Share-based compensation expense	3,607	4,485	4,975
Issuance of warrants	—	210	—
Changes in operating assets and liabilities			
Inventory	(448)	(195)	(402)
Trade and other receivables	(7)	(188)	(2,015)
Other assets	(50)	(379)	(525)
Trade and other payables, current	845	1,461	951
Other non-current liabilities	115	236	(51)
Deferred revenue	—	721	1,923
Interest received	112	234	324
Interest paid	—	(26)	(306)
Other finance cost	(27)	(23)	(158)
Net cash used in operating activities	(17,155)	(26,687)	(35,078)
Cash flows from investing activities			
Purchases of property and equipment	(2,443)	(6,784)	(10,527)
Purchases of intangible assets	(242)	(34)	(148)
Redemptions of short-term certificates of deposit	15,855	—	—
Net cash provided by/(used in) investing activities	13,170	(6,818)	(10,675)
Cash flows from financing activities:			
Proceeds from exercise of stock options	—	4	55
Proceeds from issuance of notes payable	—	935	2,865
Proceeds from issuance of share capital	35,000	—	99,135
Proceeds from issuance of share capital in subsidiaries	8,000	14,500	14,500
Net cash provided by financing activities	43,000	15,439	116,555
Net increase/(decrease) in cash and cash equivalents	39,015	(18,066)	70,802
Cash and cash equivalents at beginning of year	12,800	51,815	33,749
Cash and cash equivalents at end of year	51,815	33,749	104,551

Certain significant changes to the Group's financial condition and operating results occurred during the years ended 31 December 2011, 2012 and 2013.

In 2011, the Group formed one new subsidiary and closed 3 subsidiary companies, establishing a group of 13 companies.

During 2012, the Group created six new subsidiary companies. In that period, RF Biocidics evolved from early to commercial stage as the Directors determined that the company had matured satisfactorily, had recorded initial sales and had the potential for recurring revenues from its two product lines. In addition, in 2012, AMFI was created as a wholly owned subsidiary of Allied Minds as an innovative investment vehicle designed to commercialise US federal laboratory inventions via historic private-public partnerships with a number of US federal research institutions. Reflecting these impacts, the total number of subsidiaries grew to 19 at the end of 2012.

		During 2013, the Group terminated three early stage subsidiaries, created two new subsidiaries and two subsidiaries advanced from early to commercial stage. CryoXtract reached commercial stage based on two viable products that earned $0.7 million of revenue in 2013. SoundCure also completed its first full year of gross revenue with its FDA-cleared medical device product. The net impact of all these changes is that the total number of subsidiaries held by the Group was reduced to 18 as at 31 December 2013. There has been no significant change in the financial condition or operating results or trading position of the Group since 31 December 2013, the date to which the last audited consolidated financial information of the Group was prepared.
B.8	Selected key *pro forma* financial information	The *pro forma* financial information has been prepared to illustrate the impact of the proceeds raised through the Offer on the consolidated net assets of the Group on the basis of the accounting policies to be adopted by Allied Minds plc in preparing the financial statements for the period ending 31 December 2014. The unaudited *pro forma* financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position. **Unaudited pro forma Statement of Net Assets**

	Consolidated net assets of the Group at 31 December 2013 Note 1 $000	Adjustment for application of the proceeds of the Offer Note 2 $000	Pro forma Note 3 $000
Assets			
Property and equipment	18,001	—	18,001
Intangible assets	4,504	—	4,504
Other financial assets	484	—	484
Other non-current assets	38	—	38
Non-current assets	23,027	—	23,027
Cash and cash equivalents	104,551	130,000	234,551
Inventories	1,045	—	1,045
Trade and other receivables	2,385	—	2,385
Prepayments and other current assets	485	—	485
Other financial assets	312	—	312
Current assets	108,778	130,000	238,778
Total assets	131,805	130,000	261,805

	Consolidated net assets of the Group at 31 December 2013	Adjustment for application of the proceeds of the Offer	Pro forma
Liabilities			
Loans and borrowings	2,744	—	2,744
Deferred revenue	188	—	188
Other non-current liabilities	278	—	278
Non-current liabilities	3,210	—	3,210
Trade and other payables	5,038	—	5,038
Deferred revenue	2,642	—	2,642
Loans and borrowings	1,056	—	1,056
Current liabilities	8,736	—	8,736
Total liabilities	11,946	—	11,946
Net assets	119,859	130,000	249,859

Notes

1. The net assets of the group as at 31 December 2013 have been extracted without material adjustment from the historical financial information set out in Part XII (*Historical Financial Information*) of this Prospectus.
2. The adjustment in Note 2 represents the effect of the receipt of the gross proceeds of the Offer of £84.1 million ($143.4 million) less costs of £7.9 million ($13.4 million).
3. No adjustment has been made to reflect the trading results of the Group since 31 December 2013 or any other change in its financial position in this period. The Directors believe that, had the Offer completed at the beginning of the last financial period, the earnings of the group would have been affected. Assuming that the net offer proceeds were retained by the Company, the impact would have been to increase finance income with a corresponding reduction in loss.

B.9	Profit forecast/estimate	Not applicable. No profit forecasts or estimates are included within this Prospectus.
B.10	Audit report – qualifications	Not applicable. The report from KPMG LLP on the historical financial information included in this Prospectus does not contain any qualifications.
B.11	Explanation in respect of insufficient working capital	Not applicable. The Company is of the opinion that the working capital available to it is sufficient for the present requirements of the Group, that is, for at least twelve months from the date of this Prospectus.

Section C – Securities		
C.1	Type and class of the securities being offered and admitted to trading, including the security identification number	The Company is proposing to issue up to 44,254,411 New Ordinary Shares pursuant to the Offer for an aggregate amount of approximately £76.2 million ($130.0 million), net of aggregate underwriting commissions, taxes and other estimated fees and expenses of approximately £7.9 million ($13.4 million), representing approximately 21.1 per cent. of the issued share capital of the Company immediately following Admission (before any exercise of the Over-allotment Option). The Selling Shareholders are proposing to sell 17,440,797 Ordinary Shares for an aggregate amount of approximately £32.3 million ($55.1 million), net of aggregate underwriting commissions and amounts in respect of stamp duty or SDRT, payable by the Selling Shareholders in connection with the Offer, of approximately £0.8 million ($1.4 million), representing approximately 8.3 per cent. of the issued share capital of the Company immediately following Admission (before any exercise of the Over-allotment Option).

		In addition, Over-allotment Shares (representing up to 15 per cent. of the total number of New Ordinary Shares) will be made available by the Company by issue of New Ordinary Shares pursuant to the Overallotment Option. The Offer is made by way of an offer to certain institutional and professional investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. When admitted to trading, the Ordinary Shares will be registered with ISIN number GB00BLRLH124 and SEDOL number BLRLH12.
C.2	Currency of the securities issue	United Kingdom pounds sterling.
C.3	Shares issued/value per share	On Admission, the nominal value of the issued share capital of the Company will be £2,094,994.25 divided into 209,499,425 Ordinary Shares of one pence each, all of which will be fully paid (assuming no exercise of the Overallotment Option).
C.4	Rights attached to the securities	The rights attaching to the Ordinary Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. Subject to any rights and restrictions attached to any shares, on a show of hands every Shareholder who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per Ordinary Share. Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.
C.5	Restrictions on free transferability of the securities	The Board may decline to register any transfer of certificated Ordinary Shares if it is not fully paid up (provided that the refusal does not prevent dealings in the Company's shares from taking place on an open and proper basis). There are no other restrictions on the free transferability of the Ordinary Shares, save that: (i) the Ordinary Shares have not been and will not be registered under the Securities Act or any US State securities laws and may not be otherwise offered or sold in breach of securities laws of other jurisdictions. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the US (as defined in Regulation S under the Securities Act) unless the Offer and sale of the Ordinary Shares has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares are being offered and sold solely outside the US in reliance on Regulation S; and (ii) other laws may limit or restrict the free transferability of the Ordinary Shares in certain circumstances (i.e. the issue of the Ordinary Shares has not been, and will not be, registered under the applicable securities laws of Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, the Ordinary Shares may not be offered or sold directly or indirectly within these jurisdictions or to, or for the account or benefit of, any persons within these jurisdictions). This Prospectus does not constitute an Offer of, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares to any person in any jurisdiction to whom, or in which jurisdiction, such offer or solicitation is unlawful.
C.6	Admission/regulated markets where the securities are traded	Application has been made to the Financial Conduct Authority for all of the Ordinary Shares, issued and to be issued, to be admitted to the Official List of the Financial Conduct Authority and to the London Stock

		Exchange for all of the Ordinary Shares to be admitted to trading on the London Stock Exchange. Admission to trading on the London Stock Exchange's main market for listed securities constitutes admission to trading on a regulated market. It is expected that the Admission will become effective, and that unconditional dealings on the London Stock Exchange's main market for listed securities in the Offer will commence, at 8.00 a.m. on 25 June 2014.
C.7	Dividend policy	The Company has never declared or paid any cash dividends. The Directors' current intention is to retain the Group's earnings in the foreseeable future to finance growth and expansion across the Group. However, the Directors may consider the payment of dividends in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital position of the Group.

Section D – Risks		
D.1	Key information on the key risks specific to the Issuer or its industry	The science and technology being developed or commercialised by the Group's businesses may fail and/or the Group's business may not be able to develop their intellectual property into commercially viable products or technologies. There is a high risk that certain of the subsidiary companies may fail or not succeed as anticipated, resulting in an impairment of the Group's value and profitability. The Group expects to continue to incur substantial expenditure in further research and development activities of its businesses. There is no guarantee that the Group will ever become profitable and, even if it does so, it may be unable to sustain profitability. The market sectors in which the Group's businesses participate are highly competitive and constantly subject to rapid technological changes. If any of the Group's relationships with universities and federal government institutions were to break down or be terminated (for example, as a result of the Group's failure to perform certain contractual obligations under the partnerships, or because of actively hostile foreign ownership) or expire then the Group would lose any rights that it has to act as a private sector partner in the commercialisation of intellectual property being generated by such universities, other research intensive institutions or US federal research institutions. A majority of the Group's intellectual property relates to technologies originated in the course of research conducted in, and initially funded by, US universities or other federally-funded research institutions. Although the Group has been granted exclusive licenses to use this intellectual property by the universities and other federally funded research institutions, there are certain limitations inherent in these licenses, for example as required by the Bayh-Dole Act of 1980. There is also usually an exception to exclusivity whereby the university or research institution retains the right to use the intellectual property for research purposes (i.e., non-commercial use) and may occasionally be exclusions for other commercial uses or a requirement to sub-license in certain circumstances. Pursuant to the Bayh-Dole Act of 1980, the US Government may have certain rights to intellectual property with respect to current or future products generated using technology to which it relates. The rights to use intellectual property generated by other federally funded research institutions can be wider, as restrictions under the Bayh-Dole Act of 1980 apply only in relation to universities. The Group currently has in place cooperative research and development agreements with certain US Department of Defense laboratories and federal government institutions. Certain regulatory measures apply to these agreements which restrict the export of information and material that may be used for military or intelligence applications by a foreign person.

		The Group currently owns approximately half of the patents, patent applications and other intellectual property relating to technologies which it is seeking to commercialise. Where it does not, the Group has, usually, been licensed to use and commercialise and benefit from the protection of certain patents and/or patent applications and knowhow by universities, federally funded research institutions and other intellectual property owners, and therefore may enforce only the rights it received under licensing agreements. The intellectual property licensed to the Group, or generated by the Group, is protected, where the Directors believe it is practicable to do so, by one or more of the following types of protections: patent, trademark, trade dress, copyright, unfair competition and/or trade secret laws, confidentiality obligations or other contractual restrictions. However, these rights and other arrangements do not apply to all technology or intellectual property used by the Group and, where they do apply, they frequently provide only limited protection. In addition, some licensing agreements are terminable at the option of the intellectual property owners if the licensees fail to meet certain development based milestones. As more research and development is undertaken by Group, the Group expects that the percentage of technology and intellectual property that it directly develops and owns will increase over time in relation to the technology and intellectual property that it licenses from third parties. Failure of certain Group businesses may make it more difficult for other Group businesses to raise additional external capital. A large proportion of the overall value of the Group's businesses may at any time reside in a small proportion of the Group's businesses. If one or more of the intellectual property rights relevant to a valuable business was terminated this would have a material adverse impact on the overall value of the Group's businesses. Clinical studies and other tests to assess the commercial viability of the product are typically expensive, complex and time-consuming, and have uncertain outcomes. If the Company fails to complete or experiences delays in completing tests for any of its product candidates, it may not be able to obtain regulatory approval or commercialise its product candidates on a timely basis, or at all.
D.3	Key information on the key risks specific to the Ordinary Shares	Technology commercialisation is a relatively new business sector and consequently there is a relatively small number of companies with comparable business models. Accordingly, any event which detrimentally affects the companies in this comparator group may adversely affect the value of the Group and the value of the Ordinary Shares. The Directors will have considerable discretion in the application of the net proceeds of the Offers and holders of Ordinary Shares must rely on the judgement of the Directors regarding the application of such proceeds. The Directors' allocation of the net proceeds is based on current plans and business conditions. The amounts and timing of any expenditure may vary depending on the amount of cash generated by the Group's operations and competitive and market developments, among other factors. The net proceeds may be used in funding products that fail to produce income or capital growth or that lose value. Upon Admission, Invesco will in aggregate hold 89,826,699 Ordinary Shares, representing 42.9 per cent. of the issued Ordinary Shares upon Admission (assuming no exercise of the Overallotment Option). The Ordinary Shares held by it prior to Admission will be subject to lock-up arrangements. Sales of substantial numbers of Ordinary Shares by Invesco if the lock-up were relaxed or following the expiration of the lock-up periods or sales by other holders of Ordinary Shares could adversely affect the prevailing market price of the Ordinary Shares.

Section E – Offer		
E.1	Total net proceeds and estimate of total expenses of the issue/offer, including estimated expenses charged to investors	The Company intends to raise gross proceeds of up to approximately £84.1 million ($143.4 million) through the Offer, assuming the maximum number of New Ordinary Shares are issued pursuant to the Offer and before any exercise of the Over-allotment Option. The aggregate estimated expenses of the offer, including underwriting commissions and other fees, taxes and expenses of, or incidental to, Admission and the Offer incurred and to be borne by the Company are estimated to be approximately £7.9 million ($13.4 million) (inclusive of amounts in respect of VAT), which the Company intends to pay out of the gross proceeds of the Offer. No expenses will be charged by the Company to any investor who subscribes for or purchases Ordinary Shares pursuant to the Offer.
E.2a	Reasons for the offer, use of proceeds and estimated net amount of proceeds	The Directors believe that the Admission will: provide diversification of funding sources to support the Group's long-term growth; enhance the Group's public profile and status with existing and potential partners; create a significantly more liquid market in the Ordinary Shares; assist in the incentivisation and retention of key management and employees; and provide investors with an opportunity to gain exposure to early stage US university and US federal government intellectual property commercialisation. The Offer comprises an offer of 44,254,411 New Ordinary Shares to be issued by the Company and 17,440,797 Existing Ordinary Shares to be sold by the Selling Shareholders. The Selling Shareholders include certain employees of Allied Minds who are selling a proportion of their Existing Ordinary Shares, substantially all of which relates to satisfying personal tax liabilities arising on Admission and the funding of the exercise price of share options exercised, for personal tax reasons, in connection with Admission. As at 31 May 2014, being the latest practicable date prior to publication of this Prospectus, the Group had existing consolidated cash balances of $83.9 million (£49.2 million). In addition, as a result of option exercises the Group will receive cash proceeds of $10.5 million (£6.2 million) following Admission. The Company expects to receive net proceeds from the Offer of approximately £76.2 million ($130.0 million). The Directors intend the net proceeds, together with a proportion of the Company's existing cash resources, to be applied to bringing the identified products within its existing Group businesses to market, as set out in paragraph 1 below. Allied Minds' business model requires that a proportion of the Company's planned use of proceeds will, at any given time, be contingent upon successful achievement of certain target research and product development milestones. Based on the Directors' assessment of the subsidiary businesses' progress in respect of such milestones, the level of capital committed by the Company or sought from external investors towards further development and commercialisation activities may be less than, or may exceed, the planned level of investment. Allied Minds' current majority ownership of its businesses enables the Company, in almost all cases, currently to retain significant control over both, the timing and allocation of its expenditure in a disciplined and efficient manner, and the ability to increase or accelerate investment in pursuit of product commercialisation where there is a compelling case to do so. Accordingly, the Directors anticipate that, from time to time, the Company's use of proceeds will be subject to revision as a result of on-going research and product development activities. Based on the Directors' present assessment, the Company currently intends to use the net proceeds it receives from the Offer, together with its existing cash resources, as required, to:

1. Invest in existing Group businesses to bring products to market

Allied Minds provides on-going funding to support the operating activities of its existing 18 Group businesses, the primary focus of which is to progress on-going scientific research and product development activity towards commercialisation of the products developed by those Group businesses. The Directors currently anticipate allocating approximately $150 million, comprising the net proceeds of $130 million, together with $20 million from existing cash resources, towards advancing the Company's principal life sciences and physical sciences subsidiaries and bringing their principal products to market, as follows:

Physical sciences

- Spin Transfer Technologies, which is seeking to develop and commercialise its OST-MRAM technology in the semiconductor market – approximately $76 million;
- SiEnergy Systems, which is seeking to commercialise a thin film Solid Oxide Fuel Cell technology – approximately $17 million;
- Optio Labs, which is seeking to develop and further commercialise its OptioCore, OptioApp and Optio Embedded products in the mobile enterprise and interconnected embedded systems markets – approximately $4 million;
- RF Biocidics, which is seeking to further commercialise its radio frequency food safety solutions, principally its APEX and SENTINEL products – approximately $1 million.

Life Sciences

- Cephalogics, which is seeking to develop its prototype system and algorithm to commercialise non-invasive brain mapping system for use in neurocritical care, surgery and neonatology – approximately $15 million;
- Precision Biopsy, which is seeking to develop and commercialise a product with a real-time tissue classification and biopsy system – approximately $15 million;
- ProGDerm, which is seeking to develop and commercialise its family of reagents, principally in the aesthetics market for anti-ageing products – approximately $15 million;
- CryoXtract, which is seeking to further commercialise its CXT 750 and CXT 350 frozen sample aliquotters for the human biosample market – approximately $2 million;
- SoundCure, which is seeking to develop and further commercialise its Serenade® handheld tinnitus treatment device based on its acoustic therapy branded as S-Tones® – approximately $1 million.
- SciFluor, which is seeking, by demonstrating efficacy and safety through preclinical in vitro and in vivo studies, to advance and commercialise its portfolio of proprietary fluorinated compounds through industry partnerships – approximately $1 million;

2. Invest in new potentially transformative technologies

The significant recent expansion Allied Minds has experienced in its university and federal government partner network is expected to support further growth in the Company's pipeline of innovative technology. The Directors expect to add five to ten projects per year following Admission. Allied Minds' strategy is to continue to fund the seed capital and initial development phase of such intellectual property development, and therefore the Company will require sufficient funding to enable it to pursue those opportunities selected by the Board for investment. The Directors currently anticipate allocating approximately $10 million per year from Allied Minds' existing cash resources to invest in new technologies to be identified through the Group's network of prospective parties.

		3. Maintain efficient central support functions Allied Minds' business model ensures central support functions are maintained at Group level, thereby enabling its subsidiary businesses to focus on research and development activity whilst achieving operational and financial efficiency. Whilst the Board seeks to maintain a strict focus on capital discipline, in time further expansion of operational and administrative infrastructure is likely to be required as the Group grows in size and these companies mature. The Directors currently anticipate the incremental cost to be approximately $2.0 million to $3.0 million per annum to fund, from Allied Minds' existing cash resources, on-going central support functions over the next 2-3 years. **4. Retain flexibility to respond to other funding requirements as they arise** The balance of Allied Minds' cash resources will be applied, firstly, to support the ongoing research and development activities of its remaining subsidiary businesses, currently expected to amount to approximately $20.0 million in aggregate, or otherwise will remain unallocated until such time as it is required. The nature of Allied Minds' business is such that the Directors believe that further opportunities will arise and this enables the Group to be able to respond to these opportunities.
E.3	Terms and conditions of the offer	The Offer comprises an offer of 44,254,411 New Ordinary Shares to be issued by the Company and 17,440,797 Existing Ordinary Shares to be sold by the Selling Shareholders. Under the Offer, all Offer Shares will be sold at the Offer Price, which has been determined by the Company in consultation with the Sponsor. A number of factors have been considered in deciding the Offer Price and the basis of allocation under the Offer, including the level and nature of demand for Offer Shares and the objective of encouraging the development of an orderly and liquid after-market in the Ordinary Shares. The Offer comprises an offer to certain institutional and professional investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S. It is expected that Admission will take place and unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 25 June 2014. Settlement of dealings from that date will be on a three day rolling basis. Prior to Admission, it is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange on 20 June 2014. The earliest date for such settlement of such dealings will be 25 June 2014. **All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a "conditional basis", will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. These dates and times may be changed without further notice**. The Offer is subject to the satisfaction of conditions contained in the Underwriting Agreement which are customary for transactions of this type, including Admission becoming effective by no later than 8.00 a.m. on 25 June 2014 or such later time and/or date as may be determined in accordance with the terms of the Underwriting Agreement and on the Underwriting Agreement not having been terminated prior to Admission. None of the Offer Shares may be offered for subscription, sale or purchase or be delivered, or be subscribed, sold or delivered, and this Prospectus and any other offering material in relation to the Offer Shares may not be circulated, in any jurisdiction (including, without limitation, the US) where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

E.4	Interests material to the issue/offer, including conflicting interests	Other than as set out below, there are no interests, including conflicting interests, that are material to the Offer. The interests in the share capital of the Company of the Directors and the Senior Managers, (all of which, unless otherwise stated, are beneficial or are interests of a person connected with the Director or Senior Manager) as at 19 June 2014, the latest practicable date prior to publication of this Prospectus, were as follows (assuming no exercise of the Overallotment Option):

	Number of issued Ordinary Shares immediately prior to Admission	Percentage of issued Ordinary Share Capital immediately prior to Admission	Number of issued Ordinary Shares immediately following Admission	Percentage of issued Ordinary Share Capital immediately following Admission
Director				
Mark Pritchard[(1)]	20,350,000	12.32%	20,350,000	9.71%
Christopher Silva	7,275,422	4.40%	2,844,402	1.36%
Peter Dolan	39,600	0.02%	39,600	0.02%
Jeffrey Rohr	39,600	0.02%	39,600	0.02%
Rick Davis	1,139,000	0.69%	259,600	0.12%
Senior Manager				
Marc Eichenberger	5,110,996	3.09%	1,615,966	0.77%
Omar Amirana	—	—	—	—
Sam Milenkov	—	—	—	—
Michael Turner	—	—	—	—

(1) In addition: (a) 1,225,356 shares of the Ordinary Shares of the Company, being approximately 0.74 per cent. of the total Ordinary Shares of the Company immediately prior to Admission and 0.58 per cent. of the total Ordinary Shares immediately following Admission, assuming the Overallotment Option has not been exercised, are registered to Lomcon PLC ("**Lomcon**"). Lomcon re-registered as a private limited company incorporated under the laws of England and Wales on 13 May 2009 and, following a voluntary application, was struck off the register of companies maintained by Companies House in the UK. Action is currently being undertaken to restore Lomcon to the register of companies. The majority of the shares in Lomcon were owned, directly or indirectly, by Mark Pritchard. Accordingly, as and when Lomcon is reinstated, it is anticipated that Mark Pritchard's shareholding interest in the Ordinary Shares will increase accordingly; and (b) Lomond Consultancy Limited holds 832,348 Ordinary Shares. Mark Pritchard holds 50 per cent. of the share capital in Lomond Consultancy Limited and therefore has an interest in these Ordinary Shares in addition to his shareholding set out in the table above.

As at 19 June 2014, being the latest practicable date prior to the publication of this Prospectus, the Directors were aware of the following persons who, in addition to the Directors and Senior Managers set out above, directly or indirectly, were interested in three per cent. or more of the Company's share capital or voting rights (assuming no exercise of the Overallotment Option):

Shareholders	Number of Ordinary Shares immediately prior to Admission	Percentage of issued Ordinary Share Capital immediately prior to Admission	Number of issued Ordinary Shares immediately following Admission	Percentage of issued Ordinary Share Capital immediately following Admission
Invesco[(1)]	74,396,278	45.02%	89,826,699	42.88%
P3 Private Equity Fund I, LLC	8,701,330	5.27%	8,701,330	4.15%
Roy Nominees Limited[(2)]	5,962,286	3.61%	7,493,457	3.58%
Hayder Alani	5,618,778	3.40%	3,994,952	1.91%
Pictet Private Equity Investors SA[(2)]	4,432,538	2.68%	4,432,538	2.12%

(1) As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Hare & Co., a nominee company of the Bank of New York Mellon, was the registered holder of 74,396,278 Ordinary Shares acting as custodian on behalf of a number of funds controlled by Invesco. Invesco will also subscribe for, or acquire, a further 15,430,421 Ordinary Shares upon Admission. Such Ordinary Shares will be held by one or more nominee companies acting as custodian on behalf of a number of funds controlled by Invesco.

		(2) As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Roy Nominees Limited was the registered holder of 5,962,286 Ordinary Shares and Pictet Private Equity Investors SA was the registered holder of 4,432,538 Ordinary Shares, each acting as custodian on behalf of a number of clients of Sand Aire Limited. Sand Aire Limited, in its capacity as investment manager for these clients, has a discretionary mandate that enables it to exercise the voting rights attaching to 4,492,158 of the Ordinary Shares held in the name of Roy Nominees Limited and all of the voting rights attaching to the Ordinary Shares held in the name of Pictet Private Equity Investors SA. In addition, Sand Aire Limited will also subscribe for, or acquire, a further 1,531,171 Ordinary Shares upon Admission. Such Ordinary Shares will be held by one or more nominee companies acting as custodian on behalf of a number of clients of Sand Aire Limited and under its discretionary mandate, Sand Aire Limited will be able to exercise the voting rights attaching to such Ordinary Shares and therefore Sand Aire Limited has an interest in 8,924,696 Ordinary Shares (5.40 per cent. of the issued ordinary share capital) immediately prior to Admission and will have an interest in 10,455,867 Ordinary Shares (4.99 per cent. of the issued ordinary share capital) immediately following Admission assuming the Overallotment Option has not been exercised. The Ordinary Shares owned by the Company's major shareholders rank *pari passu* with other Ordinary Shares in all respects. On 19 June 2014, the Company entered into the Relationship Agreement with Invesco, which will enter into force on Admission. The Board believes that the terms of the Relationship Agreement will permit the Company to carry on its business independently from Invesco and its affiliates, and ensure that all transactions and relationships between the Company and Invesco are, and will be, at arm's length and on a normal commercial basis.
E.5	Name of the offerors/ Lock-up agreements	The Ordinary Shares are being offered by the Company and the Selling Shareholders pursuant to the Underwriting Agreement. The Selling Shareholders comprise Christopher Silva, Hayder Alani, Marc Eichenberger, Alasdair Anderson, Caroline Wadey, James Anderson, Robert Anderson, Clive Roberts, Paolo Mascheroni, Maurice Gould, Rick Davis, Abigail Mowatt, Ben Anderson, Ian Weaver, Roger Yang and Teresa Truong. Through the sale of existing Ordinary Shares by the Selling Shareholders, the Company expects the Selling Shareholders to receive net proceeds from the Offer of approximately £32.3 million ($55.1 million) (after deducting underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders, of approximately £0.8 million ($1.4 million). The Company will not receive any proceeds from the sale of existing Ordinary Shares by the Selling Shareholders. No expenses will be charged to the subscribers for and purchasers of Ordinary Shares in connection with the Admission or the Offer by the Company or the Selling Shareholders. Pursuant to the Underwriting Agreement, the Company has agreed to be subject to a 365 day lock-up period following Admission, during which time, subject to certain exceptions, it may not, among other things, issue or dispose of any Ordinary Shares without the consent of Jefferies. Pursuant to the Underwriting Agreement, the Directors have agreed to be subject to a 365 day lock-up period following Admission, during which time, subject to certain exceptions, they may not, among other things, dispose of any interest in Ordinary Shares held by them without the consent of Jefferies. In addition, certain Senior Managers and certain other employees, holding Ordinary Shares in the Company have entered into lock-up arrangements for a 365 day period following Admission during which time, subject to certain exceptions, they may not, among other things, dispose of any interest in Ordinary Shares held by them without the consent of Jefferies. Invesco has entered into lock-up arrangements for a 180 day period following Admission during which time, subject to certain exceptions, it may not, among other things, dispose of any interest in the Ordinary Shares held by it prior to Admission without the consent of Jefferies.

		Certain Selling Shareholders holding, in aggregate, 21,672,825 Ordinary Shares immediately following Admission (10.3 per cent. of the issued share capital immediately following Admission) have entered into lock-up arrangements for a 90 day period following Admission during which time, subject to certain exceptions, they may not, among other things, dispose of any interest in Ordinary Shares held by them without the consent of Jefferies.
E.6	Dilution	44,254,411 New Ordinary Shares will be issued pursuant to the Offer. These new Ordinary Shares will represent 21.1 per cent. of the total issued Ordinary Shares immediately following Admission (before exercise of the Over-allotment Option).
E.7	Estimated expenses charged to investors by the Company	Not applicable; no expenses will be charged to investors by the Company or any Selling Shareholders in respect of the Offer.

PART II – RISK FACTORS

Any investment in the Ordinary Shares would be subject to a number of risks. Prior to investing in the Ordinary Shares, prospective investors should consider carefully the factors and risks associated with any investment in the Ordinary Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. Additional risks and uncertainties that are not currently known to the Group, or that it currently deems immaterial, may also have an adverse effect on the Group's business, financial condition and operating results. If this occurs the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this Prospectus and their personal circumstances.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in Part I (Summary) of this Prospectus are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in Part I (Summary) of this Prospectus but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the Ordinary Shares.

RISKS RELATING TO THE GROUP'S BUSINESSES

The general global economic climate and trading conditions may adversely affect the Group's revenues

The performance of the Group is influenced by global economic and financial conditions. Weak economic growth may have an adverse effect on trading conditions and the Group may find it increasingly difficult to raise new capital and/or exit their existing Group businesses in order to realise capital to invest in its existing or new businesses. This could adversely affect the business, financial condition, results of operations and prospects of the Group.

In addition, restrictions on spending whether public or private resulting from adverse global economic and financial conditions could lead to a reduction in the income and/or growth which the Group hopes to derive from the commercialisation of intellectual property rights. For example, prospective licensees of the Group's intellectual property rights may seek to reduce the costs incurred in securing rights over intellectual property, through lower upfront license fees, while existing licensees and Group businesses may find it more difficult to sell products to generate income and growth and may seek to revise the terms of their current license agreements. Any reduction in the revenue that the Group derives from the commercialisation of intellectual property rights may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group may fail to identify the most promising new technologies invented by its university or federal laboratory partners, or may acquire new technologies that are less promising than other competing new technologies or the development of which is blocked by intellectual property to which the Group does not have access.

The Group's business model is critically dependent on its ability to identify and evaluate potentially promising new technologies developed at US universities and US federal laboratories. The Group may fail to identify the most promising new technologies available for any number of reasons, including because it lacks a relationship with the relevant institution, or because the institution has already transferred ownership of, or granted a license to, the relevant intellectual property to others. Although the Group maintains broad relationships with many institutions, there will inevitably be potentially relevant institutions with which it does not have a relationship, with the result that promising new technologies developed by those institutions will not come to the Group's attention. In addition, the Group's small size and limited resources mean that there can be no guarantee that it will identify the most promising new technologies developed at institutions with which it does have a relationship. In addition, institutions may decide to retain the relevant intellectual property for future development on their own or to refuse to permit it to be commercially developed at all, whether for reasons of national security or otherwise. Any of these could lead to the Group's failure to identify promising new technologies for commercial development.

Even where the Group is successful in identifying new technologies, it may fail accurately to assess the technical feasibility or commercial prospects of the new technology. Although the Group has a multi-stage evaluation process designed to efficiently filter out those new technologies that do not demonstrate the greatest promise, there is no guarantee that this evaluation process will not mistakenly identify as promising technologies those that in fact cannot be satisfactorily developed into commercially viable products or intellectual property. The new technologies pursued by the Group may be less technically feasible or less commercially attractive than competing technologies of which the Group is unaware or which the Group mistakenly views as less attractive. In addition, development of the new technologies pursued by the Group may not be feasible without the acquisition of additional intellectual property that cannot be acquired by the Group on commercially acceptable terms, if at all.

Any failure by the Group to identify promising new technologies or to accurately evaluate their technical or commercial prospects could adversely affect the business, results of operations or financial condition of the Group.

The Group may fail to acquire the rights to promising new technologies on commercially acceptable terms and may have to make important concessions that potentially have the effect of diluting the benefits to it from the development of the rights it acquires.

When the Group identifies a new technology that its multi-stage evaluation process has evaluated as attractive and worth pursuing further, the Group attempts to secure rights to commercially develop the new technology by entering into negotiations to acquire ownership or co-ownership of, or a license to exploit, the relevant intellectual property. Although the Directors believe that the Group has first mover advantage in some areas over potential competition, there can be no guarantee that further competition will not develop in the future and that such competitors will not be able to offer more attractive terms than the Group. See also "*Risk Factors – The Group may face increased competition, including from organisations with access to greater capital than the Group*" on page 29 of this Prospectus. In addition, the university and US federal laboratories with which the Group negotiates are not necessarily subject to the same commercial pressures as a private business enterprise would be. As such, the negotiation process in respect of any particular piece of intellectual property may be arduous, and its outcome difficult to predict. The Group may not be able to secure the rights it seeks or where it does, it may be compelled to agree to potentially onerous terms and conditions in order to secure the relevant intellectual property. Such terms and conditions could include contractual provisions whereby a portion of the benefit to be gained from commercial development of the new technology must be shared with the university or federal laboratory often by granting the intellectual property owners an equity stake in the subsidiary companies. Thus, the Group's university and federal laboratory counterparties may, and frequently do, seek to secure equity stakes in the subsidiary companies that the Group founds to exploit the new technology and rights of co-investment in future developments, as well as significant royalty payments. In certain circumstances, they may also seek to reserve certain rights (usually though not always of a non-commercial nature) to themselves and to require the issuance of mandatory sublicenses to third parties. See also "*The Group does not have exclusive rights to intellectual property and could ultimately lose its rights under certain circumstances*" on page 31 of this Prospectus.

Any of these arrangements, alone or in combination, may lead to a significant portion of the value of the Group's commercial development of a new technology to be payable to others, which could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group may not be successful in forming relationships with additional research institutions

The Group's ability to expand its business by entering into additional links and collaborative arrangements with universities, research intensive institutions and other commercial partners will depend on the willingness of organisations of suitable quality to enter into such arrangements on terms acceptable to the Group (including duration). Failure to successfully initiate new and additional partnerships may limit the Group's ability to expand.

Closure of technology transfer offices and/or spin-out equity management offices at universities and other research intensive institutions

One or more of the universities or other research intensive institutions with which the Group has a partnership or other collaborative relationship may choose to close its technology transfer office and/or spinout equity management offices (i.e. those parts of the university which are dedicated to

identifying research which has potential commercial interest, identifying strategies for how to exploit such research and managing the university or other institution's holdings of spin-out equity). The technology transfer offices and/or spin-out equity management offices act as the link between the Group and the universities and other research intensive organisations and, consequently, the closure of such an office would make it more difficult for the Group to identify and source opportunities emanating from that university or other organisation.

Termination of relationships with universities and federal government institutions would negatively impact the Group's business and prospects

The Group's business, results of operations and prospects are partially dependent upon the continuation of the Public Private Partnerships and the other collaborative technology transfer arrangements the Group has with universities, university partners and federal government institutions in the US, including the Cooperative Research and Development Agreements ("**CRADAs**"), that the Group has secured with certain US federal government agencies and the Sponsored Research Agreements ("**SRAs**") established with partner universities. If any of the Group's relationships with universities and federal government institutions were to break down or be terminated for example, as a result of the Group's failure to perform certain contractual obligations under the partnerships or because of actively hostile foreign ownership (see below) or expire at the end of their term and are not renewed, then the Group may lose rights that it has to act as a private sector partner in the commercialisation of intellectual property being generated by such universities, other research intensive institutions or US federal government agencies. The Public Private Partnerships and the other collaborative technology transfer arrangements the Group has, including the CRADAs and SRAs, are typically terminable, *inter alia*, on short notice without cause by the other party, so there is no contractual certainty of continued relationship with any particular university, university partner or US federal government agency. Any breakdown or termination of the Group's relationships with university partners or federal government institutions in the US, or any loss of rights of the Group to act as a private sector partner in the commercialisation of intellectual property, would impair the Group's ability to access innovative technology, which may have a material adverse effect on the Group's business, financial condition, future trading performance and prospects.

A majority of the Company's equity is owned by non-US persons, and therefore, the Company and the Group, may be deemed to be under foreign ownership, control or influence for the purposes of US regulation, which could in certain circumstances adversely affect the Group's business and prospects by, for instance, impacting the Group's ability to access certain information in its relationships with US federal government institutions or bringing about the termination of key relationships

Certain regulatory measures apply in relation to contracts between private entities and the US federal government, including, in particular, in relation to the CRADAs which the Group currently has in place with certain US federal government agencies and certain US federally funded research and development centres. The Group currently also has technical data and products that may be subject to the International Traffic in Arms Regulations ("**ITAR**"), which restrict the export of information, items and material that may be used for military or intelligence purposes or applications.

The regulation of foreign ownership, control or influence ("**FOCI**") of US businesses is relevant to the Company, and the Group, as the Company is majority owned by shareholders located outside the US, and such ownership by non-US shareholders is likely to increase upon Admission. The primary purpose of FOCI rules and regulations in the US is to protect classified information as that term is used in the National Industrial Security Program ("**NISP**"). The US Government views classified information as a national security asset. Accordingly, there are laws and regulations to ensure that all US classified information is protected through strict criteria relating to the release of classified information that limits access to such information to situations involving a real and identified need (i.e., a "need to know"); and restricts release of classified information to US contractors that are owned or controlled by US citizens or that have taken steps to mitigate non-US ownership or control. An entity that is subject to unmitigated FOCI cannot be awarded a US federal government contract (including a CRADA) or maintain a security clearance unless specific remedial actions are taken to overcome the possibility that classified information could be disclosed in an unauthorised manner. Any company that is subject to FOCI cannot be awarded a Department of Defense prime contract (including a CRADA) or subcontract that requires access to classified information, unless certain precautions are taken to overcome any perceived dangers of FOCI "issues". While the type of action to be taken depends on the circumstances for each case and is entirely determined by the US Government, the purpose of all such actions is to eliminate foreign access to classified information

and foreign influence over classified contracts. It should be noted that neither the Company nor any of its subsidiaries have a Facility Security Clearance (as that term is used in the context of the NISP or the National Industrial Security Program Operating Manual (''**NISPOM**'')) which would be required to obtain any classified information. Neither the Company, nor any of its subsidiaries, have obtained any classified information as result of the CRADAs, and they will not be able to obtain a Facility Security Clearance or any classified information unless steps are taken to mitigate any FOCI restrictions. The Company's current business plan does not contemplate the need to obtain a Facility Security Clearance or any classified information.

While none of the CRADAs presently, or at any time in the past, have required access to or the handling of classified information, some of the agreements expressly reference the NISPOM providing that the work performed ''may'' include or require access to, and handling of, classified information. While these CRADAs do not have specific language addressing foreign ownership, the invocation of the NISPOM could be interpreted to mean that these CRADAs contemplate US ownership, and the effective mitigation of any FOCI, as that term is used in the NISPOM, in the event that the US federal party seeks to have classified information used in relation to the performance of the CRADA. This may not be appropriate for the Company, given its status as being majority owned by non-US shareholders, and thus the Company will be seeking modification of the agreements to eliminate any references to the NISPOM and classified information. In addition certain other agreements include a specific representation that AMFI is not ''directly or indirectly controlled by a foreign company or government.'' These CRADAs also have a notification requirement obliging the Company to ''promptly'' notify the other party of any such change of control. Because the Company is majority owned by non-US shareholders, and such non-US ownership will likely increase as a result of Admission, the Company has commenced making notifications of such facts and will seek modification of these CRADAs. There is a risk that these issues might result in termination of those agreements. Although the CRADAs in question are not considered by the Directors to be material to the Group, the Directors believe the potential damage to their relationship with US universities and other US Government institutions could potentially result in a material adverse effect on the Group's business and prospects.

The Directors believe access to, and handling of, classified material, is not a part of the Group's business plan and the Directors believe this access is not material to the Group's success. However, should that situation change or it transpires the Group is in fact in possession of classified information, there is a risk that its status as an entity which is subject to FOCI may impact its ability to access such information and the US Government could require modification, revocation or termination of the CRADAs or the modification, revocation or termination of exclusive and partially exclusive licenses in US Government owned patents, technical data and software that is licensed under the CRADAs to the Group. This could potentially have a material adverse effect on the Group's business and prospects.

The Committee on Foreign Investment in the United States (''**CFIUS**'') is a US Executive Branch inter-agency committee authorised to review transactions that could result in control of a US business by a foreign person (''covered transactions''), in order to determine the effect of such transactions on the national security of the United States. The Reorganisation and Admission each amount to a ''covered transaction''. If the transfer of technology or assets to the Company is, at any time, viewed as threatening the national security or infrastructure interests of the United States, the Company could be required to take actions to protect these interests, such as changes in Board of Directors' governance procedures or the termination of certain contracts, and in the most severe instances, the transactions could be unwound. The Directors believe that it is unlikely that the Reorganisation and Admission would become the subject of review by CFIUS and, even if this were the case, it is unlikely that the arrangements would be viewed as threatening the national security or infrastructure interests of the United States, and, even if this were the case, it is likely that the Company could protect these interests without a requirement to unwind the transactions. The Directors note that such action by the US Government in this context would be unprecedented.

On the basis of the above, the Directors consider that the prospect of intervention by the US federal government in relation to the Group's activities to date due to regulation of foreign ownership and foreign investment is remote, particularly given that the majority of the board and management of the Group are US citizens, and because the Company has not had, and does not propose to have, access to any classified information that would threaten the national security or infrastructure interests of the United States. However, the Group's relationship with the US federal government may be adversely affected if management or ownership, control of, or influence over the Group

changes. In particular, upon Admission, the Company's shares will be listed on the Official List and admitted to trading on the London Stock Exchange. The Ordinary Shares will be freely transferable and could be acquired by persons that are actively hostile to the US Government. In particular, the Company could be the subject of a public takeover under the Takeover Code and/or could become wholly owned or significantly controlled by another entity from a country outside the US. For more details on the Takeover Code, please see paragraph 19 of Part XVI (*Additional Information*) of this Prospectus. Such acquisition would be a "covered transaction" for the purposes of CFIUS and could also result in a change of the Company's FOCI status. Such changes or notifications in relation to the Company's FOCI and CFIUS status could prompt the US federal government to intervene and utilise the wide ranging powers it has available under the regulation of FOCI and CFIUS, if it considers the changes in ownership of the Company to be against the US national interest. If such powers are utilised, this could adversely affect the CRADAs and other arrangements of the Group with the US federal government. Adverse effects include, but are not limited to, requiring changes to the control or influence of the foreign owner over the Group as a condition for continuing performance of the CRADAs, the termination of the CRADAs by the US Government (which has a unilateral right to terminate the CRADAs) or the modification, revocation or termination of exclusive and partially exclusive licenses in US Government owned patents, technical data and software that is licensed under the CRADAs to the Group. This could potentially have a material adverse effect on the Group's business and prospects.

The operating history of the Group's businesses is limited, so it is difficult to evaluate them individually and thus the Group as a whole

Certain of the Group's businesses have very limited operating histories. The Group is still in the early stages of commercialisation of some Group businesses and initial development stage of other Group businesses, which makes the evaluation of business and prospects difficult. Before purchasing the Ordinary Shares, you should consider the risks and difficulties frequently encountered by early-stage companies in new and rapidly evolving markets. See "*Risk Factors – The subsidiary companies are at an early-stage and carry inherent risk*", and "*Risks associated with the valuation of the Group's businesses*." The Company cannot be certain that its business strategy will be successful or that it will successfully manage these risks. If the Company fails to address adequately any of these risks or difficulties, this could potentially have a material adverse effect on the Group's business and prospects.

The Group generates limited revenue and has no record of generating gains or revenues through the sale of its businesses or the licensing or sub-licensing of its intellectual property rights

Whilst the Group has an established model for identifying and evaluating inventions, protecting intellectual property, negotiating and concluding license deals and forming new subsidiaries, to date its revenues have been limited and it has not generated gains through the sale of any of its businesses or the licensing of any of its intellectual property. The ability of the Group to exit its businesses profitably depends in part on the market's appetite for investments in scientific and technology companies with a limited or no trading history, as well as valuations in the market sectors in which its businesses participate. As such, there can be no guarantee that the expenditure made to date by the Group and the expenditure the Group expect to make going forward will produce returns. Returns that are lower than expected, or non-existent, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group's businesses are at an early-stage and carry inherent risk

The Company intends to use the net proceeds from this offering principally to invest further in its existing businesses and to take advantage of the future opportunities to invest in intellectual property from both university partners and government laboratories. The majority of these investments will be in early-stage companies which may be subject to one or more of the following risks (or a combination of these risks):

- The science and technology developed by any Group business may fail and/or the Group business may not be able to develop their intellectual property into commercially viable products or technologies. The success of the subsidiary companies may depend upon regulatory approval for certain clinical trials being granted and there is no certainty that such regulatory approval will be forthcoming.

- Early-stage Group businesses may not be able to secure subsequent rounds of funding which may restrict their ability to fund on-going research and the development and commercialisation of their intellectual property. Any such lack of funding could result in a subsidiary company being forced to sell off its assets or in the sale of the subsidiary company as a whole or being shut down altogether.
- Group businesses may not be able to source and/or retain appropriately skilled personnel. In particular, they may not have the financial resources to compete with the salary and other incentivisation packages offered by their competitors or other scientific and technology based companies or organisations.
- Competing technologies may enter the market which may adversely affect the subsidiary companies' ability to commercialise their intellectual property or the subsidiary companies may not have been able to adequately protect their intellectual property (whether due to lack of financial resource or otherwise) or patent applications made by the subsidiary companies may not proceed through to grant.
- There is no certainty that the Group's businesses will (i) reach the stage where the economic benefits resulting from expenditure on research activities become probable or (ii) generate any, or any significant, returns (e.g. dividends, proceeds from a share sale or a return on capital from an exit event) for their shareholders (including the Company) or that the Company will be able to secure a profitable exit from its investment in any or all of the Group's businesses.

The occurrence of any of these risks or a combination of these risks may adversely affect the development and value of the subsidiary companies and, consequently, the business, financial condition, results of operations and prospects of the Group.

The Group has not been profitable in the past and may never become profitable in future

The Group has reported a consolidated loss under International Financial Reporting Standards ("**IFRS**") in each of the past three years, and has not been profitable in any period since its inception. There is no guarantee that the Group will ever become profitable and, even if it does so, it may be unable to sustain profitability. The Group expects to continue to incur substantial expenditure in further research and development activities of its businesses. The Group's failure to become and remain profitable could depress the value of the Ordinary Shares and could impair its ability to raise further capital, expand its businesses, maintain its research and development efforts or diversify its product offerings.

The market's demand for investment in early-stage companies may impact the Company's ability to realise equity returns

Some or all of the Group's businesses may have significant funding requirements in the future. The Company may seek to meet these funding requirements through arrangements with third party investors. The success of these businesses, and the availability of third party funding, may be influenced by the market's appetite for investment in early-stage companies which may be insufficient in relation to the funding demands of the Group's businesses. As a result, it may take longer than anticipated to develop the business or it may not be able to develop the business at all. Consequently, it may take longer for the Company to realise value from equity holdings in subsidiary companies which have significant funding requirements and the consideration received by the Company may include shares and/or deferred cash consideration, the value of which may depend upon the future performance of a subsidiary company. Alternatively, the Company may not realise value from such holdings at all. Any such occurrence may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may require additional financing in the long term and there is no guarantee that it will be able to obtain such funding on commercially acceptable terms or at all

The Group expects to incur further significant expenses in the long term in connection with funding further research, expansion activity and business development. The additional financing may be achieved through equity realisations from the Group's businesses or from new equity or debt sources, at either Company or subsidiary level. The Group's equity realisations from its businesses may not be sufficient to provide the requisite amount of additional financing, and the Group may be unable to obtain additional capital on a timely basis on commercially acceptable terms, if at all. If the Group fails to obtain sufficient capital on acceptable terms, it may be forced to curtail or abandon its planned expansion activity and to forego further investment in developing its current business.

Moreover, additional equity financing could dilute the number of the shares in issue and therefore the value of the Ordinary Shares for Shareholders (see risk factor below under "*Further Issuances of Ordinary Shares may be dilutive*"), while additional equity financing at subsidiary level would dilute the interests of the Group (and thus of its Shareholders) in the future results of the business conducted through the relevant subsidiary. In addition, any future debt financing could restrict the Group's ability to make capital expenditures or incur additional indebtedness, all of which could impede returns. The Company has in the past, and proposes to continue following Admission, to raise funding for a particular subsidiary company by way of an issue of shares in that company to third parties, either separately or coinvesting with the Company. Following Admission, there may be restrictions on the participation of certain co-investors with the Company on such fundraising rounds. In the past the Company has co-invested together with some of its institutional shareholders in certain of the Company's subsidiary businesses. Such arrangements may be restricted following admission due to restrictions under the Listing Rules and Disclosure and Transparency Rules, particularly the rules governing related party transactions which may limit the manner and extent to which a shareholder in the Company can act together with the Company in relation to any joint investment arrangement.

Any of these developments could result in a reduction of funding available to the Group's businesses and could thereby reduce the Group's revenues, increase its losses and adversely affect its business, financial condition or results of operations and prospects.

The Company's ability to realise value from equity holdings in subsidiary companies may be impacted if the Company reduced its ownership to a minority interest or otherwise ceded control to other investors through contractual agreements

While the Company currently owns a majority interest in all of the subsidiary companies, and, with one exception, generally maintains control over the timing and other terms upon which a subsidiary might be sold, it is possible that in the future the Company's ownership could be reduced to a minority position or the Company may agree to contractual arrangements, and as a result, other investors could possess control over a sale of the subsidiary company or other extraordinary transactions. In the event this were to occur, the Company might be required to become subject to provisions which could force the Company to exit from that subsidiary company at a time and/or price determined by other investor(s) (for example, by the exercise of drag-along rights). If the Company was forced to exit out of a subsidiary company, this could have a material adverse effect on the Company's business, financial condition or results of operations and prospects.

There may also be restrictions on the issue or the transfer of shares (e.g. pre-emptive rights or drag along or tag along rights) which could mean that the Company will not be able freely to transfer its interest in a subsidiary company. For further details of the current arrangements with third party investors, please see paragraph 13 of Part XVI (*Additional Information*) of this Prospectus. In addition, many subsidiary companies have, or are entitled to put into place, employee share plans which may further dilute the Company's interest in a subsidiary company. For further details, please see paragraph 8.4 of Part XVI (*Additional Information*) of this Prospectus. If the Company was unable to realise its interest in a subsidiary company or suffered dilution of its shareholding, this could have a material adverse effect on the Company's business, financial condition or results of operation and prospects.

The Group may face increased competition, including from organisations with access to greater capital than the Group

Universities, research institutions and companies may create intellectual property that competes, directly or indirectly, with that generated and/or licensed by the Company's subsidiary companies. There are a number of other companies and other organisations seeking to provide commercialisation services to universities and research intensive institutions in the US. These operate a variety of business models and include venture capital funds, hedge funds, the technology transfer offices of certain universities, business angels and other boutique investors. Certain universities and other research intensive institutions may also in future become increasingly proactive at seeking to raise private sector funding to support their in-house technology commercialisation activities. In addition, the Groups relationships with universities are typically documented in Memoranda of Agreement ("**MOA**") that do not provide the Group with any right of exclusivity or "first look" at new technologies. Similarly, only one of the Groups agreements with US federal laboratories provides for an exclusive "first look" period (of six months). Thus, whilst the Directors believe that potential

competitors would face challenges in recreating the Group's network of relationships with universities and federal laboratories, its Group's MOA and agreements with federal laboratories impose no obstacle to their doing so. As a result, the Group may face significant competition (including competition from organisations which have much greater capital resources than the Group). Such companies and organisations may also have more experience in identifying, acquiring and selling companies and have greater financial and management resources, brand name recognitions or industry contacts. Increased competition in the identification and commercialisation of promising new technologies invented by universities or federal laboratory partners could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

Intellectual property licensed to the Company may become, or be found to be, invalid or obsolete or uneconomical, for instance, if there are any advances in science or technology or if the Group's competitors succeed in developing alternative approaches to the same technology. The Group's success depends on its ability to stay ahead of any such scientific and technological advances, and there is no assurance that the Group's competitors will not develop products and/or create intellectual property that are more efficient or effective, or bring products to the market earlier, rendering the Group's products and/or intellectual property economically unviable or unattractive. There is therefore no guarantee that the Group will in the future be able to compete successfully in such a marketplace. Such competition and any failure to compete successfully may have a material adverse effect upon the Group's business and prospects.

The market sectors in which the Group's businesses participate are highly competitive and constantly subject to rapid technological changes. The Group has competitors engaged in developing and commercialising products in the life sciences sector, including pharmaceutical companies, biotechnology companies and medical device manufacturers and in the physical sciences sector, including electronics manufacturers, software developers and other manufacturers. Many of the Group's competitors have greater financial, technical and other resources. The nature of the competition in the market sectors where the Group is seeking to develop its products could materially adversely affect the Company's businesses, prospects, financial condition and results of operations.

The Group does not have exclusive rights on all matters in relation to intellectual property and could ultimately lose its rights under certain circumstances

A majority of the Group's intellectual property rights relate to technology which was originated in the course of research conducted in, and initially funded by, US universities and other federally-funded research institutions. Although the Group has been granted certain exclusive (subject to certain exceptions) or non-exclusive licences relating to much of this intellectual property by US universities and other federally-funded research institutions, there are certain limitations inherent in these, for example, where required by the Bayh-Dole Act of 1980. There is also usually an exception to exclusivity whereby the university or research institution retains the right to use the intellectual property for research purposes (i.e., typically non-commercial use) and may occasionally be exclusions for commercial uses or limits to certain scopes, commercial uses, and/or a requirement to sub-licence in certain circumstances to and/or a requirement to license the intellectual property to a third-party for research purposes and/or a requirement to manufacture products in the US when they are to be sold in the US. In addition, the US Government may have certain rights to intellectual property relating to current or future products pursuant to the Bayh-Dole Act of 1980. The rights to use intellectual property generated by other federally funded research institutions can be wider, as the requirements of the Bayh-Dole Act of 1980 only apply in relation to universities. Government rights in certain inventions developed under a government-funded programme include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose.

In addition, while in more than three decades since the enactment of the Bayh-Dole Act of 1980, no US Government agency has ever exercised its so called "march-in" rights, it has the right to require the Company to grant licenses to any of these inventions to a third party if it determines that: (i) adequate steps have not been taken to commercialise the invention; (ii) government action is necessary to meet public health or safety needs; or (iii) government action is necessary to meet requirements for public use under federal regulations.

The Group seeks to ensure protection of intellectual property owned by or licensed to the Group and defects in protection could impact the effectiveness of the Group

The Group is dependent upon innovative technology and, where the Directors believe it is practicable, seeks to benefit from the intellectual property protection of such technology, much of which

intellectual property is licensed to the Group by university partners or US federal government laboratories which originated it. The Group's objective is to create value from developing and commercialising technologies, the intellectual property relating to which is licensed to the Group from universities, federal laboratories or other organisations, developed further by scientists and commercial teams within the Group and where appropriate and possible protected by intellectual property rights. However, the technologies are in many cases at an early stage and there can be no guarantee that they will be capable of successful further technical development or commercialisation by the Group. Any failure of such development or commercialisation could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

The intellectual property licensed to the Group, or generated by the Group, is protected, where the Directors consider it practicable, by one or more of the following types of protections: patent, trademark, trade dress, copyright, unfair competition and/or trade secret laws, confidentiality obligations or other contractual restrictions. However, these rights and other arrangements do not apply to all technology or intellectual property used by the Group and, where they do apply, they frequently provide only limited protection.

Intellectual property rights may be challenged, invalidated, rendered unenforceable, circumvented, infringed or misappropriated. For example, technology subject to patent applications, and even issued patents, can be invalidated if it is determined that the patents or patent application are based on claims that are excessively broad and they may therefore not be effective to prevent others from utilising inventions or technology which is substantially similar to the intellectual property to which these rights relate (and which becomes publicly disclosed by applying for patent protection). This could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

In addition, third parties may already independently own, or may in future develop, similar or superior technologies which do not infringe any intellectual property owned, licensed to or used by the Group. It is also possible that a patent owned by or licensed to a member of the Group may expire or remain in force for only a short period following commercialisation, thereby reducing the benefit of the protection. The limitations on the rights and arrangements relating to intellectual property rights relating to technologies used by a subsidiary company, the absence of such rights and arrangements in relation to certain technologies and/or the early expiration of patents or patent applications owned by or licensed to a subsidiary company could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

The value of the intellectual property owned by or licensed to a subsidiary company depends, in part, on how successfully it can be enforced against third party infringers, including through litigation. Litigation of this type may be defended on a number of grounds, including where third parties can show prior use, or ownership of similar technologies or that a patent licensed to, held by or applied for by a subsidiary company has been framed too widely. In addition, confidentiality and nondisclosure agreements protecting intellectual property may be breached in circumstances in which the Group may not be able to obtain adequate redress for the breach. Despite any efforts by a subsidiary company to protect key technologies by holding and, if necessary, enforcing intellectual property rights relating to them, unauthorised parties may use aspects of such technologies, or may obtain and use without restriction technological or other commercially sensitive information which a subsidiary company needs to develop or commercialise its products.

It is very difficult for the Group to monitor and identify all instances of use by others of technology which may be infringing intellectual property rights of a subsidiary company. There can be no assurance that the unauthorised use, disclosure or reverse-engineering of such technology will not take place. Any successful defence against an attempt by a subsidiary company to enforce its intellectual property or other rights and any unauthorised use, disclosure or reverse-engineering of the technology to which its intellectual property relates could, if the technology concerned were material to the Group, have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

Prior to its acquisition of intellectual property rights or the receipt of an intellectual property license, the Group conducts only limited investigations into the strength and scope of the intellectual property rights and of the rights into the licensor to use or license the technologies to which such rights relate without risk of third party challenge. While the Group does sometimes conduct a limited assessment of patentability and potentially competitive technologies, such investigations are limited in scope and frequently do not permit a comprehensive assessment of these risks. Therefore, the Group typically

does not establish the absolute validity or enforceability of licensed intellectual property or conduct an exhaustive review to identify third party technologies which may compete with those which it uses, or in order to identify patents or other intellectual property rights that may be infringed by the use of a subsidiary company technologies. Further, the Group generally does not obtain opinions of legal counsel as to validity, enforceability, or its own or its licensors' freedom to exploit such technology or intellectual property without infringing the intellectual property rights of others. There is no certainty that a patent, if sought, will be granted or that, if issued, it will be valid or enforceable. As a result of the considerations described above, there is no certainty that intellectual property used or owned by a subsidiary company will be valid or enforceable or that third parties do not own rights in relation to technology used by a subsidiary company which would entitle them to prevent or restrict its use of technologies which are important to its business or prospects.

In addition, licensors of patent applications and their intellectual property to the Group have generally given no or limited representations as to their ownership or as to the validity, scope or enforceability, of the licensed patents or other intellectual property, or the licensors' right to grant licenses. The Group has generally sought to mitigate these risks by checking that its licensors are the registered holders of any licensed patent application or patent and has not encountered material deficiencies in ownership of record as a result of those searches. However, these searches are not definitive and, as the intellectual property rights licensed to the Group are generally licensed on an "as-is" basis without warranties, the Group bears the risk of defects in the ownership, validity, scope or enforceability of the licensed patents or other intellectual property.

The Group may be unable to obtain or maintain protection for intellectual property relating to technologies they use. There can be no assurance that adequate, or any, protection will be sought or granted or that, if challenged, intellectual property rights will not be found to be invalid or unenforceable. The scope of protection afforded may also be less than required to prevent third party competitors of the Group's businesses developing or selling similar and competing technologies and products which are based on them. Moreover, third party intellectual property or other rights could prevent or restrict the development or commercialisation of the intellectual property available to the Group.

The Company has a policy of requiring its consultants, contract personnel, advisers and third-party partners to enter into confidentiality agreements and its employees to enter into invention, non-disclosure and non-compete agreements. However, there is also no assurance that such agreements will provide for a meaningful protection of confidential information in the event of any unauthorised use or disclosure of information. Furthermore, the Company cannot provide assurance that any of its employees, consultants, contract personnel or third-party partners, either accidentally or through wilful misconduct, will not cause serious damage to its programmes and/or its strategy, by, for example, disclosing confidential information to its competitors. It is also possible that confidential information could be obtained by third parties as a result of breaches of its physical or electronic security systems. Any disclosure of confidential data into the public domain or to third parties could allow the Company's competitors to obtain confidential information and use it in competition against the Company. In addition, others may independently discover the Company's confidential information. Any action to enforce the Company's rights against any misappropriation or unauthorised use and/or disclosure of Confidential Information is likely to be time-consuming and expensive, and may ultimately be unsuccessful, or may result in a remedy that is not commercially valuable. Any loss or lack of protection of intellectual property owned by, licensed to or used by a subsidiary company could significantly lessen the value of its businesses. This could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

Further, additional technology protected by intellectual property belonging to third parties may be or may become necessary for the successful commercialisation of technologies which the Group is currently entitled to commercialise and this additional technology may not be available to a subsidiary company, either at all or on acceptable terms. Additionally, intellectual property which the Group is entitled to use may be or become subject to third party rights which adversely affect the Group's ability to commercialise it successfully, or as successfully as it otherwise might. There can also be no guarantee that any university, federally-funded research institution or other originator of technology which is material to the Group, or any of their staff who develop the intellectual property, will provide ongoing assistance required for its successful commercialisation. Any such lack of assistance required for successful commercialisation could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

Claims alleging infringement of a third party's intellectual property could result in significant losses and expenses to the Group and the loss of material rights

The value of the intellectual property owned by or licensed to a subsidiary company depends, in part, on how successfully it can be used to defend against claims that the Group is infringing the intellectual property rights of third parties. The Group is likely to receive notice that it is infringing intellectual property of a third party, or that the Group's attempted intellectual property protection should not be granted. In addition, the validity of intellectual property rights (such as patents) relating to technology utilised by the Group may become subject to claims and/or challenges by third parties. For details of an on-going challenge to the validity of a patent relating to technology utilised by a subsidiary company, please see paragraph 14 of Part XVI (*Additional Information*).

Litigation of intellectual property rights is a recurrence in most technology businesses and, from time to time, competitors and other third parties may seek to assert the right to restrict the Group's use of patent, copyright, trademark or other intellectual property rights relating to technologies which are important to its business. Intellectual property litigation can be expensive, complex and lengthy and its outcome is frequently difficult to predict. If a subsidiary company were to receive an infringement claim, the claim could consume significant time, financial and other resources, irrespective of its merits, and this might result in key technical and management personnel diverting attention and focus away from their normal duties and operations. If a subsidiary company was unsuccessful in defending an intellectual property infringement claim, it may have to pay substantial damages and/or legal costs to the successful third party and/or may have to cease the development, manufacture, use or sale of infringing technologies, products or process, and/or expend significant resources to develop or acquire the right to use non-infringing technology (including by way of license). This may materially affect the Group's ability to exploit intellectual property and may result in a loss of value to the business concerned and/or to the Group. Accordingly, any such event could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

The Group may be subject to claims that its employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties

The Group employs individuals who were previously employed at other technology companies. The Group has in the past and may in the future be subject to claims that it or its employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of its employees' former employers or other third parties. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and if the Group does not prevail, the Group could be required to pay substantial damages and could lose rights to important intellectual property. Even if the Group is successful, litigation could result in substantial cost and be a distraction to its management and other employees.

There are limitations and requirements of licensing agreements which may lessen the value the Group may be able to realise from the technology

The Group currently owns approximately half of the patents, patent applications and other intellectual property which it is seeking to commercialise. Where it does not, the Group has, usually, been licensed to use and commercialise, and benefit from the protection of, certain patents and/or patent applications and know-how by universities, federally-funded research institutions and other intellectual property owners, and therefore may enforce only the rights it received under licensing agreements between the Group and such intellectual property owners. In some of its license agreements, the Group requires the licensor's consent to enforce the licensed patents to which it has a license. If such consent is not obtained, the Group may be unable to enforce its intellectual property rights against third party infringers, including competitors, and such inability could significantly lessen the value the Group might be able to realise from such intellectual property. Furthermore, in certain of the Group's agreements with universities and research institutions, the Group and the university or the research institution have the joint right of enforcement against third party infringers even within the limited field of exclusivity licensed to the Group. As a result, the Group may be unable to control the enforcement or defence of material intellectual property rights and its inability to do so could significantly lessen the value the Group might be able to realise from the technology to which such intellectual property relates.

In respect of licensed patents, the Group's rights do not typically include the right to control the preparation, filing, prosecution or maintenance of patent applications or patents, although in practice the Group often works closely with the licensors in such matters.

Furthermore, licensors of patent applications and other intellectual property to the Group generally do not provide any representation, warranty or other assurance that the technology they license pursuant to such agreements is patentable or that the use of the technology disclosed in the patent applications will not infringe intellectual property owned by third parties. The licence may also be limited to a specified field of use or which may limit the scope of application of the intellectual property. The majority of the patent applications licensed under the licensing agreements have not yet resulted in definitive patent grants and the Group cannot guarantee that patent protection will be ultimately obtained for any or all of the material technologies which the Group seeks to commercialise.

The Group's licensing agreements typically expire concurrently with the expiration of statutory patent protection or the abandonment of patent applications concerning the relevant inventions. Any failure by the licensor to obtain or maintain statutory patent protection, or by the Group and/or the intellectual property owners to successfully bring and/or defend any infringement claim, would impair the Group's ability to exploit its rights under the relevant licensing agreement, and could have a material adverse effect on the Group's business, financial condition, future trading performance and prospects.

In addition, some of the licensing agreements require a member of the Group which is the licensee to meet certain development milestones. These licensing agreements are terminable on short notice at the option of the licensor if the licensee fails to meet these milestones or if there is a material breach of the licensing agreements. These milestones are performance-based and often require the licensee to achieve certain commercialisation or research and development targets (e.g. developing a prototype or making commercial sales within a certain deadline).

Achieving the milestones stipulated in some of the Group's licensing agreements requires performance both on the part of a member of the Group and also depends on the successful work of suppliers, contractors and sublicensees over whom the Group does not have control, and/or the securing of external funding at particular stages. While the Group has not had a license terminated to date for failure to meet such milestones, the Group cannot give assurances that there will be scientific, operational, or other progress that will enable it to achieve the milestones to which it has agreed. The Group also cannot guarantee that it will be able successfully to re-negotiate milestones, including, but not limited to, extending deadlines or modifying terms related thereto, with licensors in the event that the Group desires or needs to do so.

If the Group fails to successfully renegotiate milestones in these circumstances, or if a licensee fails to meet all applicable milestones, a licensor may institute a claim for breach of contract or terminate a license to the intellectual property upon which the subsidiary company's business relies, which would significantly decrease the prospects of successful development of that business. Alternatively, a licensor may impose additional goals or requirements (including increased or additional fees) on the Group as a condition of agreeing to extend the time for performance of the Group's milestone obligations. Any failure to achieve milestones or otherwise any termination of any license agreement may have a material adverse effect on the value of a subsidiary company's ability to exploit the licensed technology and may result in a loss of value to the business concerned and/or to the Group itself. For the reasons described above, any failure to meet milestones in a subsidiary company licences may have a material adverse effect on the business, financial condition, trading performance and prospects of the Group.

The Group is currently not in compliance with milestones in two of its license agreements. These milestones relate to reporting obligations and commercialisation objectives. In each case the Group is actively taking steps to remediate the breached milestone, including completing actions that are necessary to bring the Group into compliance or renegotiating such milestones to take into account changes in circumstances. The Group expects to enter into amendments to those license agreements in the ordinary course of business, and has not been notified by any of the applicable licensors that such party intends to terminate the license agreement or impose any requirements which would have a material adverse effect on the value of such license. In the event of any failure to remediate the breach or renegotiate the terms, this may have a material adverse effect on the business, financial condition, trading performance and prospects of the Group.

The value of the Group may be dominated by a single or limited number of subsidiary companies or licensing agreements

A large proportion of the overall value of the Group may at any time reside in a small proportion of the Group's various businesses. Accordingly, there is a risk that if one or more of the intellectual

property rights relevant to a valuable business were impaired this would have a material adverse impact on the overall value of the Group. Furthermore, a large proportion of the overall revenue generated by the Group may at any time be the subject of one, or a small number of, licensed technologies. Should the relevant licenses be terminated or expire this would be likely to have a material adverse effect on the revenue received by the Group. Any material adverse impact on the value of the business of a subsidiary company could, in the situations described above, have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Group.

The Group's intellectual property licenses may terminate or fail

Licenses or agreements by a subsidiary company with respect to owned intellectual property or sub-licences or agreements by a subsidiary company with respect to intellectual property are often terminable, *inter alia*, on a few months' notice without cause by the licensee, so that there is no contractual certainty of a particular license, sub-license or agreement relating to it lasting beyond that period and, therefore, continuing to produce revenue.

On termination of a license, the licensee has no further rights to use the intellectual property granted pursuant to the license, which reverts to the licensor. Where the Group business is the licensor, it may seek to relicense the intellectual property to a third party, but there is no certainty that it will be able to do so on the same or better terms, or at all.

In addition, licenses may be terminated, fail to generate revenue or cease to be valid where the science or technology which relates to the license fails or is not commercially viable or where the patent which forms the basis of the license is determined to be invalid or the relevant patent period expires. Licenses can contain periods permitting cure or rectification of the breach for a limited period.

Any termination of a material license or failure in science or technology or invalidity or expiry of patent protection or failure to rectify the breach within the available period may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Company and the individual Group businesses depend on key personnel and the loss of such personnel could have a material adverse effect on the Group

The industries in which the Group operates are specialised areas and the Group therefore requires highly qualified and experienced employees. There is a risk that the Group's employees could be approached and solicited by competitors of the Group or other scientific and technology based companies or organisations, or decide to leave the Group for personal reasons. Some of the Group's employees' service agreements, including the service agreements of the executive Directors are terminable on notice of ninety (90) days. As the Company sources intellectual property investment opportunities through long term personal and professional relationships of its Directors and management, the Company's failure to attract and retain the highly-trained, very experienced personnel that are integral to its business model may limit the Group ability to commercialise technology and generate revenue. The loss of key employees of the Company could, therefore, have an adverse effect on the Group's business, financial condition, results of operations and/or prospects.

In addition, a significant part of the Group's value also depends on its businesses being able to source and/or retain appropriately skilled personnel. In particular, they may not have the financial resources to compete with the salary and other incentivisation packages offered by their competitors or other scientific and technology based companies or organisations which will affect the ability to run current subsidiaries successfully and could limit the flow of suitable opportunities to the Group. The loss of key personnel or inability to attract qualified personnel could have a material adverse effect on the Group's business, financial condition, future trading performance and prospects.

The Group's personnel comprises employees and consultants. The Group has greater regulatory responsibilities as an employer, including responsibility for payment of tax in relation to employee salaries, compared with the responsibilities of the Group in relation to the services of its consultants. There is a risk that a change in the regulatory regime may require the Group to treat the consultants as employees and assume the same responsibilities as the Group carries out in relation to its employees. This could result in increased operation costs for the Group which could have a material adverse effect on the Group's business, financial condition, future trading performance and prospects.

Changes in legislation and policy may impact the resources and technology available to the Group

There may be unforeseen changes in the laws of the United States whether federal or state laws, or changes to regulation or policy (including taxation legislation), or other changes in the terms upon which public monies are made available to universities and research institutions. There may also be changes in English law which impact the operation of the Company. A change in legislation or policy may: (i) adversely affect the monies and resources available to the Group's businesses; (ii) affect their entitlement to enter into funding agreements under which the Company would have a role in exploiting the intellectual property; or (iii) affect the right of the universities and research institutions to transfer intellectual property to, or to share revenues with, the Company. If the universities or research institutions experience a pronounced reduction in their research funding, this may have an adverse effect on the quantity and quality of the output from the research and development conducted at these institutions, thereby reducing the quantity and value of the intellectual property made available to the Group. This could result in universities and research institutions no longer being able, or for it to become commercially unattractive for them, to own, exploit or protect intellectual property. This may have an adverse effect on the financial position or performance of the Group.

Changes in government policy or legislation (including changes to tax legislation) or other terms upon which the academics are incentivised could make it commercially unattractive for research academics to participate in the commercialisation of intellectual property which they create. This would represent a fundamental risk to the viability of the Group's business and prospects.

The Company may become subject to product liability claims.

The Company faces an inherent risk of product liability and associated adverse publicity as a result of its product candidates, particularly in the life sciences sector. Criminal or civil proceedings might be filed against the Company by study subjects, patients, the regulatory authorities, pharmaceutical companies and any other third party using or marketing its product candidates. These actions could include claims resulting from acts by its partners, licensees and subcontractors, over which the Company has little or no control. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product candidate, negligence, strict liability and a breach of warranties. If the Company cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to limit commercialisation of its product candidates, if approved. Even successful defence could require significant financial and management resources.

The Group is exposed to foreign currency fluctuations

Foreign exchange risk is an exposure for the Group as it will derive a large proportion of any licensing and royalty payments in US dollars and the Group's businesses borrow, account in, and are valued in, US dollars but its shares will trade amounts denominated in pounds sterling. In addition, the Company intends to allocate the majority of the proceeds of the Offer, which will be denominated in sterling, to its businesses, which operate in the US and whose functional currency is US dollars. The Group does not currently actively hedge against currency exposures although this policy is kept under review. Accordingly, the Group may experience adverse fluctuations in the sterling-denominated valuation and trading price of its shares, as well as any dividends paid on its shares, because of fluctuations in currency exchange rates.

If the Company were to cease to qualify as a "foreign private issuer" under the Exchange Act, it could be required to register is Ordinary Shares and become a reporting company under the Exchange Act, which would be time-consuming, expensive and subject to the Company to conflicting requirements

The Company currently qualifies as a "foreign private issuer" for purposes of the US Exchange Act and therefore expects to benefit following Admission from an exemption from the Exchange Act requirements with respect to the registration of its Ordinary Shares with the US Securities and Exchange Commission, as well as various reporting obligations under the Exchange Act. If the proportion of the Ordinary Shares held by US citizens or residents were to exceed 50 per cent. at the end of its second fiscal quarter of the current or any subsequent fiscal year, the Company would cease to qualify as a "foreign private issuer". If, at such time, the Company's assets and number of shareholders were to exceed the levels specified in the Exchange Act (which is expected to be the case), the Company would lose its current exemption from the registration and reporting requirements of the Exchange Act and would be required to register its Ordinary Shares with the US Securities

and Exchange Commission no later than 120 days following the end of such fiscal year. Such registration would be expensive and time-consuming, and could significantly distract the Group's management from the needs of its businesses, potentially for a substantial period of time. In addition, Exchange Act registration would subject the Group to reporting requirements that potentially conflict with the requirements applicable to a UK public listed company, including the requirement to prepare annual and period financial statements using US GAAP as opposed to IFRS, the requirement to annual, quarterly and periodic reports in accordance with a different set of regulation (which differ from the UK), different rules on the reporting of shareholder ownership and changes therein, and mandatory rules governing the solicitation of proxies for meetings of shareholders, among other things. Although the Company intends to monitor the proportion of its shareholder base made up of US citizens and residents, it may not be able to do so accurately. Even if it were able to do so, there are no mechanisms in place that would permit Group management to bring the relevant percentage to below 50 per cent. at any relevant testing date or that would otherwise allow it to avoid the loss of foreign private issuer status. If the Group were to be required to register its Ordinary Shares and become a reporting company under the Exchange Act, this could have significant disruptive effects on the Group's management and business.

If the Company is deemed to be an "investment company" subject to regulation under the Investment Company Act, applicable restrictions could make it impractical for the Group to continue its business as contemplated and could have a material adverse effect on its business

The US Investment Company Act of 1940 regulates companies which are engaged primarily in the business of investing, reinvesting, owning, holding or trading in securities. Under the Investment Company Act, a company may be deemed to be an investment company if it owns investment securities with a value exceeding 40 per cent. of the value of its total assets (excluding government securities and cash items) on an unconsolidated basis, unless an exemption or safe harbour applies. This test is referred to as the "40 per cent. Test." Securities issued by companies other than consolidated partner companies are generally considered "investment securities" for purposes of the Investment Company Act, unless other circumstances exist which actively involve the company holding such interests in the management of the underlying company. The Company seeks to build value by forming majority-owned subsidiaries; it is not engaged primarily in the business of investing, reinvesting, owning, holding or trading in securities and does not own or propose to acquire investment securities exceeding 40 per cent. of the value of its total assets, exclusive of US Government securities or cash or certain cash. Consequently, the Company does not believe it is, nor does it expect to become, an investment company under the Investment Company Act. Currently the Company holds more than 50 per cent. in the share capital of each of its subsidiaries and intends to continue to try to structure its new businesses in such a way as to hold majority holdings in its operating subsidiaries at the outset. The Company's strategy does, however, contemplate the realisation of value from the businesses conducted through its subsidiaries, including by way of the issuance or sale of equity stakes in these subsidiaries. The Company's interest in any such subsidiary may be reduced or diluted as a result of any such issuance or sale. To the extent that the Company's interest in such subsidiary were to be reduced or diluted down to below 50 per cent., the remaining shares in the subsidiary held by the Company could be deemed to be "investment securities" for purposes of the 40 per cent. test. If, as a result of holding such "investment securities" in minority-held subsidiaries, on any test date the Company were to fail the 40 per cent. Test, the Company would be required to register as an investment company under the Investment Company Act unless an applicable exemption could be found. In addition, the Company may from time to time hold amounts of cash or securities required to finance investments in new or existing businesses, which it intends to hold in such ways as to ensure that the Company does not become an investment company under the Investment Company Act.

The Investment Company Act and the rules thereunder contain detailed parameters for the organisation and operation of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. The Company intends to conduct its operations so that it will not be deemed to be an investment company under the Investment Company Act. If anything were to happen which would cause the Company to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on capital structure, ability to transact business with subsidiaries and ability to compensate key employees, could make it impractical for it to continue its business as currently conducted, impair

the agreements and arrangements between and among the Group, and materially adversely affect the business, financial condition and results of operations. Although the Company will monitor its compliance with the 40 per cent. Test and seeks to conduct its business activities to comply with this test at all times, it may fail to do so. Alternatively, measures taken to comply with the 40 per cent. Test could materially restrict the Company's ability to manage and grow its businesses.

The Company's Controlling Shareholder will continue to have substantial influence over the Company

Invesco will hold approximately 42.9 per cent. of the Company's outstanding existing Ordinary Shares immediately after Admission. Accordingly, it may, as a practical matter, be able to influence certain matters requiring approval by shareholders, including approval of significant corporate transactions in certain circumstances. Such concentration of ownership may also have the effect of delaying or preventing any future proposed change in control of the Company.

Although the Company and Invesco have entered into the Relationship Agreement, which provides, *inter alia*, that the Company's independence will be maintained there is a risk that Invesco may seek to impose other duties and obligations on the Company. This agreement may not be sufficient to safeguard the interests of other Shareholders. The trading price of the Ordinary Shares could be adversely affected if potential new investors are disinclined to invest in the Company because they perceive disadvantages to a large shareholding being concentrated in the hands of a single shareholder or group of connected shareholders. The interests of Invesco and the Shareholders that acquire Ordinary Shares in the Offer may not be aligned. Invesco may make acquisitions of, or investments in, other businesses in the same sectors as the Company. These businesses may be, or may become, competitors of the Company. In addition, funds or other entities managed or advised by Invesco may be in direct competition with the Company on potential acquisitions of, or investments in, certain businesses.

The Company will face additional administrative requirements as a result of the Admission

Following Admission, the Company will for the first time be subject to the legal requirements for UK public companies admitted to listing on the Official List (premium commercial company category) and to trading on the main market of the London Stock Exchange. These requirements include the publication of annual and periodic financial reports and other public disclosures, regular calls with securities and industry analysis and other required disclosures. The Group's accounting, controlling, legal or other corporate administrative functions may not be capable of responding to these additional requirements without difficulties and inefficiencies that may cause the Group to incur significant additional expenditures and/or expose it to legal, regulatory or civil costs or penalties.

Furthermore, the preparation, convening and conduct of general shareholders' meetings and the Company's regular communications with shareholders and potential investors will entail substantially greater expenses. Company management will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing the operations of the Group, and these additional requirements could also substantially increase time commitments and costs for the accounting, controlling and legal departments and other Group administrative functions.

Any inability to manage the additional demands placed on the Company in the process of becoming a UK public company with shares admitted to listing on the Official List (premium commercial company category) and to trading on the main market of the London Stock Exchange, as well as the costs resulting therefrom, may harm the Group's business, results of operations and financial condition.

The Group is subject to risks associated with developments in the life sciences sector

The success of certain of the Group's businesses is based on the ability to successfully identify, develop and take to market viable products in the life sciences sector (for example SciFluor Life Science, LLC ("**SciFluor**") and ProGDerm, Inc. ("**ProGDerm**")). The Group cannot be certain that such successful outcome is possible. An inability to carry out business in the life sciences sector on this basis could have a material adverse effect on the business, financial condition, future trading performance and prospects of such Group business.

The life sciences sector is characterised by rapid technological changes, frequent new product introductions and enhancements and evolving industry standards. The Group's businesses may encounter unforeseen operational, technical and other challenges as their products and services are deployed and tested, some of which may cause significant delays, trigger contractual penalties, result in unanticipated expenses and/or damage to the Group's reputation. The Group may also be liable

for product warranty claims as a result of defects or failures of such new products and services, which may prove costly in terms of litigation or settlement costs, reputational damage, loss of business to competitors, damage relationships with suppliers and time devoted to remediation of any such defects or failures. The occurrence of any of these events may have a material adverse effect on the Group's businesses, financial condition, future trading performance and prospects.

The Group may not be able to achieve profitable levels of third-party reimbursement for diagnostic products

The Group's ability to successfully commercialise its businesses that focus on the life sciences sector or to attract potential strategic partners will depend in part on the price levels and the extent to which reimbursement for the costs of treatment relating to the Group's diagnostic products will be available from government health administration authorities, private health insurers and other third party payers, as well as government health care programmes. Governments and other third party payers are increasingly attempting to contain health care costs, in part by challenging the price of medical products and services and restricting eligibility for reimbursement. Healthcare cost pressure could lead to pricing pressure, which would adversely affect pricing of the Group's diagnostic products. Seeking third party reimbursement is a time-consuming and costly process, which will require the Group's businesses to provide scientific and clinical support for the use of each of their products to each third-party payer separately. Significant uncertainty exists as to the payment status of newly approved medical products.

The unavailability or inadequacy of third party reimbursement would have an adverse effect on the price level and, consequently, the market acceptance of the Group's diagnostic products. In addition, the Group is unable to forecast what additional legislation or regulation relating to the healthcare industry or third party reimbursement may be enacted in the future, or what effect such legislation or regulation would have on its business. Any such event may have a material adverse effect on the Group's business, financial condition, future trading performance and prospects.

Certain Group businesses are subject to stringent pharmaceutical and medical device regulation relevant to some of the Group's businesses and any adverse regulatory action may materially adversely affect the Group's financial condition and business operations

The products, development activities and manufacturing processes of some of the Group's existing businesses (including ProGDerm, SciFluor, Cephalogics, LLC, Precision Biopsy, LLC and Soundcure, Inc.) and which may be relevant to the Group's future businesses are subject to extensive and rigorous regulation by government agencies including the FDA. The FDA regulates the design/development process, clinical testing, manufacture, safety, labelling, sale, distribution, and promotion of medical devices and drugs. The process of obtaining marketing approval or clearance from the FDA for new products, or for enhancements or modifications to existing products, could:

- take a significant amount of time;
- require the expenditure of substantial resources;
- involve rigorous pre-clinical and clinical testing, as well as increased post-market surveillance;
- involve modifications, repairs or replacements of its products; and
- result in limitations on the indicated uses of the Group's products.

The Group cannot be certain that it will receive required approval or clearance from the FDA for new products or modifications to existing products on a timely basis, on budget or at all. The failure to receive approval or clearance for significant new products or modifications to existing products on a timely basis could have a material adverse effect on the Group's financial condition and results of operations.

In addition, medical devices are also subject to post-market regulatory and reporting requirements for deaths or serious injuries when the device may have caused or contributed to the death or serious injury, and for certain device malfunctions that would be likely to cause or contribute to a death or serious injury if the malfunction were to recur. If safety or effectiveness problems occur after one of Allied Minds' products reaches the market, the FDA may take steps to prevent or limit further marketing of the product. Additionally, the FDA actively enforces regulations prohibiting marketing and promotion of devices for indications or uses that have not been cleared or approved by the FDA. The regulatory and product liability risks may have a material adverse effect on the Group's business, financial condition, future trading performance and prospects.

The Group's products are complex and, if they contain latent defects, the Group could incur replacement costs, delay in revenue recognition and loss of market share

The complexity of operations of the Company's products increases the risk that latent defects or faults or inadequate training could be discovered by end users after those products have been shipped. This could result in a number of adverse effects on the Company's business, including litigation, material recall and replacement costs for product warranty and support, delay in recognition or loss of revenues, loss of market share or failure to achieve market acceptance and diversion of the attention of personnel from development. Customer relationships could also be adversely impacted by the occurrence or recurrence of significant defects. In addition, any defects or other problems with the Group's products could result in financial or other damage to its customers who could seek damages for their losses. Any claim brought against the Group, even if unsuccessful, would likely be time consuming and costly to defend and could have a material adverse effect on the Company's business, financial condition and results of operations.

Clinical studies can be complex, expensive and time consuming

The outcomes of any clinical studies required to bring any products of the Group's businesses in the life sciences sector to market can be uncertain and will require significant funding. The trials may be suspended or delayed or can fail for unforeseen circumstances. The Group relies on third parties for the delivery of certain clinical studies. Clinical studies can also involve testing on humans or animals. Failure of such tests or issues and concerns associated with such testing could give rise to failure or delay. Any failure or delay to clinical studies could have a material adverse effect on the Group's ability to bring its products to market and otherwise impact the Group's business, results of operations or financial condition.

The Group is subject to competition in the life sciences sector

The life sciences sector is intensely competitive on a global scale. The Group has competitors engaged in developing and commercialising products in the life sciences sector, including pharmaceutical companies, biotechnological companies and medical device manufacturers. Many of the Group's competitors have greater financial, technical and other resources. Competition in the life sciences sector could materially adversely affect the Company's businesses, prospects, financial condition and results of operations.

The Group may establish collaborations in the future and its ability to do so may affect its development and commercialisation plans

For some product candidates, members of the Group may seek to collaborate with other companies for the development and potential commercialisation of those products, particularly in relation to the products developed by SciFluor. The members of the Group may face significant competition as well as risks in seeking and maintaining appropriate collaborators. Whether members of the Group reaches a definitive agreement for a collaboration will depend upon, among other things, its assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical studies, the likelihood of approval by regulatory authorities, the potential market for the product, the costs and complexities of manufacturing and delivering such product to patients, the potential of competing product candidates, the existence of uncertainty with respect to the Group's ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative products or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with members of the Group for its product. Any collaboration agreement into which a member of the Group may enter may call for licensing or cross-licensing of potentially blocking patents, know-how or other intellectual property. Due to the potential overlap of data, know-how and intellectual property rights, there can be no assurance that one of the Group's collaborators will not dispute its right to use, license or distribute such data, know-how or other intellectual property rights, and this may potentially lead to disputes, liability or termination of the collaboration. In addition, the Group may also be restricted under future licence agreements from entering into agreements on certain terms with potential collaborators.

Should any members of the Group seek to enter into collaboration agreements, but not be able to negotiate the terms of such agreements on a timely basis, on acceptable terms, or at all, it may have

to curtail the development of a product or reduce or delay its development programme or one or more of its other development programmes. This would delay its potential commercialisation or reduce the scope of any sales or marketing activities, increase its expenditures to develop and commercialise its product candidates and could materially adversely affect its business, prospects, financial condition and results of operations.

The Group is subject to risks associated with developments in the physical sciences sector

The success of certain of the Group's businesses is based on the ability to successfully develop viable, marketable technologies in the physical sciences sector (for example Spin Transfer Technologies, Inc., Optio Labs, Inc.). The Group cannot be certain that such technologies could be developed to a commercially viable state. The inability to successfully progress on technology development roadmaps could have adverse effects on the viability and valuation of such subsidiaries.

Innovations and consumer requirements can be demanding and subject to change

The physical sciences sector and their technological application is a fast moving sector with rapid and volatile consumer demand. The Group's success in the physical sciences sector depends on its ability to develop and bring to market technological advances before its competitors. Failure to bring products to market on a timely basis in line with market requirements and expectations could adversely impact the Group's businesses in the physical sciences sector. Manufacturers will typically not use technologies that have not been included in the development stage of their products. The qualification process to include those technologies can be lengthy. This could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group is subject to competition in the physical sciences sector

The physical sciences sector is intensely competitive on a global scale. The Group has competitors engaged in developing and commercialising products in the physical sciences sector, including electronics manufacturers, software developers and other manufacturers. Many of the Group's competitors have greater financial, technical and other resources. Competition in the physical sciences sector could materially adversely affect the Company's businesses, prospects, financial condition and results of operations.

The Group's businesses are difficult to value accurately given that they are early stage and their technology is in development

Investments in early stage companies are inherently difficult to value since sales, cash flow and tangible asset values are very limited, which makes the valuation highly dependent on expectations of future development and any future significant revenues would only arise in the medium to longer terms and are uncertain. Equally, investments in companies just commencing the commercial stage are also difficult to value since sales, cash flow and tangible assets are limited, they have only commenced initial receipts of revenues which may not be representative of future significant revenues and valuations are still dependent on expectations of future development. As a means of promoting transparency and providing additional information, the Directors present, as supplementary information, valuations of each of the subsidiary companies. The Group Subsidiary Ownership Adjusted Value represents the sum-of-the-parts ("**SOTP**") of, principally, net present value ("**NPV**") or risk-adjusted net present value ("**rNPV**") from discounted cash flow ("**DCF**") valuations, and valuations based on recent third party investment at the subsidiary level. DCF valuation is used for the majority of Allied Minds subsidiaries. If a transaction occurred close to valuation date, then that will generally form the basis for the valuation. In limited instances, other techniques such as based on asset values are utilised. Some or all of these valuation techniques can be highly sensitive to key input assumptions. Notwithstanding the fact that the valuation methodologies applies are based on the American Institute of Certified Public Accountants' *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* ("**AICPA Guidelines**") because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant. The AICPA Guidelines do not represent, but are consistent with, valuation principles adopted under, IFRS. The subsidiary company valuations are not presented as alternative measures to, and should be read in conjunction with, the Company's consolidated financial statements prepared in accordance with IFRS. There can be no guarantee that the valuation of the Group implied by the supplemental valuation information, as at 31 December 2013 as set out in note 6 to the Historical Financial Information as set out in Part XII (*Historical Financial Information*) of this Prospectus, will be considered to be

correct in light of the future performance of the various Group businesses, or that the Group would be able to realise proceeds in the amount of such valuations, or at all, in the event of a sale by it of any of its subsidiaries.

The Company may not be able to control certain governance aspects of subsidiary companies

Though the size of the Company's equity interest in each subsidiary company will vary, it is currently the case and the Company's policy generally to maintain a majority interest (i.e. an interest of more than 50 per cent.) through at least the early stages of development. However, as each subsidiary company develops and requires more capital it is possible that the Company may be reduced to a minority interest, or the Company may agree to contractual arrangements, and as a result, it may not be able to exercise control over the affairs of that subsidiary. In particular, the Company may not be able to ensure compliance by the company in which it holds a minority interest with the Group's governance policies, disclosure policies or share dealing code and may limit the Company's access to the subsidiary company's management and its financial information. If the affairs of one or more subsidiary companies were to be conducted in a manner detrimental to the interests or intentions of the Company, the Group's business, reputation and prospects may be adversely affected

The Group's businesses may fail, lose value or fail to generate the anticipated level of returns

Due to the early stage nature of the Group's activities, any of the Group's businesses, even those that are in the advanced stages of development or in which the Group has invested significant capital, may fail or not succeed as anticipated, resulting in an impairment on the Group's value and/or profitability. Where a project has failed to deliver sufficient additional proof points and no longer supports on-going development and commercialisation activity, and cannot be successfully redirected to an alternative commercial path, Allied Minds will look to terminate the investment early. Since inception, Allied Minds has terminated nine underperforming businesses having spent approximately $1.0 million, on average, on each business. In addition, certain Group businesses have not performed as expected, requiring Allied Minds to assess on-going development and commercialisation activity and take action to address the underperforming business. Action to address underperforming businesses can include restructuring of management, termination of services agreements of employees or termination of consultancy arrangements. Failure of any Group business, including any of its existing businesses in which it has invested significant capital as well as any new businesses or failure of the Group to promptly identify and address underperforming businesses or failure to successfully redirect the business or the Group's capital to an alternative commercial path, or failure to terminate the business early may each have an adverse effect on the financial performance of the Group and otherwise impact the Company's business, results of operations or financial condition. Underperforming businesses particularly those where the Group has already invested significant capital in the Group may make it more difficult for other Group businesses to raise additional capital given the impact such failure(s) may have on the reputation of, and therefore investor confidence in, the Group, its management team and/or its businesses.

Equity realisations and payments under licenses may vary from year to year

As equity realisations from subsidiary companies are expected to be achieved through liquidity events, including trade sales and initial public offerings, the total income receivable by the Group from these sources may vary substantially from year to year. In addition, payments under licenses are often subject to milestones which may not be achieved, meaning the total income receivable by the Group from these sources may also vary substantially from year to year. These variations may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Directors may apply the proceeds of the Offer to uses that shareholders may not agree with and may make investments or incur expenditure that fail to produce income or capital growth or that lose value

The Directors will have considerable discretion in the application of the net proceeds of the Offers and holders of Ordinary Shares must rely on the judgement of the Directors regarding the application of such proceeds. The Directors' allocation of the net proceeds is based on current plans and business conditions. The amounts and timing of any expenditure will vary depending on the amount of cash generated by the Group's operations and competitive and market developments, among other factors. The net proceeds may be placed in investments that fail to produce income or capital growth or that lose value.

RISKS RELATING TO THE ORDINARY SHARES

Pre-emptive rights may not be available to US or other shareholders

Under English law, existing shareholders have statutory pre-emptive rights to participate on the basis of their existing share ownership in the issuance of any new shares for cash consideration, unless those rights are disapplied by a resolution of the shareholder at a general meeting. US holders of the Ordinary Shares may not be able to receive, trade or exercise pre-emptive rights for new Ordinary Shares unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. The Company is not a registrant under US securities laws and is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction in respect of any such rights and shares.

If US holders of Ordinary Shares are not able to receive, trade or exercise pre-emptive rights granted in respect of their Ordinary Shares in any rights offering by the Company, then they may not receive the economic benefit of such rights. In addition, their proportional ownership interests in the Company will be diluted. Shareholders in other jurisdictions outside of the UK including, but not limited to, Australia, Canada, Hong Kong, Japan and Switzerland, may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

There has been no prior trading market in the Ordinary Shares

Prior to the Offer, there has been no public trading market for the Ordinary Shares and a market for the Ordinary Shares may not develop even after Admission. The Offer Price may not be indicative of the market price for the Ordinary Shares following Admission. Following Admission, the trading price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this section, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Ordinary Shares, regardless of the Company's actual performance or conditions in its key markets.

If securities or industry analysts do not publish research or reports about the Group's business, or if they downgrade their recommendations, the market price of the Ordinary Shares and their trading volume could decline

The trading market for the Ordinary Shares will be influenced by the research and reports that industry or securities analysts publish about the Group or its businesses. If any of the analysts that cover the Group or its business downgrade it or them, the market price of the Ordinary Shares would likely decline. If analysts cease coverage of the Group or fail to regularly publish reports on it, the Group could lose visibility in the financial markets, which in turn could cause the market price of the Ordinary Shares and their trading volume to decline.

Impact of events affecting companies with comparable business models on the value of the Ordinary Shares

Technology commercialisation is a relatively new business sector and consequently there is a relatively small number of companies with comparable business models. Accordingly, any event which detrimentally affects the companies in this comparator group may adversely affect the value of the Group and the value of the Ordinary Shares. Similarly, the value of the Group and the value of the Ordinary Shares may be impacted by any event which detrimentally effects other companies engaged in early-stage scientific research and development activities.

The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which may be out of the Company's control

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which are beyond the Company's control, including: variations in operating results in the Company's reporting periods; changes in financial estimates by securities analysts; poor stock market conditions affecting companies engaged in technology commercialisation or engaged in early stage scientific and technological research activities; announcements by the Company of a significant investment in a subsidiary company, strategic alliances, joint ventures or other capital commitments; additions or departures of key personnel; any shortfall in turnover or net profit or any increase in losses from

levels expected by securities analysts; and future issues or sales of Ordinary Shares. Any or all of these events could result in a material decline in the price of the Ordinary Shares.

Substantial future sales of Ordinary Shares could impact the market price of Ordinary Shares

Upon Admission, Invesco will in aggregate hold 89,826,699 Ordinary Shares, representing 42.9 per cent. of the issued Ordinary Shares upon Admission (assuming no exercise of the Overallotment Option). The Ordinary Shares held by it immediately prior to Admission will be subject to lock-up arrangements. The Directors will in aggregate hold 23,533,202 Ordinary Shares, representing 11.2 per cent. of the issued Ordinary Shares immediately following Admission (assuming no exercise of the Overallotment Option). These Ordinary Shares will be subject to lock-up arrangements. Selling Shareholders, in addition to the Directors, and certain employees of the Group, together representing, in aggregate, 11.4 per cent. of the issued Ordinary Shares immediately following Admission (assuming no exercise of the Overallotment Option) have also entered into lock-up arrangements. The lock-up arrangements are described in further detail in paragraph 7 (*Lock-up Arrangements*) of Part XIV (*Details of the Offer*) of this Prospectus. Sales of substantial numbers of Ordinary Shares following any relaxation of the lock-up or time expiration of the lock-up periods or sales by other holders of Ordinary Shares could adversely affect the prevailing market price of the Ordinary Shares.

The Ordinary Shares may not be suitable as an investment for some investors

The Ordinary Shares may not be a suitable investment for all the recipients of this Prospectus. Before making a final decision, Shareholders and other prospective investors are advised to consult an appropriate independent financial adviser authorised under the FSMA if such Shareholder or other prospective investor is resident in the UK or, if not, from another appropriately authorised independent financial adviser who specialises in advising on acquisitions of shares and other securities.

The value of the Shares, and the income received from them, can go down as well as up and Shareholders may receive less than their original investment.

In the event of a winding-up of the Company, the Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of creditors.

The Company's ability to pay dividends in the future is not certain

The payment of dividends by the Company to Shareholders is highly dependent upon any dividends and profits that it receives from its subsidiary companies. The Company cannot guarantee that it will have sufficient cash resources to pay dividends in the future.

Further issuances of Ordinary Shares may be dilutive

The Company may decide to offer additional shares in the future for capital raising or other purposes. Shareholders who do not take up or who are not eligible to take such an offer will find their proportionate ownership and voting interests in the Company to be reduced. An additional offering could also have a material adverse effect on the market price of the Ordinary Shares as a whole.

PART III – IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

FORWARD LOOKING STATEMENTS

This Prospectus contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this Prospectus may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies.

Forward-looking statements are identified by their use of terms and phrases such as ''believe'', ''targets'', ''expects'', ''aim'', ''anticipate'', ''projects'', ''would'', ''could'', ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. The forward looking statements in this Prospectus are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward looking statements include, but are not limited to, those described in the risk factors. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such entity and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above.

Each forward-looking statement speaks only as at the date of this Prospectus. Except as required by law, regulatory requirement, the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

The information contained within this Prospectus will be updated as required by the Prospectus Rules. You are advised to read this Prospectus and, in particular, Part I (*Summary*), Part II (*Risk Factors*), Part VII (*Information on the Company and the Group*), Part VIII (*Information on the Group's Businesses and Products*) and Part X (*Operating and Financial Review*) of this Prospectus for a further discussion of the factors that could affect the Company's future performance and the industries and markets in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may or may not occur. Investors should note that the contents of these paragraphs relating to forward looking statements are not intended to qualify the statements made as to sufficiency of working capital in this Prospectus.

NOTICE TO PROSPECTIVE INVESTORS

This Prospectus does not constitute or form part of any offer to sell or issue, or any invitation or solicitation of any offer to invest in, any securities of the Company other than the Ordinary Shares. Prospective investors should only rely on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, no such information or representation may be relied upon for any purpose. In particular, the contents of the websites of members of the Group do not form part of this Prospectus and prospective investors should not rely on them. The Company will comply with its obligations to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Rules containing further updated information required by law or by any regulatory authority but, except as required by the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules or any other applicable law, assumes no further obligation to publish additional information. Without prejudice to the Company's legal or regulatory obligations to publish a supplementary prospectus, neither the delivery of this Prospectus nor Admission shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this Prospectus or that the information is correct as of any time subsequent to the date of this Prospectus.

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this Prospectus in its entirety. In making an investment decision, each prospective investor must rely on his, her, or its own examination, analysis and enquiry of the Company, the Ordinary Shares and

the terms of the Offer, including the merits and risks associated with such interest. Prospective investors also acknowledge that: (i) they have not relied on any of Jefferies or any person affiliated to Jefferies in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus; (iii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Ordinary Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Jefferies; and (iv) no person accepts any liability or responsibility for any statement or representation except as set out in this Prospectus.

None of the Company, the Directors, Jefferies or any of their respective affiliates, officers, employees, or representatives makes or will make any representation to any prospective investor in the Shares regarding the legality or tax implications of an investment in the Ordinary Shares by any such prospective investor under the applicable laws applicable to any such prospective investor. The contents of this Prospectus should not to be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice in relation to an investment in the Ordinary Shares.

In addition, the Ordinary Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Prospective investors should be aware that they may be required to bear the financial risk of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Further information with regard to the restrictions on the distribution of this Prospectus and the offering, sale and transfer and resale of the Ordinary Shares is set out at paragraph 8 (*Selling Restrictions*) of Part XIV (*Details of the Offer*) of this Prospectus. Each subscriber for Ordinary Shares will be deemed to have made the relevant representations made therein.

PRESENTATION OF FINANCIAL INFORMATION

The Company publishes its financial statements in US dollars. The abbreviation ''£m'' represents millions of pounds sterling, and references to ''pence'' and ''p'' represent pence in the UK. References to ''dollars'', ''USD'' or ''$'' are to the lawful currency of the US. Sterling amounts stated in US dollars have been converted at an exchange rate of £1: $1.70545 unless otherwise stated.

The financial information presented in a number of tables in this Prospectus has been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers in a table may not conform exactly to the total figure given for that table. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements of the Company are prepared in accordance with IFRS as endorsed and adopted by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as endorsed and adopted by the European Union.

DISTRIBUTION OF THIS PROSPECTUS

General

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell or issue or the solicitation of an offer to buy or subscribe for any Ordinary Shares to or from any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offer and sale of Shares in certain jurisdictions may be restricted by law and regulation. Other than in the United Kingdom, no action has been taken or will be taken by the Company or Jefferies that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Prospectus comes are required to inform themselves about and to observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

Prospective investors must inform themselves as to:

(a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;

(b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and

(c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Prospective investors must rely upon their own professional advisers, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this Prospectus are based on the law and practice currently in force in England and Wales, and are subject to change.

Notice to investors in the European Economic Area

In relation to each Member State, an offer to the public of any Ordinary Shares may not be made in that Member State, except that an offer to the public in that Member State of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 100, or, if the Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Member State, subject to obtaining the prior consent of Jefferies; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the Company or Jefferies to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Jefferies and the Company that it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an ''offer to the public'' in relation to any Ordinary Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied for that Member State by any measure implementing the Prospectus Directive in that Member State.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Company and Jefferies has been obtained to each such proposed offer or resale.

Certain Non-United Kingdom recipients

This Prospectus is not for distribution into the US, Canada, Australia, the Republic of South Africa or Japan. The issue of the Ordinary Shares has not been, and will not be, registered under the applicable securities laws of the US, Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, the Ordinary Shares may not be offered or sold directly or indirectly

within the US, Canada, Australia, the Republic of South Africa or Japan or to, or for the account or benefit of, any persons within the US, Canada, Australia, the Republic of South Africa or Japan.

No securities commission or similar authority in Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence.

No document in relation to the issue of the Ordinary Shares has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission.

No registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the issue of the Ordinary Shares.

The Ordinary Shares have not been and will not be registered under the Securities Act or any US State securities laws. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the US (as defined in Regulation S under the Securities Act) unless the Offer and sale of the Ordinary Shares has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares are being offered and sold solely outside the US in reliance on Regulation S.

The Ordinary Shares have not been approved or disapproved by the SEC, any US state securities commission or any other US regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the US.

STABILISATION

In connection with the Offer, Jefferies (the "**Stabilising Manager**"), or any of its agents or affiliates, may (but will be under no obligation to), to the extent permitted by applicable law, over-allocate Ordinary Shares, or any options, warrants or rights with respect to, or interests in, the Ordinary Shares up to a maximum of 15 per cent. of the total number of New Ordinary Shares comprised in the Offer or effect other transactions with a view to supporting, stabilising or maintaining the market price of the Ordinary Shares, in each case at a higher level than that which might otherwise prevail in the open market. Such transactions may include short sales, stabilising transactions and purchases to cover short positions created by over-allocations or other disposals or sales. Short sales involve the sale by the Stabilising Manager of a greater number of Ordinary Shares than the Underwriter is required to procure purchasers or subscribers for, or failing which, to purchase or subscribe for pursuant to the Offer. Stabilising transactions shall be carried out in accordance with applicable rules and regulations.

The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manger or any of its agents or affiliates to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents or affiliates intends to disclose the extent of any over-allocations of Ordinary Shares made in connection with the Offer or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may over-allocate Ordinary Shares at the Offer Price up to a maximum of 15 per cent. of the total number of New Ordinary Shares issued by the Company as part of the Offer.

For the purposes of allowing the Stabilising Manager to cover short positions resulting from over-allocations of Ordinary Shares, if any, made in connection with the Offer, to satisfy any such over-allocations and/or to cover short positions resulting from stabilisation transactions (including if required to re-deliver Borrowed Shares to the Lending Shareholder), the Company has granted to the Stabilising Manager an option (the "**Overallotment Option**"), pursuant to which the Stabilising Manager may require the Company to issue to it or directly to purchasers procured by it additional Ordinary Shares up to a maximum of 15 per cent. of the total number of New Ordinary Shares comprised in the Offer (before any exercise of the Over-allotment Option) (the "**Over-allotment Shares**") at the Offer Price. The Overallotment Option is exercisable in whole or in one or more parts, upon one or more notices by the Stabilising Manager, at any time on or before the 30th

calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be subscribed for on the same terms and conditions as the Ordinary Shares being issued or sold in the Offer and will form a single class for all purposes with the other Ordinary Shares.

GENERAL

The directors of the Company, whose names appear on page 52 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

In connection with the Offer, Jefferies and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for their own accounts in the Ordinary Shares. Accordingly, any reference in this Prospectus to the Ordinary Shares being issued, offered, subscribed, sold, or purchased or otherwise dealt with should be read as including any issue, offer or sale to, or subscription, purchase or dealing by Jefferies and any of its affiliates acting as an investor for its own account. Jefferies do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

PART IV – EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Prospectus	20 June 2014
Commencement of conditional dealings in Ordinary Shares on the London Stock Exchange	8 a.m. on 20 June 2014
Admission and commencement of unconditional dealings in Ordinary Shares on the London Stock Exchange	8 a.m. on 25 June 2014
CREST accounts credited with uncertificated shares	8 a.m. on 25 June 2014
Despatch of definitive share certificates (where applicable)	By 9 July 2014

Notes:

(a) If Admission does not occur, all conditional dealings will be of no effect any such dealings will be at the sole risk of the parties concerned.

(b) The times and dates in the table above except the date of Publication of this Prospectus, are indicative only and are subject to change. All times are London times.

(c) No temporary documents of title will be issued.

PART V – OFFER STATISTICS

Offer Price per Ordinary Share	190 pence
Number of Ordinary Shares in issue immediately prior to Admission	165,245,014
Number of Offer Shares	61,695,208
– to be issued by the Company pursuant to the Offer	44,254,411
– to be sold by the Selling Shareholders	17,440,797
Maximum number of Ordinary Shares subject to the Over-allotment Option[(a)]	6,638,161
Number of Ordinary Shares in issue immediately following Admission[(b)]	209,499,425
Percentage of the Company's issued share capital immediately following Admission being issued or sold pursuant to the Offer[(b)]	29.5%
Estimated net proceeds of the Offer receivable by the Company[(b)(c)]	£76.2 million
Estimated net proceeds of the Offer receivable by the Selling Shareholders (in aggregate)	£32.3 million
Expected market capitalisation of the Company at the Offer Price following Admission[(b)(d)]	£398.0 million
Ticker symbol	ALM
SEDOL Code	BLRLH12

Notes:

(a) The maximum number of Ordinary Shares subject to the Over-allotment Option granted by the Company will be 15 per cent. of the total number of New Ordinary Shares.

(b) This assumes no exercise of the Over-allotment Option.

(c) Net proceeds receivable by the Company are stated after deduction of underwriting commissions and other estimated expenses (excluding VAT) of approximately £7.9 million ($13.4 million).

(d) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Offer Price. This assumes no exercise of the Over-allotment Option

PART VI – DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Mark Pritchard (*Executive Chairman)* Chris Silva (*CEO*) Peter Dolan (*Senior Independent Non-Executive Director*) Jeffrey Rohr (*Independent Non-Executive Director*) Rick Davis (*Independent Non-Executive Director*)
Company secretary	Michael Turner
Registered Office and Business Address	40 Dukes Place London EC3A 7NH
Bookrunner and Sponsor	Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ
Legal advisers to the Company as to English law	DLA Piper UK LLP 3 Noble Street London EC2V 7EE
Legal advisers to the Company as to US law	DLA Piper LLP (US) 33 Arch Street Boston Massachusetts, 02110
Legal advisers to Jefferies as to English law and US law	Sullivan & Cromwell LLP 1 New Fetter Lane London EC4A 1AN
Auditor and Reporting Accountants	KPMG LLP 15 Canada Square London E14 5GL
Registrar	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART VII – INFORMATION ON THE COMPANY AND THE GROUP

1. OVERVIEW

Allied Minds is an innovative US-focused science and technology development and commercialisation company. The Group commenced operations in 2006 to invest in and advance science and technology innovation developed in some of the leading universities in the United States of America. The Company's business model is to form, fund, manage and build start-up companies to undertake research and product development and ultimately to commercialise scientific research and innovations emerging from universities in the United States and, more recently, scientific research and innovations emerging from US federal research institutions and laboratories.

Since inception, the Group has invested significant capital and resources in laboratory based scientific research and product development. This has enabled Allied Minds to successfully progress and, in a few cases, complete testing of a number of innovative products. The Group currently comprises 18 businesses in the life sciences and physical sciences sectors based upon a broad range of underlying innovative technologies ranging from molecular compounds to memory integrated circuit technology. Allied Minds benefits from a highly skilled workforce, with significant expertise throughout the Group across a range of science and technology disciplines. The Group has 204 employees and consultants of whom 111 are directly involved in Allied Minds' scientific research and product development activities, 125 hold advanced degrees and 65 have PhDs (as at 31 March 2014). By leveraging this expertise, and through its extensive research and development activity to date, Allied Minds has established a significant portfolio of intellectual property to support and protect its research and innovation.

Allied Minds' strategy is to build a significant and diversified group of businesses and achieve strong growth over the medium to long term through the maturation of its products through the commercialisation cycle. Allied Minds' business model centralises the support functions at Group level, thereby enabling its businesses to focus efforts primarily on research and development activity whilst achieving operational and financial efficiency.

The Directors believe one of the foundations of the Group's strategy is its ability to access a wide range of innovative scientific research and technology by leveraging its relationships with leading research institutions. In total, the Group currently has relationships with 64 research universities and US federal government laboratories, providing it with an extensive pipeline of scientific and technological innovations from which the Group can identify technology for further investigation and, through further investment in scientific research and development, potentially develop to a commercially viable product.

Allied Minds is structured as a diversified holding company with a strong central management team active in the management of the development of its products. The directors believe this is a key distinguishing feature of the Company when compared with investment funds. Allied Minds' core aim is to focus on early-stage disruptive technologies that it believes have significant upside potential and to realise that potential through management and investment in research and product development.

2. THE OPPORTUNITY

The US is the world's largest market for R&D investment with projected expenditure of $465 billion in 2014 – comprising approximately 2.8 per cent. of the country's GDP. Over the course of 2014, the federal government is expected to fund $123 billion of this amount with $37 billion of this contributing towards an aggregate of $63 billion expected to be spent on US academic research. Several academic institutions exceeded $1 billion of annual research spending in 2012, including John Hopkins, University of Michigan, Duke, University of Wisconsin, University of Washington, University of California at San Diego and UCLA. US universities continue to lead the world rankings, with seven out of the top ten universities based in the country according to The Times Higher Education World University Rankings for 2013 – 2014.

This investment by the US federal government in research through the nation's universities, federal laboratories, and non-profit institutions generates innovations and inventions with considerable commercial potential. These innovations and inventions result in thousands of US patent applications per annum. Though US universities and federal research institutions have an established technology transfer process designed to commercialise this intellectual property, they face a number of challenges. Marketing early-stage innovations to investors that often seek

lower-risk, more mature technologies is challenging. Universities also often lack the resources necessary to adequately and efficiently identify the most marketable opportunities, coordinate between technology transfer offices and researchers to render opportunities marketable, and locate investors and entrepreneurs to license the invention and carry concepts forward. As a result, many universities license only a relatively small number of patents a year from a probable base of thousands, of which only a small fraction progress to the next stage of development.

Allied Minds was established with the objective of collaborating with universities to better identify high-potential innovations and inventions at an early stage, and subsequently licensing those inventions into subsidiaries formed and funded by the Company. By providing requisite commercial direction and management talent together with funding the research and product development activities of its businesses, the Directors believe Allied Minds has the potential to be able to unlock the market potential inherent in promising technologies.

2.1 **Technology transfer**

Technology transfer is the process of transferring scientific research into the commercial environment. This transfer is necessary to obtain the financing and expertise required to translate research into commercial utility. It involves the generation of intellectual property (patents) to protect inventions, and facilitates either further development by a start-up company or licensing to a third party.

US federal government funding and the legislative environment promote and support US research institutions (predominantly universities) to develop and commercialise academic discoveries. In 1980, the US Congress passed legislation commonly referred to as the Bayh-Dole Act which enables non-profit research institutions to take right, title and interest to discoveries made with federal research funding. Among other things, it gives US universities, small businesses and non-profit organisations ownership over the intellectual property underlying their inventions that resulted from federal government-funded research. Perhaps the most important impact of Bayh-Dole is that it reversed the presumption of title – from the US federal government to the research institution.

US universities generally establish and maintain organisational units to conduct technology transfer. These units are customarily called Technology Transfer Offices ("**TTOs**") and are dedicated to identifying research results of potential commercial interest, and to developing strategies for how to transition them. TTOs also work to patent research results that have practical applications, and they subsequently search for investors to license the intellectual property to and achieve commercialisation of concepts.

2.2 **Current barriers to technology spin-offs**

US academic institutions and the associated intellectual property have been responsible for some of the major scientific and technological advances, particularly in the past few decades. As innovation becomes more complicated and more expensive, the Directors believe that universities and federal research institutions will play an even greater role in determining the major breakthroughs of tomorrow. Notwithstanding this potential, the technology transfer process remains an imperfect one. The TTOs face challenges that include: (i) finding investors and entrepreneurs to develop technology; and (ii) extracting fair value for academic discoveries before a product has been clearly identified. There are inherent risks in the early stages of technology which require significant capital commitment to develop from early stage concepts to commercially viable products. It is not easy to find projects which have the necessary maturity to attract external capital from venture capitalists or other investors and, as a result, many good ideas are likely to perish within the confines of the university or federal research institution without reaching a stage of maturity where they could be exploited commercially.

The many goals of technology transfer – namely, public good, faculty service, economic development, corporate relations and income generation – further complicate an already challenging environment for TTOs. To date, only a small number of university TTOs in the US have gained recognition as effective partners to the private sector. Most universities struggle to attract professional early-stage investors. Most TTOs have insufficient resources to effectively evaluate new discoveries for commercial potential or provide the initial funding required to develop and establish commercial viability. Furthermore, because established relationships rarely exist between the TTOs and investors, TTOs must expend considerable time and resources on tracking investors for one-off deals. The result is limited deal flow for the universities and

limited or no realisation of the value inherent in a large number of early stage concepts and technologies. As a consequence of this, the Directors believe that the Company has benefitted from, and will continue to encounter, attractive opportunities and favourable deal terms by building its relationships with TTOs.

2.3 **US federal government research and development**

There are over 300 US federal government laboratories that are forecasted to receive a combined total of $53 billion in research budgets in 2014. US federal government agencies, for example, have historically been a rich source of invention and innovation, with developments that include transformative technologies such as GPS, the Internet, and satellite communications. As these inventions were historically not licensed to US industry, but rather released to the civilian domain over time, it could be argued that the US Department of Defense historically has not had the requisite technology transfer processes in place to commercialise these inventions.

The Directors believe that there are significant opportunities to commercialise inventions originating from federal government research institutions by licensing the technology to start-up companies.

2.4 **Commercial sector research and development**

A third major engine of scientific and technological innovation exists within private sector R&D departments. Investment by corporates operating in the life sciences and physical sciences sectors, in particular, represents a significant proportion of this multi-billion dollar industry. The Directors believe that the industrial scale of many commercial enterprises acts as a constraint on their ability to focus on early stage research projects and to identify, prioritise and support the growth of internally-generated innovations. Moreover, the hurdle rates for new projects within these organisations can result in more early-stage or speculative innovation opportunities struggling to bridge the gap to become more substantive development projects.

The Directors believe that Allied Minds' business model to form, fund, manage and build start-up companies to commercialise technological innovation from university and federal government organisations could similarly be applied across a broader range of commercial enterprises. Accordingly, in time, these private sector innovation environments could represent a natural and significant extension of Allied Minds' market opportunity. Moreover, these commercial enterprises could represent potential partners for, or acquirors of, businesses that have been built through Allied Minds' university and federal government networks.

2.5 **Market Overview**

The Group's existing businesses and products address a broad range of addressable markets. Details of the specific markets in which the Group's businesses operate and the products the Group seeks to develop are set out in Part VIII (*Information on the Group's Businesses and Products*) of this Prospectus.

3. STRATEGY

Allied Minds aims to identify, develop and commercialise potentially transformative technologies. The Company seeks to maximise growth by creating new businesses based around innovative intellectual property. Allied Minds is actively engaged in focused scientific research and product development within its businesses, with the objective of bringing commercially viable products to significant identifiable markets. The Company's objective is to build its businesses into commercially successful and valuable enterprises.

A key component of the Company's strategy is to maintain strict capital discipline within an operationally efficient model for new companies while the commercial viability of the technology is explored and tested. The Company aims to ensure that only when there are sufficient additional proof points that the technology is satisfactorily de-risked and could succeed commercially, is additional scale-up capital provided. Should those proof points no longer support on-going commercialisation activity, a subsidiary's business is terminated. As part of Allied Minds' strategy it is recognised that failure is an inherent but necessary component of commercialising scientific research.

In order to execute this strategy, and more broadly to ensure alignment of stakeholder interests, the Directors believe that for early-stage businesses it is important to retain control of projects. Accordingly, the Company currently maintains controlling interests in all of its businesses and the Directors anticipate maintaining such control for as long as practical subject to the demands and needs of each subsidiary and the overall management of the Company's business.

The Board reviews the development path of each business on an on-going basis and, at the appropriate time, it is expected that each business will look to secure strategic, commercial and capital partners, as appropriate, with a view to accelerate and maximise value appreciation. Where the commercial potential of a business merits significant further investment, the Board may deem it to be in the best interests of the Company to dilute its shareholding in that business to below 50 per cent. In such circumstances, the Directors believe that Allied Minds is likely to remain the largest shareholder for a further period and should therefore retain influence over the strategic direction of the businesses for that period.

The Company's strategy is to drive each Group business toward commercialisation but it does not mandate a specific timeline in which this has to be accomplished. The development time of each technology can vary enormously, particularly if regulatory approvals need to be secured before the product can reach the market. Inherent in the commercialisation strategy is a belief that realisation of assets should not be attempted until significant value inflection milestones have been reached. These milestones are typically commercial traction and revenue generation.

Achievement of such milestones is expected to provide the Board with strategic flexibility to explore a range of avenues for value realisation, including initial public offerings, trade sales (in whole or in part), licencing arrangements and joint ventures.

4. BUSINESS MODEL AND APPROACH

Since inception, Allied Minds has sought to deliver the commercial potential of selected university owned early-stage intellectual property by working with TTOs and establishing a structure to form, fund, manage and build start-up companies to develop innovative technologies. Allied Minds maintains regular contact with its university partners, which includes Allied Minds campus visits and interaction between Allied Minds staff and university technology transfer personnel and researchers. The strategic relationships that Allied Minds maintains with universities provide Allied Minds with direct access to scientific research which is potentially capable of developing into transformative technologies and products.

As an extension of its university model, in September 2012, Allied Minds reached agreements for first-of-their-kind Public Private Partnerships (each a "**PPP**"), with several US Department of Defense laboratories and federal government agencies, and subsequently reached agreements with other federal government agencies such as the Department of Homeland Security and the Department of Energy. Under these PPPs, the Company typically receives certain access and licensing rights to inventions originating from the US Department of Defense laboratories and other federal government agencies. The Directors believe that these PPPs create a closer relationship between the Company and the respective institutions, thereby increasing the amount of potential deal flow available in new intellectual property for the Company.

Through these collaborative relationships with research universities and federal government laboratories, the Company and the corresponding research institutions work together to form, fund, manage and build early stage companies to develop innovative technologies.

4.1 Form

The Company's extensive network of relationships with universities and US federal government laboratories provides access to the outcome of substantial research and development expenditure. In 2013, Allied Minds evaluated approximately 2,000 potential projects from across a broad range of university and federal laboratories and addressing a broad range of underlying technologies. These proposals frequently represent the culmination of years of scientific research within university and federal government laboratory environments.

Using a screening and investment selection process and supported by data on technical merit, commercial potential and patentability, the Directors believe Allied Minds is able to make timely and effective decisions on which projects merit further consideration. The Directors believe that use of this opportunity assessment system and the efficiency of this process can substantially reduce transactional costs and enhance timely and effective decision making for the Group.

In order for a project to proceed past the first review stage, it must score highly in terms of a number of key technical assessment criteria. The starting point for this process is an assessment of the science that underpins the project. As part of this assessment, projects are assessed on the following criteria: value proposition; advantaged technology; initial commercial application; addressable market; business model; potential intellectual property protection; competitive landscape, and regulatory path, if applicable.

Only approximately five per cent. of those projects reviewed are typically selected for further evaluation. At this stage Allied Minds coordinates the involvement of domain experts, academic peers and, in certain cases, external advisers to perform a deeper evaluation of the scientific and commercial potential of the project. Following this second review stage, approximately one per cent. of those projects initially reviewed are selected for detailed due diligence. The Company's full due diligence process involves coordination with the inventor(s) and institution to gain acceptance of the Allied Minds operating model as well as preparation of a detailed product and business development plan and budget structured around key milestones. The Directors expect to add five to ten projects per year following Admission.

After selecting a project, Allied Minds typically establishes a subsidiary that receives a license for the commercial rights (which is normally exclusive subject to certain exceptions) to the underlying intellectual property. The subsidiary is usually majority owned by Allied Minds in either a limited liability company or incorporated structure, with the originating university and inventor(s) each typically receiving a minority shareholding in that entity.

4.2 **Fund**

Following the due diligence procedure to identify the technology and forming a subsidiary to incubate, develop and ultimately commercialise such technology, the subsidiary and partner university or federal government agency often enter into a sponsored research agreement ("**SRA**") or equivalent. Pursuant to such agreements, the subsidiary will work with the partner and fund a targeted scope of research, focused on validating the core scientific principles of the intellectual property, to be performed by the principal investigator and other personnel qualified to advance the science. This approach to developing technology allows an Allied Minds subsidiary to evaluate the progress and likelihood of commercial success of a technology prior to making a significant additional commitment to fund, develop and commercialise such technology.

Following this initial seed funding from the Company, Allied Minds aims to provide further incremental funding to support the scientific research and product development activity within its subsidiaries.

Disbursement of funding and future rounds of financing for further research and development are often based on achievement of key milestones, which are designed to measure technological and commercial progress. Where a project has failed to deliver sufficient additional proof points and no longer supports on-going development and commercialisation activity, and cannot be successfully redirected to an alternative commercial path, Allied Minds will look to terminate the investment early. Since inception, Allied Minds has terminated nine underperforming businesses having spent approximately $1.0 million, on average, on each business.

As its businesses mature further, Allied Minds may also seek funding from third parties for its businesses should it be in the Group's strategic interests to do so. Allied Minds has agreements with certain institutional investors which provide for the opportunity to co-invest with Allied Minds upon future rounds of financing of a subsidiary established by Allied Minds.

4.3 **Manage**

Allied Minds actively manages and monitors its businesses as they advance research and product development activity towards commercialisation. During the early stages, the Company typically provides Allied Minds' technical and executive leadership to provide oversight of progress of its businesses toward preliminary milestones. As those businesses evolve, Allied Minds actively contributes to the board composition of the companies and often appoints externally sourced dedicated management to advance the businesses towards commercialisation. Scientific advisors are often integrated into the decision making processes to ensure the appropriate technical direction is pursued. The Directors believe the Company is well placed to continue to attract talented executives to its businesses.

Allied Minds expects to directly control each start-up company in its early stages, and retain board seats in the later stages of such company's development. Throughout this process, Allied Minds expects to continue to directly provide strategic and other advice or retain expert advisors for the businesses, as needed.

4.4 **Build**

Allied Minds applies a structured approach to building the business infrastructure that is critical to the growth of its businesses. In addition to providing executive leadership, Allied Minds can provide sales and marketing research, consulting, competitive analysis, technology analysis, commercial development support, shared services such as payroll and IT support, and operational advice. In doing so, Allied Minds' business model maintains central support functions at Group level, thereby enabling its businesses to focus on research and product development activity whilst achieving operational and financial efficiency. The Directors believe that the support provided to each of the Group's businesses distinguishes them from many comparably-sized and -aged businesses in terms of availability of resources that aid in their planning and decision making.

Allied Minds is focused on pursuing projects with the objective of bringing commercially viable products to significant identifiable markets. Accordingly, the Directors evaluate on an on-going basis the progress and potential of each of the Company's businesses, and take strategy and funding decisions based on the achievement of key milestones. The Company's policy is, wherever feasible, to look for each subsidiary to capture early revenue as a means of commercially validating the technology and business case.

5. HISTORY AND DEVELOPMENT OF THE COMPANY

The Company's wholly owned subsidiary, Allied Minds, LLC was originally incorporated as a Delaware corporation in 2004 and started to deploy capital in 2006. The goal was to invest in US scientific innovation developed in the country's leading universities. From inception, the Group has strategically expanded its network of universities broadly across the US to include some of the largest research institutions in the US. The Group currently has a business relationship with 33 US universities, providing the Group access to innovative inventions and technologies.

As an extension of its university model, in September 2012, Allied Minds through AMFI, entered into first-of-its-kind relationships with a number of US Department of Defense research laboratories to commercialise their technologies. These historic agreements created PPPs with key US Army, Navy and Air Force laboratories with the objective of systematically commercialising the next generation of federal government research inventions and innovations. AMFI also hired experienced professionals with considerable military and government backgrounds to strengthen the relationship with its new federal government network. In 2013, AMFI created similar agreements with other federal agencies which include the Department of Homeland Security and the Department of Energy. In total, the Group now has access to 64 US universities and federal government laboratories which create or develop innovative technologies, inventions and patents. In the past year alone, the Group has reviewed over 2,000 such technologies.

The Group currently comprises 18 active businesses across seven US states in the life sciences and physical sciences sectors. As of 31 December 2013, these businesses have, since inception, received $160.5 million, in aggregate, of invested capital from Allied Minds and third party investors. Some of these businesses have achieved significant milestones in the research, development and testing of their respective products, established a broad portfolio of intellectual property and, in some cases, progressed to attain initial commercial sales. Allied Minds' businesses have earned industry awards in recognition of the scientific advancements and benefits their technologies and products have delivered. Full details of the Group's track record of operations in research and product development across its principal businesses and products are set out in Part VIII (*Information on the Group's Businesses and Products*) of this Prospectus.

In 2007, the Group added Invesco as a key shareholder, providing capital to support the early phase of the Group's expansion. In 2010 and 2011, the Group raised approximately $70 million in two equal tranches through the issuance of new shares to Invesco. In June 2013, the Group's most recent fundraising, the Group raised gross proceeds of $100 million at a pre-money valuation of $363 million. This valuation reflected the ownership-adjusted value of the Group's

subsidiary businesses, Allied Minds' net cash balance of $35 million, and in respect of the value of Allied Minds' growth platform and investment pipeline, only the $17 million of capital invested by Allied Minds, since inception, to 31 December 2012 at the group level. Through this fundraising, the Group added two new institutional investors to its shareholder base, in addition to receiving further investment from Invesco. Allied Minds, Inc. was acquired by the Company in June 2014 pursuant to the Reorganisation for the purposes of the Admission process. Allied Minds, Inc. (since converted into Allied Minds, LLC) is now a wholly owned subsidiary of the Company. For further details of the Reorganisation, please see paragraph 3 of Part XVI (*Additional Information*) of this Prospectus.

The Group currently operates out of offices in Boston and Los Angeles.

6. ALLIED MIND'S PARTNER NETWORK

6.1 University partners

The Group has established relationships with some of the most prestigious academic research institutions across the United States, as set out below:

West	Central	East
● Arizona State	● University of Arkansas for Medical Science	● Boston University
● Colorado State	● University of Michigan	● Brown
● UC Berkeley	● University of Missouri	● Columbia
● UC Davis	● University of Nebraska Lincoln	● Cornell
● UC Irvine	● University of Nebraska Medical Center	● University of Florida
● UCLA	● Vanderbilt	● George Washington University
● UC San Diego	● Washington University St. Louis	● Harvard
● UC San Francisco	● Wayne State	● NYU
● University of New Mexico		● Penn State
● University of Colorado		● Tufts
● University of Washington		● UMass Lowell
		● Virginia Tech
		● Worcester Polytechnic Institute
		● Yale

Allied Minds aims to gain direct access to technologies at the forefront of research by working to develop the existing university network and selectively adding highly regarded research centres across the US. The Group's university relationships are each formalised through a Memorandum of Agreement ("**MOA**") that describes the intent and objectives of both parties and provides a framework under which the Company and university partners can work together to identify the technologies for further development and potential commercialisation.

Importantly, Allied Minds underpins these relationships through its operational processes and structure. Allied Minds seeks to maintain regular interaction, visibility and a positive working relationship with its university partners. Allied Minds participates in a variety of university outreach programmes including the annual conference of the Association of University Technology Managers ("**AUTM**") and has supported this event in a number of different ways including sponsorships, presentations and panel participation. The Group's relationships are additionally strengthened by on-site visits, participation in business plan competitions (including at Tufts University, NYU, University of Missouri and the University of Colorado) and providing feedback on individual technologies reviewed. Allied Minds' senior management members also currently maintain formal appointments on several university based committees and boards focused on commercialising university research including the Tufts University Gordon Institute Entrepreneurial Leadership Program Advisory Board and the Oversight Committee for the Coulter Translational Research Partnership at Columbia University. Allied Minds believes these and other measures help to create and maintain a strong working relationship with the Group's university partners.

6.2 Federal government relationships and Allied Minds Federal Innovations, Inc. ("AMFI")

The Directors believe the Group's relationships with US universities provided the opportunity for it to establish its relationship with the US Government. This relationship has been facilitated by the background and experience of the Company's senior management team within the US defence establishment and other federal government agencies. As part of a new initiative of the

US federal government, the US Department of Defense in particular, chose to collaborate with Allied Minds to create a series of PPPs, each with the objective of commercialising the US federal government's technological inventions developed in the corresponding US federal government laboratory. As in the university context, the model for such commercialisation is to transfer technologies into start-up companies formed and funded by Allied Minds.

In March 2012, Allied Minds created a dedicated subsidiary, AMFI, with the objective of systematically commercialising the next generation of US Department of Defense inventions and innovations. AMFI has formed PPPs with 31 US Department of Defense laboratories and other federal agency laboratories, such as the Department of Homeland Security and the Department of Energy. As at 19 June 2014, the latest practicable date prior to publication of the date of this Prospectus, AMFI has established PPPs with the following US federal government laboratories:

- Aerospace Corporation
- Air Force Research Laboratory – Aero Propulsion and Power Laboratory
- Air Force Research Laboratory – Armament Laboratory
- Air Force Research Laboratory – Avionics Laboratory
- Air Force Research Laboratory – Electronics Technology Laboratory
- Air Force Research Laboratory – Flight Dynamics Laboratory
- Air Force Research Laboratory – Information Directorate
- Air Force Research Laboratory – Material Laboratory
- Aviation and Missile Research, Development and Engineering Command (Army)
- Armament Research, Development and Engineering Command (Army)
- Army Research Laboratories
- Communications and Electronics Research, Development and Engineering Command (Army)
- Edgewood Chemical and Biological Center (Army)
- Lawrence Livermore National Laboratories (DOE)
- Lawrence Berkeley National Laboratories (DOE)
- Los Alamos National Laboratory (DOE)
- MITRE – Center for Enterprise Modernization
- MITRE – National Security Engineering Center
- MITRE – Center for Advanced Aviation System Development
- MITRE – Center for Medicare and Medicaid Services
- MITRE – Homeland Security Systems Engineering and Development Institute
- MITRE – Judiciary Engineering and Modernization Center
- Natick Soldier Research, Development and Engineering Command (Army)
- Naval Air Warfare Center Weapons Division – China Lake (Navy)
- Naval Air Warfare Center Weapons Division – Point Mugu (Navy)
- Naval Surface Warfare Center – Crane Division (Navy)
- Oak Ridge National Laboratory (DOE)
- Pacific Northwest National Laboratory (DOE)
- Research, Development and Engineering Command (Army)
- Sandia National Laboratories (DOE)
- Tank and Automotive Research, Development and Engineering Command (Army)

Generally, the PPP agreements provide AMFI access to the inventions owned by the US federal government laboratories. Some of these PPP agreements include joint ownership rights to intellectual property that is created under paid contract work sponsored by Allied Minds and pre-negotiated licensing terms at rates that the Directors believe are attractive. In one case, the agreement provides for a six-month right of first refusal for certain intellectual property created by the counterparty. AMFI also participates in a variety of outreach activities including the leading annual conference of the Federal Laboratory Consortium ("**FLC**") and has supported this event in a number of different ways including sponsorships, key note speaker, presentations and panel participation.

The Company expects that many of the technologies under development at these US federal government agencies will have real-world commercial applications. These laboratories are developing what could become next-generation technologies in key sectors such as: cyber security; mobile and wireless communications; data analytics/big data; advanced materials; robotics and autonomous systems; and energy and power storage.

7. KEY STRENGTHS

Allied Minds possesses a number of strengths within its business model which the Directors believe are particularly attractive in combination. In particular, Allied Minds has:

7.1.1 established relationships with leading US universities and federal government laboratories providing access to an extensive range of potentially transformative technologies;

7.1.2 an innovative business model to form, fund, manage and build start-up companies to develop innovative technology, starting from identification of the initial innovation, building through funding research and product development activity and operational management, towards commercialisation;

7.1.3 a diversified portfolio of science and technology which the Directors believe exposes the Group to a broad range of significant identifiable markets. Some of Allied Minds' businesses have attracted significant external financing at valuations in excess of invested capital and have a clear strategy for commercialisation;

7.1.4 a portfolio of intellectual property, including 77 families of granted patents and/or patent applications and 205 patents across a broad range of technology, originated both organically and in collaboration with the Company's university and federal government partners. This intellectual property is designed to support and protect the Group's research and innovation and the Directors intend to adopt similar policies in relation to future businesses;

7.1.5 invested in facilities and equipment enabling leading scientific research across a variety of disciplines including magnetics, therapeutics and medical devices. These capabilities are further supported by a network of university and government facilities such as nano-fabrication centres, cyber test ranges and clinical testing sites;

7.1.6 a disciplined and milestone-based policy of allocating capital and resources to its businesses. Typically, funding is approved and expended only on demonstrable progress of the business and its technology. Release of funding is typically tied to progress in de-risking the technology as well as validation of commercial potential through third party investment, purchase order or some other mechanism; and

7.1.7 an experienced workforce comprising scientists, industry experts and proven corporate executives with significant experience of the technology transfer process.

8. REASONS FOR ADMISSION AND THE OFFER

The Directors believe that Admission will:

- provide diversification of funding sources to support the Group's long-term growth;
- enhance the Group's public profile and status with existing and potential partners;
- create a significantly more liquid market in the Ordinary Shares;
- assist in the incentivisation and retention of key management and employees; and
- provide investors with an opportunity to gain exposure to early stage US university and US federal government intellectual property commercialisation.

The Offer comprises an offer of 44,254,411 New Ordinary Shares to be issued by the Company and 17,440,797 Existing Ordinary Shares to be sold by the Selling Shareholders. The Selling Shareholders include certain employees of Allied Minds who are selling a proportion of their Existing Ordinary Shares, substantially all of which relates to satisfying personal tax liabilities arising on Admission and the funding of the exercise price of share options exercised, for personal tax reasons, in connection with Admission.

As at 31 May 2014, being the latest practicable date prior to publication of this Prospectus, the Group had existing consolidated cash balances of $83.9 million (£49.2 million). In addition, as a result of option exercises the Group will receive cash proceeds of $10.5 million (£6.2 million) following Admission. The Company expects to receive gross proceeds from the Offer of £84.1 million ($143.4 million). The Directors intend the net proceeds to be applied, together with a proportion of the Company's existing cash resources, to bring the identified products within its existing Group businesses to market, as set out in paragraph 8.1 below.

Allied Minds' business model requires that a proportion of the Company's planned use of proceeds will, at any given time, be contingent upon successful achievement of certain target research and product development milestones. Based on the Directors' assessment of the subsidiary businesses and their progress in respect of such milestones, the level of capital committed by the Company or sought from external investors towards further development and commercialisation activities may be less than, or may exceed, the planned level of investment. Allied Minds' majority ownership of its businesses, as at the date of this Prospectus, enables the Company, in almost all cases, currently to retain significant control over both, the timing and allocation of its expenditure in a disciplined and efficient manner, and the ability to increase or accelerate investment in pursuit of product commercialisation where there is a compelling case to do so. Accordingly, the Directors' anticipate that, from time to time, the Company's use of proceeds will be subject to revision as a result of on-going research and product development activities.

Based on the Directors' present assessment, the Company currently intends to use the net proceeds it receives from the Offer, together with its existing cash resources, as required, as follows:

8.1 **Invest in existing Group businesses to bring products to market**

Allied Minds provides on-going funding to support the operating activities of its existing 18 Group businesses, the primary focus of which is to progress on-going scientific research and product development activity towards commercialisation of the products developed by those Group businesses. The Directors currently anticipate allocating approximately $150.0 million, comprising the net proceeds of $130.0 million, together with $20.0 million from existing cash resources, towards advancing the Company's principal life sciences and physical sciences subsidiaries and bringing their principal products to market, as follows:

Physical sciences:

- Spin Transfer Technologies, which is seeking to develop and commercialise its OST-MRAM technology in the semiconductor market – approximately $76 million;
- SiEnergy Systems, which is seeking to commercialise a thin film Solid Oxide Fuel Cell technology – approximately $17 million;
- Optio Labs, which is seeking to develop and further commercialise its OptioCore, OptioApp and Optio Embedded products in the mobile enterprise and interconnected embedded systems markets – approximately $4 million;
- RF Biocidics, which is seeking to further commercialise its radio frequency food safety solutions, principally its APEX and SENTINEL products – approximately $1 million.

Life sciences:

- Cephalogics, which is seeking to develop its prototype system and algorithm to commercialise non-invasive brain mapping system for use in neurocritical care, surgery and neonatology – approximately $15 million;
- Precision Biopsy, which is seeking to develop and commercialise a product with a real-time tissue classification and biopsy system – approximately $15 million;
- ProGDerm, which is seeking to develop and commercialise its family of reagents, principally in the aesthetics market for anti-ageing products – approximately $15 million;
- CryoXtract, which is seeking to further commercialise its CXT 750 and CXT 350 frozen sample aliquotters for the human biosample market – approximately $2 million;
- SoundCure, which is seeking to develop and further commercialise its Serenade® handheld tinnitus treatment device based on its acoustic therapy branded as S-Tones® – approximately $1 million;

- SciFluor, which is seeking, by demonstrating efficacy and safety through preclinical in vitro and in vivo studies, to advance and commercialise its portfolio of proprietary fluorinated compounds through industry partnerships – approximately $1 million.

Further details of the Group's planned research, product development and commercialisation activities are set out in Part VIII (*Information on the Group's Businesses and Products*) of this Prospectus.

8.2 **Invest in new potentially transformative technologies**

The significant recent expansion Allied Minds has experienced in its university and federal government partner network is expected to support further growth in the Company's pipeline of innovative technology. The Directors expect to add five to ten projects per year following Admission. Allied Minds' strategy is to continue to fund the seed capital and initial development phase of such intellectual property development, and therefore the Company will require sufficient funding to enable it to pursue those opportunities selected by the Board for investment.

The Directors currently anticipate allocating approximately $10.0 million per year from Allied Minds' existing cash resources to invest in new technologies to be identified through the Group's extensive network.

8.3 **Maintain efficient central support functions**

Allied Minds' business model maintains central support functions at Group level, thereby enabling its subsidiary businesses to focus on research and product development activity whilst achieving operational and financial efficiency. Whilst the Board seeks to maintain a strict focus on capital discipline, in time further expansion of operational and administrative infrastructure is likely to be required as the Group grows in size and these subsidiaries mature.

The Directors currently anticipate the incremental cost to be approximately $2.0 million to $3.0 million per annum to fund from Allied Minds' existing cash resources, on-going central support functions over the next 2-3 years.

8.4 **Retain flexibility to respond to other funding requirements as they arise**

The balance of Allied Minds' cash resources will be applied, firstly, to support the ongoing research and development activities of its remaining subsidiary businesses, currently expected to amount to approximately $20.0 million in aggregate, or otherwise will remain unallocated until such time as it is required. The nature of Allied Minds' business is such that the Directors believe that further opportunities will arise and this enables the Group to be able to respond to these opportunities.

9. VALUATION OF THE GROUP'S BUSINESSES

The Group currently has 18 active businesses, whose activities are principally in the life sciences and physical sciences sectors. Further information on the Group's businesses and products is set out in Part VIII (*Information on the Group's Businesses and Products*) of this Prospectus.

Valuation of Allied Minds' subsidiary companies

All of the Company's subsidiary companies are currently majority owned and therefore fully consolidated in the Company's consolidated financial statements prepared in accordance with IFRS. As a result, the *Consolidated Statements of Financial Position* incorporated within the Company's consolidated financial statements do not include current valuations of the Company's subsidiary companies. As a means of promoting transparency, the Directors also present, as supplementary information, ownership adjusted valuations of each of the Group's top ten subsidiary businesses by value, as well as an aggregated sum-of-the-parts valuation of all the Group's subsidiary businesses. This supplementary valuation disclosure has been prepared on the basis of the American Institute of Certified Public Accountants' *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* ("**AICPA Guidelines**"). The AICPA Guidelines do not represent, but are consistent with valuation principles adopted under IFRS. The subsidiary company valuations are not presented as alternative measures to, and should be read in conjunction with, the Company's consolidated financial information prepared in accordance with IFRS as set out in Part XII (*Historical Financial Information*) of this Prospectus.

There can be no guarantee that the aforementioned valuation of the Group will be considered to be correct in light of the future performance of the various Group businesses, or that the Group would be able to realise proceeds in the amount of such valuations, or at all, in the event of a sale by it of any of its subsidiaries.

At the close of each annual financial period, the Directors estimate, and formally approve, the value of all subsidiary businesses in the Group which is used to derive the "**Group Subsidiary Ownership Adjusted Value**". The Group Subsidiary Ownership Adjusted Value was $367.3 million (£215.4 million) as at 31 December 2013, as set out in the table below, which has been extracted without material adjustment from Part XII (*Historical Financial Information*). The Board believes there has been no significant change in the Group Subsidiary Ownership Adjusted Value since 31 December 2013.

Subsidiary business	**Ownership Adjusted Value as at 31 December 2013[1] ($m)**
Early stage	
Spin Transfer Technologies, Inc.	76.9
Optio Labs, Inc.	33.0
SciFluor Life Sciences, LLC	30.8
SiEnergy Systems, LLC	22.7
Cephalogics, LLC	22.5
ProGDerm, Inc.	15.6
Precision Biopsy, LLC	15.9
Commercial stage	
RF Biocidics, Inc.	62.8
CryoXtract Instruments, LLC	16.5
SoundCure, Inc.	14.3
Top 10 subsidiaries by value	**311.0**
Other subsidiaries	56.3
Group Subsidiary Ownership Adjusted Value	**367.3**

Notes:

(1) Ownership adjusted value represents Allied Minds' interest in the equity value of each subsidiary:

= (Business Enterprise Value – Long Term Debt + Cash) x Allied Minds percentage ownership

plus the value of debt provided by Allied Minds plc to each subsidiary business. Allied Minds commits post-seed funding to its subsidiaries in the form of loans.

(2) The Group Subsidiary Ownership Adjusted Value includes cash balances held by Allied Minds subsidiaries at 31 December 2013 amounting to $18.9 million (of which $15.1 million was held by STT) on an ownership-adjusted basis. As at 31 December 2013, the Group reported total consolidated cash balances of $104.6 million, the balance being cash of $85.7 million (£50.3 million) held by Allied Minds plc available for investment in the Group.

(3) The Group Subsidiary Ownership Adjusted Value has been calculated on the basis of Allied Minds' percentage ownership as at 31 December 2013. Where subsidiaries have raised financing from external parties since 31 December 2013, the ownership adjusted value in the table above has been updated to reflect the current percentage ownership and the valuation implied by that external investment on a post new money basis. Optio Labs completed a funding round of $10.0 million in March 2014.

Certain subsidiaries have Group Subsidiary Equity Incentive Plans in place which could dilute Allied Minds' percentage ownership. In addition, the Group has in place a cash settled bonus Phantom Plan under which Allied Minds will allocate 10 per cent. of the value achieved upon a liquidity event (after deduction of the amount invested by Allied Minds and accrued interest) to be allocated among Allied Minds' employees participating in the Phantom Plan. For further details, please see paragraphs 8.3 and 8.4 of Part XVI (*Additional Information*) of this Prospectus.

The Group Subsidiary Ownership Adjusted Value above excludes cash balances of $85.7 million (£50.3 million) held by Allied Minds as at 31 December 2013. As at 31 May 2014, being the latest practicable date prior to publication of this Prospectus, the Company held cash balances of $71.3 million (£41.8 million). In addition, as a result of option exercises the Group will receive cash proceeds of $10.5 million (£6.2 million) following Admission. The principal cash outflows since 31 December 2013 related to the Group's funding of $6.2 million in Optio Labs in March 2014 and $3.5 million in Federated Wireless in May 2014.

Valuation methodology

Each subsidiary company is regularly evaluated based on a range of inputs, including: company performance; market and competitor analyses based on information from databases and public materials; and interviews with scientists and physicians, amongst others.

The Group Subsidiary Ownership Adjusted Value represents the sum-of-the-parts ("**SOTP**") of, principally, net present value ("**NPV**") or risk-adjusted net present value ("**rNPV**") from discounted cash flow ("**DCF**") valuations, and valuations based on recent third party investment at the subsidiary level. DCF valuation is used for the majority of Allied Minds subsidiaries. If a transaction occurred close to valuation date, then that will generally form the basis for the valuation. In limited instances, other techniques such as based on asset values are utilised.

Set out below are the two principal methodologies applied to value each subsidiary company to derive the Group Subsidiary Ownership Adjusted Value as at 31 December 2013.

Discounted Cash Flow		**3rd party funding transaction**
● Allied Minds Devices ● Biotectix ● Cephalogics ● CryoXtract ● Federated Wireless ● Foreland Technologies (incl. Percipient Networks)	● LuxCath ● Precision Biopsy ● ProGDerm ● RF Biocidics ● SiEnergy ● SciFluor ● SoundCure ● STT	● Optio Labs
86.3 per cent. of Group Subsidiary Ownership Adjusted Value		9.0 per cent. of Group Subsidiary Ownership Adjusted Value

In addition to the two principal valuation methodologies, the Directors have valued using alternative valuation methodologies the remaining two subsidiaries, AMFI and Broadcast Routing Foundations, representing the remaining 4.7 per cent. of the Group Subsidiary Ownership Adjusted Value. AMFI was valued using an asset-based methodology that reflects the intellectual property to which it has access.

Further details of the methodology applied by the Directors in determining the Group Subsidiary Ownership Adjusted Value is set out in Part XII (*Historical Financial Information*) of this Prospectus.

Allied Minds' growth platform and investment pipeline

In addition to the Group Subsidiary Ownership Adjusted Value, the Directors believe that Allied Minds' established partner network and significant pipeline of future opportunities to form and develop new subsidiary companies will enable it to create and realise further value for Shareholders. The Directors believe that Allied Minds has created significant brand value and name recognition providing access to new deal opportunities and potential partners for its subsidiaries, together with a suite of operational standards, processes and know how that enable the Group to apply its business model and create shareholder value in a capital efficient manner. As noted above, in respect of the value of Allied Minds' growth platform and

investment pipeline, the valuation of $363 million at the time of Allied Minds' June 2013 fundraising reflected only the $17 million of capital invested by Allied Minds, since inception to 31 December 2012, at the group level; it also included net cash balances of $35 million.

10. DEVELOPMENT AND PROTECTION OF INTELLECTUAL PROPERTY

Allied Minds' businesses originate from innovative technology which, in many cases, is initially created by researchers at universities, US federal government laboratories or other institutions with which Allied Minds works, and subsequently enhanced, developed and commercialised by Allied Minds. Following a decision by Allied Minds to seek to develop a particular technology, the technology is generally licensed by a university or other partner to Allied Minds or one of its subsidiaries or, more rarely, transferred by the university or partner into the ownership of an Allied Minds subsidiary company or into joint ownership of an Allied Minds subsidiary company and the university or partner (or one of their affiliates).

The Group relies significantly upon technologies which are the subject of intellectual property licenses from partner universities and US federal government laboratories, as well as US and/or international patents or patent applications which it owns or jointly owns with these originators. A number of these technologies and the associated intellectual rights are of considerable actual or potential importance to the Group's business.

As more research and development is undertaken by the Group Companies, the Group expects that the percentage of technology and intellectual property that it directly develops and owns will increase over time in relation to the technology and intellectual property that it licenses from third parties.

The Group has a portfolio of 77 families of granted patents and/or patent applications including 205 patents across a broad range of technologies, which are owned, jointly owned or licensed. Of the Group's 77 patent families, 43 are owned, 8 are jointly owned, and 26 are licensed from the Group's university and federal government partners.

Much technology being used by the Group is still in the development phase and is not yet commercially mature, or protected by mature intellectual property rights, with the result that the Group's rights relate primarily to applications for patent protection rather than definitive patent grants. Of the Group's 205 patent applications, 52 have been granted and 153 are pending.

Allied Minds' strategic approach with respect to its university partners is to first enter into an MOA with the university. This collaboration under the MOA helps the Group to identify intellectual property and research teams at the university with whom to work to develop a technology. After selecting a technology and establishing a subsidiary to incubate, develop and ultimately commercialise it, the subsidiary and university partner often enter into SRAs. The SRAs will usually require that the universities provide the subsidiary with periodic updates on the research as well as updates on any significant developments or inventions as they arise.

The university typically retains ownership of intellectual property relating to technology originated at the university and the Group receives a license (which is normally exclusive subject to certain exceptions) to use, for a specified purpose, the technology developed by the research sponsored under the SRA. Often, the Group will collaborate with the university to prepare, file, prosecute and maintain all US and foreign patent applications and patents relating to such intellectual property and will be responsible for costs relating to these activities. As partial consideration for funding such research, the Group may receive an exclusive option to enter into discussions to reach agreement for a license (normally exclusive subject to certain exceptions) for any intellectual property rights relating to technologies developed by such research. The licenses held by the Group Companies are subject to certain reservations from the exclusivity granted, whereby the University reserves the right to research, develop and use such technologies (including by granting parallel licenses to others), typically, but not always, for non-commercial and educational purposes. The Group does not believe that these reservations weaken to a material extent the Group's prospects of successfully commercialising the relevant technologies.

The SRA approach to developing technology allows a subsidiary company to evaluate the progress and likelihood of success of a technology prior to making a substantial commitment to fund, develop and commercialise it. Additionally, certain of the Group Companies have entered into agreements with universities to conduct clinical trials relating to developing technologies.

Many of the licenses under which the Group is entitled to develop, use or commercialise technology contain key performance requirements or ''milestones'', non-compliance with which can lead to the termination or forfeiture of a license. However, the Group has never had a material intellectual property license terminated on this basis.

The Group is currently not in compliance with milestones in two license agreements. These milestones relate to reporting obligations and commercialisation objectives. In each case the Group is actively taking steps to remediate the breached milestone, including completing actions that are necessary to bring the Group into compliance or renegotiating such milestones to take into account changes in circumstances. The Group has not been notified by any of the applicable licensors that such party intends to terminate the license agreement or impose any requirements which would have a material adverse effect on the value of such license.

The value of patent, copyright or other legal protection for a particular technology is not absolute. It may vary according to the nature of the technology and according to whether comparable solutions can be delivered using parallel technologies which are made available to the Group Companies by third parties on acceptable terms or independently developed by them. Not all technologies merit the effort, expense and risks involved in obtaining the protection of registered intellectual property rights. The commercial and technical management teams, at both the Group level and within the relevant subsidiary company, form judgements as to the extent to which investigation of the validity of intellectual property licensed to Group Companies and legal protection of such technology is feasible and whether its benefit merits the costs involved. They do this after taking into account the nature of the technology concerned, the manner in which it is likely to be commercialised, the expense and effort of obtaining the protection and the premature disclosure of confidential data about Group Companies' technologies which may result from doing so.

The ability to enforce a patent or other intellectual property right in order to prevent competition from others may be less important than the freedom to use the technology without interference from others (a risk which is frequently difficult to verify or which the Group may not have verified). The Group is not aware of any legal challenge having been made to its use of any of the technologies to which the Group considers to be material to its commercial or financial position or prospects.

In limited instances, the technology transferred or licensed to a subsidiary company by an originating University or other partner is the subject of a warranty that the University or partner holds all relevant rights to the intellectual property concerned. However, in the US, Universities frequently require partners such as Allied Minds to accept technology licenses or transfers without assurances of this kind and Allied Minds generally accepts this approach where the relevant management and scientific teams believe it to be commercially reasonable. On occasion the Group has engaged counsel to investigate the validity, enforceability, or freedom to exploit intellectual property prior to acquisition of any intellectual property rights or the receipt of any intellectual property license, but no assurance exists that such investigations will identify any or all competing rights or potential infringements.

In addition, some technologies developed within the Group's subsidiary businesses (whether as ongoing technology or to complement or enhance licensed or acquired technologies) may be invented by employees or consultants to the Group. It is the practice of the Group and its subsidiary businesses to obtain an assignment of inventions and non-disclosure agreement from each employee and consultant that performs services for the Group. While there may be limited instances where such agreements have not been obtained, the Group believes that no technology or intellectual property which is material to its present or future commercial plans, or financial position or prospects, is the subject of legal interests belonging to such third parties and which are likely to restrict materially the Group's freedom to use such technology or intellectual property to its advantage.

As with intellectual property originating in a University where a SRA is entered into between Allied Minds and the University, when a federal owned technology has been selected, AMFI enters into a cooperative research and development agreement with the applicable federal laboratory (CRADA). CRADAs are umbrella agreements that typically cover individual joint work statements or statements of work that describes the scope of the collaborative research to be performed. AMFI typically helps fund such research. If one party alone develops the intellectual property to which a CRADA applies, that party typically retains all rights to such

intellectual property. If intellectual property is developed jointly under a CRADA, it is typically jointly-owned. Often, AMFI receives an option to enter into discussions to reach agreement for a license (normally exclusive subject to certain exceptions) to any intellectual property developed pursuant to a CRADA. If AMFI elects to exercise such option, AMFI creates a subsidiary that enters into the license agreement and ultimately develops and commercialises such technology. The US Government retains the right to further research and develop such technology (including by granting parallel licenses to others), typically, but not always for non-commercial and governmental purposes.

The list below details the universities and US federal government laboratories with whom the Group currently has entered into license agreements and the corresponding subsidiary company:

Subsidiary Company	University/US federal government laboratory
Biotectix, LLC	University of Michigan
Cephalogics, LLC	Washington University, St. Louis
CryoXtract Instruments, LLC	Harvard
Optio Labs, Inc.	Virginia Tech
Precision Biopsy, LLC	University of Colorado
ProGDerm, Inc.	Lawrence Berkeley National Laboratory
RF Biocidics, Inc.	UC Davis
SciFluor Life Sciences, LLC	Harvard
SoundCure, Inc.	UC Irvine
Spin Transfer Technologies, Inc.	NYU
Allied Minds Devices, LLC	Washington University, St. Louis
Federated Wireless, Inc.	NSWC Crane and US Dept of Navy
LuxCath, LLC	George Washington University

In aggregate, the Group has a portfolio of 77 families of granted patents and/or patent applications including 205 patents across a broad range of technologies, which are owned, jointly owned or licensed. Approximately 56 per cent. of Allied Minds' patent families by number have been originated and developed by the Group and a further 10 per cent. have been jointly developed with the Group's University and federal government partners. The remaining 34 per cent. of patent families by number have been licensed by the Group.

Further details of the intellectual property acquired and developed by the Group's businesses are set out in Part VIII (*Information on the Group's Businesses and Products*) of this Prospectus.

A summary of the terms of each of these SRAs, CRADAs and licensing agreements is set out in paragraph 13 (*Material Contracts*) of Part XVI (*Additional Information*) of this Prospectus.

11. KEY PERFORMANCE INDICATORS

The Directors believe the following Key Performance Indicators (KPIs) will accurately measure the performance of the Company.

- Number of subsidiary businesses;
- Ownership adjusted value of subsidiary companies;
- Group revenue growth; and
- Graduation of subsidiaries to the next development level, with the two levels being consistent with the Group's reporting segments as follows:

  (a) *Early Stage:* subsidiary businesses that are in the early stage of their lifecycle characterised by incubation, research and development activities;

(b) *Commercial:* subsidiary businesses that have substantially completed their research and development activities, and that have developed one or more products that are actively marketed.

12. COMPETITIVE ENVIRONMENT

Allied Minds' concept of focusing on the commercialisation of early-stage technologies originating from universities by cultivating university relationships is not unique, but the Directors believe that Allied Minds' approach to the US market and its business model differentiates the Company from many potential competitors in the US.

There are numerous companies and other organisations seeking to provide commercialisation services to universities and other research intensive institutions in the US, which operate a variety of business models and include venture capital funds, hedge funds, the technology transfer offices of certain universities, angel investors and other boutique investors. In many cases, these entities operate in a different manner, including: a focus on a narrower technology and/or geographic area; structured as a life limited entity (e.g. fund); take only minority equity positions; little or no active participation and solely in a board role (i.e. no management responsibility); sourcing opportunities from non-institutional sources; or any combination of the above. Many such entities are also constrained in their ability to invest beyond a certain level of their available funds in any one company.

Details of the competitive environment experienced by the Group's principal businesses are set out in Part VIII (*Information on the Group's Businesses and Products*) of this Prospectus.

13. CURRENT TRADING AND PROSPECTS

The Board is encouraged by the performance of Allied Minds' business since the beginning of 2014. Enquiries from laboratory research institutions to license their technologies to Allied Minds remain high, as evidenced by the recent addition of two new federal laboratories that joined Allied Minds' partner network, Los Alamos National Laboratory, and Oak Ridge National Laboratory. The Company receives regular requests from institutions to join the Allied Minds network to promote their technologies for licensing.

Since 31 December 2013, Allied Minds has further developed its robust pipeline of technologies originating from its network of relationships with US academic and US federal government laboratories. Currently, Allied Minds has six technologies in final due diligence where the Company is actively engaging industry and technical experts as well as, in some cases, patent counsel to ascertain a risk return profile and suitability commensurate with the Allied Minds business model. Additionally, the Group has five technologies in early due diligence whereby it has assigned the technology for preliminary review to an Allied Minds investment team subject matter expert. The technologies in due diligence cover areas from novel CMOS (complementary metal-oxide semiconductors), next generation encryption cyber-security and medical devices. Every month, Allied Minds continues to review a number of technologies within its pipeline. Allied Minds expects that its significant technology pipeline is likely to lead to the creation of a number of new subsidiaries during the remainder of 2014.

Many of Allied Minds' existing businesses continue to exhibit positive momentum. Allied Minds has received numerous expressions of interest in products, as well as interest from third parties seeking to partner with, or invest in, certain of the Group's subsidiaries. In March 2014, Optio Labs welcomed third party investors as part of a $10.0 million financing round. RF Biocidics has recorded approximately $2.1 million in revenues in aggregate, and received additional orders totalling $4.1 million, whilst also executing partnership agreements targeting specific markets in South America and the Middle-East. Customer evaluations are on-going at a number of the Group's subsidiaries, including Percipient Networks and Biotectix. Finally, a number of Allied Minds' businesses have continued to make strong progress in their research and product development programmes. STT has recently accelerated integration of its proprietary OST-MRAM technology with CMOS, a critical requirement for any end product. Finally, Cephalogics has achieved a significant technical milestone with its algorithm development in terms of managing signal to noise.

The Directors continue to be very encouraged by these and other advancements across the Group, in particular the increasingly positive engagement with potential industrial and financial partners to fund and/or to develop existing or new technologies.

14. INCENTIVISING MANAGEMENT AND EMPLOYEES

Allied Minds' success depends in part on the talent of its management and employees. Allied Minds has a highly skilled workforce, with significant expertise throughout the Group across a range of science and technology disciplines as well as a highly experienced management team. The Group has 204 employees and consultants, of whom 111 are involved in Allied Minds' scientific research and product development activities, 125 hold advanced degrees and 65 have PhDs. Allied Minds seeks to ensure that its management team and its employees and consultants working within the Group's individual businesses are fairly and appropriately rewarded and incentivised. Allied Minds seeks to achieve this through a combination of competitive levels of remuneration that is appropriate to the scale of responsibility and performance of the employee or consultant and incentives tied directly to increasing shareholder value.

The Group operates in the highly competitive US market, and attraction and retention of individual talent is important to success of the Group's businesses. Allied Minds deploys a careful and considered approach to remuneration with the objective of attracting, motivating and retaining individuals of the necessary calibre. It is important to note that each national market for talent is different making cross-border comparisons very difficult. In addition to general standard of living costs, there are large differences with respect to taxes, pensions, provision of cars, and medical plans and costs, among many others.

The Company believes that it is important that remuneration is weighted toward rewarding entrepreneurial achievement and the creation of shareholder value over time as its employees work toward the commercialisation of the scientific and technological innovations. Accordingly, Allied Minds has established share incentive plans with the aim of incentivising and rewarding employees to achieve long term shareholder value. Allied Minds operates Group level share incentive plans for employees of the management team. For further details of the existing Allied Minds share incentive scheme and existing awards thereunder, please see paragraph 8.1 of Part XVI (*Additional Information*) of this Prospectus. Upon admission, this plan will cease to offer new incentive awards and will be wound down over time. In its place, Allied Minds will adopt the UK Long-term Incentive Plan ("**LTIP**") designed to provide incentives for the executives and senior management appropriate for a public company. For further details of the LTIP, please see paragraph 8.2 of Part XVI (*Additional Information*) of this Prospectus. Allied Minds also has in place a cash settled bonus plan under which Allied Minds will allocate 10 per cent. of the value achieved upon a liquidity event (after deduction of the amount invested by Allied Minds and accrued interest) to be allocated among Allied Minds' employees participating in the plan. For further details of the plan, please see paragraph 8.3 of Part XVI (*Additional Information*).

Allied Minds has also adopted share incentive arrangements with respect to some of its individual Group businesses. For further details please see paragraph 8.4 of Part XVI (*Additional Information*). The share incentive arrangements are implemented with the intention of incentivising employees of that subsidiary in respect of the performance of that business individually rather than the Group as a whole. By corporate policy, and with certain historic exceptions, Allied Minds senior management team does not participate in the share incentive arrangement of the subsidiary businesses but it does participate in the cash settled bonus plan described above.

The Directors believe the success of Allied Minds depends in large part on its ability to attract and retain superior talent and further believe that competitive remuneration including share incentive arrangements at the level of the subsidiary businesses as well as the overall Group is an important factor in the promotion of shareholder value creation.

15. CONTROLLING SHAREHOLDER

Following completion of the Offer, Invesco is expected to own 42.9 per cent. of the Company's issued share capital. On 19 June 2014, the Company entered into a relationship agreement with Invesco (the "**Relationship Agreement**"), which will come into force on Admission. The key terms of the Relationship Agreement are summarised in paragraph 10 (*Relationship with Controlling Shareholder*) of Part XVI (*Additional Information*) of this Prospectus.

The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of Invesco and that transactions and relationships with Invesco and its associates are at arm's length and on normal commercial terms (subject to the rules on related party transactions in the Listing Rules).

16. DIVIDEND POLICY

The Company has never declared or paid any cash dividends. The Directors' current intention is to retain the Group's earnings in the foreseeable future to finance growth and expansion across the Group. However, the Directors may consider the payment of dividends in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital position of the Group.

PART VIII – INFORMATION ON THE GROUP'S BUSINESSES AND PRODUCTS

Allied Minds currently has 18 operating businesses at varying stages of maturity across the life sciences and physical sciences sectors. The current group businesses are conducting research and development towards commercialising a diverse range of technology innovations including medical devices, biologics, pharmaceutical compounds, cyber security, wireless communications, medical diagnostics, semiconductors and food safety.

Subsidiary	Location	Ownership interest (direct and indirect)[1]	Year of incorporation	Overview
Life sciences				
Allied Minds Devices, LLC	Boston, MA	100.00%	2011	Sets out to develop transformative technologies into potentially commercially viable medical device products
Biotectix, LLC	Ann Arbor, MI	64.35%	2007	Aiming to enable the next generation of implantable electrostimulation and sensing products through the development of proprietary, high-performance, conducting polymer coatings
Cephalogics, LLC	Cambridge, MA	95.00%	2006	Developing a non-invasive, bedside neuroimaging system which seeks to improve monitoring of patients with neurological injury
CryoXtract Instruments, LLC	Woburn, MA	93.24%	2008	A suite of automated product solutions that seeks to allow the global scientific community to access valuable frozen biosamples without exposing them to damaging freeze/thaw cycles
LuxCath, LLC	Boston, MA	98.00%	2012	A catheter based real-time tissue and lesion visualisation technology for potential use during cardiac ablation procedures initially focused on atrial fibrillation ablation
Precision Biopsy, LLC	Aurora, CO	80.35%	2008	A medical device platform utilising tissue spectroscopy which seeks to distinguish tissue characteristics in real-time and seeks to guide clinicians toward areas of disease for optimum therapy initially focussed on prostate cancer
ProGDerm, Inc.	Boston, MA	90.38%	2008	A biologic that aims to represent a natural approach to generate subcutaneous fat to enhance the appearance of skin using the body's own processes
SciFluor Life Sciences, LLC	Cambridge, MA	79.00%	2010	Developing a portfolio of proprietary compounds by harnessing the transformational power of fluorine with a view to optimising drug discovery and accelerating the clinical development of innovative new therapeutics
SoundCure, Inc.	San Jose, CA	84.62%	2009	Developed an FDA-cleared consumer medical device for tinnitus therapy offering customised acoustic technology
Physical sciences				
Allied Minds Federal Innovations, Inc.	Boston, MA	100.00%	2012	Through a series of PPPs with the US federal government, aims to develop and commercialise the next generation of transformative technologies from US federal research institutions
Broadcast Routing Fountains, LLC	Boston, MA	100.00%	2012	A novel internet architecture that seeks to efficiently and securely leverage broadcast channels for disseminating routing information
Federated Wireless, Inc.	Boston, MA	90.88%	2012	Focussed on enabling technologies for the next-generation of wireless communications by seeking to improve supply, demand, and delivery of spectrum for future cellular communications
Foreland Technologies, Inc.	Boston, MA	100.00%	2013	A cyber security platform company which aims to discover, incubate and commercialise emerging technologies
Optio Labs, Inc.	Boston, MA	81.62%	2012	Developer of mobile security technologies for the evolving cyber operating environment
Percipient Networks, LLC	Boston, MA	100.00%	2014	Developing next generation security technologies for enterprise network defence
RF Biocidics, Inc.	Vacaville, CA	67.14%	2008	Developer of equipment that seeks to disinfect food from insects and pathogens through a process that does not use chemicals
SiEnergy Systems, LLC	Cambridge, MA	100.00%	2007	Developing thin film low temperature solid oxide fuel cells that seek to bring efficient, and affordable clean energy systems for broad application
Spin Transfer Technologies, Inc.	Fremont, CA	56.13%	2007	MRAM computer memory that is being developed with the aspiration of becoming a leading universal memory technology in the $60 billion per annum worldwide computer memory market

(1) Ownership interests are as at 19 June 2014 (being the latest practicable date prior to the publication of this Prospectus). Allied Minds' ownership of Optio Labs was 85.00 per cent. as at 31 December 2013, prior to a funding round (involving both Allied Minds and external investors) of $10.0 million in March 2014. Allied Minds' ownership of Federated Wireless was 90.00 per cent. as at 31 December 2013, prior to a $5.0 million funding round in May 2014 in which Allied Minds was the sole participant. Certain subsidiaries have Group Subsidiary Equity Incentive Plans which could dilute the ownership interest. Further details of the Group Subsidiary Equity Incentive Plans are set out in paragraph 8.4 of Part XVI (*Additional Information*) of this Prospectus.

For the purposes of this section, the Company's top 10 operating businesses by estimated value, accounting for approximately 85 per cent. of the Group Subsidiary Ownership Adjusted Value as at 31 December 2013, as set out in paragraph 9 (*Valuation of the Group's Businesses)* of Part VII (*Information on the Company and the Group*) of this Prospectus, have been identified as Material Subsidiaries.

As described below, certain of the Group's subsidiaries are expected to support their growth through further fundraising activity in the near term. In addition, over the medium term Allied Minds expects further fundraising activity across a number of its subsidiary businesses as they progress their development and commercialisation activities. The Directors anticipate Allied Minds participating in some or all of these fundraising rounds alongside potential external investors. Allied Minds, Inc. (now Allied Minds, LLC) has entered into agreements with institutional investors which provide for the opportunity to co-invest with Allied Minds, Inc. (now Allied Minds, LLC) upon future rounds of financing of a subsidiary established by Allied Minds, Inc. (now Allied Minds, LLC).

Allied Minds' business model requires that a proportion of the Company's planned use of proceeds will, at any given time, be contingent upon successful achievement of certain target research and product development milestones. Based on the Directors' assessment of its businesses' progress in respect of such milestones, the level of capital committed towards further commercialisation activities may be less than, or may exceed, the planned level of investment. Allied Minds' current majority ownership of its businesses enables in almost all cases the Company to retain discretion to allocate capital in a disciplined and efficient manner, and to increase or accelerate investment in pursuit of product commercialisation where there is a compelling case to do so. Accordingly, the Directors anticipate that, from time to time, the Company's use of proceeds will be subject to revision as a result of on-going research and product development activities.

Material Subsidiaries

Early stage

1. Spin Transfer Technologies, Inc.

1.1 *Overview and Background*

Spin Transfer Technologies, Inc. ("**STT**") engages in the development of Orthogonal Spin Transfer ("**OST**") Magneto-Resistive Random Access Memory ("**MRAM**"), an innovative memory integrated circuit technology. OST-MRAM aims to combine the advantages of high-speed volatile memory (i.e. DRAM and SRAM) and non-volatile memory (Flash) in a single memory element.

STT was formed in December 2007 by Allied Minds in partnership with New York University ("**NYU**") to commercialise OST-MRAM research from Professor Andrew Kent of NYU's Department of Physics. STT's initial research was performed using facilities at NYU, at a government sponsored shared user facility, and at a research laboratory. STT is the exclusive licensee (subject to certain exceptions) of several issued and additional pending US and international patents protecting key features of its orthogonal spin transfer technology and specific design constructs. STT is headquartered in Fremont, California.

1.2 *Expertise and experience of key technical personnel and management*

STT is managed by an experienced team led by CEO Barry Hoberman who has over 30 years' experience in the semiconductor industry. He was previously founder and CEO of inSilicon Corporation, CEO of Virtual Silicon Inc., and T-Zero Technology Inc. Mr. Hoberman has eight years' experience in magnetic memory technology development and market/business development, previously serving as Chief Marketing Officer at Crocus Technology SA (a magnetic memory company). He is supported by the following key executives and STT's wider team of experienced senior technologists.

Dr. Mustafa Pinarbasi, CTO and Senior Vice President, Magnetics Technology, has 20 years' experience in development and management of magnetic thin film devices from prototype to high volume production, notably as a technology leader and manager in the hard disk divisions at IBM and HGST, Inc., respectively (formerly Hitachi Global Storage Technologies, IBM's disk drive successor). He provided significant contributions to the development of giant magnetoresistive ("**GMR**") read heads at IBM and the development of the ion beam sputtering deposition technology which has become standard in the industry. In aggregate, his team of thin film magnetics scientists and technologists have a combined experience of over 100 years.

Dr. Amitay Levi, Vice President Memory Integration, has more than 25 years of experience leading the development and commercialisation of advanced non-volatile memory technology, predominantly at Silicon Storage Technology, Inc., and Xicor, Inc. His supporting team of memory and process technologists, as well as designers, has over 100 years of combined experience.

STT also benefits from the consultancy of Professor Andrew Kent, the inventor of STT's core technology, and his team of post-doctoral researchers at NYU. Dr. Kent is widely published for his academic work in solid state physics and magnetics, and is the named inventor on STT's key root patents.

OST-MRAM's future commercial success is likely to be, at least in part, dependent on its ability to combine MRAM technology with widely adopted current manufacturing processes, notably Complementary Metal-Oxide-Semiconductor ("**CMOS**")-based logic. STT has a team of 32 employees and consultants including 18 PhDs, with expertise in magnetic thin films and high volume CMOS-based memory and logic, to address this challenge.

1.3 Market opportunity and competitive landscape

OST-MRAM's application areas can potentially address large parts of the semiconductor market, and specifically the standalone memory markets and the embedded memory market in logic, microprocessors/microcontrollers and analogue integrated circuits. The Directors believe that OST-MRAM has the potential to replace large segments of the Flash, SRAM and DRAM markets, which collectively had a combined estimated value of $60 billion per annum worldwide in 2013. The Directors believe that OST-MRAM's potential performance advantage could provide an opportunity to serve the high speed embedded SRAM market as well as to competitively serve the DRAM and Flash markets.

The Directors believe STT's patented OST-MRAM is a potentially disruptive innovation in the field of spin transfer MRAM devices. The Directors believe that OST-MRAM could offer advantages over other MRAM technologies which may include one or more of higher speed and write endurance, lower power requirements or consumption, enhanced lithographic scalability, and lower cost. STT has undertaken tests at the device level that indicate potentially superior sub-nanosecond switching speeds as well as other critical parameters in comparison with existing memory technology.

STT may however be impacted by competitive pressure as a number of major companies are also in the process of developing spin-transfer MRAM technology. Such companies include Samsung Group, Toshiba Corporation, SK Hynix, Inc., IBM Corporation, Micron Technology, Inc., Qualcomm, Inc., TDK Corporation, and TSMC, Ltd., as well as emerging companies Everspin Technologies, Inc., and Avalanche Technology, Inc. Everspin Technologies has entered the market in 2013 with the first MRAM products based on spin transfer physics.

1.4 Core technology and product overview

STT's OST-MRAM uses an orthogonal orientation between the polarising magnetic vector and free magnetic vector of the memory cell. This results in deterministic switching of magnetic orientation potentially resulting in improved write onset speed and shorter write pulse. The Directors believe that potential benefits of OST-MRAM compared to other known spin transfer torque technologies include one or more of:

- Faster write cycle and lower write energy, enabling higher speed and lower power memory performance;
- Less oxide stress, resulting in improved write endurance;
- Less total charge to switch, requiring a smaller CMOS cell transistor and lower cost per bit; and
- Higher intrinsic bit stability, enabling OST-MRAM to scale to smaller lithography notes.

Given the early-stage of development of OST-MRAM technology, STT has not yet entered the market for semiconductor devices or licensable technology, the current intended markets for the technology.

1.5 Scientific research and product development activity to date

When Allied Minds licensed the underlying intellectual property from NYU to create STT, prototype magnetic devices had been fabricated at NYU utilising low quality magnetic films from deposition tools in an academic environment. The magnetic devices studied the effect of current-induced magnetic switching. The OST-MRAM concept was supported by micromagnetic simulations. To be commercially viable, magnetic tunnel junctions ("**MTJs**") still need to be incorporated into the devices. In addition, the composition of the magnetic layers (polarising layer, free magnetic layer) had not been optimised for commercially attractive performance parameters.

Research activities funded by STT to progress toward a commercially viable OST-MRAM design and associated set of processing methods, included the following:

- Improvements in material composition and structure for polarising layer and free magnetic layer to achieve desired magnetic properties for an MRAM device. These needed to be brought to a threshold level for a workable device and will continue to be further enhanced throughout the life cycle of the technology.
- Incorporation of MTJs, which are required for a commercially workable device to enable low switching currents and the ability to efficiently read the state of the stored data.
- Development of process steps and process parameters – while simple for a GMR device, this task is more complex for MTJs due to the very thin insulating layer that forms the tunnelling magnetoresistance layer. This layer is easily damaged or shorted electrically during processing and requires meticulous care and control of the process conditions. Expertise from the hard disk drive industry, where MTJs are used extensively, was added to the development team.
- Establishment of high throughput MTJ testing capability and analysis tools – each test wafer contains bit cells of different sizes and shapes to allow optimisation and performance assessment. The cell-by-cell manual testing approach appropriate in academia was upgraded to enable the rapid testing, analysis, and characterisation of a large number of MTJs to determine the effect of size, shape, material composition and thickness.

The key milestones in STT's laboratory based research, product testing and development to date include:

- From inception in 2007 to 2011, STT worked primarily through a sponsored research agreement with NYU in conjunction with partners including US Government and other nano-fabrication facilities, focusing on research into magnetic layer optimisation for MRAM performance, MTJ fabrication process development, and MTJ performance characterisation.
- In 2008, STT demonstrated current induced magnetic field reversal in a spin valve device, which utilises the GMR effect, demonstrating proof-of-concept for an orthogonal spin transfer MRAM device.
- In 2010, the company demonstrated key OST-MRAM behaviours and performance on bit cells fabricated at a partner facility.
- In 2012, the company raised $36.0 million from existing and new external investors in a Series A financing. STT established contract fabrication arrangements in New York state and headquarters in Fremont.
- In 2013, the company installed and commissioned capital equipment, including a physical vapour deposition tool for magnetic materials, a magnetic annealing system, and various magnetic analytical tools and testers, enabling deposition, characterisation, and MTJ testing to be accomplished in-house. The company developed a process for patterning bulk wafer-level magnetic thin films into nanoscale discrete devices. In tests, the company has demonstrated significant parametric performance improvements in its thin films and devices since development began. Technology development to further optimise thin film and device parametric performance is on-going.

In addition to the exclusive licenses (subject to certain exceptions) to key NYU patents, the company's technologists have initiated patent filing on inventions that aim to strengthen the company's patent portfolio protecting the design, structure, and materials of OST-MRAM devices. STT has additional inventions prepared for filing in 2014.

Details of STT's full patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
High speed low power magnetic devices based on current induced spin-momentum transfer	9	5 pending, 4 granted	New York University	**Licence Status**: Exclusive **Jurisdiction**: United States, Canada, EPO, Japan
Electronic devices based on current induced magnetisation dynamics in single magnetic layers	6	1 pending, 5 granted	New York University	**Licence Status**: Exclusive **Jurisdiction**: United States, Canada, France, Germany, Netherlands, UK
High speed low power magnetic devices based on current induced spin-momentum transfer	11	6 pending, 5 granted	New York University	**Licence Status**: Exclusive **Jurisdiction**: United States, Canada, China, France, Germany, Japan, Netherlands, Singapore, South Korea, UK
High speed low power magnetic devices based on current induced spin-momentum transfer	12	10 pending, 2 granted	New York University	**Licence Status**: Exclusive **Jurisdiction**: United States, Canada, China, Hong Kong, Europe, Japan, South Korea
Bipolar spin-transfer switching	5	5 pending	New York University	**Licence Status**: Exclusive **Jurisdiction**: United States, China, Europe, Japan, South Korea
Scalable orthogonal spin transfer magnetic random access memory devices with reduced write error rates	1	1 pending	New York University	**Licence Status**: Exclusive **Jurisdiction**: United States
Magnetic tunnel junction for MRAM device	1	1 pending	Spin Transfer Technologies	**Jurisdiction:** United States

The license arrangements between STT and New York University are exclusive, subject to certain exceptions. For details of the license agreement, please see paragraph 13.11.1 of Part XVI (*Additional Information*) of this Prospectus.

1.6 Business plan and commercialisation strategy

STT is engaged in technology and product development, and has not yet entered the semiconductor market with semiconductor devices or licensable technology, the current intended markets for the technology.

Development efforts are underway that move the technology from scientific research toward product development. These efforts and future developments required include those set out below.

- Device engineering efforts to design CMOS integrated circuits for incorporating MTJs into OST-MRAM bit cells, and further combining into a workable prototype memory integrated circuit, taking into account the bit cells' physical characteristics.
- Infrastructure and equipment procurement to support partnering and early manufacturing strategy.
- Development of densely packed arrays of MTJs, deposited atop CMOS circuitry and organised into arrays of memory bit cells, to test the operation in a memory environment, to support the development of appropriate memory control algorithms (such as read and write control circuitry, and error detection and correction), and allow early data submission to potential customers and potential manufacturing partners.
- Development of production integrated circuit design, sampling of prototype and product integrated circuits by potential customers, and initiation of production.

The company plans to complete its first phase of integration of magnetic and CMOS logic technology in the second half of 2014. Functional memory technology demonstration prototypes are planned to be developed by the second half of 2015.

1.7 Financing, financial information and valuation

Since its inception in 2007 to 31 December 2013, STT had received investment funding of $37.5 million in aggregate from Allied Minds and external investors, of which $8.5 million was from Allied Minds. A proportion of this capital has been applied directly to laboratory based research and development activity to progress STT's technology towards commercialisation. In 2012, STT obtained a $4.0 million bank facility and raised $36.0 million through a second financing round from Allied Minds and external investors. As at 31 December 2013, STT had

drawn the full amount available under the $4.0 million bank facility. After repayments, the net repayable under the bank facility was $3.0 million. The loan includes a liquidity covenant which requires a ratio of 2:1 of unrestricted cash to be held at the bank to the amount of the loan outstanding. In addition to Allied Minds, STT has received investment from Invesco. As at 19 June 2014, being the latest practicable date prior to publication of this Prospectus, Allied Minds had a 56.13 per cent. ownership interest in STT, with the other principal shareholders being Invesco and NYU.

It is anticipated that STT will require additional financing, expected to be approximately $50-60 million, to be raised by STT in the second half of 2014, the largest near term additional capital financing requirement of the current Allied Minds businesses. This financing will be provided by Allied Minds, potentially alongside external investors. The financing will be used for the development of STT's technology and products, including the purchase of equipment for device development and prototyping, incremental personnel and procurement of outsourced services.

STT has not generated any revenues to date. For the year ending 31 December 2013 STT had total expenses of $9.4 million, including depreciation and amortisation of $0.6 million and interest expense of $0.2 million.

As of 31 December 2013, STT had an Ownership Adjusted Value of $76.9 million.

2. Optio Labs, Inc.

2.1 Overview and Background

Optio Labs, Inc. ("**Optio Labs**") engages in the development and deployment of security and productivity software for mobile enterprises and embedded systems. The company's flagship product, OptioCore, is a mobile security software platform designed for high security environments such as the US Department of Defense, the financial services industry and critical infrastructure environments.

Founded in March 2012, Optio Labs was formed to develop and commercialise innovative mobile and embedded system security technologies from Virginia Polytechnical Institute scientists Dr. Charles Clancy, Dr. Jules White, and Dr. Brian Dougherty.

2.2 Expertise and experience of key technical personnel and management

Optio Labs benefits from a management team with industry, academic and federal government experience.

Matt Hartley, the Company's General Manager, has over 11 years' experience in mobile enterprise software previously working for industry leaders including MobileIron, Inc., BMC Software, Inc., and VMware, Inc. Optio Lab's co-founders are also actively involved in the business. Dr. Charles Clancy, Associate Professor of Electrical and Computer Engineering, Virginia Tech and Director of the Hume Center for National Security and Technology, serves as Director of Strategy. Dr. Clancy has published extensive research on wireless communication, cyber security, and data analytics, as they apply to the US national security sector. Dr. Jules White, Assistant Professor of Computer Science at Vanderbilt University, serves as Chief Technology Officer of Optio Labs. Dr. White also serves as the Director of the MAGNUM (Mobile Application computinG, optimizatioN, and secUrity Methods) Research Group at Vanderbilt University.

Dr. Brian Dougherty, former member, Distributed Object Computing Group at Vanderbilt's Institute for Software Integrated Systems ("**ISIS**"), serves as Optio Labs' Director of Engineering. Dr. Dougherty has conducted research in the field of distributed real-time embedded system deployment strategies with a focus in search based software engineering and constraint optimisations, more recently, Dr Dougherty has conducted investigations into mobile cyber security approaches with focus upon security architecture of the Android operating system.

In total, Optio Labs has a team of 24 employees and consultants, of whom 17 are directly involved in the Company's scientific research and product development activities, eight of whom hold advanced degrees and three have PhDs.

2.3 Market opportunity and competitive landscape

Optio Labs seeks to become a leader in security and productivity software for the mobile enterprise and interconnected embedded systems markets. In 2013, the global installed base of mobile devices surpassed that of desktop personal computers and laptops and the market for

global mobile security solutions was estimated to be worth $3.5 billion. By 2015, wireless internet use is expected to exceed wired use as a result of increasing levels of wireless connectivity, a proliferation of wireless applications and broad adoption of smartphone and tablet devices. The Directors are therefore optimistic about the prospect for further expansion in Optio Labs' markets.

Optio Labs' current generation of products is focused on enhancing security for Android-based mobile devices. Android today accounts for a majority share of operating systems in the global mobile smart phone market. However, Android has specific limitations with regards to security and its current application layer security solutions are sometimes perceived to be insufficient for enterprise requirements.

Allied Minds expects Optio Labs to experience market competition from a number of sources, including mobile and security software companies, telecom operators and original device manufacturers. The products are prototypes/early stage and do not currently have significant market penetration.

2.4 *Core technology and product overview*

The company's three current prototype/early stage products include:

- *OptioCore*, an adaptive, policy-driven mobile device software solution that aims to secure information and extract greater user productivity on Android mobile devices. OptioCore is designed to be compatible with all current versions of Android and to offer extensive control with a high degree of contextual awareness. Optio Labs' objective is for OptioCore to be installed on a majority of new Android classified devices purchased by the US Government over the next two years. Building on government sales the company aims to then target larger federal and corporate enterprise markets with its OptioCore product. OptioCore is a currently marketed to mobile device manufacturers and federal clients.
- *OptioApp*, the company's most recently developed product, with alpha software released earlier this year, is a high security solution for general enterprise and consumer environments. The Directors believe this product offers most of the same security capabilities as OptioCore and is able to detect changes in sensor (eg, accelerometer, temperature) or application behaviour to take immediate action, such as locking up the device, based on pre-defined customised policies. OptioApp is easily deployable at the application layer. The product is targeted at corporate enterprise environments that require high security capabilities with significant flexibility as well as other niche applications such as parental control of a child's mobile device.
- *Optio FastCAC* seeks to reduce the complexity needed to perform basic identity tasks with Common Access Cards ("**CAC**") and Personal Identification Verification ("**PIV**") cards. FastCAC reduces the complexity required to perform cryptographic operations, such as encrypt, decrypt, sign, and digest verification, on these and similar cards.

2.5 *Scientific research and product development activity to date*

OptioCore

The initial research during 2011-2012 that served as the foundation of OptioCore, and which was licensed to Optio Labs at the time of the company's founding in February 2012, focused on addressing key challenges in mobile security including:

- The ability to determine a user's location accurately;
- The ability to affect the features of a user's android device based on their location; and
- The ability to address these challenges with a small footprint on the user's device.

In order to address the ability to affect features on user's devices based on their location, OptioCore implemented a filter integrated into the Android system process to inspect each command made on a device. Through further research and product development, Optio Labs was able to expand the available contexts and actions to eventually yield a total potential of $2.56e^{258}$ total policy combinations of contextually aware policies that could be applied to a given device. Many of these policies targeted the needs of specific industry verticals including federal government and banking.

OptioCore was initially released in the second quarter of 2012 and has subsequently undergone three updates, with the latest, version 1.3, released in the fourth quarter of 2013. The company has instituted a development programme with regular releases and plans to release version 2.0 by early 2015 with the main enhancements to the product including remediation capabilities for malware identified on an OptioCore enabled mobile.

OptioApp

Whereas OptioCore is implemented at the operating system level, Optio Labs believed significant opportunity could exist in a solution that is implemented at the application layer, which is easier and cheaper for customers to install. Thus Optio Labs focused research during 2013 and early 2014 on implementing OptioCore's capabilities at the Android application-level, resulting in the OptioApp product. The Directors believe that this approach simplifies installation while still enabling the detection, blocking and notification of user activity. Initial proof of concept of the OptioApp platform was completed in the fourth quarter of 2013, with a derivative prototype completed in the first quarter of 2014 and the beta release planned for the third quarter of 2014.

FastCAC

The initial product analysis for Optio FastCAC occurred during research into Defense Information Systems Agency's Security Recommendation Guides to support compliance for OptioCore in 2012-2013. Optio Labs determined that cryptographic operations involving the military CAC were critical to achieving the compliance goals of the US Department of Defense, however the directors of Optio Labs believed existing solutions in the market failed to sufficiently deliver these capabilities. By May 2013, Optio Labs had built a CAC reader middleware product that was later named FastCAC for its ability to deliver the required cryptographic capabilities to the US Department of Defense CACs in a way that was far more efficient than existing offerings.

OptioEmbedded

OptioEmbedded, currently under development, is a solution targeted at securing embedded systems (eg, operating systems for cars, energy management devices) and seeks to position the company to benefit from current trends in interconnected devices and the expanding 'Internet of Things'.

Initial research for OptioEmbedded began in late 2013 with an examination of security vulnerabilities and potential points of exploitation in networked, distributed real-time embedded systems such as those in SCADA (Supervisory Control And Data Acquisition) systems and critical infrastructure. Realising a market need to verify the integrity of messages sent between components of these systems, research on OptioEmbedded was initiated in three areas: a toolkit and software development kit for developing applications for various platforms for command and control of these systems; a cloud infrastructure for arbitrating and routing messages to and from system components and controllers, and; a small Security-Enhanced (SELinux) device running Optio Labs' software added to embedded system components to enable integration with cloud infrastructure. The company expects to have a developed prototype by early 2015.

Alongside Optio Labs' research and product development activities to date, the company has submitted patent applications addressing its principal technology areas. Details of Optio Labs' full patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Systems and methods enforcing security in mobile computing	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Systems and methods for securing and locating computing devices	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Systems and methods for securing the boot process if a device using credentials stored on an authenticated token	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Systems and methods to secure short-range proximity signals	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Systems and methods to synchronise data to a mobile device based on device usage context	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Systems and methods for enforcing security in mobile computing	2	2 pending	Optio Labs, Inc.,	**Jurisdiction:** United States, PCT
Restricting access to network resources via in-location access point	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Mobile security via aspect oriented programming	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Method to enforce access control policies on privileged access for mobile devices	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Applications of a processor trusted zone for enhanced mobile device security	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States
Method to enforce security policies on the loading, linking, and execution of native code by mobile applications running inside of virtual machines	1	1 pending	Optio Labs, Inc.	**Jurisdiction:** United States

For details of the license agreement between Optio Labs and Virginia Tech, please see paragraph 13.5.1 of Part XVI (*Additional Information*) of this Prospectus.

2.6 Business plan and commercialisation strategy

Optio Labs initially plans to take its solutions to market in the federal and enterprise markets primarily through channel and OEM partners. The company plans to address the embedded systems markets through direct research collaborations with large scale manufacturers of automotive, industrial control systems, and other embedded platforms.

Optio Labs' business strategy is focused upon three initiatives:

- Optio Labs is specifically targeting Android-based devices purchased by the US federal, state and local governments as a key platform and market for the installation of OptioCore. Optio Labs will continue to invest in the extended development of new OptioCore capabilities towards future releases, including version 2.0 which is scheduled for early 2015 and which is targeted to include capability of automated malware remediation on Android devices.
- Optio Labs intends to commercialise OptioApp through a combination of embedding the OptioApp product into third party Android applications as well as developing and bringing to market Optio Labs' proprietary applications, such as an application for parental control of a child's mobile device.
- Optio Labs seeks to build the OptioEmbedded product and bring it to market through OEM partnerships and co-development agreements.

With the proceeds from Optio Labs' $10 million Series A investment round completed in March 2014, the company intends to grow its technical team to continue product development of the company's portfolio of technologies as well as to expand the company's sales, marketing and management infrastructure to support commercialisation activities and revenue growth in 2014 and 2015.

2.7 *Financing, financial information and valuation*

Since its inception in 2012, to 31 December 2013 Optio Labs had received investment of $3.6 million in aggregate equity funding from Allied Minds. In March 2014, Optio Labs raised a $10 million round of investment from Allied Minds and two institutional investors, as well as individual investors. A significant proportion of capital invested to date has been applied directly to laboratory based research and development activity to progress Optio Labs' technology towards commercialisation. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had an 81.62 per cent. ownership interest in Optio Labs, with the other principal shareholders being institutional and other Allied Minds shareholders. Of the $10 million, $7.7 million was raised from Allied Minds.

Optio Labs invoiced $305,000 in revenue in the year ended 31 December 2013 and recorded expenditures of $1.9 million.

As of 31 December 2013, Optio Labs had an Ownership Adjusted Value of $33.0 million.

3. SciFluor Life Science, LLC

3.1 *Overview and Background*

SciFluor Life Science, LLC ("**SciFluor**") engages in drug discovery and development using fluorine and is building a portfolio of proprietary fluorinated compounds. Fluorine modification of the underlying chemical structure of a drug has been demonstrated to improve potency, selectivity, rates of absorption and metabolic stability in many cases, and approximately 25 per cent. of drugs currently marketed or in the pipeline contain fluorine. SciFluor is advancing a number of small molecule compounds to the stage of preclinical testing. Whilst SciFluor may be prepared to take some compounds into clinical development without partner support, it is seeking partners to work with it on numerous patent protected compounds. As such, the Directors believe SciFluor is pursuing a capital efficient drug development model through partnering and outsourcing.

SciFluor was formed in December 2010 by Allied Minds in partnership with Harvard University to commercialise the fluorination chemistry advances of Professor Tobias Ritter of Harvard University's Chemistry Department.

SciFluor currently uses a facility in Kendall Square in Cambridge, MA with offices and a molecular research laboratory including positron emitting tomography ("**PET**") radiotracer synthesis capabilities.

3.2 *Expertise and experience of key technical personnel and management*

SciFluor has an experienced management team led on an interim basis by Allied Minds' Senior Vice President of Life Sciences, Omar Amirana, MD. Dr. Amirana has over 25 years of experience in life sciences in various roles developing and commercialising technologies and products across a number of markets. He is supported by a small team of executives, including two Vice Presidents in chemistry, Ben Askew, PhD, and Scott Edwards, PhD, and two additional chemists, with a combined 50 years of industry experience. Their experience includes the development of currently marketed drugs Aggrastat®, Sensipar®, Cardiolite® and Definity®.

Dr. Askew has more than 20 years of experience in senior research positions in the biotechnology and pharmaceutical industries, where he specialised in building high functioning medicinal chemistry organisations, defining early intellectual property and long-term R&D strategy, and leading new chemical entity ("**NCE**") discovery programmes. Dr. Askew also served as an entrepreneur-in-residence for Third Rock Ventures, LLC, a venture capital firm focused on building life sciences companies, where he provided strategic input and scientific leadership for several of Third Rock's portfolio companies. Prior to that role, Dr. Askew worked for EMD Serono, Inc., the biopharmaceutical division of Merck KGaA and held positions at Merck & Co. and Amgen, Inc.

Dr. Edwards has an extensive background in imaging agent research and development with a focus on PET radiopharmaceuticals. Before joining SciFluor, he served as vice president of research and development at Lantheus Medical Imaging, Inc. Prior to that, Dr. Edwards held positions in research and development at Bristol-Myers Squibb Medical Imaging and DuPont Medical Imaging. Dr. Edwards is co-inventor of 18 issued US patents and an author of more than 65 scientific publications.

In addition to outsourced vendors that include contract research organisations, SciFluor has a team of nine employees and consultants, of whom eight are directly involved in the company's scientific research and product development activities and seven have PhDs. SciFluor reorganised its personnel on 2013, making three positions redundant, including the CEO. SciFluor is currently in the process of hiring a full-time CEO, with Dr. Amirana acting as interim CEO.

SciFluor has also retained on a consultancy basis the services of Professor Tobias Ritter, of Harvard University, the original inventor of SciFluor's licensed fluorination technology.

3.3 Market opportunity and competitive landscape

SciFluor's technology is intended to primarily compete in the small molecule arena of pharmaceuticals which is large and growing. According to IMS Health, spending on drugs will reach $1.2 trillion by 2017. According to Deloitte, pharmaceuticals accounted for $798 billion in revenue in 2011; and biotechnology accounted for $289 billion of this amount. The Directors believe that SciFluor's addressable markets (currently dominated by large pharmaceutical companies) within this are significant and will continue to grow due to current trends such as the ageing global population and general increase in life expectancy. The company aims to target markets with small molecules that include retinal diseases, inflammation, pain, neurology and neurodegeneration, as well as others. Neurology is a specific area of focus for SciFluor in part due to its market opportunity. It is estimated that the global epilepsy treatment market will increase from $2.9 billion in 2011 to nearly $3.7 billion in 2016.

One of the company's lead fluorinated compounds seeks to treat Age-related Macular Degeneration ("**AMD**"), which represents a significant global market opportunity estimated at $30 billion.

There are a number of pharmaceutical companies in this market with fluorinated compounds under development. Many intend to take their fluorinated compounds to market themselves, potentially incurring significant costs and risk.

3.4 Core technology and product overview

Fluorine has numerous beneficial attributes in the role of medicinal chemistry. Fluorine is the third smallest substituent closely mimicking hydrogen in regards to steric requirements at enzymatic and receptor binding sites. It is highly electronegative which is beneficial for compounds in various ways although it makes fluorine more challenging to work with when synthesising compounds including it. Fluorine can impart the following advantages to the bioactive molecules:

- Increases lipid solubility which can improve absorption rates and transport of drugs in tissue;
- Changes electronic effect and thus chemical reactivity and physical properties of a drug or compound due to its high electronegativity; and
- Increases oxidative and thermal stability because the carbon-fluorine bond is much stronger than the carbon-hydrogen bond.

The company's principal products are two lead compounds:

- SF0166, a patent-pending small molecule integrin antagonist intended to treat AMD. SF0166 is a topical drug which is intended to replace currently injected drugs. Through the strategic use of fluorine, this compound is intended to diffuse through the cornea to the retina allowing it to be administered topically using eye drops.
- SF0034, a KCNQ2/3 modulator and a fluorinated derivative of ezogabine, is also pending patent protection and is wholly owned by SciFluor. SF0034 aims to address, and is being tested for, five different indications: epilepsy/seizures; tinnitus; amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease); channelopathies (genetic orphan rare diseases); and chemical warfare counterterrorism. The Directors believe these each represent considerable markets, amounting to approximately $5 billion in aggregate.

The company also has an imaging business based on strategic fluorination using radioactive fluorine to create PET tracers which are used to image delivery of drugs in the body. This PET business has recorded initial revenues which may also lead to partnerships with large pharmaceutical companies.

3.5 *Scientific research and product development activity to date*

During the period from 2011 to 2012, SciFluor's resources were initially focused on establishing capability in fluorination processes in collaboration with Dr. Tobias Ritter. The company conducted a filtering process in 2012 to identify opportunities and compounds where a disease state might benefit from the advantages of fluorination, which can be patent protected, and where there is still an unmet need.

This process identified opportunities where SciFluor might develop enhanced proprietary best-in-class compounds from existing proven compounds and, in 2013, led to the development of the company's two initial compounds, SF0166 and SF0034. Once the compounds could be synthesised, they were tested and patents filed. The company aims to test newly discovered and created compounds rigorously and at an early stage. The Directors believe that its stage-gate testing approach enables the company to identify compounds with a higher probability of success in a disciplined and capital efficient manner.

SciFluor has generated promising preclinical data on its lead compound, SF0166, a fluorinated small molecule integrin antagonist intended to treat AMD. Tests performed by SciFluor in 2012 and 2013 indicate that SF0166 is capable of being delivered to the back of the eye in sufficient doses through topical application using corneal drops. This was validated in preclinical tests. The tests have also demonstrated significant reduction in vessel growth as well as in blood vessel leaking compared with a standard therapy that must be directly injected into the eye. This was validated through two different routinely used tests, the chorioallantoic membrane model as well as the rabbit choroid neovascularization model. Results to date have been positive leading the SciFluor to escalate this compound to its lead compound status. The Directors believe that delivery of SF0166 to the back of the eye with topical eye drop delivery may eliminate the need for regular injections as required by many of today's therapies.

SciFluor developed its second lead compound SF0034 in 2013 specifically to target the epilepsy (seizure) market. SF0034 is a fluorinated version of ezogabine which has been successfully tested to date preclinically by the National Institute of Neurological Diseases and Stroke, which is a division of the National Institutes of Health. These results indicate to date that SF0034 may have the potential to address many of the liabilities and side effects associated with the current treatment: multiple doses (SF0034 is more potent), excretion/elimination (the current treatment has a urinary retention problem whilst tests indicate SF0034 is more selective and hence could reduce or potentially eliminate this issue), discoloration and pigmentation (the current treatment turns blue with sunlight exposure; in bench tests SF0034 does not), and avoidance of cardiovascular arrhythmia issues (SF0034 is highly selective showing more selectivity than the current treatment).

Since its inception, SciFluor has licensed three US patent families, protecting key technological features of its fluorination processes from Harvard University and has a total of 10 patent filings, which aim to protect these and a broad portfolio of compounds which may address various large pharmaceutical markets.

SciFluor's licensed patents include technologies and methods for fluorinating compounds. Each of SciFluor's fluorinated compounds is considered by the company to be proprietary and, accordingly, it aims to patent protect every compound that it creates and develops. As such, the company anticipates that its intellectual property portfolio will continue to grow over time. Details of SciFluor's full existing patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
High Valent Palladium Fluoride Complexes and Uses Thereof	2	2 pending	President and Fellows of Harvard College	**License Status**: Non-Exclusive **Jurisdiction**: United States, Europe
Fluorination of Organic Compounds	7	7 pending	President and Fellows of Harvard College	**License Status**: Exclusive **Juridiction**: United States, Australia, Canada, Europe, China, Japan, South Korea
Fluorination of Organic Compounds	3	3 pending	President and Fellows of Harvard College	**License Status**: Exclusive **Jurisdiction**: United States, Europe, China
Fluorinated Oxazolidinone Derivatives	1	1 pending	SciFluor Life Sciences	**Jurisdiction:** PCT
Fluorinated Benzofuran Derivatives	2	2 pending	SciFluor Life Sciences	**Jurisdiction**: United States, PCT
Fluorinated 2-Amino-4-(Benzylamino) Phenylcarbamate Derivatives	2	2 pending	SciFluor Life Sciences	**Jurisdiction**: United States, PCT
Fluorinated 3-(2-oxo-3-(3-arylpropyl)imidazolidin-1-yl)-3-arylpropanoic Acid Derivatives	1	1 pending	SciFluor Life Sciences	**Jurisdiction**: United States
Fluorinated 3-(heterocycl-3yl)-9-(5, 6, 7, 8-tetrahydro-1, 8-naphthyridin-2-yl)nonanoic Acid Derivatives	1	1 pending	SciFluor Life Sciences	**Jurisdiction**: PCT
3-aryl-2-((arylamino) methyl)quinazolin-4-(3H)-ones	1	1 pending	SciFluor Life Sciences	**Jurisdiction**: United States
Fluorinated ketolide derivatives	1	1 pending	SciFluor Life Sciences	**Jurisdiction**: United States
Radiofluorination of organic compounds	1	1 pending	SciFluor Life Sciences	**Jurisdiction**: United States

The license arrangements between SciFluor and The President and Fellows of Harvard College are exclusive, subject to certain exceptions. For details of the license agreement, please see paragraph 13.9.1 of Part XVI (*Additional Information*) of this Prospectus.

3.6 *Business plan and commercialisation strategy*

SciFluor seeks to pursue a number of development programmes through an outsourced model. The Directors believe the company has the facilities and equipment in-house to create compounds and to determine feasibility prior to outsourcing all biological testing to achieve cost savings. SciFluor prioritises testing in order to perform those tests required to support a decision that the compound is either valuable or not. In this manner, the company seeks to limit the amount spent on any compound prior to expanding the programme. In addition, the small amount of PET imaging revenue generated by SciFluor helps to offset some of its R&D expenses.

SciFluor seeks to achieve the following principal milestones over the next two years:

- Demonstration that selected programmes can enter into human testing, implying that all toxicology work results in positive outcomes;
- Partnering of key programmes and compounds;
- Application for and prosecution of patents protecting a number of compounds in key markets, although in some instances this process may take longer than two years, depending on the compound and market;
- Development of a clinical strategy to support the achievement of regulatory approvals; and
- Expansion of the company's portfolio of proprietary compounds.

For each development programme, the Directors believe that a partnering opportunity could evolve such that the partner funds, or partially funds, the requisite pre-clinical tests to enter into human studies and/or the traditional Phase I, II, and III trials needed to gain FDA and other regulatory approvals and clearances.

The Directors expect that such tests and finds could require a further one or two years before SciFluor could be in a position to execute partnerships to further develop and commercialise its products. The Directors believe that many compounds developed and protected by SciFluor could become partnering opportunities.

3.7 Financing, financial information and valuation

Since its inception in 2010, to 31 December 2013 SciFluor has received funding of $10.1 million in aggregate from Allied Minds. A significant proportion of capital invested to date has been applied directly to laboratory based research and development activity to progress SciFluor's technology towards product commercialisation. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had a 79.0 per cent. ownership interest in SciFluor, with the other principal shareholders being the scientific founder and Harvard University.

SciFluor has generated limited revenues to date including $0.2 million in the year ended 31 December 2013. SciFluor had expenditure of $4.6 million in 2013.

As of 31 December 2013, SciFluor had an Ownership Adjusted Value of $30.8 million.

4. SiEnergy Systems, LLC

4.1 Overview and Background

SiEnergy Systems, LLC ("**SiEnergy**") was formed in September 2007 by Allied Minds in partnership with Harvard University with the aim to commercialise thin film Solid Oxide Fuel Cell ("**SOFC**") technology. The technology was originally based on the research of Professor Shriram Ramanathan at Harvard University. SiEnergy uses silicon-based microfabrication and nanometer scale electrolytes with the aim of creating SOFCs that operate at a commercially desirable temperature and are scalable to meet various power requirements. Thin film SOFC could be a promising technology for meeting cost and reliability challenges facing fuel cell developers. After several years of research activity at Harvard University, the company has moved to an off-campus location in Cambridge, Massachusetts with the aim of expanding development and commercialisation.

4.2 Expertise and experience of key technical personnel and management

Dr. Vincent Chun of Allied Minds is the General Manager of SiEnergy. He has over 25 years of experience in a range of technology disciplines, and has held technical and senior management roles at leading technology companies, including EMC Corporation and a subsidiary of Photon Research Associates, Inc. His business experience also includes several years as a consultant at A.T. Kearney.

Dr. Masaru Tsuchiya is VP of Technology and leads SiEnergy's technical development. He has achieved positive results in scaling power output of the nanoscale thin film SOFC and has attributed this to improving the robustness of fuel cell membranes. His work has been published in Nature Nanotechnology. He received his PhD in applied physics from Harvard University.

Dr. Atul Verma is a Senior Materials Scientist, formerly faculty member at the University of Connecticut, and has experience in SOFC R&D at General Electric Company, McDermott Technology Inc., Acumentrics Corporation, and Lilliputian Systems, Inc. Dr. Atul Verma is responsible for fuel cell stack development.

Dr. Neil Simrick is a Materials Scientist with a PhD from Imperial College, London, where he performed research on micro-patterned SOFC cathodes.

Dr. Zhuhua Cai is a Process Development Engineer, with postdoctoral experience in SOFC cathode degradation studies. Drs. Simrick and Cai are responsible for fuel cell development.

SiEnergy has a team of five employees, all of whom have PhDs. Four employees are directly involved in the company's scientific research and product development activities.

4.3 *Market opportunity and competitive landscape*

Fuel cells convert chemical energy stored in fuel into electrical energy without combustion and generally have a higher energy conversion efficiency than internal combustion engines. The fuel cell industry continues to grow and it is estimated that more than 200MW of fuel cell power capacity shipped in 2013, generating more than $1.0 billion in industry sales in 2012, and is projected to grow to $10.0 billion within the next decade. There are a number of companies in this market and each has alternatives under development.

Unlike most other fuel cells, SOFCs are able to use a variety of fuels and non-precious metal based catalysts. SOFCs have been under development for many decades, but, until recently, have not been broadly commercialised due to cost, durability, and their poor start-up capability. SiEnergy's ultra-thin film SOFCs seek to address these cost, durability, and start-up challenges. Ultra-thin electrolytes can shorten the travel distance of oxygen ions across the electrolyte and enable SOFC operation at below 550°C (lower than operating temperature of conventional SOFCs).

4.4 *Core technology and product overview*

When SiEnergy was established in partnership with Harvard University in 2007, prototype thin film SOFCs had been developed with small active areas, on the order of square microns. Further research effort was required to scale up the power output, explore appropriate fuels for target applications, and incorporate them into a fuel cell system.

The initial sponsored research at Harvard University focused on the scaling up of fuel cell areas. This was challenging due to the nanometer scale thickness of the electrode membranes and the coefficient of thermal expansion mismatch between the silicon substrate and the fuel cell electrolyte and electrode materials. As the fuel cell heated up from room temperature to operating temperature of around 500°C, significant stresses would build up, leading to mechanical failure. This was resolved through the development of a novel microgrid structure designed to provide thermo-mechanical stability and appropriate electrical conductivity of generated output power. The early research efforts also involved the enhancement of electrolyte and cathode materials for higher power density.

If proven, SiEnergy ultra-thin film SOFC technology can potentially offer a number of advantages over fuel cells such as polymer electrolyte membranes, including:

- Platinum-free with low usage of rare-earth metals;
- High electrical efficiency (greater than 50 per cent.); and
- Ability to operate with non-hydrogen fuel.

SiEnergy seeks to integrate its ultra-thin film SOFC technology into fuel cells and stacks, and will target joint development partners to integrate its technology into systems and end applications. SiEnergy is evaluating a variety of potential applications, including fuel cells for combined heat power systems for homes, remote and back-up power, mobile power for leisure, homeland security/military, auxiliary power units and back-up power for marine and land mobile applications.

4.5 *Scientific research and product development activity to date*

The key milestones in SiEnergy's laboratory-based research, product testing and development to date include:

- In the period from 2007 to 2010, SiEnergy worked through an SRA with Harvard University to conduct research to develop a functioning low temperature SOFC membrane;
- In 2008, SiEnergy achieved 60 mW/cm^2 output power density at 500°C using an oxide cathode, demonstrating the potential for developing a low temperature SOFC without the use of precious metals;
- In 2010, SiEnergy achieved a macro-scale thin film SOFC developed in collaboration with Harvard University researchers. One feature of the fuel cell design was a metal grid to fortify the thin membrane providing mechanical support as well as electrical conductance. The fuel cell's power density of 155 mW/cm^2 at 510°C was comparable to the density of micro-SOFCs. This milestone had practical relevance for the broad commercialisation of fuel cells since thin film SOFCs offer three major advantages over conventional SOFCs. These are:

  - Reduction of the materials required to manufacture fuel cells, including rare-earth elements such as yttrium and lanthanum, thus reducing the material cost of SOFCs;
  - Reduction of potential breakage compared to other thin film SOFCs; and
  - Enhanced conductance across nanometric thin film electrolytes enabling operation at temperatures of 350-550°C. Conventional SOFC temperatures (600-1,000°C) make them more susceptible to corrosion and require more materials for insulation.

- In 2011, SiEnergy moved to its own research and development facility in Cambridge, Massachusetts, a facility with equipment dedicated to the fabrication and testing of fuel cell test structures and prototypes. In 2012, it expanded its team for fuel cell stack, reformer, and system development. Research activities there have been focused on further scaling of the technology, including:
  - Replacing platinum anode with cermet or oxide material;
  - Increasing the fuel cell active area to allow higher power output per fuel cell chip; and
  - Development of stacks of thin film SOFCs to demonstrate scalability to higher power output.
- In 2013, SiEnergy successfully demonstrated thin film SOFC operation on a platinum-free fuel cell, eliminating the need for any platinum-group metals. Platinum and related metals have been a source of high cost for many fuel cell systems and one of the barriers for mass adoption.

SiEnergy's on-going research efforts are focused on:

- Further scaling up of power and integration of fuel cells into stacks;
- Characterisation and improvement of degradation behaviour, and;
- Exploration of several types of fuels for direct fuel usage or reformed fuel usage.

Alongside SiEnergy's research and product development activities to date, the company has submitted patent applications addressing its principal technology areas. Details of SiEnergy's patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Electrochemically Functional Membranes	1	1 pending	President and Fellows of Harvard College	**Licence Status**: In licencing negotiations **Jurisdiction**: United States
Thin Film Electrochemical Cell Stack	1	1 pending	SiEnergy Systems	**Jurisdiction**: United States
Nanoscale Cermet Oxide Thin Film Electrode With Non-Precious Metals And Mixed Electronic-Ionic Conducting Ceramics	1	1 pending	SiEnergy Systems	**Jurisdiction**: United States

4.6 Business plan and commercialisation strategy

SiEnergy's initial strategy is to generate revenues through the sales of sub-kilowatt scale products to support development of kilowatt scale units.

Key research milestones that need to be achieved prior to product development and commercialisation include:

- Scaling of power output to commercial product level. SiEnergy aims to achieve near commercial scale power output levels within two years.
- Characterisation and reduction of fuel cell degradation rates to commercial product level. SiEnergy intends to target early products that do not require an extended product life, while continuing to pursue efforts to reduce degradation.
- Testing and adaptation of fuel cell operation for fuels of commercial interest.

Subsequent product development activities might include:

- Development of breadboard (laboratory prototype) balance of plant systems (fuel management, power management, thermal management) to demonstrate fuel system performance characteristics at commercial scale power output levels.
- Design, development, and testing of manufacturing prototypes in commercial form with performance characteristics including size, durability, and power density, amongst others.

4.7 Financing, financial information and valuation

Since its inception in 2007 to 31 December 2013, SiEnergy had received $5.2 million funding in aggregate from Allied Minds. A significant proportion of capital invested to date has been applied directly to lab-based research and development activity to progress SiEnergy's technology towards commercialisation. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had a 100.0 per cent. ownership interest in SiEnergy. It is currently anticipated that SiEnergy will seek to work in partnership with a major appliance or utility company to further develop its technology.

SiEnergy has generated nil revenues to date and in the year to 31 December 2013 SiEnergy had expenditure of $1.8 million.

As of 31 December 2013, SiEnergy had an Ownership Adjusted Value of $22.7 million.

5. Cephalogics, LLC

5.1 Overview and Background

Cephalogics, LLC ("**Cephalogics**") is working to develop and commercialise a non-invasive bedside neuroimaging system. The Cephalogics system aims to provide continuous data and imaging from clinically relevant cerebrovascular regions. This technology is aimed at improving on current neuro-monitoring technologies and bringing non-invasive neuro monitoring and imaging to the bedside.

Cephalogics' technology is the result of a partnership between Allied Minds and Washington University.

5.2 Expertise and experience of key technical personnel and management

Cephalogics is managed by an experienced team lead by General Manager Jeff Caputo who has over 12 years of experience building and commercialising non-invasive neuromonitoring devices at Covidien Ltd and Apsect Medical Systems Inc. Russ Herrig, Vice President of Engineering, brings over 30 years of medical device experience with expertise in developing devices that analyse blood and devices that monitor brain activity including roles at Covidien Ltd, Apsect Medical Systems Inc., VI Technologies Inc., Cadent Medical Corporation and Haemonetics Corporation. They are supported by two research scientists, Chandran Seshagiri, PhD and Bertan Hallacoglu, PhD who have extensive experience in diffuse optics, neuroscience and brain monitoring. Dr. Culver, a member of Cephalogics' advisory team, is a principal inventor of the technology and an Assistant Professor in the Department of Radiology at Washington University and a diffuse optical tomography expert.

Dr. Seshagiri has more than six years of experience building non-invasive neuromonitoring devices at Aspect Medical Systems, Inc. and Covidien Limited. His responsibilities include data analysis, algorithm development, clinical research strategy, and project management. Dr. Seshagiri completed his PhD at MIT Harvard Division of Health Sciences and Technology.

Dr. Hallacoglu completed his Masters in electrical engineering and PhD in biomedical engineering at Tufts University with a focus in diffuse optics and cerebral oximetry. He has been an employee at Cephalogics for almost a year. He brings extensive experience in product development, algorithm development, clinical research, and diffuse optics.

Cephalogics also benefits from the active involvement of its neurocritical care physician advisors from Duke University, Washington University and Johns Hopkins University and its scientific advisors from Washington University and Tufts University. Cephalogics and its advisory team collectively has over 55 years of neurocritical care experience, 40 years of diffuse optics experience, and 25 years of experience developing non-invasive neuromonitoring devices.

In total, Cephalogics has a team of eight employees, consultants and advisers. Seven have advanced degrees and four have PhDs.

5.3 Market opportunity and competitive landscape

Cephalogics plans to target neurocritical care units in the US and the initial plan is to monitor stroke patients in the neurocritical care unit setting and then expand into the emergency department setting. The primary objective is to display and track perfusion and metabolic status in multiple cerebrovascular regions simultaneously in order to optimise perfusion in injured brains. The aim is to help clinicians measure the extent of the injury and track the impact of interventions at the bedside. The Directors believe that there is currently a need for fully-developed non-invasive bedside tools that provide continuous imaging of the brain. Most patients in need of brain monitoring currently undergo intermittent non-invasive imaging using conventional imaging such as computed tomography ("**CT**") and magnetic resonance imaging ("**MRI**"), or possibly even position emission tomography ("**PET**") scans. Invasive techniques may also be used to monitor the brain

Current means of non-invasive brain imaging includes techniques such as MRI, CT scans, and PET scans. Typically, these techniques cannot be performed at the bedside, require the patient to be moved, are expensive, do not provide continuous monitoring and require expert interpretation. Current monitoring techniques which can be performed at the bedside, such as cerebral oximeters can have problems relating to probe location and as a result the amount of brain tissue able to be monitored can be questionable. Cerebral oximeters also do not provide imaging.

5.4 Core technology and product overview

Cephalogics is developing a non-invasive bedside neuroimaging and neuro-monitoring system. The core technology used is Diffuse Optical Tomography ("**DOT**") which utilises high-density diffuse optical arrays to generate overlapping measurements. Multi-wavelength light sources are utilised to help improve the accuracy of the system. Sophisticated signal processing algorithms are in the process of being developed to interpret the data provided by this dense spatial sampling technique.

DOT is a non-invasive neuroimaging and neuro-monitoring method for use at the bedside. In contrast CT, MRI and PET cannot typically be used at the bedside, use large, expensive scanners and require the subject to remain inside a camera or imaging tube for an extended period. Further development could involve super imposing the DOT data onto patient specific imaging such as CT and MRI. In addition, Cephalogics plans to further reduce the DOT system to a small box with a user interface small enough to be mounted on an intravenous pole at the patient's bedside.

5.5 Scientific research and product development activity to date

The key milestones in Cephalogics' laboratory based research, product testing and development to date include:

- Between 2007 and 2009, the company engineered and demonstrated a viable fiberoptic based research brain mapping device through an SRA at Washington University. Under the SRA, the company also completed a clinical investigation, testing the system on a number of human subjects, demonstrating its ability to function;
- From 2010 to 2012, the company researched, designed and built the first generation of its non-fiberoptic (LED) brain mapping prototype system proving that, based on the results from a small number of healthy volunteers, it is capable of "seeing brain", that is, the ability to register changes in brain activity non-invasively in normal subjects; and
- During 2013, the company executed a number of clinical investigations, including demonstration of the non-fiberoptic brain mapping prototype system with the aim of proving that it is capable of "distinguishing good brain from bad brain", that is, the ability to distinguish injured brain from non-injured brain and register changes in brain activity non-invasively in stroke patients. These studies are being conducted at Johns Hopkins University, Duke University, and Washington University.

The Cephalogics patent estate aims to protect the system, the method, and the disposables used for non-invasive bedside, optical brain monitoring. Details of Cephalogics' full patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Optical Sensor Array	1	1 pending	Cephalogics, LLC	**Jurisdiction**: United States
Optical Sensor Array Liner And Optical Sensor Array Pad	1	1 pending	Cephalogics, LLC	**Jurisdiction**: United States
Optical Tomography Sensor And Related Apparatus And Methods	1	1 pending	Cephalogics, LLC	**Jurisdiction**: United States
Optical Tomography Sensor And Related Apparatus And Methods	1	1 pending	Cephalogics, LLC	**Jurisdiction**: United States
Optical Tomography Sensor And Related Apparatus And Methods	2	2 pending	Cephalogics, LLC	**Jurisdictions**: United States, PCT
High Performance Imaging System For Diffuse Tomography And Associated Method Of Use	3	2 granted, 1 pending	Washington University	**Licence Status**: Exclusive **Jurisdictions**: United States, Europe, Japan

The license arrangements between Cephalogics and The Washington University, St Louis are exclusive, subject to certain exceptions. For details of the license agreement, please see paragraph 13.3.2 of Part XVI (*Additional Information*) of this Prospectus.

5.6 *Business plan and commercialisation strategy*

Cephalogics is in the process of advancing its technology with a view to meeting user requirements in environments such as neurocritical care and critical care units. Once product development is completed, the company intends to work with its clinical development partners to research the utility of this device in the clinical setting. The prototype system has been shown to function when tested on normal subjects.

Cephalogics is currently testing its next generation prototype on patients in neurocritical care units in two hospitals and intends to start at a third shortly. In parallel, the company is developing its commercial algorithm and has obtained some positive initial results. The company intends to initiate a commercial system development process later in 2014 and 2015 to optimise the hardware and the associated disposables. Cephalogics intends to continue to file patent applications during 2014 to protect this innovative technology.

Cephalogics seeks to reach the following milestones in the next two years:

- Development of a commercially viable system suitable for regulatory submission which requires further development of engineering, ergonomics and algorithms;
- Additional electrical and mechanical bench testing and system characterisation as well as clinical testing of the system for regulatory submission in both normal subjects and stroke patients in neurological care units;
- Further expansion of the intellectual property estate; and
- Performance of clinical trials to generate human data to be used for FDA and other regulatory submissions.

Cephalogics intends to conduct a range of studies on patients with various disease states and in various clinical settings to explore and evaluate the possible utilities for such a system. As data is generated, Cephalogics may expand the number of indications for which the system plans to be cleared for sale.

The company ultimately intends to sell a system which consists of sensor arrays, proprietary algorithm and a monitor as well as a disposable that consists of a wearable ''brain cap'' with protective membranes. The device will be designed for use in intermittent checks as well as for continuous monitoring. The company plans to launch a commercial product in the market in 2017 or 2018 depending on regulatory requirements. Achieving this is subject to successful on-going commercial system development, clinical trial, and receipt of regulatory approvals.

5.7 Financing, financial information and valuation

Since its inception in 2007, to 31 December 2013 Cephalogics had received $6.2 million in funding from Allied Minds. Most of the investment has been received over the past three years. Since inception, Cephalogics has been focused on research, system development, testing and clinical evaluation.

As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds holds a 95.0 per cent. ownership interest in Cephalogics, with the other principal shareholder being Washington University.

Cephalogics had expenditure of $2.0 million in 2013. As of 31 December 2013, Cephalogics had an Ownership Adjusted Value of $22.5 million.

6. ProGDerm, Inc.

6.1 Overview and Background

ProGDerm, Inc. ("**ProGDerm**") holds the licence rights to a novel technology that potentially represents a natural, biologic approach to the generation of subcutaneous fat to enhance the appearance of skin. This subcutaneous fat occurs naturally and can serve as a support and protective structure, however as humans age, the subcutaneous fat layer degrades, causing wrinkles to form. The Directors believe that this biologic may ultimately be of use in aesthetic and medical applications.

ProGDerm was formed in September 2008 by Allied Minds in partnership with Lawrence Berkeley National Laboratory ("**LBNL**") to commercialise the research carried out by Dr. Mina Bissel of LBNL and Dr. Eva Turley of University of Western Ontario.

6.2 Expertise and experience of key technical personnel and management

ProGDerm aims to employ a capital efficient model where the company's activities are primarily executed through a form of SRA, called a Work for Others Agreement with LBNL and thus maintains no facilities of its own. During April 2014, the company hired its first employee and CEO, Dr. Mike Delmage. Dr. Delmage earned his PhD in cellular and molecular biology, is expert in Hyaluronic Acid and has served in prior roles as Chief Technical Officer and CEO at Senetek PLC and Transvivo, Inc., respectively, with experience in the aesthetics, medical device and therapeutic drug sectors.

Additionally, the company has two key contractors. Dr. Eva Turley is the inventor of the ProGDerm technology and a professor at the University of Western Ontario. Dr. Turley provides technical guidance as well as business development support. Dr. Bahram Bahrami is a scientist at LBNL and serves as consultant scientist for ProGDerm.

In total, ProGDerm has a team of three employees and consultants, all of whom are directly involved in the company's scientific research and product development activities, and all have PhDs.

6.3 Market opportunity and competitive landscape

The company's technology is primarily intended to compete in the aesthetics market which is large and growing. The aesthetics market for anti-aging products for appearance enhancement in the US alone is expected to be more than $5 billion by 2015. Principal products offered in this market today include toxins, dermal fillers, cosmeceuticals, lasers and body shaping and skin tightening devices. These and related products are offered by a number of competitors including multinationals such as Allergan, Inc., Galderma S.A, Merz Pharmaceuticals GmbH, Valeant Pharmaceuticals-International, Inc., and smaller sized companies such as Kythera Biopharmaceuticals, Inc., and Anika Therapeutics, Inc.

The Directors believe that the company has an innovative product that has the potential to compete with existing alternative offerings. Early studies point to the ability of ProGDerm's technology to induce the body to generate its own subcutaneous fat instead of using toxins or artificial fillers.

6.4 Core technology and product overview

ProGDerm's technology offers the potential of inducing differentiation and proliferation of adipocytes from precursor cells including stem cells in situ. Resident precursor cells that have not fully differentiated and have the potential of becoming a number of different cell types

(pluripotent cells) as well as resident fibroblasts are "convinced" to become fat cells at the site of injection of the peptide. The principal advantages of this approach are expected to include that no injection of artificial fillers or toxins into the body is required, it has natural biocompatibility, and does not induce inflammation.

Allied Minds currently envisages ProGDerm initially pursuing two products differentiated primarily by their mode of delivery. The first would be a topical formulation targeting the cosmetics market. This product could be incorporated into anti-aging/wrinkle creams and other cosmetics. The second product would be an injectable one to be administered by medical professionals.

The company believes that there are a number of different applications which might benefit from its technology. Aesthetic applications represent a potential for face enhancement, breast augmentation, as an adjunct to cellulite treatment and targeted facial areas such as nasalbial folds, among others. The Directors believe there is also potential to address a number of medical indications including, *inter alia*, treating wounds, metatarsal foot pad loss, addressing bed sores, and HIV lipodystrophy.

6.5 *Scientific research and product development activity to date*

ProGDerm has to date focused on targeted development to manage the high risk and high cost associated with bringing biologics or therapeutics to the market. The company aims to operate in a capital efficient manner and has pursued development partnerships to share risk and gain access to a broader set of expertise.

Following the company's inception, resources were focused on demonstrating and validating the technology's ability to induce subcutaneous fat growth. A scientific process was established based on unbiased screens and rational design to develop a family of reagents that could be utilised in an end product. A total of 36 antibodies and peptides were identified through this process and were then tested using 2D assays, and initial development and tests on 3D assays were also conducted. Ultimately, two peptides and one antibody were selected based on their ability to induce adipogenesis for further in-vivo testing. With these three reagents a variety of experiments were conducted in rat models to assess fat growth, inflammation and initial indications in respect of dosing, duration and other elements. During this process, the research team identified a new invention associated with the various assays and in May 2010, a jointly developed patent application titled "Cell Culture Screen for Agents that Control Adipogenesis and Myofibroblast Differentiation" was filed through LBNL. Further in-vivo experiments were conducted to assess effects based on gender, age, and among species. The encouraging results of this research provided the basis for securing, in December 2011, a co-development partnership with a leading global speciality chemicals company. The partnership is focused on the topical cosmetics market.

The key milestones in ProGDerm's research, product testing and development to date, performed alongside its industry partner, include:

- Development of a new lead target peptide that meets certain criteria of ProGDerm's partner for further development. Of primary importance to the partner was the size of peptide and the company under contract tested a variety of shortened peptide lengths. These shortened peptides were exposed to the same in-vitro and in-vivo tests highlighted above. Based on size and the ability to generate adipogensis, a 6-mer peptide was selected for further development and testing in December 2012.
- Four key toxicity tests were selected and undertaken. These support initial work undertaken around inflammation and necroscopy and included HET-CAM testing for eye irritation, skin irritation tests, mutagenicity testing for cancer/gene mutations, and hypersensitivity (allergic response). These initial toxicology results are favourable.

Since its inception, ProGDerm together with LBNL, has developed a patent estate around three primary families covering the method, adipogenesis assays and specific reagents and composition of matter. The first patent licensed from LBNL in 2008 has been granted and issued in the US and Australia and is undergoing prosecution in certain other jurisdictions. The other patents are in various stages of prosecution.

Details of ProGDerm's full patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Modulation of Rhamm (CD168) for Selective Adipose Tissue Development	5	2 granted, 3 pending	The Regents of the University of California	**Licence Status**: Exclusive **Jurisdictions**: United States, Australia, Canada, EPO
Cell Culture Screen for Agents that Control Adipogenesis and Myofibroblast Differentiation	5	5 pending	The Regents Of The University Of California	**Licence Status**: Exclusive **Jurisdictions**: United States, Canada, EPO, Japan, South Korea
Identification of a family of RHAMM-like peptides that promote adipogenesis	2	2 pending	The Regents Of The University Of California	**Licence Status**: Exclusive **Jurisdictions**: United States, PCT

The license arrangements between ProGDerm and The Regents of the University of California are exclusive, subject to certain exceptions. For details of the license agreement, please see paragraph 13.7.2 of Part XVI (*Additional Information*) of this Prospectus.

6.6 Business plan and commercialisation strategy

ProGDerm's strategic development is based on two key objectives to be pursued in parallel:

- ProGDerm is pursuing work alongside its development partner to bring a topical product to market. The company is in discussions to grant a license to include further co-operation over the next two years, primarily in the areas of skin penetration and formulation. The development partner has broad facilities and staff capabilities which benefit ProGDerm in the areas of peptide knowledge, toxicity testing and formulation, amongst others. The company would benefit from further cooperation from its development partner and it is anticipated that human trials and, potentially, regulatory approvals will follow this. ProGDerm's development partner has indicated that this product could enter the market as early as 2015. The partnership would seek to promote its product to a variety of cosmetics companies and a product to end users could be available the following year. This partnership agreement is due to expire over the course of 2014. ProGDerm is seeking to renew this partnership to continue pursuing work to bring the product to market.
- The Directors believe that it is in the best interest of ProGDerm to also pursue the development of a prescription, injectable product. In developing the product this will require ProGDerm to undertake pre-clinical activities including ensuring a good manufacturing practice ("**GMP**"), supplier, formulation as well as gaining additional data on efficacy and toxicology. Thereafter, the product development process will require standard Phase I, II and III clinical trials as governed by the FDA or other regulatory body that could allow the company to begin testing on human subjects in 2-3 years.

6.7 Financing, financial information and valuation

Since its inception in 2008, to 31 December 2013 ProGDerm had received funding of $2.5 million in aggregate from Allied Minds. A vast majority of the capital invested to date has been applied directly to laboratory based research and development activity to progress ProGDerm's technology towards commercialisation. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had a 90.38 per cent. ownership interest in ProGDerm, with the other principal shareholder being Lawrence Berkley National Laboratory.

ProGDerm recorded revenue of $143,000 and had expenditure of $0.8 million in 2013. As of 31 December 2013, ProGDerm had an Ownership Adjusted Value of $15.6 million.

7. Precision Biopsy, LLC

7.1 Overview and Background

Precision Biopsy, LLC ("**Precision Biopsy**") is developing a next generation prostate cancer biopsy system, with the aim of being able to analyse prostate tissue in real-time for signs of cancer during the biopsy procedure, and of minimising unnecessary tissue coring as well as the associated pathology costs. Current biopsy procedures require random or "blind" sampling, and often multiple and repeated biopsies per procedure. If successful, the system would have the added benefit of real-time feedback also to doctors and patients which could thereby reduce anxiety and the waiting time for patients and their families.

Precision Biopsy was formed in June 2008 by Allied Minds in partnership with University of Colorado ("**CU**") to commercialise a real-time prostate cancer tissue classification system based on tissue fluorescence technology invented at CU. Precision Biopsy currently operates from its offices in Aurora, Colorado.

7.2 *Expertise and experience of key technical personnel and management*

Precision Biopsy is led by CEO Amir Tehrani who has over twenty years' experience in management and operations, strategy, business development, marketing, design and development for Fortune 500 and start-up medical device companies. Prior to Precision Biopsy, Mr. Tehrani served as President and CEO of Amaranth Medical, Inc., a bioabsorbable stent company. Mr. Tehrani has been instrumental in the formation and financing of several medical device companies, including Inspiration Medical, Inc., Corventis, Inc., Spinal Modulation, Inc., Sonitus Medical, Inc., and RODO Medical, Inc. Amir also led successful investments and acquisitions in the medical technology sector at Guidant Compass Group. Mr. Tehrani also held several leading marketing and engineering positions at Guidant Vascular Intervention, St. Jude Medical CRM Division, Ventritex, Inc. (acquired by St. Jude Medical), and MiniMed, Inc. (acquired by Medtronic, Inc.). Mr. Tehrani holds a B.S. in Electrical Engineering from University of Idaho and a M.S. in Biomedical Engineering from California State University, Sacramento.

Precision Biopsy also benefits from the involvement and consultancy of industry opinion leaders in urology including Dr. David Crawford of CU, Dr. Katsuto Shinohara of The University of California, San Francisco ("**UCSF**"), Dr. Stephen Jones of Cleveland Clinic, and Dr. Tom Polascik of Duke University.

Dr. David Crawford, Professor of Surgery, Professor of Radiation Oncology, and Head of the Section of Urologic Oncology at the CU Denver School of Medicine, is Precision Biopsy's feasibility clinical trial principal investigator and a consultant on Precision Biopsy's scientific advisory board. Dr. Crawford is a nationally recognised expert in prostate cancer. He has conducted research in the treatment of advanced bladder cancer, metastatic adenocarcinoma of the prostate, hormone-refractory prostate cancer, and other areas of urological infections and malignancies.

Dr. Katsuto Shinohara, an Associate Adjunct Professor of Urology at the UCSF, specialises in urologic cancers, in particular prostate cancer. He has a special interest in innovative biopsy techniques and image-guided minimally invasive treatments for prostate cancer as well as applying ultrasound techniques in the diagnosis, management and treatment of all urologic cancers. Dr. Shinohara is a consultant on Precision Biopsy's scientific advisory board.

Dr. Stephen Jones is Chief of Surgical Operations at Cleveland Clinic Fairview Hospital and Chief of Surgical Operations for Cleveland Clinic Regional Hospitals. Dr. Jones is Precision Biopsy's consultant and Scientific Advisory Board member. A Professor of Surgery (Urology) at Cleveland Clinic Lerner College of Medicine at Case Western Reserve University, he holds the Leonard Horvitz and Samuel Miller Distinguished Chair in Urological Oncology Research.

Dr. Tom Polascik is Professor of Surgery at Duke University. He is also director of Society of Urologic Oncology Program and director of Genitourinary Program on Focal Therapy. Dr. Polascik is a consultant and a member of Precision Biopsy's scientific advisory board. His research interests include robotic nerve-sparing prostate surgery, nerve-sparing focal therapy (cryosurgery, laser, hemiablation) for prostate cancer, minimally invasive (robotic, laparoscopic, cryotherapy) surgery for kidney tumours, and urologic oncology.

In total, Precision Biopsy has a team of 12 employees and consultants, of whom six are directly involved in the company's scientific research and product development activities, 11 hold advanced degrees and two have PhDs.

7.3 *Market opportunity and competitive landscape*

Precision Biopsy's primary market is the prostate cancer diagnosis market. It is estimated that unnecessary care (overtreatment) of prostate cancer costs approximately $3 billion per year in the US. Approximately 1 million men in the US undergo a needle biopsy procedure each year, with over 240,000 male patients diagnosed with prostate cancer in 2012. Ultimately Precision Biopsy would also plan to address the kidney cancer diagnosis market. Precision Biopsy's competition is the companies that provide the MRI/Fusion systems which are used to conduct MRI scans of the prostate with suspicious areas identified by radio-urologists. The MRI image together with the ultrasound biopsy system is then examined to target the suspicious area for

the biopsy. While the published results of MRI/Fusion targeting are encouraging, this procedure is still not ubiquitous since it is not always reimbursed in the US and elsewhere by third party payers in part due to the high cost of MRI.

7.4 *Core technology and product overview*

Precision Biopsy's core technology is based on detection of multiple fluorophores (naturally occurring molecules that fluoresce when excited with a specific wavelength of light) such as tryptophan which rapidly increase in density and hence display a stronger fluorescent signature than normal in the presence of malignancy.

The Precision Biopsy system is intended to be used within the typical biopsy procedure and would involve a typical biopsy device or gun and needle. The system is based on tissue fluorescence and the ability to distinguish normal from abnormal tissue based on such fluorescence. It is intended to be mounted on a mobile intravenous pole for use in the operating room or biopsy suite. The user interface aims to be ergonomic and easy-to-use while the hand piece will integrate with a standard needle biopsy gun. The Directors believe that the system may ultimately be able to provide a simple ''red light'' or ''green light'' to indicate if the tissue is malignant or benign and hence whether or not to biopsy or move on to the next suspected location.

The system originally evolved from an optical bench prototype which was used to evaluate and classify tissue at CU. The first prototype was developed in collaboration with the CU inventor team to acquire optical signatures from tissue to classify them as normal or abnormal.

Normal tissue typically has consistent levels of various molecules which fluoresce while malignant or abnormal tissue typically has higher concentrations of such molecules. These higher levels provide a stronger fluorescence signature and hence can be used to distinguish normal from abnormal tissue. The clinical trials in which fluorescent signatures are correlated to pathology results are the basis for optimising the system's algorithm as well as for regulatory clearances and approvals.

The initial system prototype was developed to be used in the operating room during biopsy procedures in patients who would then undergo prostatectomy procedures. This system included a precise fluorometer operating at wavelengths of light specifically designed for this purpose. The system would then be used again on the explanted prostates post-surgery and the results compared to regular pathological analysis.

The company aims to develop a system along with a disposable needle biopsy unit creating a capital equipment and recurring revenue model. The preliminary system design is envisaged to be portable and ergonomic in the setting of the biopsy procedure suite or operating room. The company intends to continue development of this new variant unit in 2014.

7.5 *Scientific research and product development activity to date*

Precision Biopsy's development efforts have reached the stage where focus is shifting from scientific research to product development. To reach this stage, the company has made a number of significant achievements in laboratory based research tests and product testing and development including:

- In July 2008 under a SRA, Precision Biopsy began working with CU researchers to evaluate tissue fluorescence as a means of distinguishing normal prostate tissue from abnormal prostate tissue.
- In 2009 and 2010, Precision Biopsy worked closely with CU researchers to develop data to ensure that this approach to tissue classification and analysis was viable. This was performed through algorithm development and verification through comparison to known tissue samples.
- Working in conjunction with the researchers at CU, Precision Biopsy developed a proof of principle system to evaluate its tissue fluorescence-based classification system in humans in 2011 and 2012.
- Between July and December 2012, Precision Biopsy enrolled 13 patients in its feasibility clinical study at CU under the supervision of Dr. Crawford. The system was tested on intact perfused, non-explanted human prostates and then again on the same explanted

prostates. The system was then compared to pathology readings from the pathology lab. The Directors believe these results were highly encouraging and provided confidence to continue development.

- In 2013, Precision Biopsy developed a usability protocol for its product and developed market, clinical, regulatory and reimbursement strategies.

Since inception, Precision Biopsy has been granted one US patent protecting key technological features of real-time tissue classification and the biopsy system. In addition to this issued patent, Precision Biopsy has filed additional patent applications in the US and internationally. The new intellectual property relates to integrated real-time tissue classification and localised therapy.

Details of Precision Biopsy's full patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Multi-Excitation Diagnostic Systems And Methods For Classification Of Tissue	2	1 granted, 1 pending	The Regents Of The University Of Colorado	**Licence Status**: Exclusive **Jurisdictions**: United States, PCT
Three-Dimensional Optical Mapping And Therapy Of Prostate Cancer	2	2 pending	The Regents Of The University Of Colorado	**Licence Status**: Jointly Developed **Jurisdictions**: United States, PCT

The license arrangements between Precision Biopsy and The Regents of the University of Colorado are exclusive, subject to certain exceptions. For details of the license agreement, please see paragraph 13.6.2 of Part XVI (*Additional Information*).

7.6 *Business plan and commercialisation strategy*

In 2014, Precision Biopsy is developing product specifications for a system to be tested on patients for approval by the FDA and other regulatory bodies.

Precision Biopsy is currently developing its commercial product targeting completion in 2015. Thereafter, Precision Biopsy plans to seek FDA 510(k) clearance using data from a pivotal clinical trial at multiple US and Outside US clinical sites. If the clinical data is favourable, Precision Biopsy is hopeful that it may receive FDA clearance for commercial release as soon as 2017.

In early 2014, Precision Biopsy initiated additional research by applying its technology to kidney cancer biopsy which is a potentially significant market. If Precision Biopsy's technology in kidney biopsy proves successful, it could be performed by urologists, thereby potentially providing cost savings.

The company aims to develop a tissue classification system which would utilise a typical needle biopsy gun incorporating its system. The system is aimed to be ergonomically acceptable for the biopsy procedure suite and to interact well with the equipment used in such a procedure, such as ultrasound. It would involve activating tissue with specific wavelengths of light in order to excite fluorophores in the tissue, which, if present in high concentrations such as those found in malignancy, would provide a light signature that signified abnormality or presence of cancer.

Precision Biopsy seeks to reach the following key milestones within the next two years:

- Development of a system and biopsy gun and needle for submission to regulatory bodies;
- Initiation of clinical testing in normal and abnormal prostates and in intact and previously unbiopsied, as well as previously biopsied, prostates; and
- Development and verification of an algorithm based on the findings in clinical testing when compared to pathology reports.

Precision Biopsy's longer term objectives include:

- Development of clinical datasets to be used to drive adoption;
- Submission to the appropriate regulatory bodies for regulatory clearances to initiate marketing and sales of the system; and
- Application for specific reimbursement of the system, once commercially available.

7.7 Financing, financial information and valuation

Since its inception in 2008, to 31 December 2013 Precision Biopsy had received funding of $4.6 million in aggregate from Allied Minds. A significant proportion of capital invested to date has been applied directly to laboratory based research and development activity to progress Precision Biopsy's technology towards commercialisation. Precision Biopsy has also been awarded a grant of $250,000 from the State of Colorado.

As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had a 80.35 per cent. ownership interest in Precision Biopsy, with the other principal shareholders being the principal inventors and CU.

Precision Biopsy's expenditure in the year to 31 December 2013 amounted to $1.4 million.

As of 31 December 2013, Precision Biopsy had an Ownership Adjusted Value of $15.9 million.

Commercial Stage

8. RF Biocidics, Inc.

8.1 Overview and Background

RF Biocidics, Inc. ("**RF Biocidics**") engages in the development, manufacturing, and sale of environmentally friendly, chemical-free food safety solutions using radio frequency technology. Two lines of equipment are offered for the elimination of pathogens, pests and fungi in a variety of food commodities, including nuts, seeds, flours, and dried fruits. RF Biocidics operates in the area of disinfection and disinfestation of agricultural products.

RF Biocidics was formed in 2008 by Allied Minds in partnership with University of California, Davis to commercialise RF technology developed at the laboratory of Professor Manuel Lagunas-Solar. RF Biocidics has a subsidiary RF Biocidics Limited in the UK wholly owned with Allied Minds, LLC and also holds a minority (28.5 per cent.) interest in Stalam SpA in Italy, a manufacturer of radio frequency equipment.

8.2 Expertise and experience of key technical personnel and management

CEO and President Craig Powell, who has over 20 years of experience in the food industry, leads RF Biocidics' management team. He is supported by a team of scientists, executives, engineers and sales personnel. Mr. Powell joined RF Biocidics from Superior Farms, Inc. where he served as Vice President of Sales and Marketing. He also served as General Manager for Pacific Coast Producers, Inc., Director of Operations for The Produce Exchange, Inc., and Director of Operations for Musco Family Olive Co. Mr. Powell started his career in the food industry at Nestlé S.A. and ConAgra Foods, Inc.

Chief Scientific Officer, Dr. Manuel Lagunas Solar, is the original developer of RF Biocidics' core technology. As Chief Scientific Officer Dr. Solar acts as the face of RF Biocidics to the academic and industrial communities as well as champion to food and nutritional regulatory bodies around the world. He has authored more than 100 peer-review publications, written several book chapters and presented more than 250 scientific abstracts and seminars. He currently holds eight US and international patents (three pending) in nuclear sciences, in applications of pulsed power technologies, and in food and agriculture. As a research scientist at the UC Davis, he performed research in a range of basic and applied scientific disciplines including nuclear and radiochemistry, physical chemistry, food and agriculture (chemical-free technologies), and environmental sciences.

Director of Process Technology, Dr. Parastoo Yaghmaee, has over two decades of experience in the field of food science. She is a recognised "process authority" with the Almond Board of California, and previously served as a senior scientist at EnWave Corporation, where she collaborated with engineers on the design of new equipment in industrial process development. She also oversaw research at EnWave that included analysing the effect of the company's radiant energy vacuum dehydration technology on probiotics and food culture, as well as its impact on enzymes and antibodies. Dr. Yaghmaee earned a post-doctoral fellowship in biological sciences at Simon Fraser University in British Columbia and served as a research associate at the University of British Columbia in Food, Nutrition, & Health. Dr. Yaghmaee continues to be closely affiliated with, and plays an active role in, the Canadian Institute of Food Science & Technology, British Columbia Food Technologists, Institute for Food Technologists, Institute for Thermal Processing Specialists, and the American Chemical Society.

RF Biocidics also benefits from the experience of Charley Philips, Vice President Sales, who previously served as Chief Marketing Officer and Vice President, Sales for four years at Atlas World Food and Agriculture, Inc., helping the company to expand global sales. Erik Smitt, Vice President Operations, has more than 30 years of management and operations experience in the food industry, having overseen manufacturing for leading food brands including The Weetabix Company, ConAgra Foods, Inc., and Crider, Inc.

In total, RF Biocidics has a team of 22 employees and consultants, of whom eight are directly involved in the Company's scientific research and product development activities through a dedicated food science team, six hold advanced degrees and five have PhDs. In 2013, RF Biocidics restructured its headcount from 25 to 18 and outsourced production.

8.3 *Market opportunity and competitive landscape*

The US food industry is responding to the requirements of the US Food Safety Modernization Act of 2010 ("**Food Safety Act**"), which focuses on the prevention of contamination rather than responding to outbreaks. The Directors believe that the increase in regulatory pressure is likely to result in a consumer preference for foods that are chemical-free and not processed by ionising radiation. For many commodities, RF technology provides a chemical-free food treatment methodology that proposes to be an economical alternative to existing process technologies, such as hot air or steam. Today, RF Biocidics' addressable market includes the dried fruit, tree nut and seed/grain markets representing approximately 500 million metric tonnes (MMt), in aggregate, globally per annum.

Allied Minds expects RF Biocidics to experience growing competitive pressure in the future within the food processing market for disinfestation and disinfection of food commodities. A number of small players that use RF technology for baking and post-baking drying are currently marketing their equipment for use in pasteurisation and disinfestation.

8.4 *Core technology and product overview*

RF Biocidics' core technology is based upon the use of RF energy at specific frequencies to energise specific targeted molecules in the host commodity and its pests inducing controlled thermal and electronic effects that lead to disinfection (pasteurisation), disinfestation, enzyme inactivation and drying effects.

Contrary to conventional thermal processing, RF heats volumetrically thus providing opportunities for effective sanitation while minimising or avoiding re-contamination. RF is a physical, chemical-free (residue free, non-additive) process applicable to conventional and to organic commodities. RF Biocidics' technology was developed at laboratory scale and initial efforts focused in part on increasing the scale to allow processing of food commodities at commercially relevant throughput rates. The company currently has two lines of RF processing equipment:

- The SENTINEL line uses high frequency RF to process high moisture products, such as prunes and raisins. Typical power levels for a SENTINEL system begin at 200kW and rise to 400kW with dimensions of 13,500mm to 30,500mm in length with nominal throughputs of 1,133 kg/hr to 4,535 kg/hr respectively. The SENTINEL line is constructed entirely of stainless steel and is well suited for wash-down environments.
- The APEX line uses low frequency RF to process low moisture products, such as nuts, grains, seeds and flours. Typical power levels for an APEX system begin at 25kW and rise to 75kW with dimensions of 15,200mm to 17,900mm in length with nominal throughputs of 454 kg/hr to 1,360 kg/hr respectively. The company is currently transitioning the APEX housing from aluminium to stainless steel in order to better suit a wash-down environment.

8.5 *Scientific research and product development activity to date*

RF Biocidics' facilities in Vacaville, California house two research SENTINEL units and one laboratory scale APEX unit for research purposes. In addition, RF Biocidics-owned APEX and SENTINEL units are also used for testing at industrial scale. New findings from research activities are translated into engineering design modifications for the next generation of machines by an in-house team of engineers.

The key milestones in RF Biocidics' laboratory based research, product testing and development to date include:

- From inception in 2008 to 2010, the company worked through an SRA with UC Davis to conduct research into the application of RF technology to various tree nut commodities such as almonds, pine nuts and macadamia nuts. These scientific studies involved detailed analysis of commodity morphology, heat profiles, sensory attributes and other factors in order to develop a "recipe" for treatment. The recipe was subsequently tested and refined following the protocols established by the Almond Board of California to evaluate the efficacy of the treatment.
- During this period, RF Biocidics also engineered and tested its "alpha" prototype, culminating in completion of the company's first 10kW unit capable of heating product on a continuous basis.
- In March 2010, the company announced the sale of its first generation 25KW RF system.
- In March 2010, the company moved into a dedicated facility in Vacaville to progress development of its next generation "beta" unit and advance research into the impact of the RF process on product quality.
- Based on detailed field tests and customer feedback, RF Biocidics' second generation of RF system was developed and introduced in 2011, following significant research and engineering effort to address heating uniformity and throughput requirement.
- The company continued to research different commodities and in 2012 introduced the SENTINEL line of products to treat high moisture commodities which includes raisins, prunes and dates.
- In 2013, RF Biocidics completed the installation of three SENTINEL systems to treat dried fruit commodities in Chile and Dubai.
- As a result of continued research in product quality and academic outreach, the company has recently published two white papers on the impact of RF processing on shelf life extension in walnuts and reduced water activity in dried fruit products.
- RF Biocidics seeks to leverage know-how developed through extensive research into processing a range of commodities, facilitated by the process parameters and feedback control utilised in its technology. The company's on-going research and development activities have resulted in a number of modifications to its technology.

Through its license arrangements with UC Davis, RF Biocidics has rights to two patents for disinfection and disinfestation technologies, as set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Method For Inhibiting Pathogen And Spoilage Activity In Products	1	1 granted	The Regents Of The University Of California	**License Status**: Exclusive **Jurisdiction:** United States
Disinfestation And Disinfection Of Food, Perishables And Other Commodities	3	1 granted, 2 pending	The Regents Of The University Of California	**License Status**: Exclusive **Jurisdiction:** United States

The license arrangements between RF Biocidics and The Regents of the University of California are exclusive, subject to certain exceptions. For details of the license arrangements, please see paragraphs 13.8.2 and 13.8.3 of Part XVI (*Additional Information*) of this Prospectus.

8.6 *Business plan and commercialisation strategy*

RF Biocidics' two existing lines of equipment, APEX and SENTINEL, have already been developed and are sold or leased to customers.

The company's principal objectives in the next one to two years include:

- The development of the next generation APEX design;
- Increasing manufacturing capacity; and
- Development of a food treatment service.

RF Biocidics is also evaluating a number of strategic alternatives which could include expansion into new treatment areas and/or strategic acquisitions.

RF Biocidics is engaged with the food safety community and regulatory authorities in on-going discussions around food safety requirements and advocacy of RF technology as an attractive means for disinfestation and disinfection of food commodities.

In-house research and development is on-going to further improve the designs for better performance and for expanding the range of commodities addressable by new generations of the equipment. A dedicated food science team conducts validation work for customer-specific commodities as well as internal R&D.

8.7 *Financing, financial information and valuation*

Since its inception in 2008, to 31 December 2013 RF Biocidics had received funding of $23.0 million in aggregate from Allied Minds and external investors, of which $15.0 million was from Allied Minds. In 2011, RF Biocidics raised $10.0 million through a financing round including $8.0 million from external investors. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had a 67.14 per cent. ownership interest in RF Biocidics, with the other principal shareholders being the principal inventor, Shellwater & Co. (the nominee for the Regents of Universities of California) and Invesco, amongst other external investors.

RF Biocidics has generated $2.1 million in revenues in aggregate to 31 March 2014, and for the year ended 31 December 2013 the company recorded revenues of $1.4 million and expenditure of $7.5 million. As at the end of May 2014, RF Biocidics had an order book of approximately $4.1 million for 2014 and is building an order pipeline for 2015.

As of 31 December 2013, RF Biocidics had an Ownership Adjusted Value of $62.8 million.

9. CryoXtract Instruments, LLC

9.1 *Overview and Background*

CryoXtract Instruments, LLC ("**CryoXtract**") seeks to improve the quality of scientific data critical to help advance important life-sciences research and development. The company has commercialised and delivers a technology platform to the medical research community that aims to enable frozen biospecimen sampling (aliquotting), resulting in optimised research, development and commercial outcomes. The company aspires to have its technology serve as a foundation for establishing industry best practices.

Sample integrity is important to translational research, molecular medicine, biomarker discovery/validation, biomedical research and clinical medicine. Improvement in sequencing and related analytical technologies has resulted in enhanced levels of detection, interrogation, and assessment capabilities, placing a further premium on biosample integrity. There is currently no optimal method for processing aliquots from frozen samples. CryoXtract is developing technology solutions that seek to enable the retrieval of multiple frozen aliquots from a single frozen biosample without exposing the samples to the freeze/thaw cycle which can harm samples, thereby protecting biosample viability and potentially resulting in better scientific outcomes. The Directors consider that the technology does not require US FDA approval and the robotic system is currently being marketed both inside and outside the US.

CryoXtract was formed in May 2008 as a partnership between Allied Minds, Harvard University, and Northeastern University. The technology emerged from the Harvard Medical School, conceived by Dale Larson and designed by Mr. Larson in collaboration with John Slusarz and Dr. Jeffrey Ruberti, Associate Professor of Mechanical and Industrial Engineering, Northeastern University. Mr. Larson is currently the Director of Biomedical Systems at the Charles Stark Draper Laboratory, Inc., where he oversaw the development of the technology in collaboration with CryoXtract.

CryoXtract currently operates from its facility in Woburn, Massachusetts.

9.2 *Expertise and experience of key technical personnel and management*

CryoXtract is managed by a team led by John A. McCarthy, Jr, CEO. Mr. McCarthy has 25 years' experience leading life sciences, healthcare and technology-based companies from early stage research-oriented organisations into successful commercial entities, both in private and public markets. Prior to joining CryoXtract, Mr. McCarthy was President and CEO of Qteros, Inc., a technology company in the alternative energy industry, and served in executive positions at technology companies, including Microbia, Inc., Verenium Corporation, Synta

Pharmaceuticals, Inc. and Exact Sciences Corporation. He currently serves as Chairman of the Board of Directors of publicly-traded InVivo Therapeutics Corporation, a biomaterials company. Mr. McCarthy graduated from Lehigh University and has an MBA from The Harvard Business School.

Jorge de Dios, COO, has extensive business and corporate development experience building green-field start-ups and working with Fortune 500 companies over the last 20 years. Prior to joining CryoXtract in 2010, Mr. de Dios spent two years as a Vice President at Allied Minds, Inc. (now Allied Minds, LLC). Prior to that, he gained experience at FiberTower Corporation (US alternative backhaul and access transport provider) and served as Director of International Market Development at Teligent, Inc. Mr. de Dios graduated from Georgetown University and has an MBA from The Darden School at The University of Virginia.

Larry Chin, Vice President of Business Development, has over 25 years of experience starting, managing and growing technology-based companies within the instrumentation industry. Most recently, Mr. Chin served as the Vice President of US Sales for RTS Life Science, a division of Brooks Automation Life Science Systems Inc. Mr. Chin graduated in Mechanical Engineering from Worcester Polytechnic Institute and has an MSM from Leslie University.

In total, CryoXtract has a team of 11 employees and consultants, six of whom are directly involved in the company's scientific research and product development activities. Four hold advanced degrees including one with a PhD.

9.3 Market opportunity and competitive landscape

As technology enables researchers to obtain increasing quantities of genetic information from biospecimens and transforms medicine from curative to pre-emptive, major R&D and commercial development initiatives have been launched across human, animal and agricultural markets to understand, profile, and treat disease. For example, large population-based studies (and associated biorepositories) are being launched across the world to monitor the health status of participants over time and assess the natural occurrence and progression of common diseases. As a result, the Directors believe that biospecimen integrity could represent an important foundation for efforts to achieve advances in biomedical research.

Whilst operational work-arounds currently exist to address certain elements of sample integrity, the Directors believe the market lacks a technology solution capable of matching CryoXtract's potential ability to address the current inventory of over one billion biosamples worldwide and the rapidly accelerating prospective collection of biosamples worldwide.

CryoXtract's frozen aliquotter technology aims to address the lack of easy and reliable access to quality samples that can represent a roadblock to medical research. Increased demand for consistent, high quality sample storage and processing as well as equipment requirements is expected by the Directors to drive demand for CryoXtract's solution.

CryoXtract's current primary focus is the large and growing human biosample market. The target users for the technology are biobanks ranging from large automated facilities to small, manually operated laboratories processing frozen samples (eg. cells, blood, plasma, serum, tissue, DNA, urine, etc.) into aliquots to support bench and clinical trials and research. These include research in biobanks (government, university-based and private), pharma and biotech, commercial repositories and contract research organisations. North America and Europe account for the largest proportion of biobanks.

The Directors are not currently aware of any competitive technologies which provide a comparable solution to that being developed by CryoXtract. In general, biobanks and laboratories either thaw the sample and then aliquot by hand or, more rarely, keep the sample frozen and then attempt to break off a piece of the sample. In either case, the method is a manual one and therefore highly dependent on operator technique, which can put the sample at risk.

9.4 Core technology and product overview

CryoXtract has developed two principal products to date:

- The CXT750 is a fully-automated Frozen Sample Aliquotter directed at large-scale automated access to frozen biofluids. It is specifically designed to enable higher throughput as well as to service a higher volume laboratory or biobank. The CXT750 is a robotic system which keeps a palette of frozen biosamples at -80 degrees Celsius during the coring

process. It is capable of extracting multiple frozen cores repeatedly from a parent sample and performs this delicate operation using its laser targeting system for precise robotic motion control. It is approximately the size of a large refrigerator. This product was developed in conjunction with inventors from Harvard University and Northeastern University. It has a disposable coring probe and a system for self-cleansing using commercially acceptable cleansing solutions. This product was first commercially available in 2012.

- The CXT350 is a semi-automated Frozen Sample Aliquotter directed at smaller-scale semi-automated access to frozen tissue samples as well as frozen biofluids. It is specifically designed to service a lower volume lab or biobank and, like the CXT750, eliminates the freeze/thaw cycle during aliquotting by keeping biosamples frozen. The CXT350 is the size of a large microwave oven and is semi-robotic, enabling some operator interaction. The CXT350 has a proprietary single use disposable coring probe. The Directors anticipate that this system will be CryoXtract's primary product given its lower cost and higher versatility.

The Directors believe that CryoXtract's technology platform might be able to help address the needs of different market segments, applications (i.e. bio-fluids, tissue), budgets, and labour requirements, including:

- stand-alone fully-automated Frozen Sample Aliquotter;
- stand-alone semi-automated benchtop Frozen Sample Aliquotter; and
- integrated automated Frozen Sample Aliquotter (integrated into large, automated sample storage units to offer a "closed-loop system" from storage to assay).

9.5 *Scientific research and product development activity to date*

The company has worked collaboratively with Harvard University and Northeastern University scientists to develop the platform technology of robotically aliquotting while keeping biosamples frozen. The company's research with the inventors led to the evolution of the initial designs for a working prototype system which was subsequently tested for performance and accuracy. The next evolution of the system involved various technology upgrades as well as user interface improvements. The system was also tested to ensure that it was not adversely affecting biosamples as it performed the aliquotting process.

The key milestones in CryoXtract's laboratory-based research, product testing and development to date include:

- In 2008, the company sponsored research at Draper Laboratories for approximately two years that led to the development of an initial prototype. Testing resulted in improvements to the system including a laser targeting system for accurate coring, liquid nitrogen cooling system, proprietary coring probe developments, and chilled sample and destination tube fixtures.
- In late 2012, CryoXtract launched its flagship CXT750 fully-automated Frozen Sample Aliquotter directed at large-scale automated access to frozen biofluids.
- The International Society for Biological and Environmental Repositories presented its 2012 Outstanding New Product Award to CryoXtract for its CXT750 Frozen Sample Aliquotter. The ISBER Outstanding New Product Award, voted by a team of international experts within ISBER, acknowledges innovation in biobanking.
- In May 2013, Harvard University and Northeastern University were awarded a patent, which CryoXtract has exclusively licensed (subject to certain exceptions), related to systems, methods and devices for aliquotting frozen biosamples, a core component of CryoXtract's intellectual property. This patent is jointly owned by Harvard University and Northeastern University. CryoXtract is the worldwide licensee of the patent, which covers CryoXtract's core technology and solutions. Corresponding patent applications have been granted in Canada and are pending in other international markets and the company has filed new US and international patent applications with the aim of enhancing and broadening applications for its core technology.
- In the fourth quarter of 2013, the company launched the CXT350 Frozen Sample Aliquotter that aims to provide for uniform and efficient distribution of frozen tissue and biofluid aliquots.

- In November 2013, a proof-of-concept study by the Cooperative Human Tissue Network Eastern Division at the University of Pennsylvania demonstrated that CryoXtract's CXT350 improved tissue processing workflow and quality-control standards.

CryoXtracts' intellectual property is the subject of multiple awarded patents or patent applications. Corresponding patent applications are pending in other international markets and the company has filed new US and international patent applications directed at key enhancements and broadened applications for its core technology.

Details of CryoXtract's full patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Systems, Methods, And Devices For Frozen Sample Distribution	7	3 granted, 4 pending	President and Fellows of Harvard College; Northeastern University	Licence Status: Exclusive **Jurisdictions**: United States, Canada, Europe, Japan
Apparatus And Methods For Aliquotting Frozen Samples	7	7 pending	President and Fellows of Harvard College; Charles Stark Draper Laboratory	**Licence Status**: Exclusive **Jurisdictions**: United States, Australia, Brazil, Canada, China, Europe, Japan
Robotic End Effector For Frozen Aliquotter And Methods Of Taking A Frozen Aliquot From Biological Samples	2	2 pending	CryoXtract Instruments, LLC	**Jurisdictions**: United States, PCT
Machine Vision System For Frozen Aliquotter For Biological Samples	3	3 pending	CryoXtract Instruments, LLC	**Jurisdictions**: United States, PCT
Apparatus And Methods For Aliquotting Frozen Samples	2	2 pending	CryoXtract Instruments, LLC	**Jurisdictions**: United States, PCT
Targeting Systems And Methods For Frozen Aliquotter For Biological Samples	2	2 pending	CryoXtract Instruments, LLC	**Jurisdictions**: United States, PCT

The license arrangements between CryoXtract and The President and Fellows of Harvard College are exclusive, subject to certain exceptions. For details of the license agreement, please see paragraph 13.4.1 of Part XVI (*Additional Information*) of this Prospectus.

9.6 Business plan and commercialisation strategy

In 2013, CryoXtract developed initial sales and marketing capabilities to market its products and has recently augmented these capabilities through a network of distributors across some of the largest biobanking markets worldwide. The company aims to continue to improve its sales and market position through existing and new partnerships to extend its reach in the US and globally. CryoXtract is also considering licensing its technology to manufacturers of frozen sample management systems and manufacturers of laboratory automation tools. Typically, economic considerations would include co-development and milestone payments during integration of the technology into the licensee's products and license/royalty payments in conjunction with product sales following product introduction.

CryoXtract aims to generate sales, expand its distribution network, reduce the costs of its products with increasing volumes, and expand its product portfolio over time. The company aims to position itself to drive awareness and adoption of its first two systems which, in time, is anticipated to gradually increase the adoption and use of its disposable coring probes as the market develops.

9.7 Financing, financial information and valuation

Since its inception in 2008, to 31 December 2013 CryoXtract had received investment funding of $9.1 million in aggregate from Allied Minds and $0.8 million in bank loans. A significant proportion of capital invested to date has been applied directly to laboratory based research and development activity to progress CryoXtract's technology towards commercialisation. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had a 93.24 per cent. ownership interest in CryoXtract, with the other principal shareholders being Harvard University and Northeastern University.

In the financial year ending 31 December 2013, CryoXtract generated $0.7 million of revenues and incurred $4.0 million in total expenses in support of its corporate initiatives.

As of 31 December 2013, CryoXtract had an Ownership Adjusted Value of $16.5 million.

10. SoundCure, Inc.

10.1 Overview and Background

SoundCure, Inc. ("**SoundCure**") is a consumer medical device company with a core technology based on neuroscience, invented by leading university researchers at the University of California Irvine ("**UC Irvine**") to treat tinnitus with acoustic therapy. SoundCure has developed an acoustic therapy branded as S-Tones®. S-Tones® are temporally patterned sounds which are customised specifically for each patient's unique tinnitus, generating neural activity which researchers consider may suppress tinnitus. S-Tones® are designed to be softer than the patient's perceived tinnitus, lowering the patient's "sound burden" and not simply replacing it. It is hoped that patients may experience acute relief and long-term relief through an on-going sound therapy programme called habituation. A study funded by SoundCure and carried out at UC Irvine found that amplitude-modulated high-frequency tones were four times more likely to produce tinnitus suppression, compared to white noise. S-Tones® operate using amplitude modulated tones and a recent Company sponsored study has found similar findings to the research at UC Irvine. The Directors believe that this study demonstrates that S-Tones® are a more effective tool than traditional broadband noise maskers at reducing tinnitus perception, and are therefore likely to be beneficial to a greater segment of the population. This study has been submitted for publication in a peer-reviewed journal.

SoundCure was created in June 2009 in partnership with UC Irvine. SoundCure operates from its headquarters in San Jose, CA.

10.2 Expertise and experience of key technical personnel and management

SoundCure is led by an experienced management team headed by CEO Bill Perry who has over 20 years of experience in start-up medical device companies, including Prosurgics, Inc., Nanomix, Inc., VNUS Medical Technologies, Inc. and EndoVasix, Inc. Mr. Perry holds an MIM from the Thunderbird School of Management and a BS from Georgetown University.

Jeff Carroll, Ph.D., is an inventor of SoundCure's core patent and founder and first Director of the UCI Medical Center Tinnitus Clinic. Dr. Carroll holds a PhD in Biomedical Engineering from the UC Irvine and a BS in Bioengineering from the University of California, San Diego.

Barbara Cromarty, Director of Marketing, has over 20 years of experience in venture backed medical start-ups and other areas, and other members of the management team include Dana Lee in Quality and Nancy Lince in Regulatory. The company has a clinical support and field sales team, led by Beth Burlage, Au.D., who received her Doctor of Audiology from University of Cincinnati, and Megan Stout, Au.D., who received her Doctor of Audiology from Nova Southeastern University.

In total, SoundCure has a team of 19 employees and consultants, of whom five are directly involved in the company's scientific research and product development activities. Nine hold advanced degrees and one has a PhD.

10.3 Market opportunity and competitive landscape

An estimated 50 million Americans (approximately 16 per cent. of the population of the US) experience tinnitus to some degree. For nearly a third of this number, this condition is sufficiently bothersome that they seek medical advice. Approximately two million Americans experience tinnitus as a life-altering, disabling condition. Tinnitus can be suffered by military personnel.

Temporally patterned sounds, such as S-Tones®, have been shown to provide relief for patients at volumes below the patient's tinnitus perception and quieter than traditional maskers. S-Tones® are designed to be used "in the background" through passive listening, allowing other activities to be more easily conducted while engaging in sound therapy. S-Tones® are customised to each patients' unique tinnitus and according to researchers they provide sustained neural activity that may suppress or inhibit a patient's tinnitus perception. This is a sizeable market with a number of alternative products. It will therefore be key to establish the benefits and credibility of S-Tones®. S-Tones have been shown in studies sponsored by SoundCure to be effective in reducing tinnitus perception when compared to traditional broadband noise maskers. The Directors believe there is currently no known drug or medication that has been clinically shown to eliminate tinnitus.

10.4 Core technology and product overview

SoundCure's first product is an FDA 510(k) cleared and CE Marked medical device in a handheld configuration called Serenade® incorporating customised tracks of sound therapy including S-Tones®.

The Serenade® device delivers S-Tones®, which are novel, temporally patterned sounds customised to each individual's tinnitus. Serenade® consists of multiple tracks of soft treatment sounds which the Directors believe are a more effective tool than traditional broadband noise maskers at reducing tinnitus acutely. An audiologist uses SoundCure's software to evaluate a patient's tinnitus and create the sounds most likely to be effective. The three types of sounds are S-Tones®, custom narrowband stimuli, and broadband sounds. Of these, the narrowband and broadband stimuli represent traditional, established approaches. The Serenade® today is small, portable and is used intermittently during the day at the patient's discretion as discussed with a specialist. The device has traditional ear buds that connect to the handheld device. The system is also rechargeable. The platform technology as well as the S-Tones® could potentially be easily migrated to other digital platforms such as hearing aids.

10.5 Scientific research and product development activity to date

SoundCure has developed S-Tones® in collaboration with the UC Irvine. The concept originated from basic science research and discovery in the area of auditory deficits by a professor at UC Irvine. The key milestones in SoundCure's laboratory based research, product testing and development to date include:

- Working in collaboration with the researchers and inventors at UC Irvine, the company developed and commercialised a first product, the Serenade®.
- SoundCure received FDA Clearance and CE Mark in 2011 for its first product, the Serenade® handheld device, which was formally launched in the US in the spring of 2012.
- In 2011, UC Irvine found that amplitude-modulated high-frequency tones were four times more likely to produce tinnitus suppression, compared to white noise. S-Tones® operate using amplitude modulated tones.
- SoundCure has filed several patents and had its first core patent issued in the first quarter of 2013.
- SoundCure has established a network of over 500 independent providers to date to promote and sell Serenade® devices.
- SoundCure has received a contract from the US Veterans Administration to purchase Serenade® devices.
- SoundCure has achieved ISO 13485 quality certification.

Alongside SoundCure's research and product development activities to date, the company has submitted patent applications addressing its principal technology areas. Details of SoundCure's full patent estate are set out below.

Patent Family	Number of Filings	Status	Patent Holder	Comments
Devices and Methods for Suppression of Tinnitus	7	3 granted, 4 pending	The Regents Of The University Of California	**Licence Status**: Exclusive **Jurisdictions**: United States, Australia, Canada, China, Europe, Japan
System and Method for Evaluating Tinnitus Hypermonitoring	1	1 pending	SoundCure, Inc	**Jurisdictions**: PCT
Devices and Methods for Suppressing Tinnitus	1	1 pending	SoundCure, Inc	**Jurisdictions**: PCT
Apparatus and Methods for Matching of Tinnitus	1	1 pending	The Regents Of The University Of California	**Licence Status**: Exclusive **Jurisdictions**: United States

The license arrangements between SoundCure and The Regents of the University of California are exclusive, subject to certain exceptions. For details of the license agreement, please see paragraph 13.10.1 of Part XVI (*Additional Information*) of this Prospectus.

10.6 Business plan and commercialisation strategy

SoundCure's business model is focused on the provision of devices to hearing healthcare providers who then prescribe and resell the device to patients. SoundCure currently offers its product in the US and UK through a network of audiologist practices and a modified direct-to-patient model.

SoundCure intends to apply the principles of the Serenade® model to expand its product family to include devices with amplification, devices without amplification that are worn behind the ear, and a telemedicine product that allows the programing of a device remotely. Some of these activities may be pursued with partners, and some may be undertaken internally or through contract development firms.

Further development of additional sales channels with a more direct approach to patients is being pursued with partnered hearing health care providers, some with a tele-medicine approach or a ''refer and fit'' model. The key elements of the strategy involve providing customised technology combined with a complete clinical approach to tinnitus management through a variety of sales channels. Ultimately, the company aims to sell products directly to patients through hearing healthcare provider partners and to programme or customise these products over the internet.

The company aims to develop various partnerships in order to migrate the S-Tones® technology onto various digital platforms to expand its adoption. The intention is to migrate the platform technology onto hearing aids, which is expected to generate royalty revenue and to broaden the worldwide adoption of S-Tones®.

SoundCure's principal milestones in the next two years include:

- FDA clearance to programme and customise S-Tones® via the internet for direct-to-patient sales with hearing healthcare provider partners;
- Generation of hearing aid partnerships for expanded distribution;
- Expansion of the SoundCure patent portfolio; and
- Expansion of its partner direct-to-patient sales channel.

10.7 Financing, financial information and valuation

Since its inception in 2009, to 31 December 2013 SoundCure had received investment of $13.4 million in aggregate from Allied Minds. A proportion of capital invested to date has been applied directly to research and development activity including clinical testing. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds had a 84.62 per cent. ownership interest in SoundCure, with the other principal shareholders being the principal inventors and University of California.

In 2013, revenue was $0.3 million of handheld unit sales, with total expenditures of $5.0 million.

As of 31 December 2013, SoundCure had an Ownership Adjusted Value of $14.3 million.

Other subsidiary companies

The Directors believe that the remaining eight subsidiary companies in the Allied Minds portfolio represent approximately 15 per cent. of the total Group Subsidiary Ownership Adjusted Value. These subsidiaries include vehicles for the early-stage technical derisking and incubation of potentially transformative technologies in the medical device and cyber security spaces, along with businesses pursuing innovations in internet protocol and mobile wireless communications. The companies listed here are all categorised by the Company as Early Stage businesses.

11. Allied Minds Devices

Allied Minds Devices aims to develop commercially viable medical device products. The company aims to license early-stage breakthrough technologies from US universities and federally funded research institutions to create medical devices, healthcare, IT, or mobile applications that address significant unmet needs. Allied Minds Devices currently has two technologies at the development stage. The first is a point of care electronic medical training and procedural guidance tool, InstrucOR™, under development with Dr. Peter Rosenblatt of Harvard Medical School. The second technology is a stress reporter mouse model for use in testing of medications under development with McLean Hospital.

12. Allied Minds Federal Innovations, Inc.

Allied Minds Federal Innovations ("**AMFI**") was created as a vehicle designed specifically to commercialise US federal laboratory inventions, via PPPs with a number of US federal research institutions. For details of certain agreements entered into by AMFI, please see paragraph 13.1 of Part XVI (*Additional Information*) of this Prospectus. The company represents the first PPP formed between the US Department of Defense and a US technology commercialisation firm dedicated to bringing government inventions to market. AMFI has a team of six employees, all of whom have advanced degrees. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, four companies have been created from federally sourced intellectual property, these are: Broadcast Routing Fountains; Federated Wireless; Foreland Technologies; and Percipient Networks each described further below.

13. Biotectix

Biotectix aims to develop a new class of conductive polymer materials and coatings for implantable medical devices and sensors as well as other markets. The company's technology seeks to address key limitations faced by the medical device industry including foreign body reactions, surgical invasiveness, component stability, and long-term electrical performance in vivo. The Directors believe that this technology has the potential to offer key benefits such as improved electrical performance, biocompatibility and tissue response. Biotectix has a team of eight employees including six with advanced degrees of which two have PhDs. The core technology underlying Biotectix was sourced from the University of Michigan. For details of the agreement with the University of Michigan, please see paragraph 13.2.2 of Part XVI (*Additional Information*) of this Prospectus.

14. Broadcast Routing Fountains

Broadcast Routing Fountains ("**BRF**") is developing an internet infrastructure technology that supplements the border gateway protocol with a view to improving the way networks communicate. With its network architecture, BRF seeks to provide networks with scalability, speed and security. BRF is in a development stage and originated from The Aerospace Corporation, a national security space-focused federally funded research and development centre. BRF has one principal researcher who holds a PhD.

15. Federated Wireless

Federated Wireless is developing spectrum access system technology and products with the goal of improving spectrum utilisation. The company is actively promoting key aspects of its architecture with the Federal Communications Commission for inclusion in the first fast track band, while identifying strategic partners to work with it in the development and demonstration of its management technologies. Federated Wireless is in a development stage. Federated Wireless has a team of 15 employees including 10 with advanced degrees of which six have PhDs. The core technologies underlying Federated Wireless were sourced from Virginia Polytechnic Institute, The Aerospace Corporation and the Naval Surface Warfare Center Crane Division.

16. Foreland Technologies

Foreland Technologies was created as a platform company for the discovery, incubation and commercialisation of cyber security related intellectual property, leveraging AMFI's access to technical innovation within Allied Minds' partner network. The company focuses on the following areas: large scale data management; infusion and analytics; information provenance and integrity; native IPv6 security technologies; forensics and attribution automation; geo-location and data tagging / tracking; self-configuring and self-optimising autonomous systems; cloud computing and virtualisation security; active defence and cyber exploitation; cyber security and information assurance and testing evaluation; and secure data storage. Foreland Technologies has one principal researcher with a PhD. The core technologies underlying Foreland Technology include several in due diligence, sourced from Los Alamos National Laboratories, Oak Ridge National Laboratories, the MITRE Corporation, The Department of Homeland Security and the Worcester Polytechnic Institute.

17. LuxCath

LuxCath is developing a catheter based real-time visualisation tool for use during cardiac ablation procedures to ensure electrophysiologists are treating the right parts of the heart in atrial fibrillation patients effectively. LuxCath seeks to significantly improve the speed of ablation procedures and outcomes.

Atrial fibrillation is a commonly occurring cardiac arrhythmia or irregular heartbeat and leads to an increased risk of stroke, affecting approximately 2.5 million people in the US alone. Atrial fibrillation catheter ablation is a minimally invasive procedure used to disconnect electrical pathway and restore normal heartbeat and is expected to be one of the fastest growing catheter-based cardiac procedures in Europe in the next 5-10 years. The LuxCath technology is based on discoveries by cardiologist Dr. Marco Mercader and colleagues at George Washington University.

18. Percipient Networks

Percipient Networks is developing cyber security technology to give network defenders more options against advanced threats. The company uses automated threat interdiction capabilities, advanced remediation techniques, and shared intelligence platforms as the foundational building blocks upon which the company is developing its solution for enterprise network defence. Percipient Networks is currently in development stage on its first enterprise focused cybersecurity technology. The company's first technology brought to market is STRONGARM, an intelligent domain name server black-holing capability that automates precise malware identification and remediation on proprietary networks. The core technology underlying Percipient was sourced from the MITRE Corporation. Percipient Networks has two principal researchers, both malware analysts at MITRE Corporation.

A number of the Group's subsidiary businesses have very limited operating histories, which makes the evaluation of the Group's overall business and prospects more challenging than for companies at a more mature stage in their overall development. The risks and difficulties frequently encountered by early-stage companies in new and rapidly evolving markets should be considered. See ''Risks relating to the Group's businesses'' in Part II (*Risk Factors*) of this Prospectus.

PART IX – DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

1. DIRECTORS

The following table lists the names, positions and ages of the Directors:

Name	Age	Position
Mark Pritchard	52	Executive Chairman
Christopher Silva	52	CEO
Peter Dolan	58	Senior Independent Non-Executive Director
Jeffrey Rohr	64	Independent Non-Executive Director
Rick Davis	56	Independent Non-Executive Director

2. SENIOR MANAGERS

The following table lists the names, positions and ages of the Senior Managers:

Name	Age	Position
Marc Eichenberger	53	Chief Operating Officer
Michael Turner	47	General Counsel
Omar Amirana	49	Senior Vice President, Life Sciences
Sam Milenkov	36	Director of Finance

3. CORPORATE GOVERNANCE

3.1 UK Corporate Governance Code

3.1.1 The Board is committed to the highest standards of corporate governance. Save as set out in the paragraph below, as of the date of this Prospectus, and on and following Admission, save for the matters set out below, the Board intends to comply with the requirements of the UK Corporate Governance Code published in September 2012 by the Financial Reporting Council (the "**UK Corporate Governance Code**"). The Company will report to its Shareholders on its compliance with the UK Corporate Governance Code in accordance with the Listing Rules.

3.1.2 The UK Corporate Governance Code recommends that, on appointment, the chairman of a company with a premium listing on the Official List should meet the independence criteria set out in the UK Corporate Governance Code. The Chairman is Mark Pritchard, the founder of Allied Minds. Mark Pritchard does not meet the independence criteria set out in the UK Corporate Governance Code and accordingly the Company does not comply with the UK Governance Code in this regard. Mark agreed to act as Chairman for the purposes of the Offer and Admission. The Company is currently seeking to appoint a non-executive Chairman who will be independent on appointment. The Company expects to make an appointment as soon as practicable, and in any event within the next 12 months.

3.1.3 The UK Corporate Governance Code recommends that at least half the board of directors of a UK listed company, excluding the chairman, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, the Board includes three independent non-executive Directors. The non-executive directors have been awarded shares in the Company under a restricted share agreement. For further details please see paragraph 6.5.1 of Part XVI (*Additional Information*) of this Prospectus. One non-executive Director is a Selling Shareholder, for further details please see paragraph 7.3 of Part XVI (*Additional Information*) of this Prospectus. The restricted share awards are not related to performance and the Board has determined each of the non-executive directors to be independent for the purposes of the UK Governance Code, notwithstanding their interest in shares of the Company and participation as a Selling Shareholder. The Board considers that the Company is therefore compliant with the UK Corporate Governance Code in this regard.

3.1.4 The UK Corporate Governance Code recommends that the board of directors of a company with a premium listing on the Official List should appoint one of the non-executive directors to be the senior independent Director to provide a sounding board for the chairman and to serve as an intermediary for the other directors when necessary. The Senior Independent Director should be available to shareholders if they have concerns which contact through the normal channels of the CEO has failed to resolve or for which such contact is inappropriate. Peter Dolan has been appointed as Senior Independent Director.

3.1.5 As envisaged by the UK Corporate Governance Code, the Board has established three committees: an audit committee, a nomination committee and a remuneration committee. If the need should arise, the Board may set up additional committees as appropriate.

3.2 **Audit Committee**

3.2.1 The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to internal and external audits and controls, including reviewing the Group's annual financial statements, considering the scope of the annual audit and the extent of the non audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal control systems in place within the Group. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit Committee will give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules. The Audit Committee will normally meet not less than three times a year.

3.2.2 The UK Corporate Governance Code recommends that an audit committee should comprise at least three members who are independent non-executive directors, and that at least one member should have recent and relevant financial experience. The Audit Committee will be chaired by Jeffrey Rohr, and its other members will be Peter Dolan and Rick Davis in compliance with the UK Corporate Governance Code. The Directors consider that Jeffrey Rohr has recent and relevant financial experience in accordance with the requirements of the UK Corporate Governance Code.

3.2.3 From Admission, the Audit Committee chairman will be available at annual general meetings of the Company to respond to questions from Shareholders on the activities of the Audit Committee.

3.2.4 The Audit Committee has taken appropriate steps to ensure that the Company's Auditors are independent of the Company and obtained written confirmation from the Company's Auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

3.3 **Nomination Committee**

3.3.1 The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise.

3.3.2 The Nomination Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, retirements and appointments of additional and replacement directors and committee members and will make appropriate recommendations to the Board on such matters.

3.3.3 The UK Corporate Governance Code recommends that a majority of the members of a nomination committee should be independent non-executive directors. The Nomination Committee is chaired by Peter Dolan and its other members will be Jeffrey Rohr and Rick Davis in compliance with the UK Corporate Governance Code. The Nomination Committee will meet not less than once a year.

3.4 **Remuneration Committee**

3.4.1 The Remuneration Committee recommends what policy the Company should adopt on executive remuneration, determines the levels of remuneration for each of the Executive Directors and recommends and monitors the remuneration of members of senior

management. The Remuneration Committee will also generate an annual remuneration report to be approved by the shareholders of the Company at the annual general meeting. The Remuneration Committee will normally meet not less than twice a year.

3.4.2 The UK Corporate Governance Code recommends that all members of the Remuneration Committee be non-executive directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement. The Remuneration Committee is chaired by Rick Davis and its other members are Peter Dolan and Jeffrey Rohr in compliance with the UK Corporate Governance Code. The Remuneration Committee will meet not less than twice a year.

3.5 **Model Code**

From Admission, the Company shall require the Directors and other persons discharging managerial responsibilities within the Group to comply with the Model Code as published in the Listing Rules, and shall take all proper and reasonable steps to secure their compliance. Such steps shall include the introduction of a code for dealing in securities applicable to relevant individuals and the monitoring of such individuals' compliance with that code.

3.6 **Relationship with Controlling Shareholder**

For information about the Company's relationship with Invesco, see paragraph 10 (*Relationship with Controlling Shareholder*) of Part XVI (*Additional Information*) of this Prospectus.

PART X – OPERATING AND FINANCIAL REVIEW

The section that follows should be read in conjunction with Part VII (Information on the Company and the Group), Part VIII (Information on the Group's businesses and products), and Part XII (Historical Financial Information) of this Prospectus. Prospective investors should read the entire document and not just rely on the summary information set out below. The financial information considered in this Part X is extracted from the information set out in Part XII (Historical financial information) of this Prospectus. The consolidated financial statements referred to in this discussion have been prepared in accordance with IFRS.

1. INTRODUCTION

Some of the information contained in this review and elsewhere in this Prospectus includes forward-looking statements that involve risks and uncertainties. See "*General*" in Part III (*Important Information*) of this Prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this Prospectus.

This review should be read in conjunction with: (i) the Group's audited historical financial information for the three years ended 31 December 2013; and (ii) the notes thereto explaining such historical financial information, which are presented elsewhere in this Prospectus as explained in Part XII *(Historical Financial Information*) of this Prospectus.

Unless otherwise indicated, the selected financial information included in this Part X has been extracted without material adjustment from the Group's audited annual report and accounts for the three years ended 31 December 2013. The financial information set out in this Part X does not constitute statutory accounts for any company within the meaning of section 435 of the Companies Act.

Each Shareholder and other person contemplating a purchase of New Shares should read the whole of this Prospectus and the documents incorporated herein by reference and should not rely solely on the summary operating and financial information set out in this Part X.

2. SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS AND OUTLOOK

2.1 Overview

As described in further detail in Part VII (*Information on the Company and the Group*) of this Prospectus, Allied Minds, Inc. (now Allied Minds, LLC), now a wholly owned subsidiary of the Company, commenced operations in 2006 to invest in US scientific innovation developed at some of the country's leading universities. Allied Minds' business model is to form, fund, manage and build companies to undertake research and product development and commercialise scientific research and innovations emerging from universities in the United States and, more recently US federal research institutions and laboratories. In so doing, Allied Minds actively participates in the development and growth of such companies. Allied Minds' strategy is to build a significant diversified group of subsidiary companies and achieve strong growth over the medium to long term through the maturation of its products through the commercialisation cycle.

Success of the Group's operations depend on certain factors as set out below in this Part X, which the Directors consider have affected the Group's results of operations to date or could do so in the future.

2.2 Commercialisation activities

2.2.1 Sourcing and evaluation of new business opportunities

One of the core advantages of the Group's business model is its access to intellectual property and its relationships with established US research universities and US Government research laboratories.

For the three year period ended 31 December 2013, the Group has created nine subsidiary companies, through which Allied Minds accesses intellectual property from new and established relationships with leading research institutions throughout the US. In 2012, AMFI was created as a wholly owned subsidiary of Allied Minds as an innovative investment vehicle designed to commercialise US federal laboratory inventions via PPPs with a number of US federal research institutions.

The Group has established a focused business model designed to form, fund, manage and build start-up companies from very early stage to commercialisation. The Directors believe this model will enable Allied Minds to further expand and diversify its business portfolio in a disciplined manner.

As set out in Part VII ("*Information on the Company and the Group*") of this Prospectus, one of Allied Minds' KPIs is the number of subsidiary businesses within the Group at any point in time. The table below sets out the movement in the number of subsidiary businesses over the three years ended 31 December 2013.

	Year ended 31 December 2011	Year ended 31 December 2012	Year ended 31 December 2013
Number of subsidiary businesses as at 1 January	15	13	19
New subsidiary businesses formed	1	6	2
Subsidiary businesses closed	3	nil	3
Number of subsidiary businesses as at 31 December	13	19	18

2.2.2 **Performance of Allied Minds' subsidiary businesses**

The Group's results are impacted significantly by the performance of its subsidiary businesses in particular the progress towards successful development and commercialisation of the technologies within those businesses. Progress in the Group's portfolio of businesses can be assessed with reference to the Group's success in 'graduating' its subsidiary businesses through the development and commercialisation lifecycle. For management purposes, the Group's principal operations are currently organised in two operating segments, which are reportable segments:

(i) *Early Stage:* subsidiary businesses that are in the early stage of their lifecycle characterised by incubation, research and development activities; and

(ii) *Commercial:* subsidiary businesses that have substantially completed their research and development activities, and that have developed one or more products that are actively marketed.

As set out in Part VII ("*Information on the Company and the Group*") of this Prospectus, the Directors have identified the Group's progress in 'graduating' subsidiaries to the next development level as a KPI for the overall business. The table below sets out the movement in the number of subsidiary businesses in each of the lifecycle categories over the three years ended 31 December 2013.

	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013
Early stage companies	13	18	15
Commercial stage companies	nil	1	3
Total companies	13	19	18

As compared with 2011, during 2012 the Company created six new subsidiary companies. In that period, RF Biocidics evolved from early to commercial stage as the Directors determined that the company had matured satisfactorily, had recorded initial sales and had the potential for recurring revenues from its two product lines. Reflecting these impacts, the total subsidiary portfolio grew to 19 at the end of 2012.

During 2013, the Company terminated three early stage subsidiaries, created two new companies and two companies advanced from early to commercial stage. CryoXtract reached commercial stage based on two products that earned $0.7 million of revenue in 2013. SoundCure also completed its first full year of revenue with its FDA-cleared medical device product with potential to market its product and sustain recurring sales. The net impact of all these changes is that the total number of subsidiaries held by the Group was reduced to 18 as at 31 December 2013.

At present, Allied Minds has a controlling ownership in all of its subsidiaries and hence their operations are fully consolidated in the Group accounts. Because of this, and given the Company's limited revenue generation, the Directors believe that the Group's consolidated financial statements do not currently provide a meaningful standalone basis for assessing the value or performance of Allied Minds subsidiary businesses. The Directors believe that the performance of the Company can be assessed by reference to the movement in the fair value of its subsidiaries over time. Accordingly, as set out in Part VII ("*Information on the Company and the Group*") of this Prospectus, the Group Subsidiary Ownership Adjusted Value has been identified as a KPI and the Board intends to continue to provide this voluntary, supplemental disclosure on an ongoing basis.

Over the longer term, the Directors believe that the successful achievement of technical and commercial milestones in Allied Minds' subsidiary businesses should result in an increase in the Group Subsidiary Ownership Adjusted Value to be demonstrated through subsequent financing rounds, revenue and cash flow expansion, or asset growth.

2.3 **Operating results**

2.3.1 **Operating revenues**

The operating revenues of the Group for the three year period ended 31 December 2013 comprise the following:

i. Product revenue

The Group's product revenue for the three year period ended 31 December 2013 mainly comprises recurring revenues at three of the Group's subsidiary companies:

- RF Biocidics has completed initial development and is in the market through two complementary business models. RF Biocidics provides its equipment through sales or leases to customers which prefer to process their foods in-house. Its technology disinfects food from insects and pathogens through a process that does not use chemicals and is organic. RF Biocidics also provides treatment services in California for customers who prefer to ship their commodities to the company;
- CryoXtract has two product lines offering solutions to aliquot frozen bio fluid and tissue samples without exposing them to damaging freeze/thaw cycles. CryoXtract has completed its first generation products and in 2013 recognised sales of its system to bio-banks and bio-repositories; and
- SoundCure has developed an FDA-approved consumer medical device for tinnitus therapy offering customised acoustic technology to adults that suffer from this often debilitating condition. SoundCure currently offers its product in the US and the UK through a network of audiologist practices and a modified direct-to-patient model.

ii. Service revenue

The Group's service revenue stream mainly comprises the treatment services at RF Biocidics as discussed above. Additional service revenues are recorded in a number of other group subsidiaries from various research and development activities mainly in effort to confirm technological and commercial viability of the underlying technology.

iii. Grant revenue

The Group has received government grants for the three year period ended 31 December 2013 mainly in the form of reimbursement of qualified research and development expenses. Such grants are generally provided through various federal, state, and local programmes aimed to incentivise research and development activities in certain geographic and industry areas.

2.3.2 **Operating expenses**

i. Personnel costs

A significant proportion of the Group's operating expenses comprises costs related to the remuneration of staff and directors. Personnel costs included salaries, bonuses, and taxes thereon; additional health and other benefits; as well as accounting charges for share-based compensation issued by the Group. The factors affecting the overall

personnel cost are the number of subsidiaries within the Group, the number of employees therein, the competitive environment in the various geographic areas the Group operates in, and the mix of remuneration across the Group's various organisation levels.

Personnel costs increased over the three years to 31 December 2013 largely due to the factors described above from the creation of new subsidiaries and as a result of the growth of operations of the existing companies in the portfolio. As the scale and stage of the Group's activities continue to develop, the Directors anticipate that the personnel costs will continue to increase in order for the Group to support its activities and maintain competitive advantage.

ii. Other operating expenses

Other operating expenses primarily consist of:

- general and administrative expenses in the form of professional and legal fees to support business development efforts of the Group, facility costs for the various subsidiary locations, office administration costs, travel, selling and marketing expenses. The level of such expenses is generally consistent with the increase in personnel costs and has steadily increased over the past three years with the growth of the Group's operations;
- research and development expenses mainly in the form of the cost of contractors and other research organisations engaged in lieu of ramping up a permanent staff force to support the research and development activities of the subsidiaries. The Group aims to maintain an efficient hiring structure whereby a fair amount of the research and development work is outsourced until certain levels of feasibility are reached and there is a rationale to expand in permanent hires. Other research and development expenses include legal costs associated with the development and protection of intellectual property, facility costs for a number of research facilities, supplies and disposables.

2.3.3 **Taxation**

Due to the overall Group losses being sustained since inception and in the three year period ended 31 December 2013, no corporate tax liability has arisen during any of the most recent three financial periods. In each of the three years ended 31 December 2011, 2012, and 2013 the Group has received research and development tax credits as a result of the activities carried out at its subsidiaries. Should the Group be in a position to have taxable profits in the future, the current unrecognised deferred tax asset would be recovered if the underlying temporary differences and/or unused tax losses could be deducted from such profits.

3. FINANCIAL REVIEW, RESULTS OF OPERATIONS AND KEY PERFORMANCE INDICATORS

The key information that sets out the Group's key performance indicators for the years ended 31 December 2011, 2012 and 2013 can be found in Part VII ("*Information on the Company and the Group*") of this Prospectus.

Results of operations

The table below sets forth the Company's consolidated statement of comprehensive loss for the periods indicated:

	For the year ended 31 December		
	2011	**2012**	**2013**
	$'000	**$'000**	**$'000**
Continuing operations			
Revenue	425	1,181	2,936
Operating expenses	(23,084)	(35,777)	(45,503)
Operating loss	(22,659)	(34,596)	(42,567)
Finance income/(cost), net	85	185	(140)
Loss before tax	(22,574)	(34,411)	(42,707)
Income taxes	—	—	—
Loss for the year	(22,574)	(34,411)	(42,707)
Other comprehensive income, net of tax	—	53	35
Total comprehensive loss	(22,574)	(34,358)	(42,672)
Loss attributable to:			
Owners of the Company	(18,543)	(27,226)	(34,501)
Non-controlling interests	(4,031)	(7,185)	(8,206)
	(22,574)	(34,411)	(42,707)
Total comprehensive loss attributable to:			
Owners of the Company	(18,543)	(27,173)	(34,466)
Non-controlling interests	(4,031)	(7,185)	(8,206)
	(22,574)	(34,358)	(42,672)

Revenue

Revenue increased by $1.7 million, to $2.9 million in the year ended 31 December 2013 from $1.2 million in the year ended 31 December 2012. This increase is mainly attributable to the product revenue at RF Biocidics which delivered two of its Sentinel systems at the end of 2013, as well as the first year of sales at CryoXtract of its CXT750 and CXT350 systems. The remaining balance reflected non-recurring revenue in the early stage companies segment in the amount of approximately $0.5 million in 2013.

Revenue increased by $0.8 million, to $1.2 million in the year ended 31 December 2012 from $0.4 million in the year ended 31 December 2011. This increase is due primarily to the introduction of the treatment service line of revenue at RF Biocidics as well as some non-recurring service revenue at a number of other subsidiaries mainly serving as proof of feasibility of their underlying technologies. The remaining balance reflected non-recurring revenue in the early stage companies segment was approximately $0.3 million and $0.4 million in 2011 and 2012, respectively.

The Group records revenue when the criteria for its recognition under IFRS are met, which may be prior to the time the Group receives the relevant payment. In such cases, the Group records a receivable on its balance sheet, the amount of which may be at a high level in comparison with the Group's revenue for the relevant period. Thus, at 31 December 2013, the Company had recorded customer receivables in the amount of $2.4 million, which mainly related to the sale of units by RF Biocidics. These sales comprised a substantial proportion of the Group's total revenue in 2013.

Conversely, the Group also occasionally receives cash payments from customers prior to the time it is entitled to recognise such payments as revenue. The Group reports such amounts as deferred revenue on its balance sheet pending their recognition as revenue. The amount of such deferred revenue on the Group's balance sheet at 31 December 2013 was $2.8 million.

Operating expenses

*Selling, general and administrative ("**SG&A**") expenses*

SG&A expenses increased by $5.5 million, to $27.5 million for the year ended 31 December 2013 from $22.0 million for the year ended 31 December 2012. The increase is attributed to the overall growth of the group, with six new subsidiaries created in the later part of 2012 and increasing their full scale of operations in 2013. Two more subsidiaries were created at the beginning of 2013.

Specifically, the increase in SG&A expenses in 2013 can be attributed to:

- Personnel costs, which is the main component of SG&A expenses in 2013 increased by $2.4 million, to $14.9 million in the year ended 31 December 2013 from $12.5 million in the year ended 31 December 2012, mainly reflecting the increase in average SG&A headcount increase in 2013 compared to 2012 as well as the overall increase in compensation rates for the year;
- Increase in facility costs with more of the Group's subsidiary operations growing, adding headcount, and requiring separate facilities. Those costs increased by $0.8 million, to $2.8 million in 2013 from $2.0 million in 2012;
- Increase in depreciation, amortisation, and impairment charges by $1.4 million, to $2.8 million in 2013 from $1.4 million in 2012, primarily reflecting the growth in capital equipment purchases to support subsidiary development efforts and impairment of assets from the closing of three subsidiaries in 2013;
- Increase in other categories of SG&A expenses, such as travel, selling and marketing, other administrative expenses.

SG&A expenses increased by $7.0 million, to $22.0 million for the year ended 31 December 2012 from $15.0 million for the year ended 31 December 2011, mainly attributed to:

- Increase in personnel cost by $3.2 million, to $12.5 million in 2012 from $9.3 million in 2011, reflecting the increase in average SG&A headcount in 2012 compared to 2011;
- Increase in cost of professional services, such as legal and business development consulting by $1.4 million, to $3.0 million in 2012 from $1.6 million in 2011, reflecting the need to support the growth of the business;
- Increase in facility costs with more of the Group's subsidiary operations growing, adding headcount, and requiring separate facilities. Those costs increased by $1.3 million, to $2.0 million in 2012 from $0.7 million in 2011;
- General increase in other SG&A expenses, such as travel, selling and marketing, other administrative expenses.

At the reporting segment level, on a comparable basis, SG&A expense of early stage companies increased from $2.6 million in 2011 to $5.4 million and $10.1 million for the years ended 31 December 2012, and 2013, respectively, reflecting the growth in operations across the segment and the effect of certain subsidiaries evolving to have their own management teams. SG&A expense of commercial stage companies increased from $4.9 million in 2011 to $9.2 million and $9.3 million in 2012 and 2013, respectively, as those subsidiaries reached a commercial level of operations and increased their sales and marketing and executive management resources accordingly.

The remaining SG&A expenses increased to $8.1 million in 2013, from $7.4 million in 2011 and $7.5 million in 2012, reflecting the overhead costs of the corporate office at Allied Minds, Inc. (now Allied Minds, LLC). The main component of that cost was personnel related expenses of $5.9 million in 2013, which remained relatively consistent compared to $6.0 million in 2011 and $6.3 million in 2012, of which charges in respect of share-based payments were $2.5 million in 2013, compared to $3.4 million in 2011 and $3.1 million in 2012.

Research and development (R&D) expenses

R&D expenses increased by $3.4 million, to $15.7 million for the year ended 31 December 2013 from $12.3 million for the year ended 31 December 2012. The increase is attributed to the overall growth of the group's research and development activities, as noted above, reflecting the creation of six new subsidiaries in the later part of 2012 and increasing their full scale of R&D activities in 2013. Two new subsidiaries were created at the beginning of 2013.

The increase in R&D expenses can be attributed to:

- Personnel costs, which was the main component of R&D expenses in 2013, increased by $2.3 million, to $5.0 million in the year ended 31 December 2013 from $2.7 million in the year ended 31 December 2012, mainly reflecting the increase in average R&D headcount increase in 2013 compared to 2012 as a result of efforts to recruit the R&D internally as the companies grow and to retain top talent in the respective fields of research and development activities;
- Increase in costs associated with engaging external R&D contractors and other research and development organisation to support the growing activities of the Group's R&D projects, in addition to increased cost of R&D supplies and materials. This group of costs increased by $0.9 million, to $10.3 million in 2013 from $9.4 million in 2012;

R&D expenses increased by $4.3 million, to $12.3 million for the year ended 31 December 2012 from $8.0 million for the year ended 31 December 2011, mainly attributed to:

- Increase in R&D personnel cost by $1.4 million, to $2.7 million in 2012 from $1.3 million in 2011, reflecting the increase in average R&D headcount in 2012 compared to 2011;
- Increase in costs associated with utilising outsourced research and development work in the earlier stages of the subsidiaries, such as external R&D contractors and other research and development organisation to support the R&D activities of the Group, in addition to increased cost of R&D supplies and materials. This group of costs increased by $2.6 million, to $9.4 million in 2012 from $6.8 million in 2011;

At the reporting segment level, on a comparable basis, R&D expense of early stage companies increased from $4.8 million in 2011, to $10.9 million and $13.8 million for the years ended 31 December 2012, and 2013, respectively, reflecting the growth in R&D activities and the effect of subsidiaries bringing in-house and retaining some highly skilled talent to support the achievement of critical development milestones. Notably, R&D spent at STT increased from $0.8 million in 2011, to $1.7 million in 2012 and $4.5 million in 2013 as the company installed R&D infrastructure in its facility in Fremont, CA supported by hiring specialists in the field. R&D expense of commercial stage companies decreased from $3.3 million in 2011, to $1.3 million in 2012 and $1.9 million 2013, respectively, as those subsidiaries started moving their main focus away from research activities to developing into commercial companies. Some development activities continued at CryoXtract in 2013 as the company developed and introduced to the market its CXT350 product line in mid-2013.

Operating expenses for the year ended 31 December 2013 also included the cost of product or service revenue of the group subsidiaries of $2.3 million, increasing from $1.5 million in 2012 and $0.1 million in 2011 reflecting the increase in the respective product or service revenue for those periods.

Finance income and costs

The Group's net finance income or cost principally reflects the net of interest income on savings accounts offset by the interest expense from external borrowings, in addition to insignificant effects from foreign currency gains or losses. The Company incurred net finance costs of $0.1 million in 2013 mainly due to the interest expense from loans at two of its subsidiaries, compared to a net finance income of $0.2 million in 2012 and $0.1 million in 2011, when these results primarily reflected the interest income on cash balances held by the Company.

Other comprehensive income/(loss)

Other comprehensive income/(loss) reflects the effect from changes in UK currency translation of the group accounts over periods for the UK operations of one of its subsidiaries. The Company incurred other comprehensive income of $35,000 for the year ended 31 December 2013, compared to $53,000 in 2012, and nil in 2011.

Loss and other comprehensive loss for the year is attributable to the Company and to the non-controlling interest shareholders according to their proportionate share of interest in the group subsidiaries. Changes in the non-controlling interest reflect the allocation of the company loss for the period to non-controlling interest shareholders as well as adjustments for changes in ownership during the respective period.

Loss for the financial year

As a result of the above discussed factors, total comprehensive loss for the year increased by $8.3 million, to $42.7 million in the year ended 31 December 2013, from $34.4 million for the year ended 31 December 2012, and by $11.8 million, to $34.4 million for the year ended 31 December 2012, from $22.6 million.

Financial Position

The table below sets forth the Company's consolidated statement of financial position as of the 31 December of the periods indicated:

	As of 31 December		
	2011	**2012**	**2013**
	$'000	**$'000**	**$'000**
Assets			
Property and equipment	2,677	8,796	18,001
Intangible assets	5,620	5,720	4,504
Other financial assets	93	461	484
Other non-current assets	58	36	38
Non-current assets	8,448	15,013	23,027
Cash and cash equivalents	51,815	33,749	104,551
Inventories	448	643	1,045
Trade and other receivables	182	370	2,385
Subscription receivable	—	14,500	—
Prepayments and other current assets	240	292	485
Other financial assets	23	5	312
Current assets	52,708	49,559	108,778
Total assets	61,156	64,572	131,805
Equity			
Share capital	1,922	1,922	2,445
Merger reserve	86,743	86,957	185,544
Other reserve	10,354	14,839	19,814
Translation reserve	10	63	98
Accumulated deficit	(41,503)	(55,142)	(90,648)
Equity attributable to owners of the Company	57,526	48,639	117,253
Non-controlling interests	725	9,675	2,606
Total equity	58,251	58,314	119,859
Liabilities			
Loans	—	752	2,744
Deferred revenue	39	—	188
Other non-current liabilities	93	329	278
Non-current liabilities	132	1,081	3,210
Trade and other payables	2,626	4,087	5,038
Deferred revenue	147	907	2,642
Loans	—	183	1,056
Current liabilities	2,773	5,177	8,736
Total liabilities	2,905	6,258	11,946
Total equity and liabilities	61,156	64,572	131,805

Significant performance impacting events and business developments reflected in the Company's financial position at each financial year end include:

Assets

- Property and equipment increased to $18.0 million as of 31 December 2013, from $8.8 million as of 31 December 2012 and $2.7 million as of 31 December 2011, mainly reflecting capital purchases at Spin Transfer Technologies in 2013 for the build out of its clean room that will host the subsidiary's development activities in addition to the building of RF Biocidics' product line of machinery in 2012 and 2013;
- Intangible assets decreased to $4.5 million as of 31 December 2013, compared to $5.7 million as of 31 December 2012 and $5.6 million as of 31 December 2011, mainly as a result of the dissolution of three of the group's subsidiaries in 2013;
- As discussed above, in 2011 RF Biocidics closed a round of equity investment of $10.0 million, of which $2.0 million came from Allied Minds and $8.0 million from existing shareholders of Allied Minds. In 2012, STT secured a $36.0 million equity investment in its ordinary shares, of which $29.0 million came from Invesco, an existing shareholder of Allied Minds. That investment came in two equal tranches of $14.5 million in 2012 and 2013. In 2013, Allied Minds completed an equity investment of $100.0 million from new and existing shareholders;
- As more of the Company's subsidiaries opened new facilities, security deposits to landlords were required, which reflects the increase in other non-current financial assets to $0.5 million as of 31 December 2013 and 2012, from $0.1 million as of 31 December 2011; and
- Other movements in current assets reflect general working capital needs of the group.

Liabilities

- Two of the subsidiaries of Allied Minds entered into loan agreements with third parties at the end of 2012. CryoXtract Instruments, LLC signed a promissory note with a state financing authority in the amount of $0.8 million to provide working capital for materials and fund salaries. The note matures fully by May 2017 and bears interest of 6.5 per cent. STT signed a loan and security agreement with a bank to finance eligible equipment purchases made on or after June 2012 of up to $4.0 million. After repayment, no additional advances may be re-borrowed. The loan fully matures by July 2017 and bears interest of 1.25 per cent. above the Prime Rate. The loan is collateralised by the financed equipment and Spin Transfer is required to maintain at all times a liquidity ratio of unrestricted cash maintained with the bank to the aggregate amount of all outstanding obligations with the bank of 2.0 to 1.0. Both facilities were fully drawn as of 31 December 2013, which reflects the increase in the loan balance to $3.8 million as of 31 December 2013, net of repayments, compared to $0.9 million and nil as of 31 December 2012 and 2011, respectively;
- With the increase of its sales and pipeline, in 2013 RF Biocidics has collected deposits from a number of customers as instalment payments against purchases of its products. This accounts for the majority of the deferred revenue balance of $2.8 million as of 31 December 2013, compared to $0.9 million and $0.2 million as of 31 December 2012 and 2011, respectively;
- Trade and other current payables mainly reflect the development of the business and the working capital position at the respective period end. Those balances increased to $5.0 million as of 31 December 2013, compared to $4.1 million at 31 December 2012 and $2.6 million at 31 December 2011. As a percentage of total operating expenses, trade and other current payables remained relatively consistent at 11.1 per cent. as of 31 December 2013, compared to 11.4 per cent. as of 31 December 2012 and 2011.

Equity

- As discussed above, Allied Minds closed a round of financing with net proceeds of $99.1 million in 2013, which is the main factor for the increase in the merger reserve to $185.5 million as of 31 December 2013, compared to $87.0 million as of 31 December 2012 and $86.7 million as of 31 December 2011.

- The increase in the accumulated deficit of Allied Minds to $90.6 million at 31 December 2013, from $55.1 million at 31 December 2012 and $41.5 million at 31 December 2011 mainly reflects the net loss of $42.7 million for the financial year ended 31 December 2013, $34.4 million for the year ended 31 December 2012, and $22.6 million for the year ended 31 December 2011. Offsetting that was the adjustment to the non-controlling interest for changes in ownership in subs during the respective period;
- Other movements in Allied Minds capitalisation are attributed to accounting entries such as the effect from recognising the share-based compensation expense for the period of $3.6 million, $4.5 million, and $5.0 million for the year ended 31 December 2011, 2012 and 2013, respectively.

4. LIQUIDITY AND CAPITAL RESOURCES

4.1 Cash and cash equivalents

The Group's consolidated cash balance as of 31 December 2013 was $104.6 million (2011: $51.8 million; 2012: $33.7 million). As at 31 May 2014, being the latest practicable date prior to publication of this Prospectus, the Group held consolidated cash balances of $87.1 million. In addition, as a result of option exercises the Group will receive cash proceeds of $10.5 million following Admission.

The following table presents the Group's consolidated cash flows for the financial years ended 31 December 2011, 2012, and 2013:

	2011	2012	2013
	$ million	$ million	$ million
Net cash outflow from operating activities	(17.2)	(26.7)	(35.1)
Net cash inflow/(outflow) from investing activities	13.2	(6.8)	(10.7)
Net cash inflow from financing activities	43.0	15.4	116.6
Net increase/(decrease) in cash and cash equivalents	39.0	(18.1)	70.8
Cash and cash equivalents in the beginning of the year	12.8	51.8	33.7
Cash and cash equivalents at the end of the year	51.8	33.7	104.6

Net cash outflow from operating activities

The Group's net cash outflow from operating activities of $35.1 million for the year ended 31 December 2013 (2011: $17.2 million; 2012: $26.7 million) was primarily due to the net operating losses for the year of $42.7 million plus the effect from movement in working capital and other net finance cost of $0.1 million, offset by adjustment for non-cash accounting entries such as depreciation, amortisation, and share-based expenses of $7.7 million.

Net cash inflow/(outflow) from investing activities

The Group had a net cash outflow from investing activities of $10.7 million for the year ended 31 December 2013 (2011: net inflow of $13.2 million; 2012: net outflow of $6.8 million). The net outflows in 2012 and 2013 were mainly attributed to capital expenditures for the periods. Purchases of property and equipment has increased in 2013 compared to prior years primarily due to the build out of a 'clean room' for the research and development activities at Spin Transfer Technologies. In 2011, the investing outflow of $2.7 million were offset by inflow of $15.9 million from the redemption of short term certificates of deposit. The Group does not hold such short term investments as of 31 December 2013 and all funds are held in the form of highly liquid cash accounts.

Net cash inflow from financing activities

The Group's net cash inflow from financing activities of $116.6 million for the year ended 31 December 2013 (2011: net inflow of $43.0 million; 2012: net inflow of $15.4 million) largely reflects the net proceeds from Allied Minds' $99.1 million equity financing round and the second tranche of external investment in STT of $14.5 million. The first tranche of $14.5 million was received in 2012, and substantially represents the inflows in that year along with proceeds from borrowings against notes payable of $2.9 million (2011: nil; 2012: $0.9 million) and from the

exercise of stock options of $0.1 million (2011: nil; 2012: $4,000). The inflows from financing activities in 2011 reflect the proceeds from the second tranche of equity financing in Allied Minds of $35 million and $8 million in equity investment in RFB from external investors.

The Group's strategy is to maintain healthy, highly liquid cash balances that are readily available to support the activities of its subsidiaries in terms of supporting working capital, maintain the level of research and development activities required to achieve the set milestone goals, and acquire capital equipment where necessary to support those research and development activities. To minimise further its exposure to risks, the Group does not maintain any material borrowings or cash balances in foreign currency.

There are no material legal or economic restrictions on the Group's ability to transfer funds to its subsidiaries in the form of continuous support of their operations. There are no such restrictions either on the subsidiary companies to distribute funds back to the Group's parent, however, other than STT no funds have been transferred by those companies back to the parent in the form of cash dividends or otherwise for the three year period ended 31 December 2013.

4.2 **Capital and other commitments**

As of 31 December 2013, the Group does not have any significant capital commitments. As discussed in other parts of this Prospectus, the Group's strategy is to provide capital support to its subsidiaries based on achievement of milestones, designed to measure commercial progress by utilising a tiered investment process in an effort to minimise risk and seek early attrition of investment opportunities. The Company typically provides funding in stages of progressively increasing amounts of funds.

5. DISCLOSURES ABOUT OTHER FINANCE RISKS

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the level of capital deployed and available for deployment in subsidiary projects. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of deployed capital and the advantages and security afforded by a sound capital position.

The Group's executive management and board of directors have overall responsibility for establishment and oversight of the Group's risk management framework. The Group is exposed to certain risks through its normal course of operations. The Group's main objective in using financial instruments is to promote the commercialisation of intellectual property through the raising and investing of funds for this purpose. The Group's policies in calculating the nature, amount and timing of funding are determined by planned future investment activity. Due to the nature of activities and with the aim to maintain the investors' funds secure and protected, the Group's policy is to hold any excess funds in highly liquid and readily available financial instruments and limit exposure to other financial risks.

The Group has exposure to the following risks:

5.1 **Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents and trade and other receivables. The Group maintains its deposits with financial institutions, which the Group believes are of high credit quality.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to credit ratings (if available) or to historical information about counterparty default rates. Group policy is to maintain its funds in highly liquid deposit accounts with reputable financial institutions.

The Group has no significant concentration of credit risk. The Group assesses the credit quality of customers, taking into account their current financial position.

5.2 **Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk, ensuring that sufficient liquidity is available to meet foreseeable requirements

The Group has a loan which contains a debt covenant. A future breach of covenant would require the Group to repay the loan earlier than indicated in the table above, however the probability of the breach eventuating is considered very low. Except for this, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

5.3 **Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group maintains the exposure to market risk from such financial instruments to insignificant levels. The Group exposure to changes in interest rates is determined to be insignificant.

5.4 **Capital risk management**

The Group is funded by equity finance and long term borrowings. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or borrow new debt. The Group has some external debt and no material externally imposed capital requirements.

5.5 **Financial assets and liabilities**

The table below sets out the fair value of the Groups' financial assets and liabilities at 31 December 2013, extracted without material adjustments from the Company's year-end results included in the historical financial information in Part XII ('*Historical Financial Information*'') of this Prospectus. This table should be read together with those results and the notes to those results incorporated in Part XII ('*Historical Financial Information*'') of this Prospectus:

$ million

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	104.6	—	104.6	—	104.6
Trade and other receivables	2.4	—	2.4	—	2.4
Security and other deposits	0.8	—	0.8	—	0.8
Total financial assets	107.8	—	107.8	—	107.8
Financial liabilities					
Secured bank loan	(3.0)	—	(3.0)	—	(3.0)
Unsecured loan	(0.8)	—	(0.8)	—	(0.8)
Trade and other payables	(5.3)	—	(5.3)	—	(5.3)
Customer deposits	(2.8)	—	(2.8)	—	(2.8)
Total financial liabilities	(11.9)	—	(11.9)	—	(11.9)
Total at 31 December 2013	95.9	—	95.9	—	95.9

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs that are not based on observable market data (unobservable inputs).

The Group has determined that the carrying amounts for cash and cash equivalents, trade and other receivables and payables, security and other deposits, and customer deposits are a reasonable approximation of their fair values and are included in Level 2.

The secured bank loan is at a floating interest rate of 1.25 per cent. above Prime rate, which is adjustable immediately when Prime rate changes. As such, the Group has determined that the fair value of the secured bank loan equals the carrying amount at 31 December 2013 and is classified as Level 2.

PART XI – CAPITALISATION AND INDEBTEDNESS

1. Capitalisation

The table below outlines the Group's total capitalisation as of 31 December 2013:

	$'000
Shareholders' equity	
Share capital	2,445
Merger reserve	185,544
Other reserve	19,814
Translation reserve	98
Total capitalisation as of 31 December 2013	207,901

Total capitalisation above does not include retained losses, which amounted to $90,648,000 as of 31 December 2013. Of the total capitalisation of the Company, $2,606,000 is attributed to non-controlling interests in the Group. There has been no material change to the Group's total capitalisation since 31 December 2013. The information set out above has been prepared on the basis that the Reorganisation (as described in paragraph 3 of Part XVI (*Additional Information*) of this Prospectus had already taken place). For further details, please see notes 2 and 3 to the financial statements contained in Part XII (*Historical Financial Information*) of this Prospectus. In addition, as a result of option exercises the Group will receive cash proceeds of approximately $10.5 million following Admission.

2. Indebtedness

The table below sets out the indebtedness of the Group as of 30 April 2014:

	$'000
Non-current debt	
Secured bank loan	1,912
Unsecured loan	480
	2,392
Current debt	
Secured bank loan	854
Unsecured loan	204
	1,058
Total indebtedness	3,450

The terms and conditions of outstanding loans at 30 April 2014 are as follows:

				$'000	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Secured bank loan	USD	Prime + 1.25%	2013-17	2,766	2,766
Unsecured loan	USD	6.5%	2013-17	684	684
Total indebtedness				3,450	3,450

PART XII – HISTORICAL FINANCIAL INFORMATION

Section A: Accountant's report on historical financial information

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

The Directors
Allied Minds plc
40 Dukes Place
London
EC3A 7NH

20 June 2014

Dear Sirs

Allied Minds plc (the 'Company')

We report on the consolidated financial information of Allied Minds plc and its subsidiary undertakings (the 'Group') set out on pages 130 to 175 for the three years ended 31 December 2013. This financial information has been prepared for inclusion in the prospectus dated 20 June 2014 of Allied Minds plc on the basis of the accounting policies set out in notes 1 to 4. This report is required by paragraph 20.1 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the prospectus and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of opinion

We conducted our work in accordance with 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 judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Group'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 on financial information

In our opinion, the financial information gives, for the purposes of the prospectus dated 20 June 2014, a true and fair view of the state of affairs of the Group as at 31 December 2011, 31 December 2012 and 31 December 2013 and of its consolidated losses, consolidated cash flows, consolidated comprehensive loss and consolidated changes in equity for the three years ended 31 December 2013 in

accordance with the basis of preparation set out in note 2 and in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus 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 prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

Section B: Historical financial information

Consolidated Statements of Comprehensive Loss

	Note	For the year ended 31 December		
		2011	2012	2013
		$'000	$'000	$'000
Continuing operations				
Revenue	*5*	425	1,181	2,936
Operating expenses:				
Cost of revenue	*7*	(85)	(1,500)	(2,342)
Selling, general and administrative expenses	*6, 7*	(14,946)	(22,021)	(27,472)
Research and development expenses	*6, 7*	(8,053)	(12,256)	(15,689)
Operating loss		(22,659)	(34,596)	(42,567)
Finance income/(cost), net	*9*	85	185	(140)
Loss before tax		(22,574)	(34,411)	(42,707)
Income taxes		—	—	—
Loss for the year		(22,574)	(34,411)	(42,707)
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		10	53	35
Unrealised loss on short-term investments		(10)	—	—
Other comprehensive income, net of tax		—	53	35
Total comprehensive loss		(22,574)	(34,358)	(42,672)
Loss attributable to:				
Owners of the Company		(18,543)	(27,226)	(34,501)
Non-controlling interests	*17*	(4,031	(7,185)	(8,206)
		(22,574)	(34,411)	(42,707)
Total comprehensive loss attributable to:				
Owners of the Company		(18,543)	(27,173)	(34,466)
Non-controlling interests		(4,031)	(7,185)	(8,206)
		(22,574)	(34,358)	(42,672)
		$	*$*	*$*
Loss per share				
Basic	*10*	(0.15)	(0.22)	(0.24)
Diluted	*10*	(0.15)	(0.22)	(0.24)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Financial Position

	Note	As of 31 December		
		2011	2012	2013
		$'000	$'000	$'000
Assets				
Property and equipment	*11*	2,677	8,796	18,001
Intangible assets	*12*	5,620	5,720	4,504
Other financial assets	*21*	93	461	484
Other non-current assets		58	36	38
Non-current assets		8,448	15,013	23,027
Cash and cash equivalents	*13*	51,815	33,749	104,551
Inventories	*14*	448	643	1,045
Trade and other receivables	*15*	182	370	2,385
Subscription receivable	*17*	—	14,500	—
Prepayments and other current assets		240	292	485
Other financial assets	*21*	23	5	312
Current assets		52,708	49,559	108,778
Total assets		61,156	64,572	131,805
Equity				
Share capital		1,922	1,922	2,445
Merger reserve		86,743	86,957	185,544
Other reserve		10,354	14,839	19,814
Translation reserve		10	63	98
Accumulated deficit		(41,503)	(55,142)	(90,648)
Equity attributable to owners of the Company	*16*	57,526	48,639	117,253
Non-controlling interests	*17*	725	9,675	2,606
Total equity		58,251	58,314	119,859
Liabilities				
Loans	*18*	—	752	2,744
Deferred revenue	*5*	39	—	188
Other non-current liabilities	*19*	93	329	278
Non-current liabilities		132	1,081	3,210
Trade and other payables	*19*	2,626	4,087	5,038
Deferred revenue	*5*	147	907	2,642
Loans	*18*	—	183	1,056
Current liabilities		2,773	5,177	8,736
Total liabilities		2,905	6,258	11,946
Total equity and liabilities		61,156	64,572	131,805

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

	Note	Share capital		Merger reserve	Other reserve	Translation reserve	Accumulated deficit	Total parent equity	Non-controlling interests	Total equity
		Shares	Amount $'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 31 December 2010		101,946,394	1,577	87,088	6,747	10	(26,581)	68,841	(873)	67,968
Total comprehensive loss for the period		—	—							
Loss from continuing operations		—	—	—	—	—	(18,543)	(18,543)	(4,031)	(22,574)
Foreign currency translation		—	—	—	—	10	—	10	—	10
Unrealised loss on short-term investments		—	—	—	—	(10)	—	(10)	—	(10)
Total comprehensive loss for the period						—	(18,543)	(18,543)	(4,031)	(22,574)
Issuance of ordinary shares	*16*	20,970,972	345	(345)	—	—	—	—	—	—
New funds into non-controlling interest	*17*	—	—	—	—	—	—	—	9,250	9,250
Gain/(loss) arising from change in non-controlling interest	*17*	—	—	—	—	—	3,901	3,901	(3,901)	—
Deconsolidation of subsidiaries		—	—	—	—	—	(280)	(280)	280	—
Equity-settled share based payments	*8*	—	—	—	3,607	—	—	3,607	—	3,607
Balance at 31 December 2011		122,917,366	1,922	86,743	10,354	10	(41,503)	57,526	725	58,251
Total comprehensive loss for the period										
Loss from continuing operations		—	—	—	—	—	(27,226)	(27,226)	(7,185)	(34,411)
Foreign currency translation		—	—	—	—	53	—	53	—	53
Total comprehensive loss for the period						53	(27,226)	(27,173)	(7,185)	(34,358)
New funds into non-controlling interest	*17*	—	—	—	—	—	—	—	29,722	29,722
Gain/(loss) arising from change in non-controlling interest	*17*	—	—	—	—	—	13,587	13,587	(13,587)	—
Issuance of warrants	*18*	—	—	210	—	—	—	210	—	210
Exercise of stock options		6,050	—	4	—	—	—	4	—	4
Equity-settled share based payments	*8*	—	—	—	4,485	—	—	4,485	—	4,485
Balance at 31 December 2012		122,923,416	1,922	86,957	14,839	63	(55,142)	48,639	9,675	58,314
Total comprehensive loss for the period										
Loss from continuing operations		—	—	—	—	—	(34,501)	(34,501)	(8,206)	(42,707)
Foreign currency translation		—	—	—	—	35	—	35	—	35
Total comprehensive loss for the period						35	(34,501)	(34,466)	(8,206)	(42,672)
Issuance of ordinary shares	*16*	34,468,742	522	98,612	—	—	—	99,134	—	99,134
New funds into non-controlling interest	*17*	—	—	—	—	—	—	—	52	52
Gain/(loss) arising from change in non-controlling interest	*17*	—	—	—	—	—	(2,212)	(2,212)	2,212	—
Deconsolidation of subsidiaries	*17*	—	—	(80)	—	—	1,207	1,127	(1,127)	—
Exercise of stock options		71,632	1	55	—	—	—	56	—	56
Equity-settled share based payments	*8*	—	—	—	4,975	—	—	4,975	—	4,975
Balance at 31 December 2013		157,463,790	2,445	185,544	19,814	98	(90,648)	117,253	2,606	119,859

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Note	For the year ended 31 December		
		2011	2012	2013
		$'000	$'000	$'000
Cash flows from operating activities:				
Net operating loss		(22,659)	(34,596)	(42,567)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	*11*	244	591	1,352
Amortisation	*12*	485	514	532
Impairment losses on property and equipment	*11*	200	126	5
Impairment losses on intangible assets	*12*	428	142	884
Share-based compensation expense	*7,8*	3,607	4,485	4,975
Issuance of warrants	*18*	—	210	—
Changes in operating assets and liabilities:				
Inventory	*14*	(448)	(195)	(402)
Trade and other receivables	*15*	(7)	(188)	(2,015)
Other assets		(50)	(379)	(525)
Trade and other payables, current	*19*	845	1,461	951
Other non-current liabilities	*19*	115	236	(51)
Deferred revenue	*5*	—	721	1,923
Interest received	*9*	112	234	324
Interest paid	*9*	—	(26)	(306)
Other finance cost	*9*	(27)	(23)	(158)
Net cash used in operating activities		(17,155)	(26,687)	(35,078)
Cash flows from investing activities:				
Purchases of property and equipment	*11*	(2,443)	(6,784)	(10,527)
Purchases of intangible assets	*12*	(242)	(34)	(148)
Redemptions of short-term certificates of deposit		15,855	—	—
Net cash provided by/(used in) investing activities		13,170	(6,818)	(10,675)
Cash flows from financing activities:				
Proceeds from exercise of stock options		—	4	55
Proceeds from issuance of notes payable	*18*	—	935	2,865
Proceeds from issuance of share capital	*16*	35,000	—	99,135
Proceeds from issuance of share capital in subsidiaries	*17*	8,000	14,500	14,500
Net cash provided by financing activities		43,000	15,439	116,555
Net increase/(decrease) in cash and cash equivalents		39,015	(18,066)	70,802
Cash and cash equivalents at beginning of year		12,800	51,815	33,749
Cash and cash equivalents at end of year		51,815	33,749	104,551

See accompanying notes to consolidated financial statements.

Notes

(1) General Information on Reporting Entity

Allied Minds Group comprises of Allied Minds, Inc. (now Allied Minds, LLC) and its subsidiaries now owned by Allied Minds plc, which has been formed as a listing vehicle. Allied Minds plc is engaged in the development of various technologies for commercial applications. As of 31 December 2013, Allied Minds has 18 active subsidiaries to which Allied Minds provided funding. The subsidiaries have entered into agreements with universities, scientists, and US federal research institutions to develop and commercialise products. In exchange for licenses, time, and expertise already provided, the universities and/or scientists received an equity ownership in the subsidiaries. The cash contributed by Allied Minds is used to fund additional research and to create a management structure and operations. Allied Minds dissolved 3 subsidiaries in 2011, nil in 2012 and 3 in 2013 to which funding had previously been provided.

(2) Basis of Preparation

(a) Statement of Compliance

The Allied Minds financial information has been prepared for the purposes of the Prospectus in accordance with the requirements of the Listing Rules, and in accordance with this basis of preparation. This basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (''IFRS as adopted by the EU'') as applied by Allied Minds and subject to the basis of consolidation outlined in note 3 (a).

As described in notes 3(a) and 16, the Group undertook a re-organisation during the period to insert a new holding company above the existing parent. Whilst the re-organisation did not meet the definition of a business combination, the Group has applied the principles of reverse acquisition accounting in IFRS 3 to account for the insertion of the new holding company.

This financial information has been prepared under the historical cost convention. The reporting currency adopted by Allied Minds is $ as this is the functional currency of the entities in the group. The preparation of financial information in conformity with IFRS as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Allied Minds accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed within the respective notes to the financial information.

The consolidated financial information was authorised for issue by the Board of Directors on 20 June 2014.

(b) Basis of Measurement

The consolidated financial information has been prepared on the historical cost basis.

(c) Use of Judgements and Estimates

In preparing this consolidated financial information, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Significant estimates made by the Group include the fair value of ordinary shares, share-based payment expense and equity instruments, valuation and capitalisation of intangible assets, and accrued expenses. Information about these critical judgements and estimates is included in the following notes.

(d) Functional and Presentation Currency

This consolidated financial information is presented in US dollars, which is the functional currency of the entities in the Group.

(e) Going Concern

The Directors have prepared trading and cash flow forecasts for the Group covering the period to 31 December 2015. After making enquiries and considering the impact of risks and opportunities on expected cashflows, regardless of the impact from the listing of Allied Minds on the UK Stock Exchange, the Directors have a reasonable expectation that the Group has adequate cash to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial information.

(3) Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in this consolidated financial information and in preparing the opening IFRS statement of financial position as of 1 January 2011 for the purposes of the transition to IFRS, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

(a) Basis of Consolidation

Allied Minds plc was formed on 15 April 2014 as part of the listing process and is the company subject to Admission and on 19 June 2014 completed the reorganisation of the corporate structure of the group of companies controlled by its predecessor, Allied Minds Inc. (now Allied Minds, LLC), as holding company of the Allied Minds Group, pursuant to which Allied Minds plc became the holding company of Allied Minds, Inc. (now Allied Minds, LLC) and the Allied Minds Group. Each issued and outstanding common stock of Allied Minds Inc. held by stockholders of Allied Minds, Inc. (now Allied Minds, LLC) was converted into the right to receive twenty two ordinary shares of Allied Minds plc. This has been accounted for as a common control transaction under IFRS 3.B1(see note 16), therefore the consolidated financial statements for each of the years ended 31 December 2011, 2012 and 2013 comprises an aggregation of financial information of Allied Minds plc and the consolidated financial information of Allied Minds, Inc. (now Allied Minds, LLC) and its subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The financial information of the subsidiaries is prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. A listing of subsidiaries and the Group's ownership is outlined in note 6.

Non-controlling interests ("**NCI**") are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(b) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid instruments with original maturities of three months or less.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the specific identification or weighted-average method. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(d) Financial Instruments

Financial Assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its financial assets into the following categories: cash and cash equivalents, trade and other receivables, security and other deposits. Such financial assets are recognised at fair value.

Financial Liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the following categories: trade and other payables and loans. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Warrants are accounted for as equity instruments and recorded at fair value, as set out in note 18.

Share Capital

Ordinary share capital

Ordinary shares are classified as equity.

(e) Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Assets under construction represent machinery and equipment to be used in operations, R&D activities, or to be leased to customers once completed.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets:

Computers and electronics	3 years
Furniture and fixtures	5 years
Machinery and equipment	5 -20 years
Under construction	Not depreciated until transferred into use
Leasehold improvements	Shorter of the lease term or estimated useful life of the asset

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted if appropriate.

(f) Intangible Assets

(i) Licenses and Purchased In Process Research & Development

Licenses represent licenses provided by universities and scientists in exchange for an equity ownership in the entities. Purchased in process research & development ("**IPR&D**") represents time and expertise already invested by the scientist and provided in exchange for an equity interest in the entity. Licenses and purchased IPR&D are valued based on the amount of cash contributed by Allied Minds, at inception of the subsidiary, and the proportionate amount of equity ascribed to Allied Minds. The licenses and IPR&D are capitalised only when they meet the criteria for capitalisation, namely separately identifiable and measurable and it is probable that economic benefit will flow to the entity.

(ii) Capitalised Development Costs

Research and development costs include charges from universities based on sponsored research agreements (SRAs) that the subsidiaries of Allied Minds enter into with universities. Under these agreements, the universities perform research on the technology that is being licensed to the subsidiaries. Research and development costs also include charges from independent research and development contractors, contract research organisations (CROs), and other research institutions.

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

(iii) Software

Software intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Finite-lived intangible assets are amortised on a straight-line basis over their estimated useful lives, from the date that they are available for use. Intangible assets which are not yet available for use (and therefore not amortised) are tested for impairment at least annually.

(iv) Amortisation

Amortisation methods, useful lives and residual values are reviewed at least annually and adjusted if appropriate.

The estimated useful lives of the Group's intangible assets are as follows:

Licenses	Over the remaining life of the underlying patents
Purchased IPR&D	Over the remaining life of the underlying patents, once commercial viability has been achieved
Development cost	Over the remaining life of the underlying technology
Software	2 years

(g) Income Taxes

(i) Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is

probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities where the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred taxes are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(h) Impairment

Impairment of Non-Financial Assets

Non-financial assets consist of property and equipment, intangible assets with finite lives and intangible assets which are not yet available for use.

The Group reviews the carrying amounts of its property and equipment and finite-lived intangibles at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets which are not yet available for use are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGUs**").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised in profit and loss if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are allocated to reduce the carrying amounts of assets in a CGU on a *pro rata* basis.

Impairment of Financial Assets

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial Assets Measured at Amortised Cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(i) Share-based Payments

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting periods of the award. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(j) Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(k) Revenue Recognition

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The transfer of significant risks and rewards of ownership usually occurs when products are shipped and the customer takes ownership and assumes risk of loss.

(ii) Rendering of Services

The Group recognises revenue from rendering of services at the time services are provided to the customer and the Group has no additional performance obligation to the customer.

(iii) Government Grants

Grants received are recognised as revenue when the related work is performed and the qualifying research and development costs are incurred.

(l) Finance Income and Finance costs

Finance income mainly comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs mainly comprise loan interest expense.

(m) Fair Value Measurements

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The carrying amount of cash and cash equivalents, accounts receivable, deposits, accounts payable, accrued expenses and other current liabilities in the Group's Consolidated Statements of Financial Position approximates their fair value because of the short maturities of these instruments.

(n) Operating Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(o) Operating Segments

Allied Minds determines and presents operating segments based on the information that internally is provided to the executive management team, the body which is considered to be Allied Minds' Chief Operating Decision maker ("**CODM**").

An operating segment is a component of Allied Minds that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Allied Minds' other components. The operating segment's operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segment, to assess its performance, and for which discrete financial information is available.

(4) New Standards and Interpretations not yet Adopted

A number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2014, and have not therefore been applied in preparing this consolidated financial information. Management has yet to complete an analysis of these new standards, interpretations and amendments to existing standards on the results of its operations, financial position, and disclosures. The Group intends to adopt these standards on their respective effective dates.

The following are amended or new standards and interpretations that may impact the Group:

IFRS 9, *Financial Instruments (2010), Financial Instruments (2009)*

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB recently issued certain limited amendments to the classification and measurement requirements of IFRS 9 and added new requirements to address the impairment of financial assets and hedge accounting. The mandatory effective date for IFRS 9 has been deferred until the entire IFRS 9 project is closer to completion, however these limited amendments may be applied immediately.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendments to IAS 32, *Financial Instruments: Presentation*, are intended to clarify existing application issues relating to the offsetting of financial assets and financial liabilities and reduce the level of diversity in current practice. The amendments are effective for annual periods beginning on or after 1 January 2014.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

The amendments to IAS 36, *Impairment of Assets*, require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The IAS 36 amendments also require an entity to disclose the discount rates that have been used in the current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique. The amendments are effective for annual periods beginning on or after 1 January 2014.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

The amendments to IAS 39, *Financial Instruments: Recognition and Measurement* provide relief from the requirement to discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments are effective for annual periods beginning on or after 1 January 2014.

(5) Revenue

Revenue recorded in the statement of comprehensive loss consists of the following:

For the year ended 31 December:

	2011 $'000	2012 $'000	2013 $'000
Product revenue	103	413	2,396
Service revenue	267	671	387
Grant revenue	55	97	153
Total revenue in statement of loss	425	1,181	2,936

Deferred revenue recorded in the statement of financial position consists of the following:

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Customer deposits	97	641	2,253
Other deferred revenue, current	50	266	389
Deferred revenue, current	147	907	2,642
Deferred revenue, non-current	39	—	188
Total deferred revenue in statement of financial position	186	907	2,830

(6) Operating Segments

a) Active Subsidiaries

Allied Minds has 18 active subsidiaries as of 31 December 2013.

As of and for the three year period ended 31 December 2013 the capitalisation of all subsidiary companies in the Group portfolio is in the form of ordinary shares only.

- The following outlines the formation of each subsidiary and evolution of Allied Minds' equity ownership interest over the three year period ended 31 December 2013:

			Ownership percentage as at 31 December		
	Inception Date	Location	2011	2012	2013
Active subsidiaries					
Early stage companies					
Allied Minds Devices, LLC	25/07/11	Boston, MA	100.00%	100.00%	100.00%
AMFI	09/03/12	Boston, MA	—	93.90%	100.00%
Broadcast Routing Fountains, LLC	28/06/12	Boston, MA	—	93.90%	100.00%
Federated Wireless, Inc.	08/08/12	Boston, MA	—	84.51%	90.00%
Foreland Technologies, Inc.	23/01/13	Boston, MA	—	—	100.00%
Biotectix, LLC	16/01/07	Ann Arbor, MI	64.35%	64.35%	64.35%
Cephalogics, LLC	29/11/06	Cambridge, MA	95.00%	95.00%	95.00%
LuxCath, LLC	29/05/12	Boston, MA	—	100.00%	98.00%
Optio Labs, Inc.	28/02/12	Arlington, VA	—	85.00%	85.00%
Precision Biopsy, LLC	17/06/08	Denver, CO	80.35%	80.35%	80.35%
ProGDerm, Inc.	19/09/08	Boston, MA	90.00%	90.00%	90.38%
SciFluor Life Sciences, LLC	14/12/10	Cambridge, MA	80.00%	79.00%	79.00%
SiEnergy Systems, LLC	21/09/07	Cambridge, MA	100.00%	100.00%	100.00%
Spin Transfer Technologies, Inc.	03/12/07	Fremont, CA	75.00%	56.13%	56.13%
Tinnitus Treatment Solutions, LLC	27/02/13	San Jose, CA	—	—	100.00%
Commercial stage companies					
CryoXtract Instruments, LLC	23/05/08	Woburn, MA	93.24%	93.24%	93.24%
RF Biocidics, Inc.	12/06/08	Vacaville, CA	67.14%	67.14%	67.14%
SoundCure, Inc.	04/06/09	San Jose, CA	84.62%	84.62%	84.62%
Closed subsidiaries					
Illumasonix, LLC	23/04/07		64.50%	64.50%	—
Precision Augmented Reality Works, Inc	31/07/12		—	55.00%	—
SaltCheck, Inc.	11/09/06		55.00%	55.00%	—
Number of active subsidiaries at 31 December:			**13**	**19**	**18**

b) Basis for segmentation

For management purposes, the Group principal operations are currently organised in two operating segments, which are reportable segments:

(i) Early stage companies – subsidiary businesses that are in the early stage of their lifecycle characterised by incubation, research and development activities; and;

(ii) Commercial stage companies – subsidiary businesses that have substantially completed their research and development activities and that have developed one or more products that are actively marketed;

Due to their size and nature Spin Transfer Technologies, Inc. (or "STT", an early stage company) and RF Biocidics, Inc. (or "RFB", a commercial stage company) are disaggregated and presented as separate reportable segments. The Group's principal operations are therefore presented as four reportable operating segments being early stage company – STT, early stage companies – other, commercial stage company – RFB, and commercial stage companies – other.

The Group's CODM reviews internal management reports on these operating segments at least quarterly in order to make decisions about resources to be allocated to the segment and to assess its performance.

Other operations include the management function of the head office at the parent level of Allied Minds.

c) Information about reportable segments

The following provides detailed information of the Group's reportable segments as of and for the years ended 31 December 2011, 2012 and 2013, respectively:

As of and for the year ended 31 December:

	2011 $'000					
	Early stage		Commercial		Other operations	Consolidated
	STT	Other	RFB	Other		
Statement of Comprehensive Loss						
Revenue	—	272	125	28	—	425
Cost of Sales	—	(27)	(36)	(22)	—	(85)
Selling, general and admin expenses	(564)	(2,040)	(3,232)	(1,698)	(7,412)	(14,946)
Research and development expenses	(765)	(4,031)	(1,026)	(2,231)	—	(8,053)
Finance income/(cost), net	—	—	(26)	—	111	85
Loss from continuing operations	(1,329)	(5,826)	(4,195)	(3,923)	(7,301)	(22,574)
Other comprehensive income	—	—	—	—	—	—
Total comprehensive loss	(1,329)	(5,826)	(4,195)	(3,923)	(7,301)	(22,574)
Total comprehensive loss attributable to:						
Owners of the Company	(910)	(4,216)	(2,821)	(3,295)	(7,301)	(18,543)
Non-controlling interests	(419)	(1,610)	(1,374)	(628)	—	(4,031)
Statement of Financial Position						
Total Assets	910	5,458	5,444	769	48,575	61,156
Total Liabilities	(240)	(1,098)	(516)	(308)	(743)	(2,905)
Net Assets	670	4,360	4,928	461	47,832	58,251

As of and for the year ended 31 December:

	2012 $'000					
	Early stage		Commercial		Other	
	STT	Other	RFB	Other	operations	Consolidated
Statement of Comprehensive Loss						
Revenue	—	360	417	404	—	1,181
Cost of Sales	—	—	(1,202)	(298)	—	(1,500)
Selling, general and administrative expens	(2,101)	(3,272)	(4,777)	(4,421)	(7,450)	(22,021)
Research and development expenses	(1,660)	(9,275)	(125)	(1,196)	—	(12,256)
Finance income/(cost), net	(9)	—	(24)	(11)	229	185
Loss from continuing operations	(3,770)	(12,187)	(5,711)	(5,522)	(7,221)	(34,411)
Other comprehensive income	—	—	21	—	32	53
Total comprehensive loss	(3,770)	(12,187)	(5,690)	(5,522)	(7,189)	(34,358)
Total comprehensive loss attributable to:						
Owners of the Company	(1,994)	(9,709)	(3,600)	(4,681)	(7,189)	(27,173)
Non-controlling interests	(1,776)	(2,478)	(2,090)	(841)	—	(7,185)
Statement of Financial Position						
Total Assets	29,405	6,139	5,494	1,183	22,351	64,572
Total Liabilities	(1,414)	(1,438)	(1,926)	(717)	(763)	(6,258)
Net Assets	27,991	4,701	3,568	466	21,588	58,314

As of and for the year ended 31 December:

	2013 $'000					
	Early stage		Commercial		Other	
	STT	Other	RFB	Other	operations	Consolidated
Statement of Comprehensive Loss						
Revenue	—	482	1,429	1,025	—	2,936
Cost of Sales	—	—	(1,476)	(866)	—	(2,342)
Selling, general and admin expenses	(4,201)	(5,884)	(4,566)	(4,759)	(8,062)	(27,472)
Research and development expenses	(4,471)	(9,349)	(86)	(1,783)	—	(15,689)
Finance income/(cost), net	(224)	—	(158)	(68)	310	(140)
Loss for the year	(8,896)	(14,751)	(4,857)	(6,451)	(7,752)	(42,707)
Other comprehensive income	—	—	27	—	8	35
Total comprehensive loss	(8,896)	(14,751)	(4,830)	(6,451)	(7,744)	(42,672)
Total comprehensive loss attributable to:						
Owners of the Company	(4,783)	(13,594)	(2,838)	(5,507)	(7,744)	(34,466)
Non-controlling interests	(4,113)	(1,157)	(1,992)	(944)	—	(8,206)
Statement of Financial Position						
Total Assets	27,073	7,662	8,465	2,658	85,947	131,805
Total Liabilities	(4,578)	(1,736)	(2,857)	(1,379)	(1,396)	(11,946)
Net Assets	22,495	5,926	5,608	1,279	84,551	119,859

The proportion of net assets shown above that is attributable to non-controlling interest is disclosed in note 17.

d) Geographic information

The Group revenues and net operating losses for the years ended 31 December 2011, 2012 and 2013 were entirely derived from its operations within the United States and accordingly no additional geographical discloses are provided.

e) Portfolio valuation

At the close of each annual financial period, the Directors estimate, and formally approve, the value of all subsidiary businesses in the Group, which is used to derive the ''Group Subsidiary Ownership Adjusted Value''. The Group Subsidiary Ownership Adjusted Value (''**GSOAV**'') was $367.3 million as at 31 December 2013, as set out in the table below. This Group Subsidiary Ownership Adjusted Value is a sum-of-the-parts (''**SOTP**'') valuation of all the subsidiaries that make up the Group.

The methodology for Group's subsidiary company valuations, extracts of which are set out below, is based on the American Institute of Certified Public Accountants' *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (''**AICPA Guidelines**'').

As of 31 December 2013, the Group's estimated Group Subsidiary Ownership Adjusted Value was distributed across the Group's operating segments as follows:

Group Subsidiary Valuation

	Ownership adjusted estimated subsidiary value	
Operating Segment	**$m**	**%**
Early stage	273.7	74.5%
Commercial Stage	93.6	25.5%
Total Group Subsidiary Valuation	**367.3**	**100.0%**

Ownership adjusted value represents Allied Minds' interest in the equity value of each subsidiary:

= (Business Enterprise Value – Long Term Debt + Cash) x Allied Minds percentage ownership

plus the value of debt provided by Allied Minds plc to each subsidiary business. Allied Minds commits post-seed funding to its subsidiaries in the form of loans.

The Group Subsidiary Ownership Adjusted Value includes cash balances held by Allied Minds subsidiaries at 31 December 2013 amounting to $18.9 million (of which $15.1 million was held by STT) on an ownership-adjusted basis. As at 31 December 2013, the Group reported total consolidated cash balances of $104.6 million, the balance being cash of $85.7 million held by Allied Minds plc available for investment in the Group.

The Group Subsidiary Ownership Adjusted Value has been calculated on the basis of Allied Minds' percentage ownership as at 31 December 2013. Where subsidiaries have raised financing from external parties since 31 December 2013, the ownership adjusted value in the table above has been updated to reflect the current percentage ownership and the valuation implied by that external investment on a post new money basis. Optio Labs completed a funding round of $10.0 million in March 2014.

Early stage

Company	Ownership adjusted estimated subsidiary value		
	$m	% of Total	% of GSOAV
Cephalogics, LLC	22.5	8.2%	6.1%
Optio Labs, Inc.	33.0	12.0%	9.0%
Precision Biopsy, LLC	15.9	5.8%	4.3%
ProGDerm, Inc.	15.6	5.7%	4.2%
SciFluor Life Sciences, LLC	30.8	11.3%	8.4%
SiEnergy Systems, LLC	22.7	8.3%	6.2%
Spin Transfer Technologies, Inc.	76.9	28.1%	21.0%
Other companies	56.3	20.6%	15.3%
Total Early stage	273.7	100.0%	74.5%

Commercial stage

Company	Ownership adjusted estimated subsidiary value		
	$m	% of Total	% of GSOAV
CryoXtract Instruments, LLC	16.5	17.6%	4.5%
SoundCure, Inc.	14.3	15.3%	3.9%
RF Biocidics, Inc.	62.8	67.1%	17.1%
Total Commercial stage	93.6	100.0%	25.5%

The Group Subsidiary Ownership Adjusted Value above excludes cash balances held by Allied Minds plc. At 31 December 2013, the date at which the Group Subsidiary Ownership Adjusted Value has been presented, the Group's consolidated cash balance was $104.6 million of which Allied Minds plc's cash balance was $85.7 million.

Valuation methodology

Each subsidiary company is regularly evaluated based on a range of inputs, including: company performance and progress towards development milestones; market and competitor analyses based on information from databases and public material; and interviews with scientists and physicians.

The Group Subsidiary Ownership Adjusted Value represents the sum-of-the-parts ("**SOTP**") of, principally, net present value ("**NPV**") or risk-adjusted net present value ("**rNPV**") from discounted cash flow ("**DCF**") valuations; valuations based on recent third party investment at the subsidiary level. DCF valuation is used for the majority of Allied Minds subsidiaries. If a transaction occurred close to valuation date, then that will generally form the basis for the valuation. In limited instances other techniques such as based on asset values are utilised.

Set out below are the two principal methodologies applied to value each Group company to derive the Group Subsidiary Ownership Adjusted Value as at 31 December 2013:

Discounted cash flow		3rd party funding transaction
● Allied Minds Devices ● Biotectix ● Cephalogics ● CryoXtract ● Federated Wireless ● Foreland Technologies (incl. Percipient Networks)	● LuxCath ● Precision Biopsy ● ProGDerm ● RF Biocidics ● SiEnergy ● SciFluor ● SoundCure ● STT	● Optio Labs
86.3 per cent. of GSOAV		9.0 per cent. of GSOAV

In addition to the two principal valuation methodologies, the Directors have valued using alternative valuation methodologies the remaining two subsidiaries, AMFI and Broadcast Routing Fountains, representing 4.7 per cent. of the Group Subsidiary Ownership Adjusted Value. AMFI was valued using an asset-based methodology that reflects the intellectual property to which it has access.

Net Present Valuation ("NPV") method

NPV is a standard technique used in valuation and can be defined as the difference between the present value of the future cash flows from an investment and the amount of investment. Present value of the estimated cash flows is computed by discounting them at the required rate of return which includes an adjustment for risk.

The following are important factors when determining fair value based on NPV:

- Estimated income generally consists of sales, co-development revenues, one-time payments and royalty payments on sales depending on the company, its business model and industry. These are estimated based on a variety of factors including, *inter alia*: total addressable market; competitive factors; barriers to competition; pricing; typical standards for contract value; royalty rates; and likelihood of development of a product that is commercially viable.
- Costs and capital expenditures are estimated for each phase of development based on the companies' information or according to industry standards. Costs are typically forecasted for cost of goods, SG&A (selling, general and administrative), research and development as well as a variety of other expenses. These are typically developed "from the ground up" for earlier years and for later years depicted as a factor or percentage of sales.
- The terminal or exit value represents the aggregate value of an entity at the end of the discrete forecast period. Terminal value may be estimated using the terminal multiple method, which inherently assumes that the business will be valued at the end of the projection period based on reference valuations. Under this methodology, the terminal value is typically calculated by applying one of two commonly accepted methodologies:
  - Multiple base terminal value: Use of an appropriate multiple to the relevant financial metric forecasted for the last projected year taking into consideration the ongoing growth potential of the business in the terminal year. Exit values included in the analysis are typically projected as a multiple of EBIT, EBITDA or Sales based on the final year results for the forecast period. Where available, a set of guideline public companies that are similar to the company to be used for comparative purposes and the multiple is derived from this set;
  - Gordon growth model based terminal value: Use of a formula that calculates the present value of cash flow in the terminal year growing into infinity at an ascribed terminal growth rate. The terminal growth rate is derived by estimating the long-term annual growth potential of the business at the terminal year.

- rNPV is a technique typically used when valuing pharmaceutical or biological companies and has been used in estimating the value of SciFluor Life Sciences and ProGDerm. When using rNPV, it is the same process as developing an NPV analysis though costs and revenues are probability adjusted downward based on the phase of development.
- Selection of discount rates is based on part utilising American Institute of Certified Public Accountants (AICPA) practice standards varying by stage of development of the subsidiary as well as other risk factors and typically range from 20-45 per cent. When utilising rNPV, discount rates are typically lower reflecting the probability adjustment of the cash flows already made.
- Significant events occurring after the date of valuation according to the previous paragraph have been taken into account in the valuation to the extent that such events would have affected the value on the closing date.
- Where available NPV results are compared against peer companies and to valuations for similar companies.

Due to the early stage nature of the Group's subsidiary companies, projections are particularly sensitive to certain key assumptions namely:

- Discount rate and in particular risk premium;
- The ability to predict the cost and timing of achieving technical and commercial viability;
- Projected revenue and operating costs in the post-product development phase of each company; and
- The size and share of addressable market for intellectual property, products and services developed.

Whilst the Board considers the methodologies and assumptions adopted in valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant.

Allied Minds' growth platform and investment pipeline

In addition to the Group Subsidiary Ownership Adjusted Value, the Directors believe that Allied Minds' established partner network and significant pipeline of future opportunities to form and develop new subsidiary companies will enable it to create and realise further value for Shareholders. The Directors believe that Allied Minds has created significant brand value and name recognition providing access to new deal opportunities and potential partners for its subsidiaries, together with a suite of operational standards, processes and know how that enable the Group to apply its business model and create shareholder value in a capital efficient manner.

(7) Operating Expenses

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

For the year ending 31 December:	**2011**	**2012**	**2013**
Selling, general and administrative	33	58	63
Research and development	12	20	33
Total	45	78	96

The aggregate payroll costs of these persons were as follows:

For the year ending 31 December:

	2011 $'000	2012 $'000	2013 $'000
Selling, general and administrative	9,339	12,452	14,870
Research and development	1,258	2,718	5,033
Total	10,597	15,170	19,903

Total operating expenses were as follows:

For the year ending 31 December:

	2011 $'000	2012 $'000	2013 $'000
Salaries and wages	5,704	8,839	12,714
Payroll taxes	466	649	845
Healthcare benefit	540	708	931
Other payroll cost	250	489	438
Share-based payments	3,607	4,485	4,975
Contributions to defined contribution plans	30	—	—
Total	10,597	15,170	19,903
Cost of revenue	85	1,500	2,342
Other SG&A expenses	5,607	9,569	12,602
Other R&D expenses	6,795	9,538	10,656
Total Operating expenses	23,084	35,777	45,503

	2011 $'000	2012 $'000	2013 $'000
Auditor's remuneration			
Audit of consolidated financial statements	85	92	440
Other non-audit services	—	—	—
	85	92	440

See note 8 for further disclosures related to share-based payments and note 23 for management's remuneration disclosures.

(8) Share-based Payments

(a) Allied Minds 2008 Stock Option/Stock Issuance Plan

In 2008, the board of directors approved the "Allied Minds 2008 Stock Option/Stock Issuance Plan" (Allied Minds 2008 Plan). Starting in 2008, stock options have been awarded to employees of the Group. All stock options granted to employees under this plan are equity settled, for a ten-year term. The options have various vesting terms over a period of service between zero and 36 months, provided the employee remains continuously employed with the Group. Options granted under the Allied Minds 2008 Plan are exercisable at a price per share not less than the fair market value of the underlying ordinary shares on the date of grant. The estimated fair value of options, including the effect of estimated forfeitures, is recognised over the options' vesting periods.

(i) Measurement of Fair Values

The fair value of the stock option grants awarded in 2011, 2012, and 2013 under the Allied Minds 2008 Plan was estimated as of the date of grant using a Black-Scholes-Merton option valuation model that uses the following weighted average assumptions:

	2011	2012	2013
Expected option life (in years)	6.18	6.00	5.60
Expected stock price volatility	54.75%	55.05%	48.85%
Risk-free interest rate	1.91%	1.14%	1.89%
Expected dividend yield	—	—	—
Grant date option fair value	$ 0.93	$ 0.92	$ 1.21
Share price at grant date	$ 1.72	$ 1.78	$ 2.60
Exercise price	$ 1.72	$ 1.78	$ 2.60

Grant date option fair value, share price at grant date, and exercise price disclosed above take into account the reorganisation described above in note 3(a). Expected volatility has been based on an evaluation of the historical volatility of the share price of publicly traded companies comparable to Allied Minds, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

(ii) Reconciliation of Outstanding Share Options

A summary of stock option activity in the Allied Minds 2008 plan is presented in the following table, taking into account the reorganisation described above in note 3(a):

	Number of options 2011	Weighted average exercise price 2011	Number of options 2012	Weighted average exercise price 2012	Number of options 2013	Weighted average exercise price 2013
Outstanding as of 1 January	5,597,768	$0.70	10,679,768	$1.18	15,607,768	$1.41
Granted during the year	5,302,000	$1.72	5,500,000	$1.75	3,415,500	$2.60
Exercised during the year	—	—	(6,050)	$0.68	(71,632)	$0.77
Forfeited during the year	(220,000)	$1.72	(565,950)	$0.68	(1,446,368)	$1.80
Outstanding as of 31 December	10,679,768	$1.18	15,607,768	$1.41	17,505,268	$1.61
Exercisable as of 31 December	8,602,000	$1.13	12,215,368	$1.37	613,744	$32.61
Intrinsic value of Exercisable	$5.5 million		$15.0 million		$13.5 million	

The options outstanding as of 31 December 2013 had an exercise price in the range of $0.68 to $2.60 (2011: $0.68 to $1.72, 2012: $0.68 to $1.78) and a weighted-average contractual life of 7 years (2011: 7 years, 2012: 7 years).

(b) Other Plans

(i) Spin Transfer Technologies

In 2012, Spin Transfer Technologies, Inc., a subsidiary of the Company, adopted the "2012 Equity Incentive Plan" (the "2012 Plan") and issued 1,014,294 and 281,924 stock options in 2012, which included options issued in exchange for options issued under the 2011 Equity Incentive Plan, and the 2013 Equity Incentive Plan respectively. The options previously issued in 2011 under the 2011 Equity Incentive Plan were cancelled during 2012. Stock compensation expense related to these options was approximately $223,000 for the year ended 31 December 2011. The options under the 2012 Plan vest over a period of two to four years. Stock compensation expense was approximately $456,000 and $1,315,000 and for the year ended 31 December 2012 and 2013, respectively. Deferred stock compensation expense under these grants was approximately $2,239,000 and $1,853,000 as of 31 December 2012 and 2013, respectively.

The fair value of the stock option grants awarded in 2011, 2012, and 2013 under the 2011 and 2012 Plans was estimated as of the date of grant using a Black-Scholes-Merton option valuation model that uses the following weighted average assumptions:

	2011	2012	2013
Expected option life (in years)	6.50	5.75	6.10
Expected stock price volatility	58.16%	57.72%	51.33%
Risk-free interest rate	2.74%	1.60%	1.74%
Expected dividend yield	—	—	—
Grant date option fair value	$2.88	$3.72	$3.76
Share price at grant date	$5.40	$6.97	$7.50
Exercise price	$5.40	$6.97	$7.50

Expected volatility has been based on an evaluation of the historical volatility of the share price of publicly traded companies comparable to STT, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

A summary of stock option activity in the STT plans is presented in the following table:

	Number of options 2011	Weighted average exercise price 2011	Number of options 2012	Weighted average exercise price 2012	Number of options 2013	Weighted average exercise price 2013
Outstanding as of 1 January	—	—	309,278	$ 5.40	808,109	$ 6.77
Granted during the year	309,278	$ 5.40	1,014,294	$ 6.49	281,924	$ 7.50
Exercised during the year	—	—	—	—	—	—
Forfeited during the year	—	—	(515,463)	$ 5.40	(45,773)	$ 6.09
Outstanding as of 31 December	309,278	$ 5.40	808,109	$ 6.77	1,044,260	$ 7.00
Exercisable as of 31 December	—	—	112,093	$ 5.53	257,574	$ 6.50
Intrinsic value of Exercisable			$ 0.8 million		$ 2.3 million	

The options outstanding as of 31 December 2013 had an exercise price in the range of $5.40 to $7.50 (2011: $5.40, 2012: $5.40 to 6.97) and a weighted-average contractual life of approximately 9.6 years (2011: nil, 2012: 10 years).

(ii) Plans Under Other Subsidiaries

The stock compensation expense under other subsidiaries of the Company, which adopted stock option incentive plans in 2012 and 2013 was $929,000 and $1,137,000 for the year ended 31 December 2012 and 2013, respectively. Deferred stock compensation expense under these grants was approximately $453,000 and $1,221,000 as of 31 December 2012 and 2013, respectively.

(c) Allied Minds Phantom Plan

In 2007, Allied Minds established a cash settled bonus plan for Allied Minds employees, also known as its Phantom Plan. In 2012, the board of directors adopted the Amended and Restated 2007 Phantom Plan. Under the terms of the Amended and Restated Plan, upon a liquidity event Allied Minds will allocate 10 per cent. of the value (after deduction of the amount invested by Allied Minds and accrued interest at a rate not exceeding 5 per cent. per annum) of the invested capital owned by Allied Minds of each operating company to the plan account. Upon a liquidity event, plan participants holding units will receive their proportionate share of the plan account. The allocated shares at all times

remain the sole and exclusive property of Allied Minds and holders of units have no rights or interests in Allied Minds. No amount has been paid out to employees under the Phantom Stock Plan through 31 December 2013.

Allied Minds has not accrued any expense relating to the Phantom Plan as of 31 December 2011, 2012 or 2013. Management will record an expense relating to this plan when it is probable that a subsidiary will be sold and the amount of the payout is reasonably estimable.

(d) Share-based Payment Expense

The Group recorded share-based payment expense related to stock options of approximately $3,607,000, $4,485,000, and $4,975,000 for the years ended 31 December 2011, 2012 and 2013, respectively. There was no income tax benefit recognised for share-based payment arrangements for the years ended 31 December 2011, 2012 and 2013, respectively, due to operating losses. Shared-based payment expenses are included in selling, general and administrative expenses and research and development expenses in the Consolidated Statement of Comprehensive Income.

(9) Finance Cost, Net

The following table shows the breakdown of finance income and cost:

For the year ended 31 December:

	2011 $'000	2012 $'000	2013 $'000
Interest income on:			
– Bank deposits	112	234	324
Foreign exchange gain	—	—	51
Finance income	112	234	375
Interest expense on:			
– Financial liabilities at amortised cost	—	(26)	(306)
Foreign exchange loss	(27)	(23)	(209)
Finance cost	(27)	(49)	(515)
Finance income/(cost), net	85	185	(140)

(10) Loss Per Share

The calculation of basic and diluted loss per share as of 31 December 2013 was based on the loss attributable to ordinary shareholders of $34.5 million (2011: $18.5 million, 2012: $27.2 million), and a weighted average number of ordinary shares outstanding of 142,949,814 (2011: 122,055,545, 2012: 122,919,935), calculated as follows:

Loss attributable to ordinary shareholders

	2011 $'000		2012 $'000		2013 $'000	
	Basic	**Diluted**	**Basic**	**Diluted**	**Basic**	**Diluted**
Loss for the year attributed to the owners of the Company	(18,543)	(18,543)	(27,226)	(27,226)	(34,501)	(34,501)
Loss for the year attributed to the ordinary shareholders	(18,543)	(18,543)	(27,226)	(27,226)	(34,501)	(34,501)

Weighted average number of ordinary shares

	2011		2012		2013	
	Basic	**Diluted**	**Basic**	**Diluted**	**Basic**	**Diluted**
Issued ordinary shares on 1 January	101,946,394	101,946,394	122,917,366	122,917,366	122,923,416	122,923,416
Effect of share capital issued	20,109,151	20,109,151	—	—	19,973,677	19,973,677
Effect of share options issued	—	—	2,569	2,569	52,722	52,722
Weighted average ordinary shares at 31 December	**122,055,545**	**122,055,545**	**122,919,935**	**122,919,935**	**142,949,814**	**142,949,814**

Loss per share

	2011 $		2012 $		2013 $	
	Basic	**Diluted**	**Basic**	**Diluted**	**Basic**	**Diluted**
Loss per share	(0.15)	(0.15)	(0.22)	(0.22)	(0.24)	(0.24)

(11) Property and Equipment

Property and equipment, net, consists of the following at:

Cost in $'000	Machinery and Equipment	Furniture and Fixtures	Leasehold Improvements	Computers and Electronics	Under Construction	Total
Balance as of 1 January 2011	402	83	66	94	158	803
Additions, net of transfers	671	99	492	49	1,132	2,443
Disposals	—	—	(21)	—	(200)	(221)
Balance as of 31 December 2011	1,073	182	537	143	1,090	3,025
Additions, net of transfers	982	40	188	115	5,459	6,784
Disposals	—	—	—	(1)	(144)	(145)
Balance as of 31 December 2012	2,055	222	725	257	6,405	9,664
Additions, net of transfers	10,267	71	1,097	118	(1,026)	10,527
Disposals	(13)	(13)	—	(8)	(107)	(141)
Balance as of 31 December 2013	12,309	280	1,822	367	5,272	20,050

Accumulated Depreciation and Impairment loss in $'000	Machinery and Equipment	Furniture and Fixtures	Leasehold Improvements	Computers and Electronics	Under Construction	Total
Balance as of 1 January 2011	(66)	(9)	(11)	(39)	—	(125)
Depreciation	(148)	(32)	(25)	(39)	—	(244)
Impairment loss	—	—	—	—	(200)	(200)
Disposals	—	—	21	—	200	221
Balance as of 31 December 2011	(214)	(41)	(15)	(78)	—	(348)
Depreciation	(352)	(45)	(145)	(49)	—	(591)
Impairment loss	(126)	—	—	—	—	(126)
Disposals	—	—	—	11	186	197
Balance as of 31 December 2012	(692)	(86)	(160)	(116)	186	(868)
Depreciation	(892)	(54)	(322)	(84)	—	(1,352)
Impairment loss	—	—	—	(5)	—	(5)
Disposals	60	6	—	8	102	176
Balance as of 31 December 2013	(1,524)	(134)	(482)	(197)	288	(2,049)

Property and equipment, net in $'000	Machinery and Equipment	Furniture and Fixtures	Leasehold Improvements	Computers and Electronics	Under Construction	Total
Balance as of 31 December 2011	859	141	522	65	1,090	2,677
Balance as of 31 December 2012	1,363	136	565	141	6,591	8,796
Balance as of 31 December 2013	10,785	146	1,340	170	5,560	18,001

Impairment of property and equipment is included in selling, general and administrative expenses in the consolidated statement of comprehensive income.

As of 31 December 2013, properties with a carrying amount of $11.6 million (2011: nil, 2012: $4.1 million,) were subject to a registered debenture that forms security for a bank loan with net carrying amount of $3.0 million as of 31 December 2013 (2011: nil, 2012: $0.8 million) and total aggregate advanced amount of $4 million (see note 18).

(12) Intangible Assets

Information regarding the cost and accumulated amortisation of intangible assets is as follows:

Cost in $'000	Licenses	Purchased IPR&D	Software	Development cost	Total
Balance as of 1 January 2011	4,319	1,204	—	—	5,523
Additions – Acquired separately	669	781	5	—	1,455
Additions – Internally developed	—	—	—	42	42
Disposals	(280)	(215)	—	—	(495)
Balance as of 31 December 2011	4,708	1,770	5	42	6,525
Additions – Acquired separately	378	369	9	—	756
Additions – Internally developed	—	—	—	—	—
Disposals	(202)	—	—	—	(202)
Balance as of 31 December 2012	4,884	2,139	14	42	7,079
Additions – Acquired separately	84	—	65	—	149
Additions – Internally developed	—	—	—	83	83
Disposals	(425)	(590)	—	—	(1,015)
Balance as of 31 December 2013	4,543	1,549	79	125	6,296

Accumulated amortisation and Impairment loss in $'000	Licenses	Purchased IPR&D	Software	Development cost	Total
Balance as of 1 January 2011	(486)	—	—	—	(486)
Amortisation	(473)	(11)	—	(1)	(485)
Impairment loss	(213)	(215)	—	—	(428)
Disposals	279	215	—	—	494
Balance as of 31 December 2011	(893)	(11)	—	(1)	(905)
Amortisation	(483)	(23)	(5)	(3)	(514)
Impairment loss	(142)	—	—	—	(142)
Disposals	202	—	—	—	202
Balance as of 31 December 2012	(1,316)	(34)	(5)	(4)	(1,359)
Amortisation	(485)	(23)	(21)	(3)	(532)
Impairment loss	(325)	(559)	—	—	(884)
Disposals	424	559	—	—	983
Balance as of 31 December 2013	(1,702)	(57)	(26)	(7)	(1,792)

Intangible assets, net in $'000	Licenses	Purchased IPR&D	Software	Development cost	Total
Balance as of 31 December 2011	3,815	1,759	5	41	5,620
Balance as of 31 December 2012	3,568	2,105	9	38	5,720
Balance as of 31 December 2013	2,841	1,492	53	118	4,504

Amortisation expense is included in selling, general and administrative expenses in the consolidated statement of comprehensive income. Amortisation expense, recorded using the straight-line method, was approximately $485,000, $514,000 and $532,000 for the years ended 31 December 2011, 2012 and 2013, respectively.

Impairment of intangible assets of $428,000, $142,000, and $884,000 for the years ended 31 December 2011, 2012 and 2013, respectively, mainly attributed to closing of subsidiary companies which resulted in the associated intangible assets being impaired to zero, is included in selling, general and administrative expenses in the consolidated statement of comprehensive income.

At each reporting period, management considers qualitative and quantitative factors that define the future prospects of the respective investment and assesses whether it supports the value of the underlying intangible.

(13) Cash and Cash Equivalents

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Bank balances	51,815	33,880	104,682
Restricted cash	—	(131)	(131)
Total cash and cash equivalents	51,815	33,749	104,551

Restricted cash represents cash reserved as collateral against a letter of credit with a bank issued for the benefit of a landlord in lieu of a security deposit to an office space lease for one of the Group's subsidiaries. The amount is classified as other financial assets, non-current in the statement of financial position.

(14) Inventories

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Finished units	448	78	722
Work in progress	—	393	114
Raw materials	—	172	209
Total inventories	448	643	1,045

(15) Trade and Other Receivables

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Trade receivables	182	370	2,385
Other receivables	—	—	—
Total trade and other receivables	182	370	2,385

(16) Equity

On 19 June 2014 Allied Minds plc acquired the entire issued share capital of Allied Minds, Inc. (now Allied Minds, LLC) at a rate of twenty two £0.01 Ordinary Shares in Allied Minds plc for every $0.01 of common stock in Allied Minds Inc. This has been accounted as a common control transaction and has been back dated to 1 January 2011. It has therefore been deemed that the share capital was issued in line with movements in share capital as shown prior to the transaction taking place. In addition the merger reserve records amounts previously recorded as share premium net of differences arising between share capital on the restructured basis and the former basis.

Movements below explain the movements in share capital taking into account the reorganisation described above in note 3(a). Each movement in share capital reflects the number of shares and nominal value of the shares as if the reorganisation had been in place at that date and the shares were those of Allied Minds plc.

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Equity			
Share capital, £0.01 par value, issued and fully paid 122,917,366; 122,923,416 and 157,463,790 as of 31 December 2011, 2012 and 2013, respectively	1,922	1,922	2,445
Merger reserve	86,743	86,957	185,544
Capital contribution reserve	10,354	14,839	19,814
Translation reserve	10	63	98
Accumulated deficit	(41,503)	(55,142)	(90,648)
Equity attributable to owners of the Company	57,526	48,639	117,253
Non-controlling interests	725	9,675	2,606
Total equity	58,251	58,314	119,859

Holders of Ordinary Shares are entitled to vote, on all matters submitted to shareholders for a vote. Each Ordinary Share is entitled to one vote. Each ordinary share is entitled to receive dividends when and if declared by the Company's board of directors. The Company has not declared any dividends in the past.

In April 2010, Allied Minds authorised the issuance of 42,020,000 Ordinary Shares (originally 1,910,000 shares in Allied Minds, Inc. (now Allied Minds, LLC), prior to the reorganisation).

On 27 April 2010, Allied Minds issued 20,970,972 Ordinary Shares (originally 953,226 shares in Allied Minds, Inc. (now Allied Minds, LLC), prior to the reorganisation) to one of its existing shareholders. These shares were issued at a price of $1.67 per share (originally $36.72 per share, prior to the reorganisation) for a total of approximately $35 million. Additionally, under this agreement, the investor subscribed to purchase an additional 20,970,972 Ordinary Shares (originally 953,226 shares in Allied Minds, Inc. (now Allied Minds, LLC), prior to the reorganisation) at a price of $1.67 per share (originally $36.72 per share, prior to the reorganisation) on 27 April 2011. The investor provided $35 million to Allied Minds in April 2011 to fulfill its obligation under the subscription agreement.

On 31 May 2013, Allied Minds issued 34,468,742 Ordinary Shares (originally 1,566,761 shares in Allied Minds, Inc. (now Allied Minds, LLC), prior to the reorganisation), of which 14,926,362 shares (originally 678,471 shares in Allied Minds, Inc. (now Allied Minds, LLC), prior to the reorganisation) were issued to its existing shareholders and 19,542,380 shares (originally 888,290 shares in Allied Minds, Inc. (now Allied Minds, LLC), prior to the reorganisation) to new shareholders for total net proceeds of approximately $99.1 million. The investors provided the full amount of the capital contribution to Allied Minds in June 2013 to fulfill their obligation under the subscription agreement. Other reserves comprise the cumulative credit to reserves corresponding to IFRS 2 share-based payment charges charged through the income statement.

(17) Acquisition of Non-Controlling Interest (NCI)

For the three year period ending 31 December 2013, the Group recognised the following changes in ownership in subsidiaries:

2011

- CryoXtract secured an internal round of $3 million equity investment from Allied Minds, which changed Allied Minds' interest in CryoXtract from 90.00 per cent. to 93.24 per cent.;
- Precision Biopsy secured an internal round of $2.5 million equity investment from Allied Minds, which changed Allied Minds' interest in Precision Biopsy from 65.00 per cent. to 80.35 per cent.;
- SoundCure secured an internal round of $3 million equity investment from Allied Minds, which changed the Allied Minds' interest in SoundCure from 75.00 per cent. to 84.62 per cent.;
- RF Biocidics, Inc. closed on an additional $10 million equity investment, of which $2 million were provided by Allied Minds. As a result of the transaction, Allied Minds' interest in RF Biocidics decreased from 75.00 per cent. to 67.14 per cent.;

2012

- LuxCath entered into a licensing agreement with a partner university. In consideration of the rights granted under the licensing agreement, LuxCath issued a 2 per cent. interest in its equity to the university;
- SciFluor Life Sciences, LLC entered into an amendment to the licensing agreement with an university and obtained worldwide license from the university to use certain other patent rights in exchange for an additional 1 per cent. interest in its equity;
- Spin Transfer Technologies, Inc. secured a $36 million equity investment for approximately 34 per cent. interest in its ordinary shares, of which $7.0 million came from Allied Minds and $29.0 million came from investors in Allied Minds in two equal tranches of $14.5 million paid in 2012 and 2013, respectively. As a result of the round, Allied Minds interest in Spin Transfer Technologies decreased from 75.00 per cent. to 56.13 per cent.;

2013

- ProGDerm closed an internal round of financing of $1.5 million equity investment from Allied Minds, part of which fulfilled the maximum funding threshold for the anti-dilution protection of the existing non-controlling interest shareholder. As a result of the transaction, Allied Minds interest in ProGDerm increase from 90.00 per cent. to 90.38 per cent.

The following summarises the changes in the non-controlling ownership interest in subsidiaries by reportable segment:

	Early Stage		Commercial		Consolidated
	STT $'000	Other $'000	RFB $'000	Other $'000	$'000
Non-controlling interest as of 31 December 2010	**(38)**	**(571)**	**(96)**	**(168)**	**(873)**
New funds into non-controlling interest	—	1,250	8,000	—	9,250
Share of comprehensive loss	(419)	(1,610)	(1,374)	(628)	(4,031)
Effect of change in Company's ownership interest	—	220	(4,914)	793	(3,901)
Deconsolidation of subsidiaries	—	280	—	—	280
Non-controlling interest as of 31 December 2011	**(457)**	**(431)**	**1,616**	**(3)**	**725**
New funds into non-controlling interest	29,000	722	—	—	29,722
Share of comprehensive loss	(1,776)	(2,478)	(2,090)	(841)	(7,185)
Effect of change in Company's ownership interest	(14,487)	832	17	51	(13,587)
Deconsolidation of subsidiaries	—	—	—	—	—
Non-controlling interest as of 31 December 2012	**12,280**	**(1,355)**	**(457)**	**(793)**	**9,675**
New funds into non-controlling interest	—	52	—	—	52
Share of comprehensive loss	(4,113)	(1,157)	(1,922)	(944)	(8,206)
Effect of change in Company's ownership interest	1,693	329	179	11	2,212
Deconsolidation of subsidiaries	—	(1,127)	—	—	(1,127)
Non-controlling interest as of 31 December 2013	**9,860**	**(3,258)**	**(2,270)**	**(1,726)**	**2,606**

(18) Loans

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Non-current liabilities – Loans:			
Secured bank loan	—	644	2,195
Unsecured loan	—	108	549
	—	752	2,744
Current liabilities – Loans:			
Secured bank loan	—	183	854
Unsecured loan	—	—	202
	—	183	1,056
Total loans	—	935	3,800

The terms and conditions of outstanding loans are as follows:

As of 31 December:

				2011 $'000		2012 $'000		2013 $'000	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
Secured bank loan	USD	Prime + 1.25%	2013-17	—	—	827	827	3,049	3,049
Unsecured loan	USD	6.5%	2013-17	—	—	108	108	751	751
Total interest bearing liabilities				—	—	935	935	3,800	3,800

(a) CryoXtract Instruments, LLC Promissory Note

In May 2012, CryoXtract Instruments, LLC signed a promissory note with a state financing authority in the amount of $800,000 to provide working capital for materials and fund salaries. The note fully matures in May 2017 and bears interest of 6.5 per cent. Payment of interest only is due in the first 18 months. As of 31 December 2013, CryoXtract had drawn the full balance of the note, of which $21,000 was repaid during 2013 and $202,000, net of discount, is included in current liabilities. Interest expense paid on the note was $5,000 and $60,000 for the years ended 31 December 2012 and 2013, respectively.

As part of the consideration for the loan, CryoXtract had issued to the lender a warrant entitling the lender to purchase an aggregate of 65,310 membership units in the subsidiary's ordinary shares, representing 0.01 per cent. of the total membership units. The fair value of the warrant issued of $35,000 is amortised over the life of the loan as a discount against the note balance.

(b) Spin Transfer Technologies, Inc. Loan and Security Agreement

In October 2012, Spin Transfer Technologies, Inc. (Spin Transfer) signed a loan and security agreement with a bank to finance eligible equipment purchases made on or after 1 June 2012 of up to $4,000,000. After repayment, no additional advances may be re-borrowed. The loan fully matures in July 2017 and bears interest of 1.25 per cent. above the Prime Rate. The loan is collateralised by the financed equipment and Spin Transfer is required to maintain at all times a liquidity ratio of unrestricted cash maintained with the bank to the aggregate amount of all outstanding obligations with the bank of 2.0 to 1.0. As of 31 December 2013, Spin Transfer had drawn the full balance of the loan, of which $806,700 was repaid in 2013 and $854,000, net of discount, is included in current liabilities as of 31 December 2013. Interest paid was $3,000 and $170,000 for the year ended 31 December 2012 and 2013, respectively.

As part of the consideration for the loan, Spin Transfer had issued to the lender a warrant entitling the lender to purchase an aggregate of 37,500 shares in the subsidiary's ordinary shares, representing 0.2 per cent. of the total number of the outstanding shares. The fair value of the warrant issued of $175,000 is amortised as a discount against the note balance over the life of the loan.

(19) Trade and Other Payables

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Trade payables	1,504	1,757	1,394
Accrued expenses	1,122	2,330	3,644
Trade and other payables, current	2,626	4,087	5,038
Other non-current payables	93	329	278
Total trade and other payables	2,719	4,416	5,316

(20) Leases

Office and laboratory space is rented under non-cancellable operating leases. These lease agreements contain various clauses for renewal at the Group's option and, in certain cases, escalation clauses typically linked to rates of inflation.

Minimum rental commitments under non-cancellable leases were payable as follows:

For the year ended 31 December:

	2011 $'000	2012 $'000	2013 $'000
Less than one year	518	1,863	1,691
Between one and five years	2,202	3,881	3,201
More than five years	265	—	—
Total minimum lease payments	2,985	5,744	4,892

Total rent expense under these leases was approximately $481,000, $1,554,000 and $2,223,000 in 2011, 2012 and 2013, respectively. Rent expenses are included in selling, general and administrative expenses and research and development expenses in the consolidated statements of comprehensive loss.

(21) Financial Instrument – Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

As of 31 December:

	2011 $000					
	Carrying amount		Fair value			
	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	51,815	—	—	51,815	—	51,815
Trade and other receivables	182	—	—	182	—	182
Stock subscription receivable	—	—	—	—	—	—
Security and other deposits	116	—	—	116	—	116
Total	52,113	—	—	52,113	—	52,113
Financial liabilities						
Secured bank loan	—	—	—	—	—	—
Unsecured loan	—	—	—	—	—	—
Trade and other payables	—	2,719	—	2,719	—	2,719
Deferred revenue	—	186	—	186	—	186
Total	—	2,905	—	2,905	—	2,905

As of 31 December:

	2012 $000					
	Carrying amount		Fair value			
	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	33,749	—	—	33,749	—	33,749
Trade and other receivables	370	—	—	370	—	370
Stock subscription receivable	14,500	—	—	14,500	—	14,500
Security and other deposits	466	—	—	466	—	466
Total	49,085	—	—	49,085	—	49,085
Financial liabilities						
Secured bank loan	—	827	—	827	—	827
Unsecured loan	—	108	—	108	—	108
Trade and other payables	—	4,416	—	4,416	—	4,416
Deferred revenue	—	907	—	907	—	907
Total	—	6,258	—	6,258	—	6,258

As of 31 December:

	2013 $000					
	Carrying amount		Fair value			
	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	104,551	—	—	104,551	—	104,551
Trade and other receivables	2,385	—	—	2,385	—	2,385
Stock subscription receivable	—	—	—	—	—	—
Security and other deposits	796	—	—	796	—	796
Total	107,732	—	—	107,732	—	107,732
Financial liabilities						
Secured bank loan	—	3,049	—	3,049	—	3,049
Unsecured loan	—	751	—	789	—	789
Trade and other payables	—	5,316	—	5,316	—	5,316
Deferred revenue	—	2,830	—	2,830	—	2,830
Total	—	11,946	—	11,984	—	11,984

The fair value of financial instruments that are not traded is determined by using valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The Group has determined that the carrying amounts for cash and cash equivalents, trade and other receivables and payables, security and other deposits, and customer deposits are a reasonable approximation of their fair values and are included in Level 2.

The secured bank loan is at a floating interest rate of 1.25 per cent. above Prime rate, which is adjustable immediately when Prime rate changes. As such, the Group has determined that the fair value of the secured bank loan equals the carrying amount at 31 December 2013 and 2012, respectively, and is classified as Level 2.

(22) Capital and Financial Risk Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the level of capital deployed and available for deployment in subsidiary projects. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of deployed capital and the advantages and security afforded by a sound capital position.

The Group's executive management and board of directors have overall responsibility for establishment and oversight of the Group's risk management framework. The Group is exposed to certain risks through its normal course of operations. The Group's main objective in using financial instruments is to promote the commercialisation of intellectual property through the raising and investing of funds for this purpose. The Group's policies in calculating the nature, amount and timing of funding are determined by planned future investment activity. Due to the nature of activities and with the aim to maintain the investors' funds secure and protected, Group's policy is to hold any excess funds in highly liquid and readily available financial instruments and maintain exposure to other financial risks to insignificant.

The Group has exposure to the following risks arising from financial instruments:

a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents and trade and other receivables. The Group held following balances:

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Cash and cash equivalent	51,815	33,749	104,551
Trade and other receivables	182	370	2,385
	51,997	34,119	106,936

The Group maintains money market funds and certificates of deposits with financial institutions, which the Group believes are of high credit quality.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to credit ratings (if available) or to historical information about counterparty default rates.

Group policy is to maintain its funds in highly liquid deposit accounts with reputable financial institutions.

At 31 December of the respective period end, the aging of trade and other receivables that were not impaired was as follows:

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Neither past due nor impaired	175	208	2,042
Past due 30-90 days	7	44	—
Past due 90-365 days	—	118	343
	182	370	2,385

The Group has no significant concentration of credit risk. The Group assesses the credit quality of customers, taking into account their current financial position.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows:

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Customers with less than three years of trading history with the Group	182	370	2,385
	182	370	2,385

b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk, ensuring that sufficient liquidity is available to meet foreseeable requirements

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. The current portion of the carrying amount of lease obligations is included in trade and other payables.

As of 31 December 2011:

		Contractual cash flows			
$'000	Carrying amount	Total	Less than 1 year	2 – 5 years	More than 5 years
Trade and other payables	2,626	2,626	2,626	—	—
Other non-current liabilities	93	93	16	69	8
Secured bank loans	—	—	—	—	—
Unsecured bank loans	—	—	—	—	—
	2,719	2,719	2,642	69	8

As of 31 December 2012:

		Contractual cash flows			
$'000	Carrying amount	Total	Less than 1 year	2 – 5 years	More than 5 years
Trade and other payables	4,087	4,087	4,087	—	—
Other non-current liabilities	329	329	107	222	—
Secured bank loans	827	1,066	267	799	—
Unsecured bank loans	108	108	—	108	—
	5,351	5,590	4,461	1,129	—

As of 31 December 2013:

		Contractual cash flows			
$'000	Carrying amount	Total	Less than 1 year	2 – 5 years	More than 5 years
Trade and other payables	5,038	5,038	5,038	—	—
Other non-current liabilities	278	278	96	182	—
Secured bank loans	3,049	3,457	1,017	2,440	—
Unsecured bank loans	751	873	252	621	—
	9,116	9,646	6,403	3,243	—

As disclosed in note 18, the Group has a loan which contains a debt covenant. A future breach of covenant would require the Group to repay the loan earlier than indicated in the table above, however the probability of the breach eventuating is considered very low. Except for this, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

c) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group maintains the exposure to market risk from such financial instruments to insignificant levels.

The Group exposure to changes in interest rates is determined to be insignificant.

d) Capital risk management

The Group is funded by equity finance and long term borrowings. Total capital is calculated as 'total equity' as shown in the consolidated statement of financial position.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or borrow new debt. The Group has some external debt and no material externally imposed capital requirements. The Group's share capital is clearly set out in note 16.

(23) Related Parties

Transactions with Key Management Personnel

Key Management Personnel Compensation

Key management personnel compensation received comprised the following:

For the year ended 31 December:

	2011 $'000	2012 $'000	2013 $'000
Short-term employee benefits	1,063	1,215	1,252
Share-based payments	2,512	2,424	3,119
	3,575	3,639	4,371

Compensation of the Group's key management personnel includes salaries, health care and other non-cash benefits. Share-based payments are subject to vesting terms over future periods.

The Group has not engaged in any other transactions with key management personnel or other related parties.

(24) Income Taxes

(a) Amounts recognised in profit or loss

No current income tax expense was recorded for UK or US jurisdictions for the years ended 31 December 2011, 2012, and 2013 due to accumulated losses.

For the year ended 31 December:

	2011 $'000	2012 $'000	2013 $'000
Net loss	22,574	34,411	42,707
Income taxes	—	—	—
Net loss before taxes	22,574	34,411	42,707

(b) Reconciliation of Effective Tax Rate

The Group is primarily subject to taxation in the US, therefore the reconciliation of the effective tax rate has been prepared using the US statutory tax rate. A reconciliation of the US statutory rate to the effective tax rate is as follows:

	2011 %	2012 %	2013 %
Weighted average statutory rate	35.0	35.0	35.0
Effect of state tax rate in US	5.4	5.3	5.3
Credits	2.5	2.1	2.7
Share-based payment measurement	(4.3)	16.4	(7.9)
Other	(1.0)	(6.8)	(3.2)
Current year losses for which no deferred tax asset is recognised	(37.6)	(52.0)	(31.9)
	—	—	—

Factors that may affect future tax expense

The Group is primarily subject to taxation in the US and UK. Additionally, the Group is exposed to state taxation in various jurisdictions throughout the US. Changes in corporate tax rates can change both the current tax expense (benefit) as well as the deferred tax expense (benefit). The main UK corporate tax rates enacted for the taxation financial years (1 April to 31 March the following calendar year) 2011, 2012, and 2013 are 26 per cent., 24 per cent., and 23 per cent., respectively. The maximum corporate tax rate in the US for the corresponding periods is 35 per cent.

(c) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

As of 31 December:

	2011 $'000	2012 $'000	2013 $'000
Operating tax losses [1]	14,051	21,921	32,170
Capital losses [2]	806	806	2,017
Research credits [1]	1,120	1,685	2,616
Temporary differences [3]	6,401	12,215	11,616
Other temporary differences [3]	6	—	—
Deferred tax assets	22,384	36,627	48,419
Other temporary differences [3]	—	(91)	(824)
Deferred tax liabilities	—	(91)	(824)
Deferred tax assets, net, not recognised	22,384	36,536	47,595

(1) expire starting 2024

(2) expire starting 2015

(3) generally will expire 20 years subsequent to the time the deduction is taken

Deferred tax is measured at the rates that are expected to apply in the period when the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the statement of financial position date. The reduction in the main rate of UK corporation tax to 20 per cent. (from 23 per cent.) was substantially enacted on 2 July 2013 and will apply from 1 April 2015. However, the UK corporation tax rate

initially reduced from 23 per cent. to 21 per cent. from 1 April 2014. The change in the UK corporate tax rate did not materially impact the calculation of the deferred tax assets as these assets are generally exposed to tax in US jurisdiction.

There were no movements in deferred tax recognised in income or equity in 2011, 2012 or 2013 as the deferred tax asset was not recognised in any of those years.

(25) Subsequent Events

The Company has evaluated subsequent events through 20 June 2014, which is the date the consolidated financial information is available to be issued.

(a) Percipient Networks

Percipient Networks LLC was formed in January 2014 as a wholly owned subsidiary of Foreland Technologies, Inc. Percipient is a next generation active defence cyber security technology firm developing transformative modular lightweight solutions in advanced persistent threat defeat. Percipient Networks is currently in development stage working on two technologies with corporate, academic and federal research partners.

(b) Optio Labs

In March 2014, Optio Labs closed a round of financing of $10 million with existing and new shareholders of the Group, of which Allied Minds has subscribed to contribute $7.7 million by January 2015 should no other investors opt to participate by July 2014.

(c) RF Biocidics

In December 2013, RF Biocidics entered into an agreement with a strategic partner, which made that partner an exclusive manufacturer of the Apex product series for RFB. Following this transaction in March of 2014, RF Biocidics acquired ordinary shares representing 28.5 per cent. of the capital of that manufacturer in exchange for 1.1 million Euro.

(26) Explanation of Transition to IFRS

As stated in note 2(a), this is the Group's first consolidated financial information prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial information for the year ended 31 December 2013, the comparative information presented in the financial information for the years ended 31 December 2011 and 2012 and in the preparation of an opening IFRS statement of financial position as of 1 January 2011 (the Group's date of transition).

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

Reconciliation of financial position as of 1 January 2011:

	Note	US GAAP $'000	Effect on transition to IFRSs $'000	Effect on presentation differences $'000	IFRS $'000
Assets					
Property and equipment		682	—	—	682
Intangible assets	*26(a)*	2,722	2,314	—	5,036
Other financial assets		—	—	—	—
Other non-current assets		67	—	—	67
Non-current assets		3,471	2,314	—	5,785
Cash and cash equivalents		12,800	—	—	12,800
Short-term investments		15,855	—	—	15,855
Trade and other receivables		177	—	—	177
Subscription receivable		35,000	—	—	35,000
Prepayments and other current assets		296	—	—	296
Current assets		64,128	—	—	64,128
Total assets		67,599	2,314	—	69,913
Share capital		46	—	1,531	1,577
Merger reserve	*26(c)*	95,366	(6,747)	(1,531)	87,088
Other reserve	*26(c)*	—	6,747	—	6,747
Translation reserve		10	—	—	10
Accumulated deficit	*26(d)*	(31,199)	4,618	—	(26,581)
Equity attributable to owners of the Company		64,223	4,618	—	68,841
Non-controlling interests	*26(d)*	1,431	(2,304)	—	(873)
Total equity		65,654	2,314	—	67,968
Liabilities					
Trade and other payables		1,860	—	—	1,860
Deferred revenue		85	—	—	85
Current liabilities		1,945	—	—	1,945
Total liabilities		1,945	—	—	1,945
Total equity and liabilities		67,599	2,314	—	69,913

Reconciliation of comprehensive loss for the year ended 31 December 2011:

	Note	US GAAP $'000	Effect on transition to IFRSs $'000	Effect on presentation differences $'000	IFRS $'000
Continuing operations					
Revenue		425	—	—	425
Operating expenses:					
Cost of revenue		(85)	—	—	(85)
Selling, general and administrative expenses	*26(a)(b)*	(13,782)	(1,006)	(158)	(14,946)
Research and development expenses	*26(a)(b)*	(8,280)	42	185	(8,053)
Operating loss		(21,722)	(964)	27	(22,659)
Finance income/(cost), net		112	—	(27)	85
Loss before tax		(21,610)	(964)	—	(22,574)
Income taxes		—	—	—	—
Loss for the year		(26,610)	(964)	—	(22,574)
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		10	—	—	10
Unrealised loss on short-term investments		(10)	—	—	(10)
Other comprehensive income, net of tax		—	—	—	—
Total comprehensive loss		(21,610)	(964)	—	(22,574)
Loss attributable to:					
Owners of the Company	*26(d)*	(17,786)	(757)	—	(18,543)
Non-controlling interests	*26(d)*	(3,824)	(207)	—	(4,031)
		(21,610)	(964)	—	(22,574)
Total comprehensive loss attributable to:					
Owners of the Company		(17,786)	(757)	—	(18,543)
Non-controlling interests	*26(d)*	(3,824)	(207)	—	(4,031)
		(21,610)	(964)	—	(22,574)

Reconciliation of financial position as of 31 December 2011:

	Note	US GAAP $'000	Effect on transition to IFRSs $'000	Effect on presentation differences $'000	IFRS $'000
Assets					
Property and equipment		2,682	—	(5)	2,677
Intangible assets	*26(a)*	3,777	1,838	5	5,620
Other financial assets		—	—	93	93
Other non-current assets		147	—	(89)	58
Non-current assets		6,606	1,838	4	8,448
Cash and cash equivalents		51,815	—	—	51,815
Inventories		448	—	—	448
Trade and other receivables		182	—	—	182
Subscription receivable		—	—	—	—
Prepayments and other current assets		267	—	(27)	240
Other financial assets		—	—	23	23
Current assets		52,712	—	(4)	52,708
Total assets		59,318	1,838	—	61,156
Equity					
Share capital		56	—	1,866	1,922
Merger reserve	*26(c)*	98,195	(9,586)	(1,866)	86,743
Other reserve	*26(c)*	—	10,354	—	10,354
Translation reserve		10	—	—	10
Accumulated deficit	*26(d)*	(48,985)	7,482	—	(41,503)
Equity attributable to owners of the Company		49,276	8,250	—	57,526
Non-controlling interests	*26(d)*	7,137	(6,412)	—	725
Total equity		56,413	1,838	—	58,251
Liabilities					
Loans		—	—	—	—
Deferred revenue		39	—	—	39
Other non-current liabilities		13	—	80	93
Non-current liabilities		52	—	80	132
Trade and other payables		2,706	—	(80)	2,626
Deferred revenue		147	—	—	147
Loans		—	—	—	—
Current liabilities		2,853	—	(80)	2,773
Total liabilities		2,905	—	—	2,905
Total equity and liabilities		59,318	1,838	—	61,156

Reconciliation of comprehensive loss for the year ended 31 December 2012:

	Note	US GAAP $'000	Effect on transition to IFRSs $'000	Effect on presentation differences $'000	IFRS $'000
Continuing operations					
Revenue		1,181	—	—	1,181
Operating expenses:					
Cost of revenue		(1,500)	—	—	(1,500)
Selling, general and administrative expenses	*26(a)(b)*	(20,595)	(1,448)	22	(22,021)
Research and development expenses	*26(a)(b)*	(12,137)	(119)	—	(12,256)
Operating loss		(33,051)	(1,567)	22	(34,596)
Finance income/(cost), net		207	—	(22)	185
Loss before tax		(32,844)	(1,567)	—	(34,411)
Income taxes		—	—	—	—
Loss for the year		(32,844)	(1,567)	—	(34,411)
Other comprehensive income/ (loss):					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		21	32	—	53
Unrealised loss on short-term investments		—	—	—	—
Other comprehensive income, net of tax		21	32	—	53
Total comprehensive loss		(32,823)	(1,535)	—	(34,358)
Loss attributable to:					
Owners of the Company	*26(d)*	(26,007)	(1,219)	—	(27,226)
Non-controlling interests	*26(d)*	(6,837)	(348)	—	(7,185)
		(32,844)	(1,567)	—	(34,411)
Total comprehensive loss attributable to:					
Owners of the Company		(25,986)	(1,187)	—	(27,173)
Non-controlling interests	*26(d)*	(6,837)	(348)	—	(7,185)
		(32,823)	(1,535)	—	(34,358)

Reconciliation of financial position as of 31 December 2012:

	Note	US GAAP $'000	Effect on transition to IFRSs $'000	Effect on presentation differences $'000	IFRS $'000
Assets					
Property and equipment		8,796	—	—	8,796
Intangible assets	*26(a)*	4,108	1,612	—	5,720
Other financial assets		—	—	461	461
Other non-current assets		393	(1)	(356)	36
Non-current assets		13,297	1,611	105	15,013
Cash and cash equivalents		33,749	—	—	33,749
Inventories		643	—	—	643
Trade and other receivables		370	—	—	370
Subscription receivable		14,500	—	—	14,500
Prepayments and other current assets		428	—	(136)	292
Other financial assets		—	—	5	5
Current assets		49,690	—	(131)	49,559
Total assets		62,987	1,611	(26)	64,572
Equity					
Share capital		56	—	1,866	1,922
Merger reserve	*26(c)*	102,054	(13,231)	(1,866)	86,957
Other reserve	*26(c)*	—	14,839	—	14,839
Translation reserve		31	32	—	63
Accumulated deficit	*26(d)*	(74,992)	19,850	—	(55,142)
Equity attributable to owners of the Company		27,149	21,490	—	48,639
Non-controlling interests	*26(d)*	30,054	(20,379)	—	9,675
Total equity		57,203	1,111	—	58,314
Liabilities					
Loans		778	—	(26)	752
Deferred revenue		—	—	—	—
Other non-current liabilities		329	—	—	329
Non-current liabilities		1,107	—	(26)	1,081
Trade and other payables		3,535	500	52	4,087
Deferred revenue		959	—	(52)	907
Loans		183	—	—	183
Current liabilities		4,677	500	—	5,177
Total liabilities		5,784	500	(26)	6,258
Total equity and liabilities		62,987	1,611	(26)	64,572

There are no material differences between the Consolidated Statement of Cash Flows presented under IFRSs and the statement of cash flows presented under previous GAAP.

Notes to the reconciliations

a) Intangible assets

(i) Licenses and acquired IPR&D

Under US GAAP, prior to December 2009, licenses and acquired IPR&D were expensed when acquired. These meet the definition for capitalisation as an intangible asset per IAS 38 and therefore an adjustment has been required to record the intangible asset and the applicable amortisation charge.

The impact arising from the change is summarised as follows:

	Transition date	2011	2012
Consolidated statement of loss			
Selling, general and administrative expenses			
Amortisation expense	291	90	79
Impairment expense	63	428	142
	354	518	221
Research and development expenses	(2,668)	—	—
Adjustment before income tax	(2,314)	518	221

	Transition date	31 Dec 2011	21 Dec 2012
Consolidated statement of financial position			
Intangible assets	2,314	(518)	(221)
Adjustment to accumulated deficit	2,314	(518)	(221)

(ii) Capitalised Development Cost

The Company capitalised certain development costs that gave raise to internally generated intangible assets in accordance with IAS 38.

The impact arising from the change is summarised as follows:

	Transition date	2011	2012
Consolidated statement of loss			
Selling, general and administrative expenses			
Amortisation expense	—	1	3
	—	1	3
Research and development expenses	—	(42)	—
Adjustment before income tax	—	(41)	3

	Transition date	31 Dec 2011	21 Dec 2012
Consolidated statement of financial position			
Intangible assets	—	41	(3)
Adjustment to accumulated deficit	—	41	(3)

b) Share-based payments

The Group has elected to apply the share based payment exemption available under IFRS 1 on application of IFRS 2, ''Share Based Payment'', to only grants made after 7 November 2002, which remained unvested as of the Transition Date. Consequent to which the fair value of such grants have been recognised in the income statement at the Transition Date.

The Company used the simplified method under US GAAP in arriving at the cost of share-based expense recognised in the statement of comprehensive income for the period, whereby under IFRS share-based compensation from vesting transactions for options with graded vesting is treated as a separate award.

The impact arising from the change is summarised as follows:

	Transition date	2011	2012
Consolidated statement of loss			
Share-based expense	—	767	842
Adjustment before income tax	—	767	842

	Transition date	31 Dec 2011	21 Dec 2012
Consolidated statement of financial position			
Capital Contribution reserve	—	(767)	(842)
Adjustment to accumulated deficit		(767)	(842)

c) Reserves

Under IFRS, share premium and other reserves are presented separately on the statement of financial position, while under US GAAP historically they have been presented as part of additional paid-in capital.

Share capital and merger reserve have been updated to reflect the effects from the reorganisation, see note 16.

d) Non-controlling interest

Under IFRS, at each period end non-controlling interest has been adjusted against retained earnings to reflect the proportionate share of non-controlling interest holders in the net assets of the underlying subsidiary companies. Under US GAAP, non-controlling interest historically have been adjusted only for the portion of the net income/loss for the period attributable to the non-controlling interest shareholders in the subsidiaries.

e) Other

Other adjustments to operating expenses under IFRS include a correction of a loss from discontinued operations in 2011 of favourable $280,000, and an accrual for legal expenses of $500,000 as of 31 December 2012, not included in the US GAAP accounts. Additionally, under US GAAP, certain immaterial financial income/(cost) items such as foreign currency exchange gains or losses were presented within selling, general and administrative expenses. Under IFRS, those are presented separately under Finance income/(cost), net. For comparability purposes, those reclasses of the US GAAP accounts are shown in a separate columns above, accordingly.

f) Estimates

Upon an assessment of the estimates made under US GAAP, the Group has concluded that there was no necessity to revise such estimates under IFRS, except where estimates were required by IFRS and not required by US GAAP.

PART XIII – UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A: Accountant's report on pro forma financial information

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

Private & confidential

The Directors

Allied Minds plc
40 Dukes Place
London
EC3A 7NH

20 June 2014

Dear Sirs

Allied Minds plc (the 'Company')

We report on the *pro forma* financial information (the 'Pro forma financial information') set out in Part XIII ("*Unaudited Pro Forma Financial Information*") of the Prospectus dated 20 June 2014, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the issue of the ordinary shares might have affected the financial information presented on the basis of the accounting policies to be adopted by Allied Minds plc in preparing the financial statements for the period ending 31 December 2013. This report is required by paragraph 7 of Annex II of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma financial information in accordance with Annex II of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of Opinion

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

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Allied Minds plc.

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

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Allied Minds plc.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus 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 Prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

Section B: Pro forma financial information

The unaudited *pro forma* statement of net assets set out below has been prepared to illustrate the impact of the proceeds raised through the Offer on the consolidated net assets of the Group. The *pro forma* net assets statement is based on the audited consolidated net assets of the Group at 31 December 2013 and has been prepared on the basis that the Offer completed on 31 December 2013. The unaudited *pro forma* statement of net assets is compiled on the basis set out in the notes below and in accordance with the accounting policies of the Group for the year ended 31 December 2013.

Because of its nature the unaudited *pro forma* statement of net assets addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results. It may not, therefore give a true picture of the Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The *pro forma* information has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Directive Regulation.

	Consolidated net assets of the Group at 31 December 2013 Note 1 $000	Adjustment for application of the proceeds of the Offer Note 2 $000	Pro forma Note 3 $000
Assets			
Property and equipment	18,001	—	18,001
Intangible assets	4,504	—	4,504
Other financial assets	484	—	484
Other non-current assets	38	—	38
Non-current assets	23,027	—	23,027
Cash and cash equivalents	104,551	130,000	234,551
Inventories	1,045	—	1,045
Trade and other receivables	2,385	—	2,385
Subscription receivable	—	—	
Prepayments and other current assets	485	—	485
Other financial assets	312	—	312
Current assets	108,778	130,000	238,778
Total assets	131,805	130,000	261,805
Liabilities			
Loans and borrowings	2,744	—	2744
Deferred revenue	188	—	188
Other non-current liabilities	278	—	278
Non-current liabilities	3,210	—	3210
Trade and other payables	5,038	—	5,038
Deferred revenue	2,642	—	2,642
Loans and borrowings	1,056	—	1,056
Current liabilities	8,736	—	8,736
Total liabilities	11,946	—	11,946
Net assets	119,859	130,000	249,859

Notes

1. The net assets of the group as at 31 December 2013 have been extracted without material adjustment from the historical financial information set out in Part XII (*Historical Financial Information*) of this Prospectus. As described in note 3a to that historical financial information on 19 June 2014 Allied Minds plc completed the reorganisation of the corporate structure of the group of companies controlled by its predecessor, Allied Minds, Inc. (now Allied Minds, LLC). This has been accounted for as a common control transaction under IFRS 3.B1, therefore the consolidated financial statements for of the year ended 31 December 2013

comprise an aggregation of financial statements of Allied Minds plc and the consolidated financial statements of Allied Minds, Inc. (now Allied Minds, LLC) and its subsidiaries.

2. The adjustment in Note 2 represents the effect of the receipt of the gross proceeds of the Offer of £84.1 million ($143.4 million) less costs of £7.9 million ($13.4 million).
3. No adjustment has been made to reflect the trading results of the Group since 31 December 2013 or any other change in its financial position in this period. The Directors believe that, had the Offer completed at the beginning of the last financial period, the earnings of the Group would have been affected. Assuming that the net offer proceeds were not invested in existing businesses or new opportunities, the impact would have been to increase finance income with a corresponding decrease in loss.

PART XIV – DETAILS OF THE OFFER

1. BACKGROUND

1.1 There are 61,695,208 Offer Shares available under the Offer comprising 44,254,411 New Ordinary Shares to be issued by the Company (before any exercise of the Over-allotment Option) and 17,440,797 Existing Ordinary Shares to be sold by the Selling Shareholders.

The Selling Shareholders are selling 17,440,797 Existing Ordinary Shares representing in aggregate 39.2 per cent. of their combined holdings immediately prior to Admission.

44,254,411 New Ordinary Shares will be issued by the Company pursuant to the Offer raising net proceeds of approximately £76.2 million ($130.0 million), net of underwriting commissions of £2.9 million ($5.0 million) and other estimated fees and expenses of approximately £4.9 million ($8.4 million). The New Ordinary Shares will represent approximately 21.1 per cent. of the total issued Ordinary Shares immediately following Admission (before any exercise of the Overallotment Option).

1.2 The Offer Shares will be offered to certain institutional investors in the United Kingdom and elsewhere outside the US in reliance on Regulation S under the Securities Act.

1.3 All of the Offer Shares will be issued or sold, as the case may be, at the Offer Price which will be payable in full. The currency of the issue is pounds sterling.

1.4 When admitted to trading, the Ordinary Shares will be registered with ISIN number GB00BLRLH124 and SEDOL number BLRLH12.

1.5 Immediately following Admission, it is expected that in excess of 25 per cent., and up to 27.4 per cent. of the Company's issued Ordinary Shares, will be held in public hands (within the meaning of paragraph 6.1.19 of the Listing Rules) assuming that no Over-allotment Shares are issued pursuant to the Over-allotment Option (increasing to approximately 29.7 per cent. if the Over-allotment Option is exercised in full).

2. ALLOCATION

The rights attaching to the New Ordinary Shares and the Existing Ordinary Shares will be uniform in all respects and they will form a single class for all purposes. The Ordinary Shares allocated under the Offer have been underwritten, subject to certain conditions, by the Underwriter as described in the paragraph headed "Underwriting arrangements" below and in paragraph 13.13 (*Underwriting Agreement*) of Part XVI (*Additional Information*) of this Prospectus. A number of factors will be considered in determining the basis of allocation, including the prevailing market conditions, the level and nature of demand for the Offer Shares, the prices bid to acquire the Offer Shares and the objective of encouraging the development of an orderly and liquid after-market in the Ordinary Shares. The basis for allocation under the Offer will be confirmed or adjusted by the Company in its absolute discretion in consultation with the Underwriter.

If there is excess demand for the Offer Shares, applicants may be allocated Offer Shares having an aggregate value which is less than the sum applied for.

Upon notification of any allocation, prospective investors will be contractually committed to acquire the number of Offer Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment. Dealing with the Ordinary Shares may not begin before notification is made.

All Ordinary Shares issued or sold pursuant to the Offer will be issued or sold, payable in full, at the Offer Price. Liability for UK stamp duty and stamp duty reserve tax is described in paragraph 1.4 (*Stamp Duty and Stamp Duty Reserve Tax*) of Part XV (*Taxation*) of this Prospectus.

3. DEALING ARRANGEMENTS

3.1 The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors and the Underwriter. Further details of the Underwriting Agreement are described in paragraph 13.13 (*Underwriting Agreement*) of Part XVI (*Additional Information*) of this Prospectus.

3.2 It is expected that Admission will take place and unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 25 June 2014. Settlement of dealings from that date will be on a three-day rolling basis. Prior to Admission, it is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange on 20 June 2014. The earliest date for such settlement of such dealings will be 25 June 2014. **All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a "conditional basis", will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.**

3.3 Each investor will be required to undertake to pay the Offer Price for the Ordinary Shares sold or issued to such investor in such manner as shall be directed by Jefferies.

3.4 It is expected that Ordinary Shares allocated to investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

3.5 Each purchaser of Ordinary Shares and, in the case of paragraph 3.5(B) below, any person confirming an agreement to purchase Ordinary Shares on behalf of a purchaser or authorising Jefferies to notify the purchaser's name to the Registrar, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(A) the purchaser is liable for any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by it or any other person on the acquisition by it of any Ordinary Shares or the agreement by it to acquire Ordinary Shares; and

(B) the purchaser is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depositary receipts and clearance services).

The Company, Jefferies and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

4. OVER-ALLOTMENT AND STABILISATION

4.1 In connection with the Offer, the Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allocate Ordinary Shares and effect other transactions to maintain the market price of the Ordinary Shares at a level other than that which might otherwise prevail in the open market.

4.2 The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period from commencement of conditional dealings of the Ordinary Shares and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents or affiliates to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken with the intention of stabilising the market price of the Ordinary Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents or affiliates intends to disclose the extent of any over-allocations made and/or stabilisation transactions conducted in relation to the Offer.

4.3 The Stabilising Manager has entered into the Over-allotment Option with the Company pursuant to which the Stabilising Manager may require the Company to issue to it or directly to purchasers procured by it at the Offer Price additional Ordinary Shares representing up to 15 per cent. of the total number of New Ordinary Shares comprised in the Offer (before any exercise of the Over-allotment Option), to allow it to cover short positions resulting from over-allocations of Ordinary Shares, if any, made in connection with the Offer, to satisfy any such over-allocations and/or to cover short positions arising in connection with stabilising transactions (including if required to re-deliver Borrowed Shares to the Lending Shareholder). The Over-allotment Option may be exercised in whole or in one or more parts, upon one or more notices by the Stabilising Manager, at any time during the period from commencement of conditional dealings of the Ordinary Shares and ending 30 calendar days thereafter. The Over-allotment

Shares made available pursuant to the Over-allotment Option will be issued at the Offer Price on the same terms and conditions as, and will rank equally with, the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will form a single class for all purposes with the Ordinary Shares. Liability for UK stamp duty and SDRT on transfers of Ordinary Shares pursuant to the Over-allotment Option is described in Part XV (*Taxation*) of this Prospectus.

4.4 Following allocation of the Ordinary Shares pursuant to the Offer, the Stabilising Manager may seek to agree the terms of deferred settlement with certain investors who have been allocated Ordinary Shares pursuant to the terms of the Offer. No fees will be payable to such investors.

4.5 For a discussion of certain stock lending arrangements entered into in connection with the Over-allotment Option, see paragraph 13.15 (*Stock Lending Agreement*) of Part XVI (*Additional Information*) of this Prospectus.

5. CREST

With effect from Admission, the Articles will permit the holding of Shares under the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. Settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

6. UNDERWRITING ARRANGEMENTS

6.1 The Underwriter has agreed under the Underwriting Agreement, subject to certain conditions, to procure subscribers for the New Ordinary Shares to be issued by the Company and purchasers for Existing Ordinary Shares to be sold by the Selling Shareholders in the Offer (excluding any Over-allocation Shares), or, failing which itself, to subscribe for or purchase such Ordinary Shares at the Offer Price. Each of the Selling Shareholders has entered into a separate Deed of Election in connection with the sale of some of its Existing Ordinary Shares to be sold pursuant to the Offer.

6.2 The Underwriting Agreement contains provisions entitling the Underwriter to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any moneys received in respect of the Offer will be returned to applicants without interest. The Underwriting Agreement provides for the Underwriter to be paid commission in respect of the New Ordinary Shares issued and any Over-allotment Shares sold following exercise of the Over-allotment Option. Each Deed of Election provides for Jefferies to be paid commission in respect of the Existing Ordinary Shares sold pursuant to such Deed of Election by the Selling Shareholder on whose behalf those Existing Ordinary Shares are sold. Any commissions received by the Underwriter may be retained, and any Ordinary Shares acquired by them may be retained or dealt in, by them, for their own benefit.

6.3 Further details of the terms of the Underwriting Agreement and Deeds of Election are set out in paragraph 13.13 (*Underwriting Agreement*) of Part XVI (*Additional Information*) of this Prospectus. Certain selling and transfer restrictions are set out further below.

7. LOCK-UP ARRANGEMENTS

7.1 Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 365 days from the date of Admission, it will not (among other things), without the prior written consent of Jefferies, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

7.2 Pursuant to the Underwriting Agreement and related arrangements, each Director has agreed in respect of his holdings of issued Ordinary Shares, amounting, in aggregate, to 23,533,202 issued Ordinary Shares (approximately 11.2 per cent. of the issued Ordinary Shares immediately following Admission assuming no exercise of the Overallotment Option) that, subject to certain exceptions, during the period of 365 days, in each case from the date of Admission, he will not (among other things), without the prior written consent of Jefferies, sell or contract to sell, or

otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

7.3 Pursuant to the Deeds of Election or separate lock-up agreements, certain Senior Managers and other employees of the Company have each agreed in respect of his or her holdings of issued Ordinary Shares, amounting, in aggregate, to 1,722,336 issued Ordinary Shares (approximately 0.8 per cent. of the issued Ordinary Shares immediately following Admission assuming no exercise of the Overallotment Option) that, subject to certain exceptions, during the period of 365 days from the date of Admission, he or she will not (among other things), without the prior written consent of Jefferies, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing

7.4 Pursuant to a separate lock-up agreement, Invesco has agreed in respect of its holding of 74,396,278 issued Ordinary Shares immediately prior to Admission (approximately 35.5 per cent. of the issued Ordinary Shares immediately following Admission assuming no exercise of the Overallotment Option) that, subject to certain exceptions, during the period of 180 days from the date of Admission it will not (among other things), without the prior written consent of Jefferies, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

7.5 Pursuant to the Deeds of Election, certain Selling Shareholders have each agreed in respect of their respective holdings of issued Ordinary Shares, amounting, in aggregate to 21,672,825 issued Ordinary Shares (approximately 10.3 per cent. of the issued Ordinary Shares immediately following Admission assuming no exercise of the Overallotment Option) that, subject to certain exceptions, during the period of 90 days from the date of Admission, each will not (among other things), without the prior written consent of Jefferies, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

7.6 Further details of these arrangements, are set out in paragraphs 13.13 and 13.14 of Part XVI (*Additional Information*) of this Prospectus.

8. SELLING RESTRICTIONS

The distribution of this Prospectus and the offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of Ordinary Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

8.1 European Economic Area

In relation to each Member State, an offer to the public of any Ordinary Shares may not be made in that Member State, except that an offer to the public in that Member State of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Member State:

1. to any legal entity which is a qualified investor as defined under the Prospectus Directive;

2. to fewer than 100, or, if the Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Member State, subject to obtaining the prior consent of Jefferies; or

3. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the Company or Jefferies to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Jefferies and the Company that it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Ordinary Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied for that Member State by any measure implementing the Prospectus Directive in that Member State.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Company and Jefferies has been obtained to each such proposed offer or resale.

8.2 US

The Ordinary Shares have not been and will not be registered under the Securities Act or any US State securities laws. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the US (as defined in Regulation S under the Securities Act) unless the Offer and sale of the Ordinary Shares has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares are being offered and sold outside the US in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer, an offer or sale of Ordinary Shares within the US by any dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration, or in a transaction not subject to registration, under the Securities Act.

8.3 Canada

The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province of territory of Canada. Accordingly, subject to certain exceptions the Ordinary Shares may not, directly or indirectly, be offered or sold within Canada, or offered or sold to a resident of Canada.

8.4 Australia

This Prospectus has not been and will not be lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange and is not a disclosure document for purposes of Australian law. This Prospectus (whether in preliminary or definitive form) may not be issued or distributed in Australia and no offer or invitation may be made in relation to the issue, sale or purchase of any Ordinary Shares in Australia (including an offer or invitation received by a person in Australia) and no shares may be sold in Australia, unless the offer or invitation does not need disclosure to investors under Part 6D.2 of the Corporations Act 2001.

8.5 Japan

The Ordinary Shares have not been and will not be registered under the Securities and Exchange Law of Japan and may not be offered or sold directly or indirectly in Japan except under circumstances that result in compliance of all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorised in effect at the relevant time.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 Introduction

Each investor who applies to acquire Ordinary Shares under the Offer will be bound by these terms and conditions.

9.2 Agreement to acquire Ordinary Shares

Conditional on: (i) Admission becoming effective by no later than 8.00 a.m. on 25 June 2014 (or such later time and/or date as may be determined in accordance with the terms of the Underwriting Agreement) and (ii) the investor being allocated Ordinary Shares, an investor who has applied for Ordinary Shares agrees to acquire those Ordinary Shares allocated to it by the Bookrunner (such number of Ordinary Shares not to exceed the number applied for by such investor) at the Offer Price. To the fullest extent permitted by law, each investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights an investor may have. Each such investor is deemed to acknowledge receipt and understanding of this Prospectus and in particular the risk and investment warnings contained in this Prospectus.

9.3 Payment for Ordinary Shares

Each investor must pay the Offer Price for the Ordinary Shares issued to the investor in the manner directed by the Bookrunner.

If any investor fails to pay as so directed by the Bookrunner, the relevant investor's application for Ordinary Shares may be rejected.

If Admission does not occur, subscription monies will be returned without interest at the risk of the applicant.

9.4 Representations, warranties, undertakings, agreements and acknowledgements

Each investor and, in the case of paragraph (m) below, a person who agrees on behalf of an investor, to acquire Ordinary Shares under the Offer and/or who authorises the Underwriter to notify the investor's name to the Registrar, will be deemed to represent, warrant, undertake, agree and acknowledge to the Underwriter, the Registrar and the Company that:

(a) in agreeing to acquire Ordinary Shares, the investor is relying solely on this Prospectus, any supplementary prospectus and any regulatory announcement issued by or on behalf of the Company on or after the date hereof and prior to Admission, and not on any other information or representation concerning the Company, the Selling Shareholders or the Offer. The investor agrees that none of the Company, the Underwriter or the Registrar nor any of their respective officers or directors will have any liability for any other information or representation. The investor irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

(b) the content of this Prospectus is exclusively the responsibility of the Company and the Directors and neither the Underwriter nor the Registrar nor any person acting on their behalf nor any of their respective affiliates is responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company, and neither the Underwriter nor the Registrar nor any person acting on their behalf nor any of their respective affiliates will be liable for any decision by an investor to participate in the Offer based on any information, representation or statement contained in this Prospectus or otherwise;

(c) it has not relied on any information given or representations, warranties or statements made by the Company, the Directors, the Selling Shareholders, the Underwriter, the Registrar or any other person in connection with the Offer other than information contained in this Prospectus and/or any supplementary prospectus or regulatory

announcement issued by or on behalf of the Company on or after the date hereof and prior to Admission. The investor irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

(d) the Underwriter is not making any recommendations to the investor or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Offer, and the investor acknowledges that participation in the Offer is on the basis that it is not and will not be a client of the Underwriter and that the Underwriter is acting for the Company and no one else in connection with the Offer, and will not be responsible to anyone other than its clients for the protections afforded to its clients, nor for providing advice in relation to the Offer, the contents of this Prospectus or any transaction, arrangements or other matters referred to herein, or in respect of any representations, warranties, undertakings or indemnities contained in the Underwriting Agreement or for the exercise or performance of any of its rights and obligations under the Underwriting Agreement, including any right to waive or vary any condition or exercise any termination right contained therein;

(e) if the investor is in the United Kingdom, it is a qualified investor as defined in the Prospectus Directive and also: (a) a person having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (''**Order**'') (investment professionals); or (b) falls within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations etc), or is otherwise a person to whom an invitation or inducement to engage in investment activity may be communicated without contravening section 21 of FSMA;

(f) if the investor is in any EEA State which has implemented the Prospectus Directive, it is: (i) a legal entity which is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; or (ii) a legal entity which is otherwise permitted by law to be offered and issued Ordinary Shares in circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or other applicable laws. If the investor purchases Ordinary Shares as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, it further represents, warrants and undertakes that the Ordinary Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Company and Jefferies has been obtained to each such proposed offer or resale;

(g) the Ordinary Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and may not be offered or sold, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state of the United States;

(h) the investor (i) is located outside the United States, (ii) is acquiring the Ordinary Shares in an ''offshore transaction'' (as defined in Regulation S) meeting the requirements of Regulation S and, (iii) will not offer, sell or otherwise transfer any Ordinary Shares except in accordance with the Securities Act and any applicable securities laws of any state of the United States;

(i) it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007, and applicable legislation in any other jurisdiction (together, the ''**Money Laundering Regulations**'') and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations;

(j) the investor is not a national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, the Republic of South Africa or Japan and that the investor will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in the United States, Canada, Australia, the Republic of South Africa or Japan or

to any national, resident or citizen of the United States, Canada, Australia, the Republic of South Africa or Japan and the investor acknowledges that the Ordinary Shares have not been and will not be registered under the applicable securities law of the United States, Canada, Australia, the Republic of South Africa or Japan and that the same are not being offered for sale and may not, directly or indirectly, be offered, sold, transferred or delivered in the United States, Canada, Australia, the Republic of South Africa or Japan;

(k) it is entitled to acquire Ordinary Shares under the laws of all relevant jurisdictions which apply to it; it has fully observed such laws and obtained all governmental and other consents which may be required under such laws and complied with all necessary formalities; it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction; and it has not taken any action or omitted to take any action which will or may result in the Underwriter, the Company, the Selling Shareholders, the Registrar or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal and regulatory requirements of any jurisdiction in connection with the Offer or, if applicable, its acceptance of or participation in the Offer;

(l) in the case of a person who agrees on behalf of an investor, to acquire Ordinary Shares under the Offer and/or who authorises the Underwriter to notify the investor's name to the Registrar, that person represents and warrants that he has authority to do so on behalf of the investor;

(m) it accepts that the allocation of Ordinary Shares pursuant to the Offer shall be determined by the Company in its absolute discretion in consultation with the Underwriter; and

(n) it will pay to the Underwriter (or as it may direct) any amounts due from it in accordance with this document on the due time and date set out herein.

The Company, the Selling Shareholders, the Registrar and the Underwriter will rely upon the truth and accuracy of the foregoing representations, warranties, undertaking, agreements and acknowledgements. If any of the foregoing representations, warranties, undertakings, agreements or acknowledgements are no longer accurate or have not been complied with, the investor shall promptly notify the Company.

9.5 Miscellaneous

The rights and remedies of the Underwriter, the Company, the Selling Shareholders and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if an investor is a discretionary fund manager, that investor may be asked to disclose in writing or orally to the Bookrunner the jurisdictions in which its funds are managed or owned.

All documents will be sent at the investor's risk. They may be sent by post to such investor at an address notified to the Bookrunner.

The contract to acquire Ordinary Shares, the appointments and authorities mentioned herein and the representations, warranties and undertakings set out herein will be governed by, and construed in accordance with, English law. For the exclusive benefit of the Underwriter, the Company, the Selling Shareholders and the Registrar, each investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an investor in any other jurisdiction.

In the case of a joint agreement to acquire Ordinary Shares, references to an ''investor'' in these terms and conditions are to each of the investors who are a party to that joint agreement and their liability is joint and several.

The Bookrunner and the Company expressly reserve the right to modify the terms of the Offer (including, without limitation, its timetable and settlement) at any time before closing.

PART XV – TAXATION

The Company is registered under the laws of the United Kingdom and treated as a UK company for corporate law and UK tax purposes. However, due to the circumstances of its formation and the application of Section 7874 of the Code (as discussed below), the Company will be subject to US federal income tax as if it were a US corporation. The Company does not expect to realise profits that would be subject to tax in the UK. However, if it did realise profits that are subject to tax in the UK, those profits may effectively be double-taxed because they may also be subject to US tax without a corresponding credit in either jurisdiction. **Shareholders or prospective Shareholders should consult both the "UK Taxation" and "US Taxation" paragraphs below, as well as their own professional advisers, regarding the tax consequences of acquiring, holding and disposing of Ordinary Shares.**

1. UK TAXATION

The following is a summary of certain United Kingdom ("**UK**") tax considerations relating to an investment in the Company's Shares.

The statements set out below reflect current UK law and published HMRC guidance (which may not be binding on HMRC), as at the date of this Prospectus, and which may be subject to change, possibly with retroactive effect. They are intended as a general guide and apply only to Shareholders of the Company resident and, in the case of an individual, domiciled exclusively in the UK for UK tax purposes (except insofar as express reference is made to the treatment of non-UK residents), who hold Shares as an investment (other than under an individual savings account ("**ISA**")) and who are the absolute beneficial owners of the Shares and any dividends paid thereon. (In particular, Shareholders holding their Shares through a depositary receipt system or clearance service should note that they may not always be regarded as the absolute beneficial owners of such Shares.) This guidance does not address all possible tax consequences relating to an investment in the Shares. Specifically, this guidance does not address: (i) special classes of Shareholders such as, for example, dealers in securities, broker-dealers, intermediaries, insurance companies or collective investment schemes; (ii) Shareholders who hold Shares as part of hedging transactions; or (iii) Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment.

Shareholders or prospective Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction other than the UK, should consult their own professional advisers immediately.

1.1 TAXATION OF DIVIDENDS

The Company will not be required to withhold amounts on account of UK tax at source when paying a dividend.

Subject to certain limitations, any US tax withheld from a dividend and paid over to the relevant taxing authority will be eligible for credit against a UK Shareholder's UK tax liability except to the extent that a refund of the tax withheld is available under US tax law or under an applicable tax treaty to the shareholder or a connected person. If a refund becomes available after the UK Shareholder has submitted its tax return, the UK Shareholder will be required to notify HMRC and will lose the credit to the extent of the refund.

Where a UK Shareholder is not liable to UK tax on dividends or benefits from exemption (as to which see below), no credit will be available for any US tax withheld and paid over to the relevant taxing authority.

Dividends received by UK resident individual Shareholders will be subject to UK income tax. The dividend is taxable in the tax year when the dividend is payable. The tax is charged on the gross amount (if not payable in sterling, translated into sterling at the spot rate when the dividend is payable) of any dividend paid as increased for any UK tax credit available as described below (the "**Gross Dividend**"). Such a Shareholder must include any US tax withheld from the dividend payment in the Gross Dividend even though the Shareholder does not in fact receive it.

A UK resident individual Shareholder who receives a dividend from the Company will generally be entitled to a tax credit which may be set off against the Shareholder's total income tax liability in respect of the dividend. The amount of the tax credit will be equal to 10 per cent. of the Gross Dividend. A UK resident individual Shareholder who is liable to income tax at the basic rate only will be subject to tax on the Gross Dividend at the rate of 10 per cent.

However, such Shareholder will be able to set-off the tax credit against this liability, such that no additional tax should be payable by the Shareholder on their receipt of the dividend. A UK resident individual Shareholder who is liable to income tax at a rate not exceeding the higher rate will be subject to income tax on the Gross Dividend at the rate of 32.5 per cent. to the extent that the Gross Dividend, when treated as the top ''slice'' of the Shareholder's income, exceeds the lower threshold for higher rate income tax. However, the effect of the tax credit is that the effective rate of tax payable on the Gross Dividend will be 22.5 per cent.. A UK resident individual Shareholder who is subject to income tax at the additional rate will be subject to income tax on the Gross Dividend at the rate of 37.5 per cent. to the extent that the Gross Dividend, when treated as the top ''slice'' of the Shareholder's income exceeds the lower threshold for additional rate income tax. However, the effect of the tax credit is that the effective rate of tax payable on the Gross Dividend will be 27.5 per cent. of the Gross Dividend.

A UK resident individual Shareholder who is not liable to income tax in respect of the Gross Dividend and other UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.

Shareholders who are within the charge to UK corporation tax will be subject to UK corporation tax on dividends paid by the Company, unless (subject to special rules for such Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by the Company would fall within an exempt class. Such Shareholders will not be able to claim repayment of the tax credit attaching to dividends paid by the Company.

Non-UK resident Shareholders will not be liable to income or corporation tax in the UK on dividends paid on the Shares unless the Shareholder carries on a trade (or profession or vocation) in the UK and the dividends are either a receipt of that trade or, in the case of corporation tax, the shares are held by or for a UK permanent establishment through which the trade is carried on. Non-UK resident Shareholders will not generally be able to claim repayment of any part of the tax credit attaching to dividends paid by the Company.

Certain non-UK resident individuals (eg. those from a territory within the European Economic Area) are entitled to a tax credit in respect of a UK source dividend. Shareholders in this position will be subject to UK income tax on an amount equivalent to the Gross Dividend. By virtue of section 811 of the Income Tax Act 2007, such Shareholders should have no further UK income tax to pay upon their receipt of a dividend from the Company. Non-UK resident Shareholders will not generally be able to otherwise recover the tax credit attaching to dividends paid by the Company.

Shareholders may also be subject to foreign taxation on dividend income under applicable local law.

Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

1.2 TAXATION OF CHARGEABLE GAINS

A disposal or deemed disposal of Shares by a Shareholder who is resident in the UK for tax purposes in the tax year (or part thereof) in question may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains. This will depend upon the Shareholder's circumstances and is subject to any available exemption or relief (such as the annual exempt amount for individuals and indexation for corporate shareholders). Indexation allowance may reduce the amount of chargeable gains subject to corporation tax, but may not create or increase any allowable loss.

Shareholders who are not resident in the UK will not generally be subject to UK taxation of chargeable gains on the disposal or deemed disposal of Shares unless they are carrying on a trade, profession or vocation in the UK whether through a branch or agency or, in the case of a corporate shareholder, a permanent establishment) in connection with which the Shares are used, held and/or acquired.

An individual Shareholder who acquires Shares while UK resident, ceases to be resident for tax purposes in the UK for a period of less than five complete tax years and disposes of all or part of his Shares during the period in which he is non-UK resident may be liable to capital gains tax on his return to the UK, where that Shareholder was UK resident for at least four of the seven tax years immediately preceding the year of departure from the UK (subject to any available exemptions or reliefs). For these purposes, a tax year is the period from 6 April in a calendar year to 5 April in the following calendar year.

An individual Shareholder who is subject to UK income tax at the higher or additional rate will be liable to UK capital gains tax on the amount of any chargeable gain realised by a disposal of Shares at the rate of 28 per cent. Individual Shareholders who are subject to income tax at the basic rate only should only be liable to capital gains tax on any chargeable gain at a rate of 18 per cent. In the event that a disposal of the Shares results in the realisation of a loss by the Shareholder for capital gains tax purposes, such a loss may be set-off by the Shareholder against other chargeable gains in the same or future years of assessment.

UK resident corporate Shareholders will generally be subject to UK corporation tax (rather than capital gains tax) on any chargeable gain realised on a disposal of Shares. Any chargeable loss realised by such a Shareholder may be set-off by the Shareholder against chargeable gains in the same or future accounting periods.

1.3 UK INHERITANCE TAX

Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by an individual Shareholder during their lifetime, or on their death, may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the Shareholder making the gift is neither resident nor domiciled in the UK, nor deemed to be domiciled there under certain rules relating to the number of years of UK residence or previous domicile. Generally, UK inheritance tax is not chargeable on gifts to individuals if the donor survives for at least seven complete years after the date of the gift. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts in respect of which the donor reserves or retains some benefit. Special rules also apply to gifts made to close companies and where assets are transferred to and/or held by certain types of trustee. The inheritance tax rules are complex and holders of Shares should consult an appropriate professional adviser in any case where the rules may be relevant, particularly (but not limited to) cases where Shareholders intend to make a gift of any kind to hold any Shares through a trust arrangement. They should also seek professional advice in a situation where there is potential for a charge to both UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

1.4 STAMP DUTY AND STAMP DUTY RESERVE TAX ("SDRT")

1.4.1 General

Except in relation to depositary receipt systems and clearance services (to which the special rules outlined below apply), no stamp duty or SDRT will arise on the issue of Shares by the Company.

Instruments transferring Shares will generally be subject to stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer (rounded up to the nearest £5 where applicable). The transferee normally pays the stamp duty. An exemption from stamp duty is available on an instrument transferring the Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

An unconditional agreement to transfer Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer, but such liability will be cancelled, or a right to repayment (normally with interest) will arise in respect of the SDRT liability, if the agreement is completed by a duly stamped instrument or an exempt transfer within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional).

Existing Ordinary Shares will, and Over-allotment Shares may, be transferred on sale to Investors pursuant to the Offer, rather than issued by the Company to Investors. It has been agreed that any stamp duty chargeable on a transfer on sale of Ordinary Shares or SDRT chargeable on an agreement to transfer Ordinary Shares arising in the United Kingdom on the initial sale of Existing Ordinary Shares or Over-allotment Shares to Investors pursuant to the Offer will be borne up to a maximum rate of 0.5 per cent. by (in the case of Existing Ordinary Shares) the relevant Selling Shareholder and (in the case of the Over-allotment Shares) a member of the Group that is not resident for tax purposes in the United Kingdom.

1.4.2 **CREST**

Deposits of Shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration in money or money's worth. Paperless transfers of Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system.

1.4.3 **Depositary Receipt Systems and Clearance Services**

Where Shares are transferred (in the case of stamp duty) or issued or transferred (in the case of SDRT) (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT (as applicable) will generally be payable at the higher rate of 1.5 per cent. on the amount or value of the consideration given or, in certain circumstances, the value of the Shares. However, following litigation HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares or securities to a clearance service or depositary receipt system on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will continue to apply to a transfer of shares or securities to a clearance service or depositary receipt system where the transfer is not an integral part of an issue of share capital.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise, will strictly be accountable for by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice be payable by the participants in the clearance service or depositary receipt system.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer will arise on any transfer of Shares into such an account and on subsequent agreements to transfer such Shares.

Any person who is in any doubt as to his or her taxation position or who is liable to taxation in any jurisdiction other than the UK should consult his or her professional advisers.

2. US TAXATION

The following is a general summary of certain US federal income tax considerations, under current US law, generally applicable to the purchase, ownership and disposition of the Ordinary Shares of the Company acquired in this offering. This summary does not address all potentially relevant US federal income tax matters. US alternative minimum tax considerations are not addressed in this summary. In addition, this summary does not cover any state, local or foreign tax consequences, nor any US federal gift, estate or generation-skipping transfer tax consequences.

The following summary is based upon the Internal Revenue Code (the "**Code**"), Treasury Regulations, published Internal Revenue Service ("**IRS**") rulings, published administrative positions of the IRS, and court decisions that are currently applicable, any of which could be materially and adversely changed, possibly on a retroactive basis, at any time (including, without limitation, US rates of taxation). This summary does not consider the potential effects, both adverse and beneficial, of any recently proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time. US Holders and Non-US Holders should note that no rulings have been or will be sought

from the IRS, nor will any opinions of counsel be obtained, with respect to any of the US federal income tax matters discussed in this summary. There is no assurance that the IRS will not successfully challenge the conclusions reached herein.

Shareholders or prospective Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction other than the US, should consult their own professional advisers immediately.

CIRCULAR 230 DISCLOSURE

ANY STATEMENT MADE HEREIN REGARDING ANY US FEDERAL TAX ISSUE IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR PURPOSES OF AVOIDING ANY PENALTIES. ANY SUCH STATEMENT HEREIN IS WRITTEN IN CONNECTION WITH THE MARKETING OR PROMOTION OF THE TRANSACTION TO WHICH THE STATEMENT RELATES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

US Holders and Non-US Holders

As used herein, a "**US Holder**" means a holder of Ordinary Shares who is:

i. a citizen, or an individual resident (as defined under US tax laws), of the United States;

ii. a corporation created or organised in or under the laws of the United States or of any political subdivision thereof;

iii. an estate the income of which is taxable in the United States irrespective of source; or

iv. a trust if (a) a court within the United States is able to exercise primary supervision over the trust's administration and one or more US persons have the authority to control all of its substantial decisions; or (b) the trust was in existence on August 20, 1996 and has properly elected to continue to be treated as a US person.

This summary is limited to US Holders who hold Ordinary Shares directly (e.g., not through an intermediary entity such as a corporation, partnership, limited liability company, or trust).

As used herein, a "**Non-US Holder**" means a holder of Ordinary Shares that is not a US Holder and who holds Ordinary Shares directly (e.g., not through an intermediary entity such as a corporation, partnership, limited liability company, or trust).

This summary does not address the US federal income tax consequences applicable to US Holders and Non-US Holders that are subject to special provisions under the Code, including, but not limited to, the following: tax exempt organisations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; dealers in securities or currencies or traders in securities that elect to apply a mark-to-market accounting method; US Holders that have a "functional currency" other than the US dollar; US Holders and Non-US Holders that own Ordinary Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; US Holders and Non-US Holders that acquired Ordinary Shares in connection with the exercise of employee stock options or otherwise as compensation for services; US Holders and Non-US Holders that hold Ordinary Shares other than as a capital asset within the meaning of Section 1221 of the Code; or US tax expatriates or former long-term residents of the US

US Holders and Non-US Holders that are subject to special provisions under the Code, including US Holders and Non-US Holders described immediately above, should consult their own tax advisors regarding the US federal income tax consequences arising from and relating to the ownership and disposition of Ordinary Shares.

2.1 **Treatment of Parent as a US Domestic Corporation for US federal Income Tax Purposes**

The Merger (defined below) in which the Company became the sole holder of the only share of common stock outstanding of Allied Minds Inc. will result in the application of the US "corporate inversion" rules. US federal income tax law with respect to corporate inversions provides in certain cases that a non-US corporation may be treated as a US corporation for all purposes of the Code. An inversion can occur in certain transactions in which a non-US corporation acquires substantially all of the assets of or equity interests in a US corporation, if,

after the transaction, former equity owners of the US corporation own 80 per cent. or more of the stock, by vote or by value, in the non-US corporation. We believe that these conditions will be met as a result of the Merger.

Thus, even though the Company is registered under the laws of the United Kingdom and treated as a UK company for corporate law and UK tax purposes, the Company will also be treated as a US domestic corporation under United States federal tax law, fully subject to United States federal income tax on its worldwide income under Section 7874(b) of the Code. Furthermore, the Company will continue to be treated as a US domestic corporation for US federal income tax purposes indefinitely, and the Ordinary Shares will continue to be treated as shares in a US domestic corporation notwithstanding any future transfers.

Based on tax advice received, the Company expects the Merger together with the conversion of Allied Minds, Inc. to a Delaware limited liability company to be treated as a tax-free reorganisation within the meaning of section 368(a). Moreover, since the Company is treated as a domestic corporation for US federal tax purposes under section 7874(b) of the Code after the Merger, section 367(a) of the Code should not apply to subject US Holder of Allied Minds, Inc. to recognition of gain or loss on receipt of the Ordinary Shares in exchange for their Allied Minds, Inc. common stock. Consequently, a US Holder should have a transferred basis in the Ordinary Shares, equal to their adjusted basis in Allied Minds, Inc. common stock.

2.2 US federal Income Tax Considerations of Owning Shares after the Restructuring

2.2.1 US Holders

Distributions on Shares

For US federal income tax purposes, the gross amount of any distribution (actual or constructive) (including non-cash property) paid by the Company with respect to Ordinary Shares generally should be included in the gross income of a US Holder as a dividend to the extent such distribution is paid out of current or accumulated earnings and profits, as determined under United States federal income tax principles. Dividends will generally be taxable to a non-corporate US Holder at the preferential rates applicable to long-term capital gains provided that such holder holds Ordinary Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. To the extent that the amount of any distribution exceeds the Company's current and accumulated earnings and profits for a taxable year, the distribution first will be treated as a tax-free return of capital to the extent of the US Holder's adjusted tax basis in the shares and to the extent that such distribution exceeds the US Holder's adjusted tax basis in the shares, will be taxed as a capital gain (see ''Capital Gains and Losses'' below).

If the Company makes a dividend distribution in sterling rather than US dollars, the amount of the dividend distribution that a US Holder must include in income will be the US dollar value of the sterling payments made, determined at the spot GBP/US dollar rate on the date the dividend distribution is includible in such holder's income, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the US Holder includes the dividend payment in income to the date such holder converts the payment into US dollars will be treated as ordinary income or loss and will not be eligible for taxation at the preferential rates applicable to long-term capital gains.

Dispositions of Shares

Gain or loss, if any, realised by a US Holder on the sale or other disposition of Ordinary Shares generally will be subject to US federal income taxation as a capital gain or loss in an amount equal to the difference between the US Holder's adjusted tax basis in Ordinary Shares and the US dollar value of the amount realised on the disposition (see ''Capital Gains and Losses'' below). Any such gain or loss that a US Holder recognises will generally be treated as US-source income or loss.

Capital Gains and Losses

A capital gain or loss may be realised with respect to a disposition of Ordinary Shares, as described above. The amount of the capital gain or loss will be equal to the difference between the US Holder's adjusted tax basis in Ordinary Shares and the US dollar value of the amount realised on the transaction. Deductions for capital losses are subject to certain limitations.

New Tax on Net Investment Income

Certain US Holders that are individuals, estates or trusts whose income exceeds certain thresholds will be required to pay an additional 3.8 per cent. tax on ''net investment income'', which includes, among other things, dividends and net gain from the sale or other disposition of property (other than property held in a trade or business, other than a trade or business consisting of certain passive trading activities).

Backup Withholding and Information Reporting

Payments of dividends on or proceeds arising from the sale or other taxable disposition of Ordinary Shares generally will be subject to information reporting and backup withholding if a US Holder (i) fails to furnish such US Holder's correct US taxpayer identification number (generally on IRS Form W.9), (ii) furnishes an incorrect US taxpayer identification number, (iii) is notified by the IRS that such US Holder has previously failed to properly report items subject to backup withholding, or (iv) fails to certify under penalty or perjury that such US Holder has furnished its correct US taxpayer identification number and that the IRS has not notified such US Holder that it is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the US Holder's US federal income tax liability, assuming he required information is timely provided to the IRS.

Holders are urged to consult with their own tax advisors regarding the effect, if any, of this on their ownership and disposition of Ordinary Shares.

2.2.2 **Non-US Holders**

Distributions on Shares

The gross amount of any distribution (actual or constructive) by the Company to a Non-US Holder with respect to Ordinary Shares is treated first as dividend income to the extent such distribution is paid out of current or accumulated earnings and profits, as determined under US federal income tax principles. To the extent that the amount of any distribution exceeds the Company's current and accumulated earnings and profits for a taxable year, the distribution is treated as a tax-free return of capital to the extent of the Non-US Holder's adjusted tax basis in Ordinary Shares. Then, to the extent that such distribution exceeds the Non-US Holder's adjusted tax basis in Ordinary Shares, it is taxed as gain from the sale or exchange of the Non-US Holder's shares (see ''Dispositions of Shares'', below).

Any such distribution that constitutes a dividend is treated as US-source gross income for Non-US Holders of shares, and is subject to withholding under Section 1441 of the Code (unless it is treated as ''effectively connected'' income as described below and appropriate documentation is provided). The withholding rate under the Code on dividends is generally 30 per cent., but may be reduced pursuant to a treaty. Non-US Holders will be required to provide specific documentation to claim a treaty exemption or reduced rate of withholding with respect to the distribution. Non-US Holders should also review the discussion of the new FATCA rules, below. Non-US Holders should consult their own tax advisors regarding the extent to which they may be entitled to claim credit in their jurisdiction of residence in respect of any amounts so withheld.

Dispositions of Shares

A Non-US Holder generally will not be subject to US federal income tax with respect to gain recognised upon the disposition of Ordinary Shares unless:

- such Non-US Holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the taxable year of disposition and certain other conditions are met;

- such gain is effectively connected with such Non-US Holder's conduct of a US trade or business (and, where a tax treaty applies, is attributable to a US permanent establishment maintained by the Non-US Holder); or
- Ordinary Shares constitute a US real property interest by reason of the Company's status as a ''United States real property holding corporation'' for US federal income tax purposes.

A Non-US Holder described in the first bullet above is required to pay a flat 30 per cent. tax on the gain derived from the sale, which tax may be offset by US-source capital losses. A Non-US Holder described in the second bullet above or, if the third bullet applies, is required to pay tax on the net gain derived from the sale under regular graduated US federal income tax rates, and corporate Non-US Holders described in the second bullet above may also be subject to branch profits tax at a 30 per cent. rate or such lower rate as may be specified by an applicable income tax treaty. Non-US Holders should consult any applicable income tax treaties that may provide for different results. The Company is not, and does not anticipate becoming, a United States real property holding corporation within the meaning of Section 897 of the Code. Non-US Holders should also review the discussion of the new FATCA rules, below.

Backup Withholding and Information Reporting

Generally, the Company must report annually to the IRS and to Non-US Holders the amount of dividends paid and the amount of tax, if any, withheld with respect to those payments. These information reporting requirements apply even if withholding is not required. Pursuant to tax treaties or other agreements, the IRS may make such information available to tax authorities in the Non-US Holder's country of residence. The payment of proceeds from the sale of Ordinary Shares by a broker to a Non-US Holder is generally not subject to information reporting if:

- the Non-US Holder certifies his, her or its non-US status under penalties of perjury by providing a properly executed IRS Form W-8BEN, or otherwise establish an exemption; or
- the sale of Ordinary Shares is effected outside the US by a foreign office of a broker, unless the broker is:
  - a US person;
  - a foreign person that derives 50 per cent. or more of its gross income for certain periods from activities that are effectively connected with the conduct of a trade or business in the US;
  - a ''controlled foreign corporation'' for US federal income tax purposes; or
  - a foreign partnership more than 50 per cent. of the capital or profits interest of which is owned by one or more US persons or which engages in a US trade or business.

A backup withholding tax may apply to amounts paid to a Non-US Holder if the Non-US Holder fails to properly establish its foreign status on the applicable IRS Form W-8 or if certain other conditions are met. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the Non-US Holder's US federal income tax liability, assuming the required information is timely provided to the IRS.

2.3 **Foreign Account Tax Compliance Act**

New US legislation signed into law on 18 March 2010 (the Foreign Account Tax Compliance Act (''**FATCA**'')) substantially changes the withholding and reporting rules applicable to Non-US Holders who are not individuals that receive certain US-source income, generally effective for payments made after 1 July 2014 (with respect to dividends) and after 31 December 2016 (with respect to gross proceeds from a sale or other disposition). Certain changes made by FATCA may result in different US federal income tax consequences for Non-US Holders that are not individuals and for holders that receive payments through certain foreign financial institutions, investment funds or other non-US persons than those described above, including with respect to withholding and information reporting, and distributions on and dispositions of shares.

FATCA imposes a 30 per cent. US withholding tax on dividends on, or gross proceeds from the sale or other disposition of, shares paid to holders or to certain foreign financial institutions, investment funds and other non-US persons receiving payments on the holder's behalf if the holder or such persons fail to comply with certain requirements.

Non-US Holders should consult their own tax advisors with respect to the application of FATCA to their particular circumstances.

PART XVI – ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and the Directors, whose names appear on page 52 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INCORPORATION AND SHARE CAPITAL

2.1 The Company was incorporated and registered in England and Wales on 15 April 2014 as a public company limited by shares under the Companies Act with the name Allied Minds plc and with the registered number 8998697.

2.2 The principal legislation under which the Company operates and under which the Ordinary Shares were created is the Companies Act and the regulations made thereunder.

2.3 The Company's registered office and principal place of business is at 40 Dukes Place, London EC3A 7NH. The Company's telephone number is +1 617 419 1800.

2.4 The share capital history of the Company is as follows:

2.4.1 On incorporation the share capital of the Company was £0.01 consisting of one Ordinary Share. The initial subscriber was 7side Nominees Limited and the subscriber share was transferred to Mark Pritchard on 15 April 2014.

2.4.2 On 15 April 2014 4,999,999 Ordinary Shares of £0.01 each in the capital of the Company were issued and allotted to Mark Pritchard, a director of the Company, for the sum of £49,999.99 (such amount to be left outstanding for a maximum period of five years and payable on demand).

2.4.3 On 19 June 2014, being the effective date of the Reorganisation (as defined in paragraph 3 of this Part XVI (*Additional Information*)), the Company issued a total of 165,245,014 Ordinary Shares to the stockholders of Allied Minds, Inc. as consideration for the reverse triangular merger under Delaware law whereby the Company became the holding company of the Group.

2.4.4 On 19 June 2014, prior to the Reorganisation becoming effective, the following resolutions were passed as ordinary and special resolutions at a general meeting of the Company:

2.4.4.1 that, conditional on Admission, the Company adopted the Articles, a summary of which is included in paragraph 4 below;

2.4.4.2 that, pursuant to section 551 of the Companies Act, the Directors be authorised to exercise all powers of the Company to allot Ordinary Shares in the Company, and grant rights to subscribe for or to convert any security into Ordinary Shares in the Company, as follows:

(a) up to an aggregate nominal amount of up to £508,926.00 to be issued in connection with the Offer and the Over-allotment Option;

(b) following, and conditional upon, Admission:

(i) up to an aggregate nominal amount of £115,515.00 to be issued pursuant to the US Stock Plan subsequently adopted by the Company;

(ii) up to an aggregate amount equal to 10 per cent. by number of Ordinary Shares in issue from time to time pursuant to the LTIP and any other employee share plan adopted by the Company (but excluding any Ordinary Shares issuable pursuant to awards granted before the IPO pursuant to the US Stock Plan); and

(iii) up to an aggregate nominal value of £698,331.00, being approximately one-third of the aggregate nominal value of the issued ordinary share capital of the Company immediately following Admission (assuming no exercise of the Over-allotment Option); and

(iv) up to an aggregate nominal value of £1,396,663.00 being approximately two-thirds of the aggregate nominal value of the issued ordinary share capital of the Company immediately following Admission (such amount to be reduced by allotments made under sub-paragraph (iii) above) in connection with a rights issue in favour of the holder of Ordinary Shares in the Company in proportion (as nearly as may be practicable) to the respective number of Ordinary Shares in the Company held by them on the record date for such allotment;

provided that (unless previously revoked, varied or renewed) this authority shall expire on the date falling 15 months after the date of the passing of this resolution or, if earlier, on the conclusion of the next Annual General Meeting of the Company, save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

2.4.4.3 that subject to the passing of the resolution above and pursuant to section 570 of the Companies Act, the Directors be authorised to exercise all powers of the Company to:

(a) allot the Ordinary Shares under the Offer and the Over-allotment Option pursuant to the authority referred to in paragraph 2.4.4.2(a);

(b) allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authorities granted by the resolution above as if section 561 of the Companies Act did not apply to any such allotments, provided that this power shall be limited to the allotment of equity securities in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise): (i) to holders of Ordinary Shares in proportion (as nearly as practicable) to the respective numbers of Ordinary Shares held by them; and (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(c) allot equity securities for cash (other than as described in (a) and (b) above) with an aggregate nominal value of £104,750.00, being approximately five per cent. of the issued ordinary share capital of the Company immediately following Admission (assuming no exercise of the Overallotment Option);

provided that (unless previously revoked, varied or renewed) the power shall expire at the conclusion of the next annual general meeting of the Company after the passing of the resolution or on the date falling 15 months after the date of the passing of the resolution (whichever is the earlier), save that the Company may make an offer or agreement before the power expires which would or might require equity securities to be allotted for cash after the power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if the power had not expired.

2.4.4.4 the Company is authorised in accordance with the Articles, until the Company's next annual general meeting, to call general meetings on 14 clear days' notice.

2.5 Immediately prior to the publication of this Prospectus, the nominal value of the issued share capital of the Company was £1,652,450.14, comprising 165,245,014 Ordinary Shares (all of which were fully paid or credited as fully paid). Immediately following completion of the Offer, the nominal value of the issued share capital of the Company is expected to be £2,094,994.25 comprising 209,499,425 million Ordinary Shares (assuming no exercise of the Overallotment Option) (all of which will be fully paid or credited as fully paid).

2.6 A maximum of 11,551,496 Ordinary Shares will be required to be issued to satisfy awards granted under the US Stock Plan described in paragraph 8.1 of this Part XVI (*Additional Information*) below. The following table shows the number of Ordinary Shares under option pursuant to the US Stock Plan as at 19 June 2014 (being the latest practicable date before publication of this Prospectus). Immediately prior to publication of this Prospectus all such options will already be exercisable.

Exercise Price ($)	Number of ordinary shares under option	Last Exercise Date
0.69	1,375,000	January 2018
0.69	220,000	January 2019
1.67	198,000	January 2020
1.73	484,000	March 2021
1.78	4,370,344	May 2022
2.60	445,500	January 2023
2.49	2,750,000	December 2023
2.49	1,378,652	March 2024
2.49	330,000	May 2024

With effect from Admission, awards will also be outstanding over a maximum of 4,618,842 Ordinary Shares pursuant to restricted share awards granted under the UK Long Term Incentive Plan (including the Directors' and Senior Managers' awards set out in paragraph 6.5.3 of this Part XVI.)

2.7 Save as disclosed above and in paragraph 6.5 (*Directors' and Senior Managers' Shareholdings and Stock Options*) and paragraph 8 (*Share Incentive Arrangements*) of that Part XVI) below:

2.7.1 the Company does not hold any treasury shares and no Ordinary Shares are held by, or on behalf of, any member of the Group;

2.7.2 no Ordinary Shares have been issued otherwise than as fully paid;

2.7.3 no share or loan capital of the Company has, within three years of the date of this Prospectus, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Offer), fully or partly paid, either for cash or for a consideration other than cash, to any person;

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

2.7.5 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

2.8 The Company will be subject to the continuing obligations of the UK Listing Authority with regard to the issue of shares for cash. The provisions of section 561(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Companies Act) apply to the issue of shares in the capital of the Company except to the extent such provisions have been disapplied as referred to in paragraph 2.4.4.3 above.

2.9 There have been no public takeover bids by third parties in respect of the Company's share capital within the last financial year or in the current financial year as at 19 June 2014 (being the latest practicable date before the publication of this Prospectus).

2.10 All the Ordinary Shares have been marketed and are available to the public.

3. THE REORGANISATION

3.1 On 19 June 2014, following the satisfaction of a number of conditions precedent to a merger agreement described in paragraph 13.16 (*Merger Agreement*) of this Part XVI (*Additional Information*) ("**Merger Agreement**") which included the passing of a resolution of the Board on 19 June 2014 approving the Offer (the "**Effective Time**"), the Group effected a restructuring in preparation for the Admission ("**Reorganisation**") by filing of a Certificate of Merger with the Delaware Secretary of State. This process entailed a reverse triangular merger under Delaware law ("**Merger**") whereby the Company became the holding company of the Group in accordance with the terms of a merger agreement described in paragraph 13.17 (*Merger Agreement*) of this Part XVI (*Additional Information*) ("**Merger Agreement**"):

3.1.1 the Company incorporated AM MergerCo, Inc., a Delaware corporation, as a wholly owned subsidiary of the Company ("**Merger Sub**"). Upon incorporation, Merger Sub issued one share of common stock to the Company;

3.1.2 immediately prior to the Effective Time, share of the Series A Preferred Stock of Allied Minds, Inc. (the "**Series A Preferred Stock**") and the Series B Preferred Stock of Allied Minds, Inc. (the "**Series B Preferred Stock**") converted into such number of fully paid and non-assessable shares of the common stock of Allied Minds, Inc. as determined by the terms of the certificate of incorporation of Allied Minds, Inc.;

3.1.3 at the Effective Time, each share of common stock of Allied Minds, Inc. issued and outstanding immediately before the Effective Time was automatically converted into the right to receive twenty-two (22) validly issued, fully paid and nonassessable Ordinary Shares (the "**Merger Consideration**"); provided, however, the board of directors of Allied Minds, Inc. and the board of directors of the Company, were at any time prior to the Effective Time, able to agree to adjust the number of Ordinary Shares to be received as Merger Consideration so long as the percentage ownership that each holder of shares of common stock in Allied Minds, Inc. has in Allied Minds, Inc. immediately prior to the Effective Time is, to the extent practicable, equal to the percentage ownership that such holder has in Ordinary Shares after the Effective Time. From and after the Effective Time, all such shares of common stock of Allied Minds, Inc. are no longer issued and outstanding and, upon the conversion thereof, were automatically cancelled and ceased to exist, and each registered stockholder owning any such shares ceased to have any rights with respect thereto, except the right to receive the Merger Consideration. Notwithstanding the foregoing, the number of Ordinary Shares that Mark Pritchard (the sole shareholder of the Company prior to the Effective Time) was entitled to receive as Merger Consideration as a result of the conversion of his common stock of Allied Minds, Inc. in the Merger, was reduced by an amount equal to the number of Ordinary Shares that he held immediately prior to the Effective Time;

3.1.4 Merger Sub merged with and into Allied Minds, Inc., with Allied Minds, Inc. continuing as the surviving corporation. At the Effective Time, the one share of common stock of Merger Sub held by the Company immediately prior to the Effective Time was converted into the right to receive one share of common stock in Allied Minds, Inc., and Merger Sub ceased to exist and the Company owned the only share of common stock outstanding in Allied Minds, Inc.. As a result, Allied Minds Inc. became a wholly owned subsidiary of the Company; and

3.1.5 subsequent to the Merger, Allied Minds, Inc., as the surviving corporation, was converted (the "**Conversion**") into Allied Minds, LLC, a Delaware limited liability company, in accordance with Section 266 of the DGCL and Section 18-214 of the Delaware Limited Liability Company Act by adopting a Plan of Conversion and filing a certificate of formation and certificate of conversion with the Delaware Secretary of State.

3.2 It is noted that, in relation to the Reorganisation:

3.2.1 on 7 April 2014, the board of directors of Allied Minds, Inc. approved the Reorganisation and the entry into the Merger Agreement and all ancillary documents;

3.2.2 on 17 April 2014, the board of directors of Merger Sub approved the Reorganisation and the entry into the Merger Agreement and all ancillary documents;

3.2.3 on 16 April 2014, the board of directors of the Company approved the Reorganisation and the entry into the Merger Agreement and all ancillary documents;

3.2.4 on 17 April 2014, the Reorganisation was approved by the Company in its capacity as the sole stockholder of Merger Sub; and

3.2.5 on 17 April 2014, the Reorganisation was approved by the holders of a majority of all of the issued and outstanding shares of the common stock of Allied Minds, Inc. entitled to vote at a meeting of stockholders of Allied Minds, Inc. (with the holders of the Series A Preferred Stock and the Series B Preferred Stock voting on an as-converted basis together with the common stock of Allied Minds, Inc.).

4. ARTICLES OF ASSOCIATION

The Articles contain provisions (among others) to the following effect:

4.1 Unrestricted objects

Section 31 of the Companies Act provides that the objects of a company are unrestricted unless any restrictions are set out in the Articles. There are no such restrictions in the Articles and the objects of the Company are therefore unrestricted.

4.2 Limited liability

The liability of the Company's members is limited to any unpaid amount on the shares in the Company held by them.

4.3 Change of the Company's name

The Articles allow the Company to change its name by resolution of the Board. This is in addition to the Company's ability to change its name by special resolution under the Companies Act.

4.4 Voting rights

4.4.1 Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Shareholder present in person or by proxy at a general meeting of the Company and every duly authorised corporate representative shall have one vote. If a proxy has been duly appointed by more than one Shareholder entitled to vote on the resolution, the proxy shall have one vote for and one vote against the resolution if either: the proxy has been instructed by one or more of those shareholders to vote for the resolution and by one or more others to vote against; or the proxy has been given firm voting instructions by one or more of those shareholders and granted discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way).

4.4.2 On a poll, every shareholder who is entitled to vote and who is present in person or by a duly appointed proxy shall have one vote for every share he holds. A shareholder entitled to more than one vote does not have to, if he votes on the poll (whether in person or by proxy), use all his votes or cast all the votes he uses in the same way.

4.4.3 In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Seniority shall be determined by the order in which the names of the joint holders stand in the register.

4.4.4 Unless the Board otherwise determines, a Shareholder shall not be entitled to be present or to vote unless all calls or other sums due from him in respect of shares in the Company have been paid.

4.5 Dividends and return of capital

4.5.1 Subject to the provisions of the Companies Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of Shareholders, but no dividend shall exceed the amount recommended by the Board.

4.5.2 Except as otherwise provided by the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid up (other than amounts paid in advance of calls) on the shares in respect of which the dividend is paid and shall be apportioned and paid proportionately to the amounts paid up on such shares during any portion or portions of the period in respect of which the dividend is paid.

4.5.3 Unless otherwise provided by the Articles or the rights attached to any shares, a dividend may be declared or paid in whatever currency the board may decide.

4.5.4 Unless otherwise provided by the rights attached to the shares, dividends shall not carry a right to receive interest.

4.5.5 All dividends unclaimed for a period of 12 years after having been declared or becoming due for payment shall be forfeited and cease to remain owing by the Company.

4.5.6 The board may, with the authority of an ordinary resolution of the Company:

4.5.6.1 offer holders of Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution;

4.5.6.2 direct that payment of all or part of any dividend declared may be satisfied by the distribution of specific assets.

4.5.7 There are no fixed or specified dates on which entitlements to dividends payable by the Company arise.

4.6 Pre-emption rights

In certain circumstances, members may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing members on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption right rights would be set out in the documentation by which such shares would be offered to members.

4.7 Distribution of assets on a winding-up

On a winding up, a liquidator may, with the authority of a special resolution of the Company and any other sanction required by law divide among the shareholders in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or different kinds, and may for such purposes set such value as he considers fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the same authority, transfer any part of the assets to trustees on such trusts for the benefit of shareholders as the liquidator, with the same authority, thinks fit, and the liquidation may then be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any shares or other property in respect of which there is a liability.

4.8 Transfer of shares

4.8.1 Every transfer of shares which are in certificated form must be in writing in any usual form or in any form approved by the Board and shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee.

4.8.2 Every transfer of shares which are in uncertificated form must be made by means of a relevant system (such as CREST).

4.8.3 The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of certificated shares if: (i) it is in respect of a share which is not fully paid up (provided that the refusal does not prevent dealings in the Company's shares from taking place on an open and proper basis); (ii) it is in respect of more than one class of share; (iii) it is not duly stamped (if so required); or (iv) it is not delivered for registration to the registered office of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of a

transfer by a recognised person (as defined in the Articles) where a certificate has not been issued) by the relevant share certificate and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

4.8.4 The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of shares which is in favour of: (i) a child, bankrupt or person of unsound mind; or (ii) more than four joint transferees.

4.9 Restrictions on voting rights

If a member or any person appearing to be interested in shares held by such a member has been duly served with a notice under section 793 of the Companies Act and has failed in relation to any shares ("**default shares**") to give the Company the information thereby required within 14 days from the date of the notice, then, unless the Board otherwise determines, the member shall not be entitled to vote or exercise any right conferred by membership in relation to meetings of the Company in respect of such default shares. Where the holding represents more than 0.25 per cent. of the issued shares of that class (excluding any shares of that class held as treasury shares) then: (i) the payment of dividends may be withheld and such member shall not be entitled to elect to receive shares instead of that dividend; and (ii) save for an excepted transfer (as defined in the Articles) and subject to the requirements of the relevant system in relation to shares in uncertificated form, no transfer of a default share shall be registered unless the member himself is not in default and the member proves to the satisfaction of the Board that no person in default is interested in the shares the subject of the transfer.

4.10 Untraced members

The Company is entitled to sell any share of a member who is untraceable, provided that:

4.10.1 for a period of not less than 12 years (during which at least three cash dividends have been payable on the share), no cheque, warrant or money order sent to the member has been cashed or all funds sent electronically have been returned;

4.10.2 at the end of such 12 year period, the Company has advertised in a national and local (i.e. the area in which the member's registered address is situated) newspaper its intention to sell such share; and

4.10.3 the Company has not, during such 12 year period or in the three month period following the last of such advertisements, received any communication in respect of such share from the member.

The Company shall be indebted to the former member for an amount equal to the net proceeds of any such sale.

4.11 Variation of class rights

4.11.1 Subject to the Companies Act, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated in such manner (if any) as may be provided by such rights, or, in the absence of any such provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of such holders of shares of that class, but not otherwise. The quorum at any such meeting (other than an adjourned meeting) is two persons present in person by proxy, holding or representing by proxy at least one third in nominal value of the shares of that class (excluding any shares of that class held as treasury shares).

4.11.2 The rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attaching to such shares, be deemed to be varied or abrogated by the creation or issue of shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of any of its own shares.

4.12 Share capital, changes in capital and purchase of own shares

4.12.1 Subject to the Companies Act and to the Articles, the board shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any shares or rights to subscribe for or convert any security into shares to such persons (including directors) at such times and generally on such terms and conditions as the board may determine.

4.12.2 Subject to the Articles and to any rights attached to any existing shares any share may be issued with such rights or restrictions as the Company may from time to time determine by ordinary resolution.

4.12.3 The Company may issue redeemable shares and the Board may determine the terms, conditions and manner of redemption of such shares, provided it does so before the shares are allotted.

4.13 General meetings

4.13.1 The Board may convene a general meeting whenever it thinks fit. Members have a statutory right to requisition a general meeting in certain circumstances.

4.13.2 Pursuant to the Companies Act, an annual general meeting shall be called on not less than 21 clear days' notice. All other general meetings shall be called by not less than 14 clear days' notice.

4.13.3 The quorum for a general meeting is two members present in person or by proxy and entitled to vote.

4.13.4 The quorum for a general meeting is two members present in person or by proxy and entitled to vote.

4.14 Notices to Shareholders

Any notice or document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally or by sending it through the post addressed to the Shareholder at his registered address or by leaving it at that address addressed to the Shareholder or by means of a relevant system or, where appropriate, by sending it in electronic form to an address for the time being notified by the Shareholder concerned to the Company for that purpose, or by publication on a website in accordance with the Companies Act or by any other means authorised in writing by the Shareholder concerned. In the case of joint holders of a share, service or delivery of any notice or document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

4.15 Appointment of directors

4.15.1 Unless otherwise determined by ordinary resolution, there shall be no maximum number of directors, but the number of directors shall not be less than two.

4.15.2 Subject to the Companies Act and the Articles, the Company may by ordinary resolution appoint any person who is willing to act as a director either as an additional director or to fill a vacancy. The Board may also appoint any person who is willing to act as a director, subject to the Companies Act and the Articles. Any person appointed by the Board as a director will hold office only until conclusion of the next annual general meeting of the Company, unless he is elected during such meeting.

4.15.3 The Board may appoint any director to hold any employment or executive office in the Company and may also revoke or terminate any such appointment (without prejudice to any claim for damages for breach of any service contract between the director and the Company).

4.16 Remuneration of directors

4.16.1 The total of the fees paid to any non-executive director for his or her services must not exceed £100,000 a year, unless otherwise determined by ordinary resolution. This amount shall be automatically increased each year by the same amount as the increase in the General Index of Retail Prices. The Board may decide to pay additional remuneration to a non-executive director for services which the Board determines are outside the scope of the ordinary duties of a director, whether by way of additional fees, salary, percentage of profits or otherwise.

4.16.2 The salary or remuneration of any director appointed to hold any employment or executive office shall be determined by the Board and may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board.

4.16.3 Each director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director.

4.17 Retirement and removal of directors

4.17.1 At each annual general meeting of the Company, one third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office unless there are fewer than three directors who are subject to retirement by rotation, in which case only one shall retire from office. In addition, subject to the Articles, any director who has been a director at each of the preceding two annual general meetings shall also retire.

4.17.2 Each such director may, if willing to act, be reappointed. If he is not reappointed or is not deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting. If the Company, at the meeting at which a director retires, does not fill the vacancy the retiring director shall, if willing, be deemed to have been reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the vote of the meeting and lost.

4.17.3 Without prejudice to the provisions of the Companies Act, the Company may by ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place.

4.18 Vacation of office

The office of a director shall be vacated if:

4.18.1 he resigns by notice sent to or received at the office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a board meeting;

4.18.2 he ceases to be a director by virtue of any provision of the Companies Acts, is removed from office pursuant to these Articles or becomes prohibited by law from being a director;

4.18.3 he becomes bankrupt or he makes any arrangement or composition with his creditors generally;

4.18.4 a registered medical practitioner finds he has become physically or mentally incapable of acting as a director and may remain so for more than three months and the board resolves that his office be vacated;

4.18.5 both he and his alternate director (if any) appointed pursuant to the provisions of these Articles have been absent, without the permission of the board, from board meetings for six consecutive months, and the board resolves that his office be vacated;

4.18.6 his contract for his services as a director expires or is terminated for any reason and is neither renewed nor a new contract granted within 14 days; or

4.18.7 (without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company and to any claim which may arise by operation of law) he is removed from office by a notice addressed to him at his last known address and signed by all his co directors.

If the office of a director is vacated for any reason, he shall cease to be a member of any committee.

4.19 Directors' interests

4.19.1 Subject to the Companies Act and provided that he has disclosed to the directors the nature and extent of any interest, a director is able to enter into any transaction or other arrangement with the Company, hold any other office (except auditor) with the Company or be a director, employee or otherwise interested in any company in which the Company is interested. Such a director shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement or proposal.

4.19.2 Save as otherwise provided by the Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning any contract, arrangement, transaction or any other proposal to which the Company is or is to be a party and in which he (together with any person connected with him) is interested, directly or indirectly. Interests of which the director is not aware, interests which cannot reasonably be regarded as likely to give rise to a conflict of interest and interests arising purely as a result of an interest in the Company's shares, debentures or other securities are disregarded. However, a director can vote and be counted in the quorum where the resolution relates to any of the following:

4.19.2.1 the giving of any guarantee, security or indemnity in respect of: (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or (ii) a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

4.19.2.2 the participation of the director, in an offer of securities of the Company or any of its subsidiary undertakings, including participation in the underwriting or sub-underwriting of the offer;

4.19.2.3 a proposal involving another company in which he and any persons connected with him has a direct or indirect interest of any kind, unless he and any persons connected with him hold an interest in shares representing one per cent. or more of either any class of equity share capital, or the voting rights, in such company;

4.19.2.4 any arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award the director any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

4.19.2.5 any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit; and

4.19.2.6 any proposal concerning indemnities in favour of directors or the funding of expenditure by one or more directors on defending proceedings against such director(s).

4.19.3 A director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

4.19.4 If any question arises at any meeting as to whether any interest of a director prevents him from voting or being counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the chairman of the meeting. The chairman of the meeting's ruling in relation to the director concerned (other than himself) shall be final and conclusive (except where it subsequently becomes apparent that the nature or extent of the interests of the director concerned have not been fairly disclosed).

4.19.5 The Board may authorise any matter that would otherwise involve a director breaching his duty under the Companies Act to avoid conflicts of interest, provided that the interested director(s) do not vote or count in the quorum in relation to any resolution authorising the matter. The Board may authorise the relevant matter on such terms as it may determine including:

4.19.5.1 whether the interested director(s) may vote or be counted in the quorum in relation to any resolution relating to the relevant matter;

4.19.5.2 the exclusion of the interested director(s) from all information and discussion by the Company of the relevant matter; and

4.19.5.3 the imposition of confidentiality obligations on the interested director(s).

4.19.6 An interested director must act in accordance with any terms determined by the Board. An authorisation of a relevant matter may also provide that where the interested director obtains information that is confidential to a third party (other than through his position as director) he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs, if to do so would amount to a breach of that confidence.

4.20 Powers of the directors

4.20.1 Subject to the Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not.

4.20.2 Subject to the provisions of the Companies Act, the Board may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, to issue debentures and other securities and to give security, either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.20.3 The Board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to procure (but as regards such subsidiary undertakings, only in so far as it can procure by such exercise) that the aggregate principal amount outstanding in respect of all borrowings by the Group (exclusive of any borrowings which are owed by one group company to another) shall not, at any time, without an ordinary resolution of the Company, exceed a sum equal to two times the adjusted total of capital and reserves.

4.20.4 The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities, by insurance or otherwise, for any person who is, or has at any time been, a director of or employed by or in the service of the Company or of any company which is a subsidiary company of the Company, or is allied to or associated with the Company or any such subsidiary, or any predecessor in business of the Company or any such subsidiary, and for any member of his family (including a spouse or former spouse) or any person who is, or was, dependent on him.

4.21 Directors' indemnity and insurance

4.21.1 Subject to the Companies Act, each director of the Company and of any associated company may be indemnified by the Company against any liability.

4.21.2 Subject to the Companies Act, the Board may purchase and maintain insurance against any liability for any director of the Company or of any associated company.

5. EMPLOYEES

The table below sets out the average number of persons employed by the Group during each of the financial years referred to below. All of the Group's employees involved in management and administration activities are based in the US.

Financial year (each ended on 31 December)	Average number of persons, including executive directors, employed by the Group
2013	85 employees and 110 consultants
2012	84 employees and 15 consultants
2011	32 employees

6. DIRECTORS AND SENIOR MANAGERS

Details of the Directors and the Senior Managers and functions in the Company are set out in paragraphs 1 and 2 of Part IX (*Directors, Senior Managers and Corporate Governance*) of this Prospectus and in this Part XVI (*Additional Information*). Their business address is c/o Allied Minds plc, 40 Duke Place, London EC3A 7NH.

6.1 **Executive Directors**

6.1.1 Mark Alun Pritchard – *Executive Chairman*

Mark founded Allied Minds in 2004 and has been directly involved in its strategic direction and growth since inception. Mark spent his earlier career as an investment banker based in the City of London, latterly working as a director in the corporate finance department of Nomura International. He has been an active investor in a number of early stage companies, including FuturaGene a spin out from Purdue University, Indiana. FuturaGene PLC was admitted to the AIM market in 2005 and Mark was Chairman from 2006 until its acquisition by Suzano Papel e Celulose, a Brazilian based multinational in 2010. From March 2009 until November 2010 he served on the board of Gold Oil PLC (now Baron Oil PLC), an oil and gas exploration company focussed on South America. He graduated from Cass Business School, London in 1984 with a B.Sc (Hons).

6.1.2 Christopher Andrew Silva – *Chief Executive Officer*

Chris joined Allied Minds in March 2006. Before joining Allied Minds, Chris was a Partner at JSA Partners, a professional M&A and strategy consultancy in Boston, MA, which provides high technology companies with market entry, competitive strategy, acquisitions and investment decisions. His consulting background includes three years with A.T. Kearney's Aerospace Aviation and Defense Practice. Chris was also the Director of Business Development for GRC International, a scientific and technical support contractor to the Department of Defense and US Intelligence Community. Earlier, Chris served in the US Air Force. Chris holds a BA degree from Tufts University and a Masters of Business Administration.

6.2 **Non-Executive Directors**

6.2.1 Peter Robert Dolan – *Senior Independent Non-executive Director*

Peter joined Allied Minds in April 2014. Peter has 30 years of operating experience, including 18 years at Bristol-Myers Squibb, where he served as Chairman and CEO. He subsequently served as Chairman and CEO of Gemin X, a venture capital backed oncology company that was sold to Cephalon. Peter is the Chairman of the Board of Trustees of Tufts University having served in several leadership capacities, including Vice Chair, and as a member of the Compensation, Academic Affairs and Audit Committees, before his election as Chairman in November 2013. Most recently, Peter served on the Board of Overseers of the Tuck School at Dartmouth College and on the Board of Directors of the National Center on Addiction and Substance Abuse at Columbia University. Additionally, he has served on the Boards of the American Express Company, C-Change (a cancer coalition organisation), and was Chairman of the Pharmaceutical Research and Manufacturers of America. Peter holds a Bachelor of Arts degree from Tufts University in 1978 in Social Psychology and a Master of Business Administration degree from the Amos Tuck School of Business at Dartmouth.

6.2.2 Jeffrey Paul Rohr – *Non-executive Director*

Jeff joined Allied Minds in April 2014. Jeff has 30 years of senior management experience at Deloitte LLP from which he retired in 2012 having last served in the role of Vice Chairman and Chief Financial Officer. In the role of CFO, Jeff was responsible for all aspects of financial affairs of the Deloitte Global Firm and the Deloitte US Firm, including strategy, accounting and financial reporting, treasury, capital adequacy, liquidity, taxes, pensions, and risk management. Previously, Jeff served as the Managing Partner of Deloitte's Midwest and Mid-Atlantic regions as well as National Director of Deloitte's Business Planning. Currently, Jeff serves on a number of Boards and Foundations to include the Board of Directors of American Express Centurion Bank where he is the Chairman of the Audit and Risk Committee as well as the Florida State University's board of governors. Jeff is a graduate of Florida State University with a B.S degree in Accounting and is a Certified Public Accountant.

6.2.3 Richard Hannah Davis – *Non-executive Director*

Rick (Richard) joined Allied Minds in August 2011. Rick is an internationally recognised political leader with more than 30 years of experience in business and public affairs. Rick currently serves as a Partner and Chief Operating Officer at Pegasus Capital Advisors, a $2.2 billion private equity fund founded in 1995. He has a long and distinguished career in both the public and private sector. Having served on President Ronald Reagan's political team, Rick also served in three Reagan Administration Cabinet Agencies including as White House Special Assistant to the President for the Domestic Policy Council. In his capacity in the White House Rick managed all policy development related to Climate, Energy and Environment. President George H.W. Bush appointed him as Deputy Executive Director for the White House Conference on Science and Economic Research Related to Global Climate Change. While in the private sector Rick built one of the most influential and successful public affairs companies in the United States. In 2000 and 2008 Rick served as Senator John McCain's national campaign manager leading all aspects of the campaign activity. While serving as Senator McCain's chief strategist and political advisor Rick was integral in the development of some key legislative initiatives including ground breaking Climate Legislation and Campaign Finance Reform. Rick currently serves on the Board of The Environmental Defense Action Fund developing initiatives and ties to the corporate community that promotes better stewardship of the environment.

6.3 **Senior Managers**

6.3.1 Marc Walter Eichenberger – *Chief Operating Officer*

Before joining Allied Minds, Marc established his own professional services firm. His previous roles have included valuation, management advisory, M&A support and temporary senior executive roles, most recently as a Senior Vice-President of Mergers & Acquisitions with a transportation services firm. He also served as Vice-President of Marketing and Business Development for a small manufacturer of expansion joints. Previously, Marc was a Senior Principal with A.T. Kearney. Over 10 years, he supported acquisitions, strategy development, and drove the restructuring of underperforming businesses. Marc holds a degree in economics and German from New York University and an MBA from the Wharton School of Business. Marc was awarded the Chartered Financial Analyst (CFA) designation.

6.3.2 Michael Scott Turner – *General Counsel*

Before joining Allied Minds, Michael was a Partner of DLA Piper LLP (US), one of the largest international business law firms, where he was a member of the Corporate and Finance Group. Prior to joining DLA, Michael was a Partner in the Corporate Group of Goodwin Procter LLP, a Boston-based national law firm. Michael acted as outside general counsel to public and private companies, investment banks, and private equity and venture capital firms, with an emphasis on serving the needs of growth companies in the software, semiconductor, data storage, analytics, telecommunications, medical devices and biotechnology sectors. During his more than 15 years in private practice, Michael provided counsel on company formation, equity and debt financings, public offerings, mergers and acquisitions, strategic partnerships, intellectual-property transactions, executive compensation, employment law, and other operational and transactional matters. Michael is admitted to the bar in Massachusetts and New York, and earned a BA in Political Science and Economics from Colgate University, and his JD in Business Law and Regulation from Cornell Law School.

6.3.3 Dr Omar Amirana – *Senior Vice President, Life Sciences*

Omar previously served as a Partner at Oxford Bioscience Partners, a Boston-based venture capital firm with approximately $1 billion under management. He has served on the boards of Nfocus Neuromedical, Smartfill, Coherex, Mitralign, Flowmedia and Cambridge Endoscopic Devices. Omar was the co-founder of Cardima and Resolution Medical based in Silicon Valley. He was also the Vice-President of Marketing of MedicaLogic/Medscape, and served as a Vice-Precedent of Business Development at St. Jude Medical. He has developed and launched products

worldwide. He is currently on the board of Cardiofocus as well as the Oversight Committee for the Coulter Translational Research Partnership at Columbia University. Omar earned a BS in Mechanical Engineering from Tufts University and an MD from Eastern Virginia Medical School.

6.3.4 Svetoslav Milenkov – *Director of Finance*

Before joining Allied Minds, Sam (Svetoslav) was a manager for KPMG's Audit and Risk Advisory practice with close to seven years of audit experience across the full cycle of an audit engagement. His credentials span across a broad variety of industries, including a background in consumer products, retail, technology and early stage R&D companies ranging from start-ups to large multi-national private and public corporations. In 2011, Sam completed an 18 months rotation at the KPMG Vienna, Austria office where he was able to integrate his experience in US GAAP and IFRS. Sam is a Certified Public Accountant with the State of Massachusetts and received his MS in Accounting and BSBA in Accounting and International Business from Suffolk University, Boston.

6.4 **Current and previous directorships**

The Directors (in addition to being Directors of the Company) and Senior Managers hold or have held the directorships of the companies and/or are or were partners of the partnerships specified opposite their respective names below within the past five years prior to the date of this Prospectus.

Director/Senior Manager	Current appointments	Former appointments held in the previous five years
Mark Pritchard	RF Biocidics (UK) Limited Lomond Consultancy Limited Partle Limited Cergy Pole EURL BTG Europe SA Stalam SpA	Allied Minds, Inc. FuturaGene PLC CBD Ltd Baron Oil PLC (formerly Gold Oil PLC) Plectrum Petroleum Limited Ayoopco Limited Lomcon Limited Midi lnvest SA
Christopher Silva	Allied Minds, LLC Optio Labs, Inc. Allied Minds Federal Innovations, Inc. Foreland Technologies, Inc. ProGDerm, Inc. Allied Minds Devices, LLC Federated Wireless, Inc. SoundCure, Inc. Biotectix, LLC Cephalogix, LLC Spin Transfer Technologies, Inc. RF Biocidics, Inc. CryoXtract Instruments, LLC Tinnitus Treatment Solutions, LLC LuxCath, LLC SiEnergy Systems, LLC Percipient Networks, LLC Precision Biopsy, LLC Broadcast Routing Fountains, LLC SciFluor Life Sciences, LLC	Lomcon Limited Optio Labs, LLC Precision Augmented Reality Works, Inc. Spin Transfer Technologies, LLC Illumasonix, Inc. EndoScreen, LLC AXI, LLC SaltCheck, Inc. LifeScreen, Inc. Purtein, LLC GliaGen, LLC BA Logix, Inc.
Peter Dolan	—	Gemin X Vitality (US subsidiary of South African Discovery Health)

Director/Senior Manager	Current appointments	Former appointments held in the previous five years
Jeffrey Rohr	American Express Centurion Bank	—
Rick Davis	Traxys Corp. Six Senses Pegasus Capital Advisers	Lighting Science Group Corp. Allied Minds, Inc.
Marc Eichenberger	Allied Minds, LLC Optio Labs, Inc. Allied Minds Federal Innovations, Inc. Foreland Technologies, Inc. ProGDerm, Inc. Federated Wireless, Inc. SoundCure, Inc. Cephalogix, LLC Spin Transfer Technologies, Inc. RF Biocidics, Inc. CryoXtract Instruments, LLC SiEnergy Systems, LLC Percipient Networks, LLC Precision Biopsy, LLC SciFluor Life Sciences, LLC	Optio Labs, LLC Precision Augmented Reality Works, Inc. Spin Transfer Technologies, LLC Illumasonix, Inc. BA Logix, Inc.
Michael Turner	—	DLA Piper LLP (US) Goodwin Procter LLP
Omar Amirana	Cardiofocus, Inc. Propel Careers Optio Labs, LLC LuxCath, LLC	Oxford Biosciences Partners Coherex, Inc. Mitralign, Inc. SmartPill, Inc. Nfocus Neuromedical, Inc. Flowmedica Cambridge Endoscopic Devices
Sam Milenkov	—	—

6.5 **Directors' and Senior Managers' Shareholdings and Stock Options**

6.5.1 The interests in the share capital of the Company of the Directors and Senior Managers (all of whom, unless otherwise stated, are beneficial or are interests of a person connected with the Director or Senior Manager) as at 19 June 2014 (the latest practicable date prior to publication of this Prospectus) were as follows (assuming no exercise of the Overallotment Option):

	Following Reorganisation and immediately prior to Admission		Ordinary Shares to be sold pursuant to the Offer		Immediately following Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital
Director						
Mark Pritchard[1]	20,350,000	12.32%	—	—	20,350,000	9.71%
Christopher Silva	7,275,422	4.40%	4,431,020	2.68%	2,844,402	1.36%
Peter Dolan	39,600	0.02%	—	—	39,600	0.02%
Jeffrey Rohr	39,600	0.02%	—	—	39,600	0.02%
Rick Davis	1,139,600	0.69%	880,000	0.53%	259,600	0.12%
Senior Manager						
Marc Eichenberger	5,110,996	3.09%	3,495,030	2.12%	1,615,966	0.77%
Michael Turner	—	—	—	—	—	—
Omar Amirana	—	—	—	—	—	—
Sam Milenkov	—	—	—	—	—	—

1 In addition: (a) 1,225,356 of the Ordinary Shares, being approximately 0.74 per cent. of the total Ordinary Shares in the Company immediately prior to Admission and 0.58 per cent. of the total Ordinary Shares immediately following Admission assuming the Overallotment Option has not been exercised are registered to Lomcon PLC. Lomcon re-registered as a private limited company incorporated under the laws of England and Wales on 13 May 2009 and, following a voluntary application, was struck off the register of companies maintained by Companies House in the UK. Lomcon is currently undertaking action to be reinstated on the register of companies. The majority of the shares in Lomcon were owned, directly or indirectly, by Mark Pritchard. Accordingly, as and when Lomcon is reinstated, Mark Pritchard's beneficial shareholding interest in the Ordinary Shares will increase accordingly; and (b) Lomond Consultancy Limited holds 832,348 Ordinary Shares. Mark Pritchard holds 50 per cent of the share capital in Lomond Consultancy Limited and therefore has an interest in these Ordinary Shares in addition to his shareholdings set out in the table above.

The Ordinary Shares held by Peter Dolan and Jeffrey Rohr and 39,600 of the Ordinary Shares held by Rick Davis are subject to the terms of a restricted share agreement pursuant to which the Ordinary Shares vest in three equal tranches on each of the first three anniversaries of Admission. If the non-executive director ceases to provide services to the Group, any Ordinary Shares which have not vested by that date shall be forfeited and will be re-acquired by the Company for nil or nominal consideration. In the event of a change of control of the Company, all unvested Ordinary Shares shall immediately vest.

6.5.2 As at 19 June 2014 (the latest practicable date prior to publication of this Prospectus), the following options over Ordinary Shares had been granted to the Directors and Senior Managers pursuant to the US Stock Plan and were outstanding and already exercisable.

	Date of grant	No. of Ordinary Shares under option	Exercise price per Ordinary Share ($)	Last Exercise date
Director				
Mark Pritchard	March 2011	330,000	1.73	March 2021
	May 2012	220,000	1.78	May 2022
Christopher Silva	May 2012	1,151,172	1.78	May 2022
	December 2013	1,320,000	2.49	December 2023
	March 2014	634,326	2.49	March 2024
Senior Manager				
Marc Eichenberger	May 2012	1,151,172	1.78	May 2022
	December 2013	1,320,000	2.49	December 2023
	March 2014	634,326	2.49	March 2024
Michael Turner	May 2014	330,000	2.49	May 2024
Omar Amirana	May 2012	1,540,000	1.78	May 2022
Sam Milenkov	March 2014	110,000	2.49	March 2024

6.5.3 With effect from Admission, awards in the form of restricted share units will be made as set out in the table below to the following Directors and Senior Managers pursuant to the UK Long Term Incentive Plan. The number of Ordinary Shares in each case is the maximum number which may be received if all performance criteria and vesting conditions are achieved to the maximum extent. Details of the performance and vesting criteria of these awards are set out in paragraph 8.2.5 of this Part XVI. These Directors and Senior Managers will be required to pay the nominal value per Ordinary Share in order to receive the Ordinary Shares on vesting.

	Maximum number of Ordinary Shares
Director	
Christopher Silva	1,398,341
Senior Manager	
Marc Eichenberger	839,005
Michael Turner	839,005
Omar Amirana	303,907
Sam Milenkov	233,057

6.5.4 As at 19 June 2014 (the latest practicable date prior to publication of this Prospectus), awards of units have been made as set out in the table below to the following Directors and Senior Managers pursuant to the Phantom Plan. For details of the Phantom Plan, please see paragraph 8.3 of this Part XVI.

	Award – units	Date of Award	First Vesting		Second Vesting		Third Vesting		Vested
			Date	Units	Date	Units	Date	Units	
Director									
Mark Pritchard	20,000	18 July 2007	1 July 2007	20,000					20,000
Chris Silva	20,000	18 July 2007	1 July 2007	20,000					20,000
Senior Manager									
Marc Eichenberger	20,000	18 July 2007	1 July 2007	20,000					20,000
Michael Turner	20,000	27 May 2014	27 May 2015	10,000	27 May 2015	10,000			—
Omar Amirana	20,000	1 July 2012	1 July 2012	5,000	1 July 2013	7,500	1 July 2014	7,500	12,500
Sam Milenkov	10,000	1 October 2012	1 July 2013	2,000	1 July 2014	4,000	1 July 2014	4,000	2,000

6.5.4 Save as disclosed in this paragraph no Director or Senior Manager has any interests (beneficial or non-beneficial) in the share capital of the Company.

6.5.5 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

6.5.6 At Admission, Invesco will hold over 30 per cent. of the Ordinary Shares in the Company. While the Company does not intend to commence a buyback programme, any buyback which results in an increase in the percentage of voting shares held by Invesco may need to be approved by a vote of independent Shareholders to avoid Invesco being required to make a mandatory offer for the Company pursuant to Rule 9 of the Takeover Code (see paragraph 19 (*Mandatory Bids, Squeeze Out and Sell Out Rules relating to the Ordinary Shares*) of this Part XVI). The Company may propose such a 'whitewash' resolution at its future annual general meetings.

6.6 **Transactions with Directors and Senior Managers**

6.6.1 Save with respect to the Ordinary Shares allotted and issued by the Company to Chris Silva, Mark Pritchard and Marc Eichenberger pursuant to the terms of the Merger Agreement, no Director or Senior Manager has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were affected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

6.6.2 Other than as set out below, there are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors or Senior Managers.

6.6.3 Allied Minds, LLC has agreed to lend each of Chris Silva and Marc Eichenberger, in the event that he becomes subject to personal tax liabilities relating to restricted stock grants received by him under the US Stock Plan and is unable to sell his shares or the sale of shares does not result in adequate proceeds to pay any such tax liability, the funds required to pay the portion of the tax liability which is in excess of the proceeds from any sale of the shares. It was agreed that the loan would be interest bearing and made on commercial terms.

6.6.4 On 19 June 2014, Allied Minds, LLC advanced loans to Chris Silva, Marc Eichenberger and the other employees of the Company acting as Selling Shareholders for the purpose of satisfying the exercise price with respect to the exercise of a proportion of that persons holding of share options under the US Stock Plan, such loan to be repaid by the relevant person pursuant to the terms of a promissory note using their proceeds of the Offer.

6.7 **Directors' and Senior Managers' Service Agreements and Letters of Appointment**

6.7.1 Executive Directors' Service Agreements

(A) ***General terms***

On 30 May 2014, Allied Minds, Inc. (now Allied Minds, LLC), entered into service contracts with Christopher A. Silva as its Chief Executive Officer, and Mark A. Pritchard as its Chairman relating to the provision of services to the Group.

The annual base salary payable by Allied Minds, Inc. (now Allied Minds, LLC), is $400,000 for Mr Silva and $350,000 for Mr Pritchard. The base salary of each is subject to review no less frequently than annually by the Remuneration Committee of the Board, but is not necessarily increased.

Each Executive Director will be eligible for an annual incentive bonus award in respect of each calendar year which ends during the term of employment and for each partial year on a *pro rata* basis. Any bonus is based on his performance against criteria and subject to such conditions as the Remuneration Committee of the Company's Board may impose. The Company may also pay a discretionary bonus. The decision to provide any discretionary bonus and the amount and terms of any discretionary bonus shall be in the sole and absolute discretion of the Remuneration Committee of the Company's board. There are no caps on the amount of bonus which may be paid. Any bonus based on annual performance will be paid between 1 January and 15 March of the year after the performance year.

Each Executive Director is eligible to participate in all employee plans, programmes and arrangements made generally to the executives of Allied Minds, Inc. (now Allied Minds, LLC), and is entitled to the reimbursement of business-related expenses.

Mr Silva is entitled to certain benefits, which include: (a) life insurance; (b) disability insurance; (c) medical benefits and dental care; (d) a car allowance, and (e) an annual payment to cover personal legal and tax advice. Mr Pritchard is also entitled to certain other benefits, which include: (a) a medical benefits plan and dental care plan, each of which is paid for by Allied Minds, Inc. (now Allied Minds, LLC), and (b) an annual payment from Allied Minds, Inc. (now Allied Minds, LLC), to cover personal legal and tax advice.

Mr Silva is entitled to five (5) weeks of paid holiday per annum and Mr Pritchard is entitled to four (4) weeks of paid holiday per annum, in each case in addition to standard Allied Minds, Inc. (now Allied Minds, LLC) company wide holidays.

(B) ***Termination provisions***

Under the service contracts, (i) Mr Silva shall be employed for twenty four (24) months from the date it was entered into, provided that the date which is two (2) years from the effective date of the employment agreement, and (ii) Mr Pritchard shall be employed for twelve (12) months from the date it was entered into provided that the date which is one (1) year from the effective date of the employment agreement, and in each case on each annual anniversary thereafter (the "**Renewal Date**"), the employment agreement shall be deemed to be automatically extended for successive periods of one year unless either party provides at least ninety (90) days' written notice prior to the applicable Renewal Date of its intention not to extend the term of the service contract (a "**Non-Renewal Notice**").

The Executive Director's employment is terminable by Allied Minds, Inc. (now Allied Minds, LLC) or the Executive Director at any time and for any reason.

If an Executive Director's employment is terminated by Allied Minds, Inc. (now Allied Minds, LLC) for "Cause", he shall only be entitled to receive any amounts that are accrued or owing but not yet paid, if any, in accordance with applicable plans and programmes of Allied Minds, Inc. (now Allied Minds, LLC), and reimbursement of any properly incurred business expenses but excluding any bonus payments or other compensation provided pursuant to Allied Minds Inc's (now Allied Minds, LLC) incentive compensation plan (such amounts, the "**Standard Benefit**").

"Cause" includes where the Executive Director: (i) materially fails to perform his duties to Allied Minds, Inc. (now Allied Minds, LLC) (other than due to incapacity) that may result in material injury to Allied Minds, Inc. (now Allied Minds, LLC)

and/or the Company; (ii) fails to comply with any material, valid and legal directive of his supervisor or of the board of directors of Allied Minds, Inc. (now Allied Minds, LLC) or the Company; (iii) engages in dishonesty, illegal conduct or misconduct, which is, in each case, materially injurious to Allied Minds, Inc. (now Allied Minds, LLC) and/or the Company; (iv) embezzles or misappropriates funds or property of Allied Minds Inc. (now Allied Minds, LLC), of any of its subsidiaries or of the Company; (v) is convicted or pleads guilty or nolo contendere to a crime that constitutes (A) a felony; or (B) a misdemeanour involving moral turpitude or fraud that may result in material injury or reputational harm to Allied Minds, Inc. (now Allied Minds, LLC) and/or the Company; (vi) is in material violation of a material written policy of Allied Minds, Inc. (now Allied Minds, LLC) or the Company; (vii) wilfully and without authorisation discloses confidential information; or (viii) materially breaches any material obligation under the service contract or any other written agreement between the executive and Allied Minds, Inc. (now Allied Minds, LLC) and/or the Company.

If the Executive Director terminates the service contract for "Good Reason" or Allied Minds, Inc. (now Allied Minds, LLC) terminates the service contract without Cause or following delivery by Allied Minds, Inc. (now Allied Minds, LLC) of a Non-Renewal Notice, the Executive Director shall be entitled to the following amounts subject to the Executive Director's compliance with his continuing obligations and the execution of a release of claims: (i) payment of base salary, in accordance with regular payroll practices of Allied Minds, Inc. (now Allied Minds, LLC) for a period of twenty four (24) months' from the date of termination of the Executive Director's employment; (ii) an annual incentive award for the year in which the termination occurs, which shall be a lump sum payment equal to the product of: (A) the Executive Director's average bonus for the prior three (3) years (the "**Average Bonus**"); and (B) a fraction based on the number of days in which the Executive Director was employed during that year; (iii) if there is a transition period and for as long as the Executive Director receives continued payments of base salary, the Executive Director will receive pro-rated payments equal to the Executive Director's average bonus (e.g. if base salary is paid monthly, each payment will include an amount equal to one twelfth of the average bonus); and (iv) payment of the Standard Benefit. Mr Silva will also be entitled to: (i) continued participation under COBRA in respect of participating employee welfare benefit plans for a period of six (6) months for him and each of his eligible dependents; and (ii) continuation of life and disability insurance coverage for six (6) months.

"Good Reason" in the service contracts includes: (i) a reduction in base salary, incentive bonus opportunity or any other material benefit provided to the Executive Director other than a general reduction that affects all similarly situated executives in substantially the same proportions; (ii) a relocation of the Executive Director's principal place of employment by more than fifty (50) miles; (iii) any material breach by Allied Minds, Inc. (now Allied Minds, LLC) of any provision of the service contract; (iv) Allied Minds, Inc.'s (now Allied Minds, LLC) failure to obtain an agreement from any successor to Allied Minds, Inc. (now Allied Minds, LLC) to assume and agree to perform the service contract in the same manner and to the same extent that Allied Minds, Inc. (now Allied Minds, LLC) would be required to perform if no succession had taken place, except where such assumption occurs by operation of law; or (v) a material, adverse change in the Executive Director's authority, duties or responsibilities (other than while the Executive Director is incapacitated or as required by applicable law) taking into account Allied Minds, Inc.'s (now Allied Minds, LLC) size, company status and capitalisation as of the date of the service contract.

If the Executive Director's employment is terminated due to his death or disability he or his estate will receive (as applicable) similar entitlements to those payable as a termination for Good Reason save that the payment of base salary shall only continue for 90 days after the death of the Executive Director and/or until the commencement of long term disability payments in the case of termination due to disability.

Each of the Executive Directors may terminate his service contract without Good Reason at any time during the term of the employment, provided they give at least ninety (90) days' advance written notice. If either Executive Director terminates his employment with Allied Minds, Inc. (now Allied Minds, LLC) without Good Reason (and not because of his death or due to disability) or if such Executive Director delivers to Allied Minds, Inc. (now Allied Minds, LLC) a Non-Renewal Notice, the Executive Director shall be entitled solely to payment of the Standard Benefit.

Each Executive Director is subject to a confidentiality undertaking without limitation in time and restrictive covenants concerning non-competition and the non-solicitation of employees and partners (which consist of US universities and federally funded research institutions that have formed relationships with Allied Minds, Inc. (now Allied Minds, LLC)) for a period of twenty four (24) months after the termination of the service contract for any reason.

Each Executive Director agrees that any and all writings, inventions, improvements, processes, procedure advances, discoveries and techniques that the Executive makes, conceives, discovers or develops at any time during his term of employment will be the Company's sole and exclusive property.

6.7.2 Executive Director Letters of Appointment

Under their service contracts, the Executive Directors are required, if requested, to serve as a member of the board of Allied Minds, Inc. (now Allied Minds, LLC) or any other affiliate for no additional compensation. Pursuant to the terms of the service contract each of the Executive Directors entered into an appointment letter dated 22 May 2014 with the Company in relation to his appointment as a director. No additional fee or compensation will be payable for this role. The Company may summarily terminate the appointment as a director on the same grounds as included in the Non-Executive Directors Letter of Appointment (see below). Upon termination of the service contract or at any time upon request by the Company, the Executive Director shall resign as a director of the Company.

6.7.3 Non-Executive Directors Letters of Appointment

Each of the Non-Executive Directors has been appointed by letters of appointment. Details of the terms of each Non-Executive Director's appointment with the Company are set out below.

Name	Date of initial appointment	Committee Chairmanships/ Other Board Positions	Non-executive fee per annum ($)
Peter Dolan	8 May 2014	Audit Committee Chairman of the Nomination Committee Remuneration Committee	85,000
Jeffrey Rohr	8 May 2014	Chairman of the Audit Committee Nomination Committee Remuneration Committee	100,000
Rick Davis	8 May 2014[1]	Chairman of the Remuneration Committee	85,000

1 Rick Davis was appointed to the board of directors of Allied Minds, Inc. on 31 August 2011.

(A) *General Terms*

Peter Dolan, Jeffrey Rohr and Rick Davis are entitled to an annual fee of $75,000. Jeffrey Rohr is entitled to an additional annual fee of $25,000 for his role as Chairman of the Audit Committee, and each of Peter Dolan and

Rick Davis are entitled to an additional annual fee of $10,000 for their role as Chairman of the Nomination Committee and Chairman of the Remuneration Committee, respectively.

The Company shall reimburse the Non-Executive Directors for all reasonable and properly documented expenses incurred in performing the duties of their office. The Non-Executive Directors are required to comply with the Company's requirements regarding the minimum shareholding level agreed from time to time by the Board and will invest in publicly traded shares in the Company an aggregate amount of not less than the total annual cash payment made to the Non-Executive Director over the course of the first five years of their appointment. The Non-Executive Directors and are subject to intellectual property obligations and confidentiality undertakings without limitation in time until the confidential information becomes available to the public generally (other than by reason of their breach).

(B) *Termination provisions*

The appointments of the Non-Executive Directors are for an initial term of three years commencing on 8 May 2014 unless terminated earlier by either party giving to the other one month's prior written notice. Their appointments are subject to the Articles. If the Non-Executive Directors are not re-elected to their respective positions as a director of the Company by the shareholders or if at any time they resign from office, their appointment shall terminate automatically and with immediate effect. The Company may also terminate their appointments with immediate effect if they have: (i) committed any serious or repeated breach or non-observance of their obligations to the Company (which include an obligation not to breach all general duties imposed by law including those contained in the Companies Act); (ii) been guilty of any fraud or dishonesty or acted in any manner which brings or is likely to bring them or the Company into disrepute or is materially adverse to the interests of the Company; (iii) been declared bankrupt; (iv) been disqualified from acting as a director; or (v) accepted a position with or acquire interests in another company, without prior Board approval, which, in the Board's reasonable opinion, is likely to give rise to a material conflict of interest with their position as a director of the Company.

6.7.4 Under the terms of their service agreements and applicable incentive plans, the aggregate remuneration and benefits to the Senior Managers in respect of the year ended 31 December 2013, consisting of three individuals, was $1 million.

6.7.5 Directors' and Officers' indemnity and insurance

The Company has customary directors' and officers' indemnity insurance in place in respect of each of the Directors.

Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to the Companies Act and certain limitations, to indemnify each Director out of the assets and profits of the Company against certain charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a director of the Company.

In addition, Allied Minds, Inc. (now Allied Minds, LLC) has granted indemnities to the Directors and Senior Managers to the fullest extent permitted under the Certificate of Incorporation and Bylaws of Allied Minds, Inc. (now Allied Minds, LLC) established under the laws of Delaware. The indemnities granted to the Directors and Senior Managers extend to protect them against claims and losses they may incur in connection with their office. While comparable to arrangements commonly entered into in the US, these arrangements provide indemnity or insurance protection which extends beyond the protection which would be currently permissible for arrangements entered into by a company incorporated in England and Wales, including protection against claims and/or losses resulting from certain intentional acts or omissions or from acts or omissions which are negligent or in breach of a Director's or Senior Manager's duties to the Company. In particular, the indemnity

granted by Allied Minds, Inc. (now Allied Minds, LLC) provides that Allied Minds, Inc. (now Allied Minds, LLC) shall pay to or on behalf of any such Director and Senior Manager any and all of the costs and expenses associated in defending or appearing or giving evidence in proceedings as and when such costs are incurred; provided that in a finding of fraud or dishonesty, such Director or Senior Manager shall reimburse to Allied Minds, Inc. (now Allied Minds, LLC) all funds paid by it in respect of costs and expenses.

6.8 Directors' Remuneration

6.8.1 Under the terms of their service contracts, letters of appointment and applicable incentive plans, in the 2013 financial year, the Directors were remunerated as set out below:

Name	Base salary	Bonus	Fees	Benefits[1]	Total (exc. pension)	Pension	Total (inc. pension)	Date of joining the group
Director								
Mark Pritchard	$293,600	$210,000	—	$2,200	$505,800	—	$505,800	1 January 2004 (salaried from 1 January 2012)
Christopher Silva	$334,800	$220,000	—	$54,400	$609,200	—	$609,200	15 March 2006
Peter Dolan	—	—	—	—	—	—	—	8 May 2014
Jeffrey Rohr	—	—	—	—	—	—	—	8 May 2014
Rick Davis	—	—	$60,000	—	$60,000	—	$60,000	15 April 2010

(1) Benefits represent the provision of private medical insurance, travel insurance, life assurance and income protection.

6.8.2 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Prospectus.

6.8.3 No amounts have been set aside or accrued by the Group to provide pension, retirement or other benefits to the Executive Directors.

6.8.4 The Group does not operate any pension scheme or other scheme providing retirement or similar benefits. The Group has not set aside or accrued any amounts in respect of such schemes and does not contribute to any personal pension schemes for employees.

6.9 Conflicts of interest

6.9.1 Chris Silva and Mark Pritchard are executive directors of, and/or shareholders in, one or more of the subsidiary companies. These directorships and shareholdings potentially give rise to a conflict of interest between the relevant executive Directors' duties to the Company and their duties to, or interests in, the relevant subsidiary company. For example, if the Group has offered to provide capital to one of its subsidiary companies on which one of its executive Directors sits on the board, that executive Director owes certain duties to the subsidiary company and its stockholders or members in his capacity as a director when that company considers such offer, such as the duty to avoid conflicts of interest, to exercise independent judgement and to promote the success of the company for the benefit of its members as a whole. It may be that in seeking to exercise such duties, this conflicts with the same duties that the executive Director owes to the Company. In such circumstances, the executive Director will ensure that he declares all such conflicts in accordance with the Companies Act and may be required to abstain from taking part in the discussions and/or voting on any decisions to be taken in respect thereof. In the same way, if an executive Director becomes a shareholder in a subsidiary company to which the Group is considering providing capital, it may be that his personal interests are potentially in conflict with the duties that executive Director owes to the Company in considering the merits of the provision of such capital. Again, such Director will fully declare all such conflicts of interest in accordance with the Companies Act and may be required to abstain from taking part in the discussions and/or voting on any decisions to be taken in respect thereof.

6.9.2 Save as referred to in paragraph 6.9.1 above, there are no actual or potential conflicts of interest between the Directors' duties to the Company and their private interests and other duties.

6.10 **Directors' and Senior Executives' Confirmations**

6.10.1 During the last five years, no Director has:

6.10.1.1 been convicted in relation to a fraudulent offence;

6.10.1.2 been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or senior management of any company;

6.10.1.3 been subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies);

6.10.1.4 been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer;

6.10.1.5 been a partner in a partnership which, while he was a partner or within 12 months of his ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership or voluntary arrangement, or had a receiver appointed over any partnership asset;

6.10.1.6 had a receiver appointed with respect to any assets belonging to him; or

6.10.1.7 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which he was a director of that company or within 12 months after his ceasing to be a director.

6.10.2 A number of investigations and legal proceedings were brought against Bristol Myers Squibb and, in some cases, against Peter Dolan himself, in connection with matters arising during Peter's period of office as CEO of Bristol Myers Squibb. These alleged, among other things, breach of US securities laws (including the making of misleading statements) and of US anti-trust laws. In connection with the resolution of one of these proceedings, Bristol Myers Squibb was required to appoint an independent monitor of the board. In connection with a subsequent proceeding, on the recommendation of the independent monitor of the board, Peter and Bristol Myers Squibb agreed that Peter should cease to hold office as CEO of Bristol Myers Squibb. Whilst criminal investigations took place, these legal proceedings did not include criminal proceedings against Peter himself and were ultimately settled or otherwise resolved without breach of duty or other wrongdoing on the part of Peter being admitted or judicially established.

7. MAJOR SHAREHOLDERS AND SELLING SHAREHOLDERS

7.1 As at 19 June 2014 (being the latest practicable date prior to the publication of this Prospectus), the Directors were aware of the following persons who, directly or indirectly, were interested in three per cent. or more of the Company's capital or voting rights (assuming no exercise of the Overallotment Option):

	Following Reorganisation and immediately prior to Admission		Immediately following Admission	
Shareholders	**Number of Ordinary Shares**	**Percentage of issued Ordinary Share Capital**	**Number of Ordinary Shares**	**Percentage of issued Ordinary Share Capital**
Invesco[(1)]	74,396,278	45.02%	89,826,699	42.88%
Mark Pritchard[(2)]	20,350,000	12.32%	20,350,000	9.71%
P3 Private Equity Fund I, LLC	8,701,330	5.27%	8,701,330	4.15%
Christopher Silva	7,275,422	4.40%	2,844,402	1.36%
Roy Nominees Limited[(3)]	5,962,286	3.61%	7,493,457	3.58%
Hayder Alani	5,618,778	3.40%	3,994,952	1.91%
Marc Eichenberger	5,110,996	3.09%	1,615,966	0.77%
Pictet Private Equity Investors SA[(3)]	4,432,538	2.68%	4,432,538	2.12%

(1) As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Hare & Co., a nominee company of the Bank of New York Mellon, was the registered holder of 74,396,278 Ordinary Shares acting as custodian on behalf of a number of funds controlled by Invesco. Invesco will also subscribe for, or acquire, a further 15,430,421 Ordinary Shares upon Admission. Such Ordinary Shares will be held by one or more nominee companies acting as custodian on behalf of a number of funds controlled by Invesco.

(2) In addition: (a) 1,225,356 of the Ordinary Shares of the Company, being approximately 0.74 per cent. of the total Ordinary Shares of the Company are registered to Lomcon ("**Lomcon**"). Lomcon re-registered as a private limited company incorporated under the laws of England and Wales on 13 May 2009 and, following a voluntary application, was struck off the register of companies maintained by Companies House in the UK. Action is currently being undertaken to restore Lomcon to the register of companies. The majority of the shares in Lomcon were owned, directly or indirectly, by Mark Pritchard. Accordingly, as and when Lomcon is reinstated, it is anticipated that Mark Pritchard's shareholding interest in the Ordinary Shares will increase accordingly; and (b) Lomond Consultancy Limited is the registered holder of 832,348 Ordinary Shares. Mark Pritchard holds 50 per cent. of the share capital in Lomond Consultancy Limited and therefore has an interest in these Ordinary Shares in addition to his shareholding set out in the table above.

(3) As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Roy Nominees Limited was the registered holder of 5,962,286 Ordinary Shares and Pictet Private Equity Investors SA was the registered holder of 4,432,538 Ordinary Shares, each acting as custodian on behalf of a number of clients of Sand Aire Limited. Sand Aire Limited, in its capacity as investment manager for these clients, has a discretionary mandate that enables it to exercise the voting rights attaching to 4,492,158 of the Ordinary Shares held in the name of Roy Nominees Limited and all of the voting rights attaching to the Ordinary Shares held in the name of Pictet Private Equity Investors SA. In addition, Sand Aire Limited will also subscribe for, or acquire, a further 1,531,171 Ordinary Shares upon Admission. Such Ordinary Shares will be held by one or more nominee companies acting as custodian on behalf of a number of clients of Sand Aire Limited and under its discretionary mandate, Sand Aire Limited will be able to exercise the voting rights attaching to such Ordinary Shares and therefore Sand Aire Limited had an interest in 8,924,696 Ordinary Shares (5.40 per cent. of the issued ordinary share capital) immediately prior to Admission and will have an interest in 10,455,867 Ordinary Shares (4.99 per cent. of the issued ordinary share capital) immediately following Admission, assuming that the Overallotment Option has not been exercised.

7.2 Immediately after Admission:

(a) other than Invesco, the Company is not aware of any persons who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company; and

(b) none of the Shareholders set out above has or will have different voting rights.

7.3 Selling Shareholders

In addition to the New Ordinary Shares that will be issued by the Company pursuant to the Offer, Existing Ordinary Shares will be sold by the Selling Shareholders pursuant to the Offer. The following table sets out the interests of each Selling Shareholder in the Company's Ordinary Shares immediately prior to and immediately following Admission (assuming no exercise of the Overallotment Option):

	Interest immediately prior to Admission		Ordinary Shares to be sold pursuant to the Offer		Interest immediately following Admission	
	Number of Shares	Percentage of total issued share capital	Number of Shares	Percentage of total issued share capital	Number of Shares	Percentage of total issued share capital
Silva, Chris	7,275,422	4.40%	4,431,020	2.68%	2,844,402	1.36%
Alani, Hayder	5,618,778	3.40%	1,623,826	0.98%	3,994,952	1.91%
Eichenberger, Marc	5,110,996	3.09%	3,495,030	2.12%	1,615,966	0.77%
Anderson, Alasdair	4,069,560	2.46%	1,176,102	0.71%	2,893,458	1.38%
Wadey, Caroline	4,069,560	2.46%	1,176,102	0.71%	2,893,458	1.38%
Anderson, James	4,069,560	2.46%	1,176,102	0.71%	2,893,458	1.38%
Anderson, Robert	4,069,560	2.46%	1,176,102	0.71%	2,893,458	1.38%
Roberts, Clive	3,201,858	1.94%	500,000	0.30%	2,701,858	1.29%
Mascheroni, Paolo	1,650,000	1.00%	476,850	0.29%	1,173,150	0.56%
Gould, Maurice	1,126,136	0.68%	325,453	0.20%	800,683	0.38%
Davis, Rick	1,139,600	0.69%	880,000	0.53%	259,600	0.12%
Mowatt, Abigail	1,100,000	0.67%	317,900	0.19%	782,100	0.37%
Anderson, Ben	908,930	0.55%	262,680	0.16%	646,250	0.31%
Weaver, Ian	773,938	0.47%	200,000	0.12%	573,938	0.27%
Roger Yang	286,000	0.17%	179,630	0.11%	106,370	0.05%
Teresa Truong	44,000	0.03%	44,000	0.03%	—	—

(1) The business address of each Selling Shareholder is c/o Allied Minds plc, 40 Dukes Place, London EC3A 7NH.

(2) The above table assumes that the share capital re-organisation described in paragraph 3 of this Part XVI has taken place.

(3) Each of Chris Silva and Marc Eichenberger are disposing of shares in order to meet tax liabilities arising as a result of Admission. Marc Eichenberger is disposing of a further amount of Offer Shares in order to receive net proceeds from the Offer of approximately $500,000.

(4) Each of Chris Silva, Marc Eichenberger, Roger Yang and Teresa Truong are employees of the Group.

8. SHARE INCENTIVE ARRANGEMENTS

The Company has adopted or operates the following share plans:

8.1 The US Stock Plan

8.1.1 The US Stock Plan was originally adopted by Allied Minds, Inc. in 2008. The US Stock Plan provides for the grant of share option awards, restricted share awards, and other awards to acquire Common Stock of Allied Minds, Inc. or based on the Common Stock. Pursuant to and in accordance with the terms of the Merger Agreement, the Company adopted and assumed the rights and obligations of Allied Minds, Inc. under this plan except that the obligation to issue Common Stock is replaced with an obligation to issue Ordinary Shares to satisfy awards granted under the US Stock Plan.

8.1.2 The Company does not intend to make any further grants under the US Stock Plan after Admission.

8.1.3 As at 19 June 2014 (being the last practicable date before publication of this Prospectus), options were outstanding over a total of 11,551,496 Ordinary Shares under the US Stock Plan, details of which are set out in paragraph 2.6 of this Part XVI.

8.1.4 Restricted share awards are outstanding over 118,800 Ordinary Shares which were granted under the US Stock Plan to the non-executive directors as set out in paragraph 6.5.1 of this Part XVI (*Additional Information*). These Ordinary Shares vest

in three equal tranches on each of the first three anniversaries of Admission provided that the non-executive director in question is still providing services to the Group on the relevant vesting date.

8.1.5 The following terms apply in respect of the options outstanding under the US Stock Plan:

8.1.5.1 the exercise price of the options is equivalent to the fair market value of common stock of Allied Minds, Inc. as at the date of grant of the options;

8.1.5.2 all outstanding options have already vested and become exercisable in accordance with the terms upon which they were granted and/or as a consequence of the Merger. Options may not be exercised later than 10 years from the date of grant;

8.1.5.3 in the event of the death of the option holder, options may be exercised within the period of one year following death but no later than 10 years from the date of grant. If an option holder becomes disabled, his options may be exercised within the period of one year after the option holder's cessation of employment due to such disability (but not later than the 10 years from the date of grant). If an option holder ceases to be an employee within the Group for any other reason not specified in this paragraph, his options may be exercised within three months following such cessation of employment (but not later than 10 years form the date of grant); and

8.1.5.4 options granted under the US Stock Plan are not transferable or assignable during the lifetime of the option holder. The option holder may however designate a third party who shall be entitled to exercise the option (to the extent then exercisable) after the option holder's death.

8.1.6 The following provisions apply in respect of both outstanding options and non-vested restricted share awards under the US Stock Plan:

8.1.6.1 in the event of a Reorganisation of the Company (which for these purposes means a merger, consolidation, sale of all or substantially all of the assets of the Company, reorganisation, recapitalisation, reclassification, stock dividend, stock split, change of control, holding company formation or other similar transaction, or the liquidation of the Company), the Board or the board of directors of the surviving or acquiring entity, may, as to outstanding awards, make appropriate provision for the continuation of such awards by the Company or the assumption of such awards by the surviving or acquiring entity and by substituting on an equitable basis for the shares then subject to such awards either (a) the consideration payable with respect to the outstanding Ordinary Shares in connection with the Reorganisation, (b) shares of the surviving or acquiring entity, or (c) such other securities or other consideration as the Board deems appropriate, the fair market value of which (as determined by the Board in its sole discretion) does not materially differ from the fair market value of the awards immediately prior to the Reorganisation. In addition to (or instead of) the foregoing, on a Reorganisation the Board may provide for outstanding awards to be cancelled in return for a cash payment equal to the difference between the fair market value of the shares and the exercise price;

8.1.6.2 unless otherwise provided by the Board consistent with its powers under the US Stock Plan, if as result of a Reorganisation (i) there is an increase or decrease in the Company's issued share capital or a conversion or exchange of Ordinary Shares into other shares or securities of the Company or a corporation or other entity controlled by or controlling the Company, or (ii) additional Ordinary Shares or new or different shares or other securities of the Company or other non-cash property is distributed with respect to such Ordinary Shares, the Board will make appropriate and proportionate adjustments to the share reserve of the US Stock Plan and to outstanding awards;

8.1.6.3 the Company has the right to deduct from payments of any kind otherwise due to a participant under the US Stock Plan any federal, state or local taxes of any kind required by law to be withheld with respect to awards.

8.1.7 The Board may modify or amend the US Stock Plan from time to time, subject to any shareholder approval which may be required under applicable law. Amendments may be made by the Board to outstanding awards without the holder's consent unless the amendment would materially and adversely affect the holder.

8.2 **The UK Long Term Incentive Plan**

8.2.1 Overview

On 19 June 2014, the Company adopted the UK Long Term Incentive Plan ("**LTIP**"). Under the LTIP, awards over Ordinary Shares may be made to employees, officers and directors of, and other individuals providing services to the Company and its subsidiaries.

The remuneration committee of the board of directors of the Company ("**Committee**") will supervise the operation of the LTIP.

Awards may be granted in the form of share options, share appreciation rights, restricted or unrestricted share awards, performance share awards, restricted share units, phantom-share awards and other share-based awards.

8.2.2 Participation

Participation in the LTIP is open to directors, officers and employees of, and other individuals providing services to the Company and its subsidiaries. Since employees of subsidiaries have separate share incentive arrangements at their subsidiary level (as referred to in paragraph 8.4 below) the current intention is to limit participation to directors and employees of Allied Minds plc and Allied Minds, Inc. (now Allied Minds, LLC).

Awards have been made under the LTIP conditionally on Admission in respect of a total of 4,618,842 Ordinary Shares. Of these, awards over a total of 3,613,315 Ordinary Shares have been made to the Directors and Senior Managers as set out in paragraph 6.5.3 of this Part XVI (*Additional Information*). Details of the performance and vesting conditions which apply to these awards are set out in paragraph 8.2.5 of this Part XVI (*Additional Information*).

8.2.3 Timing of grant of awards

Generally, awards can only be made in the six week period following the adoption of the LTIP and thereafter, only in the six week period following the announcement by the Company of its interim or final results. However, in circumstances which the Committee considers exceptional, awards may be made outside these six week periods.

8.2.4 Individual participation limit

Save in relation to the awards granted conditionally upon Admission, the maximum value of Ordinary Shares over which awards under the LTIP may be granted to a participant ("**Participant**") in any financial year of the Company may not generally exceed 300 per cent. of his base salary for that financial year (or for the preceding financial year, if greater) unless circumstances arise which the Committee believe justify granting an award outside this limit. The Committee would only envisage overriding the 300 per cent. in limit in exceptional circumstances such as where there was a need to do so attract a new executive.

8.2.5 Performance targets and vesting

It is intended that awards will normally vest only after a minimum period of three years from the date of grant. Vesting will normally be subject to the achievement of performance conditions and will be subject to the Participant continuing to be an employee, officer or director of the Group or continuing to provide services to the Group at the time of vesting.

In respect of the initial awards which have been made conditionally on Admission, vesting is dependent upon performance metrics as follows:

8.2.5.1 60 per cent. of each award will be subject to performance conditions based on the Company's total shareholder return performance in respect of the period from Admission until 31 December 2016; and

8.2.5.2 40 per cent. of each award will be subject to performance conditions based on a basket of shareholder value metrics, including but not limited to: (i) the increase in quality of pipeline intellectual property reviewed; (ii) the increase in quality of the partnership pipeline; and (iii) subsidiary level performance (assessed by reference to such matters as external funding raised, corporate collaborations, product co-development and proof of principal commercial pilots and revenues). Performance will be assessed on these measures on a scorecard basis over a three year period.

In respect of the initial awards, at the end of the three year period, performance against the relevant measures will be calculated to determine the number of Ordinary Shares capable of vesting. 50 per cent. of the award will then vest at that time. The remaining 50 per cent. will vest in two equal tranches in years 4 and 5 subject to the relevant Participant still being employed within (or being a director of a company within) the Group at the relevant vesting date (or being an earlier good leaver as described in paragraph 8.2.6 below).

To the extent that any award does not vest, it will lapse.

8.2.6 Ceasing to be a service provider

Participants who cease to be employees, directors or service providers to the Group will normally forfeit any unvested awards.

However, if a Participant leaves as a result of death, disability, dismissal other than for cause or any other reason determined by the Committee ("**good leaver**"), awards will vest on the normal vesting date (but without any additional deferral which would have been subject to continued service) on a pro-rata basis taking into account performance and the period of time since the grant of the award and the date on which the Participant ceased to provide services. The Committee may in its discretion determines that there are exceptional circumstances justifying vesting to a greater or lesser extent.

A Participant who leaves for a reason other than one specified above will forfeit any unvested awards. A Participant who is dismissed for cause will also forfeit any vested awards.

8.2.7 Change of control and other corporate events

If there is a change of control of the Company the number of Ordinary Shares over which awards will vest will be calculated on the basis of the extent to which the performance criteria applicable to those awards have been satisfied as at the date of the change of control (or other event). The resulting number of shares will then be reduced on a *pro rata* basis to reflect the reduced period between the date the award was made and the date of the change of control, unless the Committee decides otherwise. In exceptional circumstances, the Committee may recommend full vesting.

Where appropriate, for example in the case of an amalgamation or reconstruction of the Company, with the consent of the acquiring company, Participants may exchange awards so as to operate over shares in the acquiring company.

On the occurrence of any demerger, reorganisation, reconstruction or amalgamation, demerger, distribution or other transaction of the Company which in the reasonable opinion of the Committee may affect the value of any award, the Committee may vary or alter in any manner whatsoever the terms of any award so as to preserve the overall value of the award. Such alteration may include amending the performance condition and/or the terms on which an award vests, and may provide for immediate vesting on such event.

8.2.8 Dividend

On vesting of awards, Participants may be awarded additional shares or cash equal in value/amount to dividends paid during the performance period in respect of a number of Ordinary Shares equal to the number in respect of which the award has vested.

8.2.9 Clawback

Awards will be subject to cancellation or clawback provisions under which in the event of a material correction of any accounts of the Company used to assess satisfaction of any performance conditions, or in the event of a Participant's gross-misconduct, awards may be reduced, adjusted or cancelled as determined by the Committee. To the extent that awards have already vested, the Committee may (having considered all the circumstances) require the Participant to return any Ordinary Shares received, or the amounts of any proceeds of sale of such Ordinary Shares (net of tax).

8.2.10 Dilution limits

The number of new Ordinary Shares over which awards may be granted under the LTIP in any 10 year period, when aggregated with the number of Ordinary Shares issuable pursuant to awards granted in such 10 year period under all other share plans operated by the Company, may not exceed 10 per cent. of the number of Ordinary Shares in issue from time to time.

For so long as institutional guidelines recommend, Ordinary Shares transferred from treasury to satisfy awards will count as newly issued shares for these purposes.

Awards and options which have lapsed or been surrendered will not count towards this dilution limit. Awards granted before Admission under the US Stock Plan will also not count towards this limit.

8.2.11 Taxation

Under the terms of the LTIP, the Participant agrees to pay to the relevant member of the Group the amount of any income tax and social security contributions which such member of the Group is required to withhold and/or account for to any fiscal authority. To the extent permitted by law, such tax and social security liabilities may be deducted from other payments due to the Participant. Alternatively, the Company may enter into other arrangements with the Participant which enable the Participant to meet such liabilities and may withhold and sell Ordinary Shares to which the Participant would otherwise be entitled under the Plan to raise funds in order to meet such liabilities. Also, to the extent permitted by law, such social security contributions may include employer contributions.

8.2.12 Variation of share capital

In the event of any increase or variation of share capital by way of capitalisation, rights issue, sub-division, consolidation or reduction of share capital or otherwise, the number of Ordinary Shares over which an award has been made, and any purchase price in respect of such awards and other terms of the awards may be adjusted by the Committee as it determines to be appropriate (provided that no adjustment shall result in Ordinary Shares being issued at less than nominal value unless the Company is authorised to capitalise an amount from reserves to meet the shortfall and to apply such amount in paying up the Ordinary Shares).

8.2.13 Amendment of the Plan

The terms of the LTIP may be amended by the Committee.

However, the terms of the LTIP cannot be amended in any way which materially benefits Participants without shareholder approval unless the amendments are to benefit the administration of the LTIP or are to comply with or take account of applicable legislation or statutory regulations or any change therein or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company (or any Group company) or for the Participants.

8.2.14 Term of the LTIP

The life of the LTIP will be ten years and no awards may therefore be made more than ten years after the date on which it was approved by shareholders.

8.2.15 Pension benefits

None of the benefits which may be received under the LTIP will be pensionable.

8.2.16 Provision to avoid adverse US tax consequences

The LTIP and all awards granted under it are intended to comply with, or otherwise be exempt from, section 409A of the US Internal Revenue Code ("**Section 409A**"). The Plan and all awards granted under the LTIP shall be administered, interpreted, and construed in a manner consistent with Section 409A to the extent necessary to avoid the imposition of additional taxes. Should any provision of the LTIP, or any award, be found not to be outside the scope of, comply with, or otherwise be exempt from, the provisions of Section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Committee, and without the consent of the holder of the award, in such manner as the Committee determines to be necessary or appropriate to comply with, or to achieve an exemption from, Section 409A.

8.3 Amended and Restated 2007 Phantom Plan Summary

8.3.1 In June 2012, the Allied Minds, Inc. (now Allied Minds, LLC) board of directors adopted the Amended and Restated 2007 Phantom Stock Plan (the "**Phantom Plan**"), a performance based, cash settled bonus plan for its management and employees designed to reward participants for successful subsidiary company liquidity events. Liquidity events mean (i) a subsidiary company's initial underwritten public offering pursuant to the Securities Act of 1933, (ii) the sale of all or substantially all of a subsidiary company's assets, (iii) the sale of at least two-thirds of the outstanding shares of a subsidiary company's voting equity, (iv) the merger or consolidation of a subsidiary company with or into another entity, the result of which is a change of control (with prior equityholders owning less than one-third of the voting equity of the resulting entity), (v) the declaration and distribution of a dividend above what would be required to cover a subsidiary company's tax obligations or (vi) a subsidiary company's liquidation. Upon a liquidity event, Allied Minds, Inc. (now Allied Minds, LLC) will deduct the amount it invested in such subsidiary company and deduct the accrued interest in respect of such investment (at a rate not exceeding 5 per cent. per year), and will then allocate 10 per cent. of the remaining net proceeds (after tax and other expenses) to the Phantom Plan account for allocation among the participants.

8.3.2 Participation in the Phantom Plan is evidenced by "units." The maximum aggregate number of units that may be awarded under the Phantom Plan is 200,000 units, with unit grants ranging from 20,000 units for senior management to 5,000 for associates. Unit grants are evidenced by a unit grant letter. Currently under the Phantom Plan, there are 167,500 units outstanding, of which 111,000 units are vested, and 32,500 units are available for grant. Vesting of the Phantom Plan units is determined at the discretion of the Allied Minds, Inc. (now Allied Minds, LLC) board at the time of grant of the units. Typically, a proportion of the units will vest at grant and the remainder on an annual basis over a two year period. Upon the termination of a participant's employment with Allied Minds (other than where such termination is for cause), such participant shall generally be entitled to be paid any amounts under the Phantom Plan which are due and owing to such participant as a result of liquidity events which have already occurred, and then such participant's vested units shall lapse, generally over a two year period in accordance with a schedule set forth in such participant's unit grant letter (except in relation to liquidity events which occur before the relevant lapse date). Units granted under the Phantom Plan are not assignable except that on a participant's death, his personal representatives are entitled to be paid any amounts then due and owing.

8.3.3 Upon a liquidity event under the Phantom Plan, within 30 days, Allied Minds, Inc. (now Allied Minds, LLC) will distribute 80 per cent. of the Phantom Plan account to the participants based on their *pro rata* share of all vested units on the date of the applicable liquidation event, and the remaining 20 per cent. of the Phantom Plan account will be distributed to participants at the discretion of senior management. 100 per cent. of the Phantom Plan account is distributed to participants

notwithstanding that not all available 200,000 units may have been allocated or may not have vested. The allocated amounts at all times remain the sole and exclusive property of Allied Minds and holders of units have no rights or interests in Allied Minds. No amount has been paid out to employees under the Phantom Plan through 31 December 2013. The Phantom Plan is for an initial period of seven years after its adoption in June 2012 unless the Allied Minds, Inc (now Allied Minds, LLC) board determines to terminate it earlier. Thereafter, unless the board of Allied Minds, Inc. (now Allied Minds, LLC) determines otherwise, it automatically renews on an annual basis.

8.3.4 As noted in note 8 to the Company's consolidated financial information set out in Part XII (*Historical Financial Information*) of this Prospectus, Allied Minds has not accrued any expense relating to the Phantom Plan as of 31 December 2011, 2012 or 2013. Management will record an expense relating to this plan when it is probable that a liquidity event as described in paragraph 8.3.1 above will occur and the amount of the payout is reasonably estimable.

8.4 **The Group Subsidiary Equity Incentive Plans**

8.4.1 The Group has also implemented equity incentive plans within its subsidiaries in order to incentivise employees within the subsidiary businesses. Set out below are details regarding the outstanding options and the remaining pool of available equity securities authorised to be issued pursuant to the Group Plans, together with details of the total number of issued options and the average strike price of those options. In the table below, the fully diluted percentage shareholding percentage of the Group in the subsidiary includes all issued and outstanding equity interests as well as all equity interests which may be issued upon exercise of derivative securities (options and warrants) as at 19 June 2014 (the latest practicable date prior to the publication of this Prospectus).

Name	Total number of shares under options granted but unexercised as a percentage of fully diluted share capital	Total number of shares under options granted but unexercised	Average strike price ($)	Option Pool remaining available for grant as a percentage of fully diluted share capital	Allied Minds Ownership Interest (direct and indirect) (Percentage fully diluted)
Allied Minds Devices, LLC	—	—	—	—	100.00%
AMFI	—	—	—	—	100.00%
Biotectix, LLC	—	—	—	—	64.35%
Broadcast Routing Fountains, LLC	—	—	—	—	100.00%
Cephalogics, LLC	4.05%	449,495	$2.40	5.95%	85.50%
CryoXtract Instruments, LLC	10.56%[1]	1,710,680	$0.38	27.71%	57.55%
Federated Wireless, Inc.	8.48%	1,839,384	$0.48	11.46%	72.76%
Foreland Technologies, Inc.	—	—	—	—	100.00%
LuxCath, LLC	9.45%	1,049,722	$0.80	0.55%	88.20%
Optio Labs, Inc.	4.80%	732,691	$1.01	5.20%	73.46%
Percipient Networks, LLC	—	—			100.00%
Precision Biopsy, LLC	4.69%	521,357	$1.78	5.31%	72.32%
ProGDerm, Inc.	0.00%			9.27%	82.00%
RF Biocidics, Inc.	3.55%	460,825	$5.94	6.45%	60.43%
SciFluor Life Sciences, LLC	4.75%	527,961	$1.13	5.25%	71.10%
SiEnergy Systems, LLC	3.39%	322,500	$2.71	17.66%	78.95%
SoundCure, Inc.	2.52%	227,503	$2.23	7.48%	76.15%
Spin Transfer Technologies, Inc.	6.40%[2]	1,081,759	$7.00	4.00%	50.29%

The table set out above takes account of the following:

1 Options and warrants over shares in CryoXtract Optio Labs, LuxCath and Federated Wireless outside of the option pool;

2 A warrant in favour of Silicon Valley Bank to purchase common stock representing 0.22 per cent. of STT on a fully diluted basis granted pursuant to the financing arrangements for STT.

8.4.2 The table below sets forth the name and date when all currently effective equity incentive plans for the Group were originally adopted (the "**Group Plans**"):

Subsidiary:	Name & Date:
Cephalogics, LLC	2013 Unit Option and Profits Interest Plan
CryoXtract Instruments, LLC	2011 Unit Option and Profits Interest Plan
Federated Wireless, Inc.	2014 Equity Incentive Plan
LuxCath, LLC	2014 Unit Option and Profits Interest Plan
Optio Labs, Inc.	2014 Equity Incentive Plan
Precision Biopsy, LLC	2011 Equity Incentive Plan
ProGDerm, Inc.	2012 Equity Incentive Plan
RF Biocidics, Inc.	2013 Equity Incentive Plan
SciFluor Life Sciences, LLC	2012 Unit Option and Profits Interest Plan
SiEnergy Systems, LLC	2012 Unit Option and Profits Interest Plan
SoundCure, Inc.	2011 Equity Incentive Plan
Spin Transfer Technologies, Inc.	2012 Equity Incentive Plan

Each of the Group Plans is based either on a form of equity incentive plan for corporations ("**Form Corporate Plan**") with respect to subsidiaries of Allied Minds which are corporations, or on a form of equity incentive plan for limited liability companies ("**Form LLC Plan**") with respect to subsidiaries of Allied Minds which are limited liability companies. The Form Corporate Plan generally provides for the grant of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards and other stock awards. The Form LLC Plan generally provides for the grant of unit options and profits interests awards, although Precision Biopsy, LLC's Group Plan also allows for the grant of restricted unit awards. To date, the Group companies have only issued options.

All of the equity incentives under the Group Plans are for the benefit of employees and consultants of the relevant Group subsidiary business. No employee of Allied Minds, Inc. (now Allied Minds, LLC) or the Company hold options over equity in the Group subsidiary businesses, save that Omar Amarina holds options over 220,994 shares in LuxCath (1.99 per cent. fully diluted), and options over 112,961 shares in SciFluor (1.02 per cent. fully diluted).

8.4.3 The following terms apply in respect of the Group Plans based on the Form Corporate Plan:

8.4.3.1 the exercise price of the options is equivalent to the fair market value of a share as at the date of grant of the options;

8.4.3.2 the options vest and become exercisable in accordance with the terms of an option agreement entered into between the applicable Group company and the option holder; an option may be subject to additional acceleration of vesting and exercisability upon or after a change of control of the applicable Group company as may be provided in the award agreement between the recipient and applicable Group company; options may not be exercised later than 10 years from the date of grant;

8.4.3.3 generally, in the event of the death of the option holder, options may be exercised within the period of 18 months following death but no later than 10 years from the date of grant. If an option holder becomes disabled, his or her options may be exercised within the period of 12 months after the option holder's cessation of employment due to such disability (but not later than the 10 years from the date of grant). If an option holder ceases to be an employee within the Group for any other reason not specified in this paragraph (other than if the option holder's service with the applicable Group company is terminated for cause), his or her options may be exercised within 3 months following such cessation of employment (but not later than 10 years from the date of grant);

8.4.3.4 options granted under the Group Plans based on the Form Corporate Plan are not transferable or assignable during the lifetime of the option holder. The option holder may however designate a third party who shall be entitled to exercise the option (to the extent then exercisable) after the option holder's death;

8.4.3.5 in the event of a corporation transaction (which for these purposes means a sale of all or substantially all of the assets of the Group, the sale of at least 90 per cent. of the outstanding securities of the Group, a merger, consolidation or similar transaction following which such Group company is not the surviving corporation, or a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares outstanding immediately prior to the merger are converted or exchanged by virtue of the merger), the board of the applicable Group company shall take one or more of the following actions: (i) arrange for surviving corporation/acquiring corporation to assume and continue the outstanding awards; (ii) arrange for assignment or any reacquisition or repurchase rights of any outstanding awards; (iii) accelerate the vesting of an award (with the award terminating if not exercised at or prior to the effective time of the sale event), or arrange for the lapse of any reacquisition or repurchase rights; (iv) arrangement for the lapse of any reacquisition or repurchase rights with respect to such award; (v) cancel the award in exchange for cash consideration (the amount of which is in the board's discretion); or (vi) make payment equal to the excess of the value of property any award holder would have received over the exercise price payable in connection with such exercise;

8.4.3.6 in the event a subsidiary company undergoes a merger, consolidation, reorganisation, recapitalisation, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, the board of such Group company shall make an appropriate and proportionate adjustment to any outstanding award (which adjustment shall be final, binding and conclusive);

8.4.3.7 a subsidiary company may satisfy any federal, state or local tax withholding obligation relating to an award by (i) causing the holder thereof to tender a cash payment; (ii) withholding shares from the shares issued or otherwise issuable to the holder in connection with such award; (iii) withholding payment from any amounts otherwise payable to the holder; (iv) withholding cash from an award settled in cash; or (v) by such other method as my be set forth in the applicable award agreement between the participant and the applicable Group company;

8.4.3.8 the plan administrator (which in all Group companies that are corporations is the board of directors thereof), among other powers, has the power to amend such plan in any respect that such board deems necessary or advisable, provided, that to the extent required by applicable law, stockholder approval is required for any amendment of such plan that (i) materially increases the number of shares available for issuance under the plan, (ii) materially expands the class of individuals eligible to receive awards under the plan, (iii) materially increases the benefits accruing to participants under the plan or materially reduces the price at which shares may be issued or purchased under the plan, (iv) materially extends the term of the plan, or (v) expands the types of stock awards available for issuance under the plan. If any amendment to such plan would impair any outstanding award under such plan, the applicable Group company must obtain written consent of such award holders prior to amending the plan;

8.4.4 The following terms apply in respect of the Group Plans based on the Form LLC Plan:

8.4.4.1 the exercise price of the options may not be less than the fair market value of a unit as at the date of grant of the options;

8.4.4.2 the options vest and become exercisable in accordance with the terms of an option agreement entered into between the applicable Group company and the option holder; an option may be subject to additional acceleration of vesting and exercisability upon or after a change of control of the applicable Group company as may be provided in the option agreement between the recipient and applicable Group company; options may not be exercised later than 10 years from the date of grant;

8.4.4.3 generally, in the event of the death of an option holder, the options may be exercised within the period of 18 months following death but no later than 10 years from the date of grant. If an option holder becomes disabled, his or her options may be exercised within the period of 12 months after the option holder's cessation of employment due to such disability (but not later than the 10 years from the date of grant). If an option holder ceases to be an employee within the Group for any other reason not specified in this paragraph (other than if the option holder's service with the applicable Group company is terminated for cause), his or her options may be exercised within 3 months following such cessation of employment (but not later than 10 years from the date of grant);

8.4.4.4 generally, options granted under the Group Plans based on the Form LLC Plan are (i) not transferable except by will, by the laws of descent and distribution, by domestic relations order or by beneficiary designation and (ii) exercisable during the lifetime of the option holder only by such option holder;

8.4.4.5 generally, in the event of a company transaction (which for these purposes means a sale of all or substantially all of the assets of the Group, the sale of at least 90 per cent. of the outstanding securities of a subsidiary company, a merger, consolidation, or similar transaction following which such Group company is not the surviving entity, or a merger, consolidation or similar transaction following which such Group company is the surviving entity but the units outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise), then the management committee of the applicable Group company may take one or more of the following actions: (i) arrange for the surviving entity/acquiring entity to assume or continue the outstanding awards or to substitute a similar award, (ii) arrange for assignment of any reacquisition or repurchase rights held by the applicable Group company in respect of units issued pursuant to the award to the surviving entity or acquiring entity, (iii) accelerate the vesting of an award (with the award terminating if not exercised at or prior to the effective time of the sale event); (iv) arrangement for the lapse of any reacquisition or repurchase rights with respect to such award; (v) cancel the award in exchange for cash consideration (the amount of which is in the board's discretion); or (vi) make payment equal to the excess of the value of property any award holder would have received over the exercise price payable in connection with such exercise;

8.4.4.6 in the event a change is made in, or other events that occur with respect to, the units subject to a Group Plan or subject to any award granted under a Group Plan (through merger, consolidation, reorganisation, recapitalisation, incorporation, change in state of organisation, distribution (whether in property or cash), equity split, liquidating distribution, combination of units, exchange of units, change in form of organisation or structure, or other transaction not involving the receipt of consideration by the applicable Group company), the management committee of the applicable Group company shall make an appropriate and proportionate adjustment to any outstanding award (which adjustment shall be final, binding and conclusive);

8.4.4.7 a subsidiary company may satisfy any federal, state or local tax withholding obligation relating to an award by (i) causing the holder thereof to tender a cash payment; (ii) withholding units from the units issued or otherwise issuable to the holder in connection with such award; (iii) withholding payment from any amounts otherwise payable to the holder; (iv) withholding cash from an award settled in cash; or (v) by such other method as my be set forth in the applicable award agreement between the participant and the applicable Group company;

8.4.4.8 the plan administrator (which in all Group companies that are limited liability companies is the management committee thereof), among other powers, has the power, subject to the limitations in the applicable Group Plan, to (i) who is eligible to receive awards under the Group Plan, how awards shall be granted, the number of units granted with respect to which an awards shall be granted, and the fair market value applicable to the award, (ii) construe and interpret the applicable Group Plan and awards granted thereunder, (iii) accelerate the vesting or exercise date of an award, notwithstanding the provisions of the award agreement, (iv) suspend or terminate the applicable Group Plan and (v) submit any amendment to the Group Plan to the Group's members for approval.

9. RELATED PARTY TRANSACTIONS

Save as described in paragraph 23 (*Related Parties*) of Part XII (*Historical Financial Information*) and paragraph 10 (*Relationship with Controlling Shareholder*) of this Part XVI (*Additional Information*) of this Prospectus, there are no related party transactions between the Company or members of the Group that were entered into during the financial years ended 2011, 2012 and 2013 and during the period between 31 December 2013 and 19 June 2014 (the latest practicable date prior to the publication of this Prospectus).

10. RELATIONSHIP WITH CONTROLLING SHAREHOLDER

On 19 June 2014, the Company entered into a relationship agreement with Invesco (the "**Relationship Agreement**"), which will come into force on Admission. The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of Invesco.

If any person acquires control of the Company or the Company ceases to be admitted to the Official List, the Relationship Agreement may be terminated by Invesco. If Invesco (together with its associates) ceases to hold 30 per cent. or more of the voting rights over the Company's Shares, the Relationship Agreement shall terminate save for certain specified provisions.

The Relationship Agreement provides that Invesco undertakes to, and undertakes to use all reasonable endeavours to procure that its associates and any person with whom it is acting in concert shall:

(a) conduct all agreements, arrangements, transactions and relationships with any member of the Group on an arm's length basis and on a normal commercial basis and in accordance with the related party transaction requirements of Chapter 11 of the Listing Rules;

(b) not take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules or precludes or inhibits any member of the Group from carrying on its business independently of Invesco, its Associates and any person with whom it is acting in concert;

(c) not propose or procure the proposal of a shareholder resolution which is intended to, or appears to be intended to, circumvent the proper application of the Listing Rules; and

(d) not exercise any of its voting rights attaching to the shares held by it to procure any amendment to the articles of association of the Company which would be inconsistent with, undermine or breach any of the provisions of the Relationship Agreement.

The Board believes that the terms of the Relationship Agreement will enable the Company to carry on its business independently from Invesco and its affiliates, and ensure that all transactions and relationships between the Company and Invesco are, and will be, at arm's length and on a normal commercial basis.

11. SIGNIFICANT SUBSIDIARIES

The Company is the principal holding company of the Group. The principal subsidiaries of the Company are as follows as at 19 June 2014 (being the latest practicable date prior to the publication of this Prospectus), each of which is considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, the principal position and/or the profits and losses of the Group:

Name	Year of formation	Place of incorporation	Current Ownership interest (direct and indirect)	Nature of business
Allied Minds, LLC	2004	Delaware	100.00%	The intermediate holding company of the Group following the Reorganisation
Allied Minds Devices, LLC	2011	Missouri	100.00%	Developing transformative technologies into potentially commercially viable medical device products
Biotectix, LLC	2007	Missouri	64.35%	Implantable electrostimulation and sensing products using proprietary, high-performance, conducting polymer coatings
Cephalogics, LLC	2006	Missouri	95.00%	Developing a non-invasive, bedside brain monitor which seeks to improve outcomes in patients with neurological injury
CryoXtract Instruments, LLC	2008	Missouri	93.24%	A suite of automated product solutions that seeks to allow the worldwide scientific community to access valuable frozen biosamples without exposing them to damaging freeze/thaw cycles
LuxCath, LLC	2012	Delaware	98.00%	A catheter based real-time visualisation technology for potential use during cardiac ablation procedures
Precision Biopsy, LLC	2008	Colorado	80.35%	A medical device platform utilising tissue spectroscopy which seeks to distinguish tissue characteristics in real-time and seeks to guide clinicians toward optimum therapy initially focussed on prostate cancer
ProGDerm, Inc.	2008	Delaware	90.38%	A biologic that aims to represent a natural approach with a view to generate subcutaneous fat to enhance the appearance of skin using the body's own processes

Name	Year of formation	Place of incorporation	Current Ownership interest (direct and indirect)	Nature of business
SciFluor Life Sciences, LLC	2010	Missouri	79.0%	Developing a portfolio or proprietary compounds by harnessing the transformational power of fluorine with a view to enriching pipelines, optimising drug discovery and accelerating the clinical development of innovative new therapeutics
SoundCure, Inc.	2009	Delaware	84.62%	Developed an FDA-cleared consumer medical device for tinnitus therapy seeking to offer customised acoustic technology
AMFI	2012	Delaware	100.00%	Through a series of Public Private Partnerships with the US federal government, aims to develop and commercialise the next generation of transformative technologies from US federal research institutions
Broadcast Routing Fountains, LLC	2012	Missouri	100.00%	A novel internet architecture that seeks to efficiently and securely leverage broadcast channels for disseminating routing information
Federated Wireless, Inc.	2012	Delaware	90.88%	Focussed on enabling technologies for the next-generation of wireless communications by seeking to improve supply, demand, and delivery of spectrum for future cellular communications
Foreland Technologies, Inc.	2013	Delaware	100.00%	A cyber security platform company which aims to discover, incubate and commercialise emerging technologies
Optio Labs, Inc.	2012	Delaware	81.62%	Developer of mobile security technologies for the evolving cyber operating environment
Percipient Networks, LLC	2014	Delaware	100.00%	Developing next generation security technologies for enterprise network defence
RF Biocidics, Inc.	2008	Delaware	67.14%	Developer of equipment that seeks to disinfect food from insects and pathogens through a process that does not use chemicals
SiEnergy Systems, LLC	2007	Missouri	100.00%	Developing thin film low temperature solid oxide fuel cells that seek to bring efficient, and affordable clean energy systems for broad application
Spin Transfer Technologies, Inc.	2007	Delaware	56.13%	MRAM computer memory that is being developed with the aspiration of becoming a leading universal memory technology in the $60 billion per annum worldwide computer memory market

12. PRESENTATION OF STATISTICAL DATA AND OTHER INFORMATION

12.1 The auditors of the Company for the period from incorporation on 15 April 2014 to date have been KPMG LLP, chartered accountants, whose registered address is at 15 Canada Square, Canary Wharf, London E14 5GL.

13. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of Group within the two years immediately preceding the date of this Prospectus and/or have been entered into by members of the Group and contain provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus:

13.1 Summary of the material agreements relating to Allied Minds Federal Innovations, Inc. ("**AMFI**")

13.1.1 Cooperative Research and Development Agreements

AMFI has entered into separate Cooperative Research and Development Agreements ("**CRADAs**") with four (4) different federal entities: US Army Research, Development and Engineering Command Edgewood Chemical Biological Center ("**ECBC**"), dated 27 March 2012, US Army Research, Development and Engineering Command ("**RDECOM**"), dated 18 June 2012, Naval Surface Warfare Center, Crane Division ("**NSWC Crane**"), dated 7 August 2012, and MITRE Corporation ("**MITRE**") on behalf of its federally funded research and development centres (FFRDC), dated 18 October 2013. Each CRADA provides the terms and conditions, including ownership of intellectual property, governing certain cooperative research performed by AMFI and the federal lab(s) a party thereto. The details of such cooperative research projects are described in separate joint work statements ("**JSWs**") that are governed by the particular CRADA. The JSWs describe the research to be conducted and include other terms, such as payment obligations, estimated resources and points of contact for each cooperative research project between the parties. For each JSW, the parties agree to establish a joint research and development team and each party generally retains control over its personnel and operations. The parties prepare and exchange information in accordance with each JSW, including results obtained, problems encountered, expenditures and recommendations for further efforts. AMFI is required to fund all of its own research efforts and development activities under the CRADAs, and, in certain circumstances specifically negotiated by the parties, may be required to reimburse the federal laboratories for their expenses related to such CRADA.

Each CRADA generally contains an obligation of each party to provide the other with a written disclosure regarding each invention that may be patentable and was developed pursuant to the CRADA. Generally, each party retains title to the intellectual property developed exclusively by its employees under the CRADA and has the first right to file patent applications on such intellectual property. Additionally, intellectual property developed jointly by the parties is either owned jointly by AMFI and the applicable federal research laboratory (with both parties having rights to exploit such intellectual property), or there is an option, or an undertaking to negotiate in good faith, for an exclusive license (subject to certain exceptions) with respect to such jointly developed intellectual property under a CRADA.

Generally, each CRADA or JWS may be terminated by mutual consent of the parties thereto at any time, and may be unilaterally terminated by either party upon thirty (30) days' notice, for breach of contract by the non-breaching party or in certain circumstances under applicable US federal law. The termination of a CRADA will terminate all existing JWSs, however any licenses granted pursuant to a CRADA will survive such termination.

Each CRADA is governed in accordance with US federal law.

13.1.2 Technology Commercialisation Agreement

On 21 June 2012, AMFI entered into that certain technology commercialisation agreement (the "**Aerospace TCA**") with Aerospace Corporation, a non-profit corporation operating a federally funded research and development center sponsored by the US Air Force ("**Aerospace**"). During the term of the Aerospace TCA, Aerospace is obligated to disclose new inventions to AMFI at regularly scheduled review sessions, and may not solicit or enter into discussions with any third party regarding any existing or new intellectual property for a certain period after such intellectual property has been disclosed to AMFI at a review session. During such period, AMFI can request a license for such intellectual property, request that Aerospace conducts additional research, or decline a license. Each party owns any inventions solely developed by their employees under the Aerospace TCA, and both parties jointly own any jointly developed intellectual property. Any intellectual property licensed to AMFI will be pursuant to a master license agreement negotiated by the parties, and Aerospace has undertaken to favourably consider and process AMFI's request for exclusive or partially exclusive licenses relating to Aerospace's existing intellectual property, future developed intellectual property and intellectual property developed under the Aerospace TCA. Additionally, AMFI agrees to pay a minimum amount per annum as consideration for services from Aerospace pursuant to task orders under the Aerospace TCA, to the extent AMFI reasonably determines there are opportunities to develop commercially viable products, and also pay for part of a particular lead researcher's time per year for services in connection with the Aerospace TCA.

The Aerospace TCA is governed in accordance with the laws of the State of California.

13.1.3 Stockholder Arrangements

AMFI is a wholly owned subsidiary of Allied Minds, Inc. (now Allied Minds, LLC) and therefore there are no existing stockholder arrangements with third party investors.

13.2 Summary of the material agreements relating to Biotectix, LLC ("**Biotectix**")

13.2.1 Sponsored Research Agreement

Pursuant to a roundtable research agreement dated 14 March 2007 entered into between (1) Biotectix and (2) the Regents of the University of Michigan (the "**University of Michigan**"), the parties agreed to certain arrangements, and Biotectix agreed to fund a limited scope of research, with regard to the application of electrode coating technology (the "**Project**") up to a maximum cost. The agreement is effective from 14 March 2007 until the research projects are terminated unless each terminates in accordance to the agreement.

(i) The University of Michigan retains all rights to intellectual property conceived solely by its own employees through the sponsored research and Biotectix retains rights to all intellectual property conceived solely by its own employees, consultants or agents regardless of whether or not related to the Project. All intellectual property which is made jointly and collectively by employees of the University of Michigan and Biotectix is jointly owned by both parties. The University of Michigan grants Biotectix a royalty-free non-exclusive license to use the intellectual property conceived or made by one or more employee of the University of Michigan in performance of a project during the term of the agreement within its own organisation for any research and development purpose.

(ii) Biotectix may terminate this agreement for any reason upon thirty days prior written notice to the University of Michigan. Either party may terminate this agreement if the other party commits a breach or default of any of the terms or conditions in the agreement and fails to remedy such breach or default within ninety days after receipt of written notice in respect of this.

(iii) The roundtable research agreement is governed in accordance with the laws of the State of Michigan.

13.2.2 License Agreement

Pursuant to that certain License Agreement dated 10 December 2008 made between (1) Biotectix and (2) the Regents of the University of Michigan (''**University of Michigan**''), as amended on 7 April 2010, 26 July 2010, 28 April 2011 and 18 October 2012 (the ''**Michigan/Biotectix License Agreement**''), University of Michigan granted Biotectix an exclusive, worldwide, sub-licensable, license under certain patents intellectual property owned by the University of Michigan (collectively, the ''**University of Michigan Patent Rights**'') to make, have made, use, market, offer for sale, sublicense, import, export, have sold sell any products incorporating the University of Michigan Patent Rights. Under the license agreement Biotectix agreed that: (i) licensed products used, leased or sold in the US will be manufactured substantially in the United States; (ii) University of Michigan retained the right to use the licensed technology arising from the University of Michigan Patent Rights for research, public service, internal clinical and/or educational purposes, and to grant licenses to other non-profit research institutions to use such rights for internal research, public service and other educational purposes only; and (iii) the license rights granted in the license agreement are expressly made subject to the Bayh-Dole Act and regulations promulgated thereunder. Additionally, the parties agreed that: (a) University of Michigan has the right to control all aspects of filing, prosecuting and maintaining all of the patents and patent applications that form the basis for the University of Michigan Patent Rights, and (b) that Biotectix has the first option to protect the University of Michigan Patent Rights against infringement.

As partial consideration for the grant of this license, Biotectix agreed to: (1) use commercially reasonable efforts to develop and commercialise the products and processes derived from the University of Michigan Patent Rights; and (2) make certain royalty payments and milestone payments to the University of Michigan. Biotectix has agreed to reach certain commercialisation and research and development milestones. Failure to achieve a milestone is a material breach and, following a cure period, cause for termination of the agreement.

(i) The license agreement terminates upon the expiration date of the last-to-expire patents subject to the agreement. Additionally, the Michigan/Biotectix License Agreement may be terminated by:

(1) University of Michigan, upon thirty (30) days' written notice, upon Biotectix's failure to make any payment due to University of Michigan or upon sixty (60) days written notice, upon Biotectix's material breach; or

(2) Biotectix upon sixty (60) days' written notice if it (i) pays all amounts due through the effective date of the termination; (ii) suspends manufacture, use and sale of products related to the University of Michigan Patent Rights, and (iii) provides University of Michigan with certain other transitional information detailed in the agreement.

(ii) The Michigan/Biotectix License Agreement is governed in accordance with the laws of the State of Michigan.

13.2.3 Third Party Member Arrangements

(i) *Voting Arrangements*. Pursuant to the terms of an operating agreement dated 16 January 2007 made between Allied Minds, Inc., the University of Michigan (''**Michigan**''), Dr. Dave Martin, Dr. Sarah Richardson-Burns, Dr. Jeffrey Hendricks, as amended on 9 February 2009 to include Ann Arbor SPARK (such operating agreement, the ''**Biotectix Operating Agreement**''), the parties agreed to certain arrangements with regard to the management and governance of Biotectix.

Under the Biotectix Operating Agreement, any action required to be approved by the members of Biotectix must be approved by the affirmative vote or consent of the holders of a majority of the equity of Biotectix; provided, notwithstanding the foregoing, the following actions require the vote of Biotectix members holding more than 66 per cent. of the equity of

Biotectix: (a) the approval of a merger or consolidation with another person; (b) change of the status of Biotectix from one in which management is vested in the manager to one in which management is vested in the members; (c) the sale, lease, exchange, or other disposition, other than by mortgage, deed of trust, or pledge, of all, or substantially all, of Biotectix's property; (d) compromise and/or waiver of the amount and character of the contributions that a member shall make as consideration for the issuance of an interest; (e) confession of any judgement on behalf of Biotectix; (f) any assignment of all of Biotectix's property for the benefit of creditors of Biotectix; (g) the authorisation of any transaction, agreement or action that is contrary to Biotectix's purposes as set forth in its certificate of organisation; (h) the authorisation of any transaction, agreement or action that otherwise contravenes the Biotectix Operating Agreement; (i) the addition of new members; and (j) the issuance of additional equity interests of Biotectix. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds owns 64.35 per cent. of the outstanding equity of Biotectix; therefore, in addition to approval by Allied Minds, at least one equity holder of Biotectix other than Allied Minds must also approve of the above listed actions

(ii) *Preemptive Rights*. No current equity holder of Biotectix has preemptive rights.

(iii) *Right of First Refusal and Co-Sale.* No current equity holder of Biotectix is obligated by or has rights of first refusal and/or co-sale rights.

(iv) *Anti-Dilution Protections.* No current equity holder of Biotectix has anti-dilution protection with respect to their percentage interest in Biotectix.

(v) *Third Party Purchase Rights.* There are no outstanding rights for third parties to purchase equity in Biotectix.

(vi) *Drag-Along Rights*. There are no current drag-along rights regarding Biotectix equity holders.

13.3 Summary of the material agreements relating to Cephalogics, LLC ("**Cephalogics**")

13.3.1 Sponsored Research Agreement

Pursuant to a sponsored research agreement dated 1 February 2007 and made between (1) Cephalogics and (2) The Washington University, St. Louis ("**WUSTL**"), which was amended on 7 June 2007 and 31 January 2008, the parties agreed to certain arrangements with regard to the research of high-performance source-detector systems for diffuse optical imaging. Pursuant to the agreement, Cephalogics will fund a limited scope of research up to a certain maximum cost. By amendment dated 31 January 2008, the agreement continues until the project is completed (unless terminated earlier in accordance with the termination provision). WUSTL retains all rights to intellectual property developed as a result of the sponsored research performed during the term of the agreement, and grants Cephalogics an option to take an exclusive license to a WUSTL patent. Cephalogics will have an exclusive option to license intellectual property developed during the term only on the same terms as WUSTL would permit that use by any unrelated non-sponsoring parties.

(i) Either party may terminate the obligations relating to the clinical trial studies for any reason upon thirty days prior written notice to the other party. Cephalogics may terminate the agreement for any reason upon thirty days prior written notice.

(ii) This agreement is governed in accordance with the laws of the State of Missouri.

13.3.2 Exclusive License Agreement

Pursuant to that certain Exclusive License Agreement dated 1 March 2010 made between (1) The Washington University, St. Louis ("**WUSTL**") and (2) Cephalogics (the "**WUSTL/Cephalogics License Agreement**"), WUSTL granted Cephalogics an exclusive, worldwide, non-transferable, sub-licensable and royalty-bearing license under one patent application and its counterparts and continuations that relates to

intellectual property, owned by WUSTL (the "**WUSTL Patent Rights**") to make, have made, sell, offer, use and import products that are covered by WUSTL patent rights in the field of brain monitoring. WUSTL also granted Cephalogics a non-transferable, non-exclusive and royalty-bearing license to use certain technical information solely for the purpose of exploiting the license to the WUSTL Patent Rights. Under the license agreement Cephalogics agreed that: (i) WUSTL retains the right to use the WUSTL Patent Rights in the field of brain monitoring for research and other non-commercial purposes and the right to license the WUSTL Patent Rights to other non-profit organisations for such purposes; (ii) Cephalogics grants to WUSTL a non-transferable, non-exclusive, perpetual, irrevocable, fully paid up, license for research and education purposes only, under any and all intellectual property rights to make and use any and all inventions, discoveries or improvements conceived of or reduced to practice by Cephalogics during the term of the WUSTL/Cephalogics License Agreement relating to the Patent Rights; (iii) the license rights granted in the WUSTL/Cephalogics License Agreement are expressly made subject to the Bayh-Dole Act and regulations promulgated thereunder; (iv) WUSTL has the sole right to control the preparation, filing, prosecution, issuance and maintenance of the WUSTL Patent Rights (subject only to Cephalogics' right to a reasonable opportunity to review and comment on proposed actions and submissions), and Cephalogics shall bear all such reasonable costs and expenses relating to such patent prosecution; and (v) Cephalogics, at its expense, has the first option to police any infringement of the WUSTL Patent Rights, however, WUSTL's written consent (which may not be unreasonably withheld) is required before Cephalogics may initiate and prosecute any actions. Cephalogics shall lose its rights to the Patent Rights under the license in the event that it fails to make such patent related payments.

As partial consideration for the WUSTL/Cephalogics License Agreement, Cephalogics agreed to (i) issue WUSTL equity interests in Cephalogics; and (ii) pay on-going royalty payments with respect to the licensed products and services. Cephalogics must achieve certain milestones under the WUSTL/Cephalogics License Agreement. Failure to achieve a milestone is a material breach, provided, however, that Cephalogics may demonstrate a good faith pursuit of such milestones though obtaining additional investment, in which case a failure to meet a milestone shall not be grounds for termination of the WUSTL/Cephalogics License Agreement.

(i) The term of the WUSTL/Cephalogics License Agreement expires upon the expiration date of the last-to-expire patents subject to the agreement; the WUSTL/Cephalogics License Agreement may also be terminated:

  (1) upon thirty day (30) written notice by Cephalogics, at which time all payments due and owing to WUSTL at the effective time of the termination must be paid;

  (2) immediately by WUSTL's notice to Cephalogics, if Cephalogics: (A) fails to meet any of the milestones described above and fails to cure such failure within 90 days, (B) breaches any other agreement with WUSTL, (C) exercises or attempts or offers to exercise any rights with respect to the Patent Rights which is outside the scope of the license agreement; (D) fails to meet its royalty payment and/or reporting obligations under the license agreement; or (E) goes into receivership; or

  (3) if written notice of a breach by the other party is provided and, in the case of a breach by WUSTL, WUSTL fails to cure such breach within ninety (90) days, and, in the case of a breach by Cephalogics (other than failure to achieve milestones), Cephalogics fails to cure such breach within 30 days.

(ii) The WUSTL/Cephalogics License Agreement is governed in accordance with the laws of the State of Missouri.

13.3.3 Third Party Member Arrangements

(i) *Voting Arrangements*. Pursuant to the terms of an operating agreement dated 11 July 2013 made between Allied Minds, Inc. (now, Allied Minds, LLC) and Washington University St. Louis ("**WUSTL**") (the "**Cephalogics Operating Agreement**"), the parties agreed to certain arrangements with regard to management and governance of Cephalogics.

Any action required to be approved by the members of Cephalogics must be approved by the affirmative vote or consent of the holders of a majority of the equity of Cephalogics; provided, notwithstanding the foregoing, the following actions require the vote of Cephalogics members holding more than 66 per cent. of the equity of Cephalogics: (i) the approval of a merger or consolidation with another person; (ii) change of the status of Cephalogics from one in which management is vested in the manager to one in which management is vested in the members; (iii) the sale, lease, exchange, or other disposition, other than by mortgage, deed of trust, or pledge, of all, or substantially all, of Cephalogics's property; (iv) any assignment of all of Cephalogics's property for the benefit of creditors of Cephalogics; (v) the authorisation of any transaction, agreement or action that is contrary to Cephalogics's purposes as set forth in its certificate of organisation; (vi) the authorisation of any transaction, agreement or action that otherwise contravenes the Cephalogics Operating Agreement; (vii) the addition of new members; and (viii) the issuance of additional equity interests of Cephalogics. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds owns 95 per cent. of the outstanding equity of Cephalogics; therefore, unless the equity ownership of Cephalogics by Allied Minds is diluted to or below 66 per cent., no other equity holder of Cephalogics is required for approval of the aforementioned actions;

(ii) *Preemptive Rights*. No current equity holder of Cephalogics has preemptive rights.

(iii) *Right of First Refusal and/or Co-Sale Rights*. No current equity holder of Cephalogics is obligated by or has rights of first refusal and/or co-sale rights;

(iv) *Anti-Dilution Protections*. No current equity holder of Cephalogics has anti-dilution protection with respect to their equity in Cephalogics;

(v) *Third Party Purchase Rights*. There are no outstanding rights for third parties to purchase equity in Cephalogics; and

(vi) *Drag-Along Rights*. There are no current drag-along rights regarding Cephalogics equity holders.

13.4 Summary of the material agreements relating to CryoXtract Instruments, LLC ("**CryoXtract**")

13.4.1 License Agreement

Pursuant to a license agreement dated 2 June 2008 made between (1) CryoXtract and (2) the President and Fellows of Harvard College ("**Harvard**"), as amended on 26 October 2011 and 20 February 2013 (the "**Harvard/CryoXtract License Agreement**"), Harvard granted CryoXtract an exclusive, worldwide, sub-licensable, and royalty-bearing license under certain patents that are co-owned by Harvard or are created by Harvard's academic staff, students or third parties which vests in Harvard ("**Harvard/CryoXtract Patent Rights**") to make, have made, sell, have sold and import products that are covered by Harvard/CryoXtract patent rights ("**licensed products**"), and a non-exclusive right to use the Licensed products in performing services for third parties that make use of a Licensed product. Harvard and Northeastern University ("**Northeastern**") jointly own certain of the Harvard/CryoXtract Patent Rights, and Harvard and The Charles Stark Draper Laboratory, Inc. ("**Draper**") jointly own certain of the Harvard/CryoXtract patent rights and in each case Harvard has the sole authority to grant licenses thereunder. Under the license agreement CryoXtract agreed that: (i) Harvard and Northeastern, as co-owners, retain the right to practice the Harvard/CryoXtract Patent Rights, and to grant licenses to other non-profit research organisations to use such rights for internal

research, teaching and other educational purposes only; (ii) Harvard and Draper, as co-owners, retain the right to practice the Harvard/CryoXtract Patent Rights and to grant licenses to other non-profit research organisations to use such patents, for internal research, teaching and other educational purposes only; (iii) if a third party makes a *bona fide* proposal to Harvard to develop a licensed product which Harvard believes is not being developed or commercialised by CryoXtract, then (a) CryoXtract can agree to a development plan with Harvard to commercialise the product itself, however, if CryoXtract fails to meet certain agreed upon development milestones, then Harvard has the right to terminate the license with respect to the proposed product and grant a third party a license under the Harvard/CryoXtract Patent Rights solely for the proposed product, or (b) CryoXtract has 90 days to enter into a sublicensing agreement with such third party; (iv) Harvard has the right to control the preparation, filing, prosecution, protection and maintenance of the Harvard/CryoXtract Patent Rights; (v) CryoXtract has the first option to take action in the prosecution, prevention, or termination of any infringement of the Harvard/CryoXtract Patent Rights; and (vi) the license rights granted in the license agreement are expressly made subject to the Bayh-Dole Act and regulations promulgated thereunder.

As partial consideration for the license agreement, CryoXtract has agreed to: (i) use commercially reasonable efforts to develop and commercialise licensed products in accordance with the development plan agreed to by the parties; (ii) make certain royalty and milestone payments to Harvard (iii) grant an equity interest in CryoXtract to Harvard and an equity interest to Northeastern. These equity interests were granted to Harvard and Northeastern on 2 June 2008.

(i) Harvard and Northeastern received certain anti-dilution rights. Until CryoXtract has issued equity interests in exchange for an aggregate investment of $3,000,000 in cash, Harvard's equity interest shall be automatically adjusted to remain at 3 per cent. and Northeastern's equity interest shall be automatically adjusted to remain at 2 per cent., in each case on a fully diluted basis.

(ii) The term of the license agreement continue until expiration of the last to expire valid claim under the Harvard Patent Rights. The Harvard/CryoXtract License Agreement may be terminated earlier (i) by CryoXtract upon 90 days prior written notice to Harvard, (ii) by Harvard immediately if CryoXtract challenges the validity, enforceability or scope of any of the Harvard/CryoXtract Patent Rights, (iii) immediately by either party in the event the other party commits a material breach of its obligations and fails to cure that breach within 60 days after receiving written notice thereof, the other party may terminate immediately upon written notice to the breaching party, or (iv) by Harvard if CryoXtract enters bankruptcy or insolvency.

(iii) The Harvard/CryoXtract License Agreement is governed in accordance with the laws of the Commonwealth of Massachusetts.

13.4.2 Non-Plan Option Agreements

Pursuant to separate option agreements dated 8 September 2008, as amended 18 October 2011, made between CryoXtract and each of Dale Larson and John Slusarzs, CryoXtract granted Larson and Slusarzs, respectively, the option to purchase 7.5 per cent. of the equity interests in CryoXtract in consideration for their key roles in developing the Frozen Sample Aliquoter technology and continuing efforts to bring such technology to commercialisation. Each such option is exercisable for a specific monetary amount and expires on 7 September 2018. In the event that both options are exercised then Dale Larson and John Slusarzs would own 15 per cent. of the total of all membership interests in CryoExtract. These option agreements are governed in accordance with the internal laws of the State of Missouri.

13.4.3 Third Party Member Arrangements

Pursuant to the terms of an operating agreement dated 18 October 2011 made between Allied Minds, Inc. (now, Allied Minds, LLC), the President and Fellows of Harvard College ("**Harvard**") and Northeastern University ("**Northeastern**") (the "**CryoXtract Operating Agreement**"), the parties agreed to certain arrangements with regard to the management and governance of CryoXtract.

(i) *Voting Arrangements*. Any action required to be approved by the members of CryoXtract must be approved by the affirmative vote or consent of the holders of at least 66 2/3 per cent. of the equity of CryoXtract. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds held 93.24 per cent. of the outstanding equity of CryoXtract. If, however, all equity of CryoXtract which is currently available under the CryoXtract equity plan (the "**CryoXtract Plan**") pool becomes issued and outstanding, and Allied Minds otherwise does not increase its equity ownership in CryoXtract, Allied Minds' ownership of CryoXtract could fall below the 66 2/3 per cent. threshold, which would result in requiring an additional member or members of CryoXtract to approve any matters requiring member approval under applicable law. Allied Minds currently controls the CryoXtract management committee, and as such, is in control of future dilutive issuances under the CryoXtract Plan;

(ii) *Preemptive Rights*. Pursuant to the terms of the CryoXtract Operating Agreement each CryoXtract member has preemptive rights to purchase its *pro rata* share of any units or other equity securities issued or sold by CryoXtract in the future, excluding (i) the exercise of any options granted to employees, managers, members or consultants of CryoXtract pursuant to an CryoXtract equity plan approved by CryoXtract's management committee, and (ii) and units issued or other equity securities issued in a public offering pursuant to a registration statement filed under the Securities Act of 1933.

(iii) *Right of First Refusal and/or Co-Sale*. No current equity holder of CryoXtract is obligated by or has rights of first refusal and/or co-sale rights;

(iv) *Third Party Purchase Rights*. In connection with the debt financing by Massachusetts Development Finance Agency ("**MassDevelopment**"), CryoXtract and MassDevelopment entered into a warrant arrangement with MassDevelopment. Pursuant to the terms of the warrant, MassDevelopment has the right to purchase up to 65,310 units of CryoXtract. If the warrant were exercised for the full amount, MassDevelopment would own 0.65 per cent. of the outstanding equity of CryoXtract. The warrant expires on 14 May 2022 or the effective date of an initial public offering of CryoXtract's securities, whichever occurs earlier. In connection with the debt financing by MassDevelopment, CryoXtract and MassDevelopment entered into the Negative Pledge Agreement dated 15 May 2012 (the "**Negative Pledge**"). Pursuant to the Negative Pledge, CryoXtract may not transfer or encumber any of its intellectual property, excluding the CryoXtract's ability to license intellectual property, unless such transfer is in the ordinary course of business for adequate consideration and used to pay down the outstanding obligations to MassDevelopment. The term of the Negative Pledge expires upon the termination of the note (which matures on 15 May 2017) owed to MassDevelopment; and

(iv) *Drag-Along Rights*. No current drag-along rights exist regarding CryoXtract equity holders.

13.5 Summary of the material agreements relating to Optio Labs, Inc. ("**Optio Labs**")

13.5.1 Exclusive License Agreement

Pursuant to that certain Exclusive License Agreement, dated 13 August 2012 made between (1) Virginia Tech Intellectual Properties, Inc. ("**VTIP**") and (2) Optio Labs ("**VTIP/Option License Agreement**"), VTIP granted Optio Labs an exclusive, worldwide, sub-licensable and royalty-bearing license (subject to VTIP's right to publish the scientific findings from research related to the VTIP IP, have and use the

VTIP IP for non-commercial research, teaching, educating and other educationally related purposes, and to grant rights to, and transfer material embodiments, eg the VTIP IP to other academic institutions or non-profit research institutions for the same purposes) to under certain patents any copyrighted software pertaining thereto and trademarks owned by VTIP or that is created by VTIP's academic staff, students or third parties which vests in VTIP, and any copyrighted software pertaining thereto (collectively, the "**VTIP IP**") to make, have made, use, lease, sell, import and export products covered by VTTP IP (licensed products) and Optio Labs mobile device policy management systems which incorporate the Licensed Product ("**Licensed System**"). The parties agreed that (a) VTIP has the right to control the prosecution and maintenance of the VTIP IP, and (b) Optio Labs has the first option to protect against the VTIP IP against any infringement by a third party.

As partial consideration for the VTIP/Optio Labs License Agreement, Optio Labs paid a one time license fee to VTIP and agreed to: (i) make running and minimum annual royalty payments to VTIP; (ii) pay annual maintenance fee; and (iii) pay such license fee and pay a milestone fee once a cumulative amount of royalties has been paid to VTIP.

(i) The term of the VTIP/Optio Labs License Agreement ends on the date of expiration or termination of the last to expire or terminate of the VTIP IP; the VTIP/Optio Labs License Agreement may be terminated earlier:

  (1) by Optio Labs upon ceasing to make, use and sell any licensed products, providing 120 days prior written notice to VTIP, and making payment of all accrued royalties and other payments due to VTIP as of the date of the notice of termination;

  (2) by Optio Labs upon written notice to VTIP if VTIP breaches the VTIP License Agreement and fails to cure such breach within sixty (60) days after the delivery of such written notice;

  (3) by VTIP upon delivery of written notice if Optio Labs has not had a sale of licensed products and licensed system by 1 January 2015;

  (4) by VTIP upon delivery of written notice if Optio Labs become more than 60 days in arrears on any payment of fees or expenses due and Optio Labs does not cure such breach within 30 days of receiving such written notice from VTIP; or

  (5) by VTIP upon written notice for any other breach of the license agreement by Optio Labs and Optio Labs does not cure such breach within sixty (60) days after delivery of such written notice.

(ii) The VTIP/Optio License Agreement is governed in accordance with the laws of the Commonwealth State of Virginia.

13.5.2 Shareholder arrangements

(i) *Voting Arrangements*. Pursuant to the terms set out in the certificate of incorporation of Optio Labs, as amended, and Delaware corporate law, any action that requires the approval of the Optio Labs stockholders must be approved by the affirmative vote or consent of the holders of at least a majority of the equity of Optio Labs. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 81.62 per cent. of the outstanding equity of Optio Labs; therefore, unless the equity ownership of Optio Labs by Allied Minds is diluted to or below 50 per cent., no other equity holder of Optio Labs is required for such stockholder approval.

(ii) *Preemptive Rights*. No current equity holder of OPT has preemptive rights.

(iii) *Rights of First Refusal and Co-Sale*. Pursuant to the terms of the Optio Labs, Inc. Stockholders Agreement (the "**Optio Labs Stockholders Agreement**"), each party thereto has granted Optio Labs a primary right of first refusal to purchase all or any portion of Optio Labs stock that such stockholder proposes to transfer, and in the event that Optio Labs does not elect to purchase all or an portion of such stock which is proposed to be transferred,

each non-transferring Optio Labs stockholder receives a secondary right of first refusal *pro rata* according to their ownership percentage in Optio Labs to purchase such shares. If the selling stockholder is a key holder and any shares remain after the primary and secondary rights of first refusal for a transfer to a third party, then AMI, Christopher White, TCC Holdings, LLC and Brian Dougherty have a co-sale right with respect to such shares.

(iv) *Anti-Dilution Protections*. No current equity holder of Optio Labs has anti-dilution protection with respect to their equity in Optio Labs.

(v) *Third Party Purchase Rights*. There are no outstanding rights for third parties to purchase equity in Optio Labs.

(vi) *Drag-Along Rights*. There are no current drag-along rights regarding Optio Labs equity holders.

13.6 Summary of the material agreements relating to Precision Biopsy, LLC

13.6.1 Sponsored Research Agreement

Pursuant to a sponsored research agreement dated 1 January 2014 and made between (1) Precision Biopsy and (2) the Regents of the University of Colorado (the "**University of Colorado**"), the parties agreed certain arrangements with regard to research into improvements to the smart-needle technology for use in the diagnosis of prostate cancer prior to clinical implementation. The University of Colorado retains all rights to intellectual property rights conceived solely by its own employees through the sponsored research. As partial consideration for funding such research, Precision Biopsy entered into an option agreement on the same date which grants Precision Biopsy a 90 day window to enter into an exclusive, worldwide, royalty-bearing license for the University of Colorado's IP.

Precision Biopsy may terminate this agreement upon 45 days written notice to the University of Colorado prior to the intended date of termination. University of Colorado may terminate this agreement if Precision Biopsy fails to make the required payments to University of Colorado, and fails to cure such default.

This agreement is governed in accordance with the laws of the State of Colorado.

13.6.2 Exclusive License Agreement

Pursuant to that certain Exclusive License Agreement dated 5 January 2011 made between (1) the Regents of the University of Colorado ("**University of Colorado**") and (2) Precision Biopsy (the "**Colorado/PB License Agreement**"), University of Colorado granted Precision Biopsy an exclusive, royalty-bearing worldwide, sub-licensable (upon prior written approval of University of Colorado, not to unreasonably withhold) license (subject to the rights of the University of Colorado to use the licensed technology arising from the University of Colorado Patent Rights and to use the know-how, for its own research and education, including sponsored research, which right is transferable to other non-profit or educational institutions, and retains the right to publish any University of Colorado Patent Rights and know-how (provided Precision is given notice of such publication and an opportunity to object) and subject to the Bayh-Dole Act and regulations promulgated thereunder) to certain patents owned by the University of Colorado (collectively, the "**University of Colorado Patent Rights**") within the field of biopsy procedures and optical characterisation of tissue ("**Field of Use**").

University of Colorado also granted Precision Biopsy an exclusive, royalty-bearing license to use certain know-how related to the University of Colorado Patent Rights within the Field of Use. The Colorado/PB License Agreement includes the right to make, use, sell, lease, offer to sell, and import any products and processes incorporating the University of Colorado Patent Rights within the Field of Use. The University of Colorado Patent Rights also include any improvements thereto, and, to the extent certain researchers at University of Colorado makes any invention owned by the University of Colorado which is in the Field of Use, the practice of which would not require the practice of an invention claimed in or covered by the University of Colorado Patent Rights, the University of Colorado grants Precision Biopsy an exclusive option to obtain exclusive, worldwide commercial rights to such

independent invention (the terms of which are to be negotiated in good faith). The parties agreed that (a) Precision Biopsy has primary control of preparing, filing, and prosecuting patent claims for the University of Colorado Patent Rights, however, the University of Colorado may resume such control at any time upon written notice to Precision Biopsy, and (b) Precision Biopsy has the initial option to protect against any infringement of the University of Colorado Patent Rights.

As partial consideration under the Colorado/Precision License Agreement, Precision Biopsy agreed to: (i) develop and commercialise products and processes in the Field of Use and achieve certain milestones; and (ii) make certain royalty, milestone and non-royalty payments.

(i) The Colorado/PB License Agreement terminates on the expiration date of the last to expire of the patents within the University of Colorado Patent Rights; the Colorado/ Precision License Agreement may be terminated:

(1) by Precision Biopsy upon sixty (60) days' written notice if Precision Biopsy (1) pays all amounts due prior to the effective date of the termination notice (as well as all non-cancellable costs to the University of Colorado through the termination date), (2) submits to the University of Colorado a final report, (3) returns all confidential material of the University of Colorado's, suspends its use and sales of products and processes relating to the University of Colorado Patent Rights and know-how, and (4) provides the University of Colorado with certain regulatory information; or

(2) by the University of Colorado if: (1) Precision Biopsy fails to pay any amounts when due and fails to remedy such non-payment within thirty (30) days following written notice from University of Colorado, (2) Precision Biopsy becomes bankrupt, makes an assignment for the benefit of creditors or dissolved or liquidated, (3) Precision Biopsy breaches the Colorado/PB License Agreement and fails to cure such breach or default within thirty (30) days of written notice of the breach or default.

(ii) The Colorado/PB License Agreement is governed in accordance with the laws of the State of Colorado.

13.6.3 Third Party Member Arrangements.

Pursuant to the terms of an agreement dated 31 January 2014 made between the members of Precision Biopsy, the parties agreed to certain arrangements with regard to the management and governance of Precision Biopsy:

(i) *Voting Arrangements*. Any action required to be approved by the members of Precision Biopsy must be approved by the affirmative vote or consent of the holders of at least 66 2/3 per cent. of the equity of Precision Biopsy. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds currently owns 80.35 per cent. of the outstanding equity of Precision Biopsy; therefore, unless the equity ownership of Precision Biopsy by Allied Minds is diluted to or below 66 2/3 per cent., no other equity holder of Precision Biopsy is required for such stockholder approval.

(ii) *Preemptive Rights*. No current equity holder of Precision Biopsy has preemptive rights.

(iii) *Right of First Refusal and Co-Sale*. No current equity holder of Precision Biopsy is obligated by or has rights of first refusal and/or co-sale rights;

(iii) *Anti-dilution Arrangements*. No current equity holder of Precision Biopsy has anti-dilution protection with respect to their percentage interest in Precision Biopsy;

(iv) *Third Party Purchase Rights*. There are no outstanding rights for third parties to purchase equity in Precision Biopsy; and

(v) *Drag-Along Rights.* there are no current drag-along rights regarding Precision Biopsy equity holders.

13.7 Summary of the material agreements relating to ProGDerm, Inc. ("**ProGDerm**")

13.7.1 Sponsored Research Agreement

Pursuant to a sponsored research agreement dated 30 October 2008 and made between (1) ProGDerm and (2) the Regents of the University of California (the "**University of California**"), as amended on 29 January 2010, 29 April 2010, 23 June 2010, 22 March 2011, 14 September 2011, 30 September 2011, 28 June 2012, 18 October 2012, 18 April 2013, 10 September 2013, 14 October 2013 and 26 November 2013, the parties agreed certain arrangements with regard to the research of RHAMM technology for subcutaneous fat regeneration. Pursuant to the agreement, ProGDerm will fund a limited scope of research. ProGDerm may elect to obtain the entire right, title and interest throughout the world to each any intellectual property arising from the ProGDerm's employees and the University of California retains the right, title and interest to intellectual property arising from the University of California.

Either party may terminate the performance of work under the agreement at any time upon sixty days prior written notice to the other party. The University of California shall only terminate the agreement following a direction from the US Department of Energy or if ProGDerm fails to advance the funds required by the agreement.

13.7.2 License Agreement

Pursuant to the License Agreement dated 7 July 2010 (as amended by the first and second amendments thereto dated 2 November 2012 and 19 December 2013, respectively) made between (1) ProGDerm and (2) The Regents of the University of California through the Ernest Orlando Lawrence Berkley National Laboratory ("**Berkeley**"), Berkeley granted ProGDerm an exclusive, non-transferable, sub-licensable, royalty bearing license to develop, make, have made, use, offer for sale, sell, have sold, and import and export licensed products for certain patents that relate to intellectual property owned by Berkeley or is created by Berkeley's academic staff, students or third parties which vests in Berkeley (collectively, the "**Berkeley Patent Rights**"). Under the license agreement ProGDerm agreed that: (i) ProGDerm is required to substantially manufacture in the US its products developed based on the Berkley Patent Rights and produced for sale in the US; (ii) Berkeley retains the right to use the licensed technology arising from the Berkeley Patent Rights and to grant licenses to other non-profit or government research organisations to use such rights, for internal research, teaching and other educational purposes only; (iii) the US Department of Energy retains the right to license the Berkeley Patent Rights if reasonable steps to commercialise such rights are not carried out or if such licenses are required to meet federal regulations; (iv) the US Government retains a non-exclusive, non-transferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the US Government the Berkeley Patent Rights; (v) Berkeley shall control the prosecution and Maintenance of the Berkeley Patent Rights, and (vi) ProGDerm has the first option to institute a suit for patent infringement, however, any suit must be preceded by a notice to the possible infringer, which requires the consent of both parties (not to be unreasonably withheld).

As partial consideration for the license agreement, ProGDerm agreed to: (i) diligently endeavour to develop and commercialise the products; (ii) use its best efforts to obtain all necessary governmental approvals for the manufacture, use and sale of the licensed products; (iii) pay a license issue fee; (iv) pay an annual license maintenance fee, and (v) make certain non-royalty and royalty payments. Under the amendments to the licence agreement made in 2012, it was agreed that any further amendment to the licence agreement will require an amendment fee to be paid to Berkeley.

(i) Berkeley shall prosecute and maintain the Berkeley Patent Rights, provided that Berkeley shall copy ProGDerm on all U.S.P.T.O. and foreign patent office actions, and ProGDerm shall reimburse Berkeley for all reasonable patent costs for the Berkeley Patent Rights;

(ii) After 19 December 2017, Berkeley can force ProGDerm to grant a mandatory sublicense if (i) it informs ProGDerm of an application or use for the Berkeley Patent Rights that would not apply to any market that ProGDerm is currently commercialising the Berkeley Patent Rights for, (ii) ProGDerm has not developed or is not currently developing such application or use, and (iii) ProGDerm either declines to develop that application or use or does not diligently pursue the development and commercialisation of such use or application; and

(iii) The license agreement terminates upon the expiration date of the last-to-expire patents subject to the agreement; the license agreement may also be terminated:

(1) by Berkeley, if ProGDerm fails to perform a material term of the license agreement, Berkeley gives written notice of such default, and ProGDerm fails to cure such default and provide Berkeley with reasonable evidence of such cure within 60 days of the notice of default and Berkeley sends a termination notice to ProGDerm;

(2) by Berkeley, if ProGDerm files a claim including in any way that any portion of the Berkeley Patent Rights are invalid or unenforceable;

(3) at Berkeley's option if ProGDerm is unable to perform its performance milestones; or

(4) by ProGDerm upon the 90 day written notice.

(iv) This agreement is governed in accordance with the laws of the State of California.

13.7.3 Shareholder Arrangements

(i) *Third Party Voting Arrangement*. Pursuant to the terms set out in the certificate of incorporation of ProGDerm, and Delaware corporate law, any action that requires the approval of the ProGDerm stockholders must be approved by the affirmative vote or consent of the holders of at least a majority of the equity of ProGDerm. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 90.38 per cent. of the outstanding equity of ProGDerm; therefore, unless the equity ownership of ProGDerm by Allied Minds is diluted to or below 50 per cent., no other equity holder of ProGDerm is required for such stockholder approval.

(ii) *Preemptive Rights*. Pursuant to the terms of a subscription agreement dated 7 July 2010 entered into between ProGDerm and Lawrence Berkeley National Laboratory ("**LBNL**"), LBNL has a preemptive rights to purchase its *pro rata* share of any equity securities (excluding securities issued under an equity incentive plan, initial public offering or merger or acquisition) issued or sold by ProGDerm.

(iii) *Right of First Refuals and Co-sale*. Pursuant to the terms of an agreement dated 7 July 2010 entered into between Allied Minds, Inc. (now, Allied Minds, LLC) and the Regents of the University of California, through the Ernest Orlando Lawrence Berkeley National Laboratory ("**ProGDerm Stockholders Agreement**"), each ProGDerm stockholder grants ProGDerm a primary right of first refusal to purchase all or any portion of ProGDerm stock that such stockholder proposes to transfer, and in the event that ProGDerm does not elect to purchase all or an portion of such stock which is proposed to be transferred, each non-transferring ProGDerm stockholder receives a secondary right of first refusal *pro rata* according to their ownership percentage in ProGDerm. In the event that there are still shares still remaining, ProGDerm has a third right to acquire any remaining shares. Furthermore, each ProGDerm stockholder has a tag-along right with respect to any sale of ProGDerm stock representing 25 per cent. or more of the issued and outstanding equity of ProGDerm.

(iv) *Antidilution Protections*. No current equity holder of ProGDerm has anti-dilution protection with respect to their equity in ProGDerm.

(v) *Third Party Purchase Rights*. There are no outstanding rights for third parties to purchase equity in ProGDerm.

(vi) *Drag-Along Rights*. Pursuant to the terms of the ProGDerm Stockholders Agreement, if the Board of Directors of ProGDerm and the holders of a majority of the then outstanding shares of ProGDerm approve the sale of more than 50 per cent. of the outstanding voting power of ProGDerm, then all ProGDerm stockholders who are a party to the ProGDerm Stockholders Agreement are required to vote their shares in favour of such sale and to sell the same proportion of their shares of ProGDerm as is being sold by the selling stockholders. As at 19 June 2014, the latest practicable date prior to the publication of this Prospecuts, Allied Minds owns 90.38 per cent. of the outstanding equity of ProGDerm; therefore, unless the equity ownership of ProGDerm by Allied Minds is diluted to or below 50 per cent., Allied Minds without any other stockholder, is able to exercise the drag-along rights.

13.8 Summary of the material agreements relating to RF Biocidics, Inc. ("**RFB**")

13.8.1 Sponsored Research Agreement

Pursuant to a sponsored research agreement dated 17 June 2008 and made between (1) RFB and (2) the Regents of the University of California, the parties agreed certain arrangements with regard to: the research into the development of pulsed radiofrequency power techniques for non-thermal processing of foods and agricultural commodities; and the marketing and demonstration of the use of radiofrequency power in food and agriculture. Pursuant to the agreement, RFB will fund the research up to a certain maximum amount. The University of California retains all rights to intellectual property conceived solely by its own employees through the sponsored research. As partial consideration for funding such research University of California offers RFB a time-limited first right to negotiate an exclusive or non-exclusive (at RFB's option), royalty-bearing license to patentable inventions owned by the University of California which are conceived and reduced to practice during the term of the agreement in the performance of the projects supported by the agreement, and RFB must advise the University of California in writing within sixty days following a University of California disclosure whether or not it elects to secure a commercial license to the intellectual property.

(i) Either party may terminate this agreement for any reason upon 30 days' prior written notice to the other party, and upon such notification the parties shall communicate with each other and make reasonable efforts to remedy any situation which would otherwise cause termination.

(ii) This agreement is governed in accordance with the laws of the State of California.

13.8.2 Exclusive License Agreement

Pursuant that certain Exclusive License Agreement dated 1 October 2009 (as amended by the first and second amendments thereto dated 31 August 2010 and 31 March 2011, respectively) made between (1) The Regents of the University of California ("**UC**") and (2) RFB, UC granted RFB an exclusive, sublicensable license (subject to UC's right to (a) publish research results performed (including any technical data therein) by UC relating to the licensed technology, (b) make and use the licensed technology for educational and research purposes, (c) practice the UC Patent Rights in order to make and use products, and to practice methods, for educational and research purposes, and (d) allow other educational and non-profit institutions to do any one or more of (a) through (c) above, for educational and research purposes) in all fields of use for a certain patent that relate to intellectual property owned by UC or is created by UC's academic staff, students or third parties which vests in UC (the "**UC Patent Rights**") in the United States.

As partial consideration for the exclusive license agreement, RFB agreed to: (i) pay UC a royalty based on the net sales of products or services incorporating the UC Patent Rights; (ii) pay UC a percentage of any consideration received for sublicenses granted by RFB; and (iii) grant UC shares of RFB common stock. The license agreement originally split the equity interest among UC, Dr Manuel Lagunas-Solar and Nolan Zeng, but pursuant to amendments to each of the license agreement and UC's subscription agreement, UC received all equity shares. RFB is obligated to meet certain milestones under the agreement, the failure of which is grounds (following a cure period) to terminate the license. UC can force RFB to grant a mandatory sublicense if (i) it informs RFB of an application or use for the UC Patent Rights that would not apply to any market that RFB is currently commercialising the UC Patent Rights for, (ii) RFB has not developed or is not currently developing such application or use, and (iii) RFB either declines to develop that application or use or does not diligently pursue the development and commercialisation of such use or application. The parties agreed that (a) UC will control the prosecution and maintenance of patent applications and patents under the UC Patent Rights, and (b) RFB has the first option to institute a suit for patent infringement, however, any suit must be preceded by a notice to the possible infringer, which requires the consent of both parties (not to be unreasonably withheld).

(i) The license agreement terminates:

(1) upon the expiration date of the last-to-expire patents subject to the agreement;

(2) at UC's option if RFB fails to meet certain performance milestones;

(3) if RFB fails to perform a material term of the license agreement, UC gives written notice of such default, RFB fails to cure such default within 90 days of the notice of default and UC sends a termination notice to RFB;

(4) if RFB files a claim including in any way that any portion of the UC Patent Rights is invalid or unenforceable;

(5) upon written notice of UC in its sole discretion, in the event of the filing of a petition for relief under the US Bankruptcy Code by RFB; and

(6) upon the 60 day written notice of RFB.

(ii) This agreement is governed in accordance with the laws of the State of California.

13.8.3 Exclusive License Agreement

Pursuant that certain Exclusive License Agreement dated 10 June 2011 made between (1) The Regents of the University of California ("**UC**") and (2) RFB, UC granted RFB an exclusive, sublicensable license (subject to UC's right to (a) publish research results performed (including any technical data therein) by UC relating to the licensed technology, (b) make and use the licensed technology for educational and research purposes, (c) practice the UC Patent Rights in order to make and use products, and to practice methods, for educational and research purposes, and (d) allow other educational and non-profit institutions to do any one or more of (a) through (c) above, for educational and research purposes) under certain patents that relate to intellectual property owned by UC (the "**UC Patent Rights**"), to make, use, offer for sale, import, sell licensed products and services, and practice licensed methods for all fields of use in the US and any foreign countries where patent rights exist.

As partial consideration for the exclusive license agreement, RFB agreed to: (i) pay UC a license fee; (ii) pay UC a percentage of any consideration received for sublicenses granted by RFB; (iii) pay UC an annual license maintenance fee; and (iv) pay UC a royalty based on the net sales of products or services incorporating the UC Patent Rights. RFB is obligated to meet certain milestones under the agreement, the failure of which is grounds (following a cure period) to terminate the license. The parties further agreed that:

(i) UC can force RFB to grant a mandatory sublicense if (i) it informs RFB of an application or use for the UC Patent Rights that would not apply to any market that RFB is currently commercialising the UC Patent Rights for, (ii) RFB has not developed or is not currently developing such application or use, and (iii) RFB either declines to develop that application or use or does not diligently pursue the development and commercialisation of such use or application; and

(ii) UC controls the prosecution and maintenance of patent applications and patents under the UC Patent Rights, and RFB has the first option to institute a suit for patent infringement, however, any suit must be preceded by a notice to the possible infringer, which requires the consent of both parties (not to be unreasonably withheld).

(iii) The license agreement terminates:

(1) upon the expiration date of the last-to-expire patents subject to the agreement;

(2) at UC's option if RFB fails to meet certain performance milestones;

(3) if RFB fails to perform a material term of the license agreement, UC gives written notice of such default, RFB fails to cure such default within 90 days of the notice of default and UC sends a termination notice to RFB;

(4) immediately if RFB files a claim including in any way that any portion of the UC Patent Rights is invalid or unenforceable;

(5) upon written notice of UC in its sole discretion, in the event of the filing of a petition for relief under the US Bankruptcy Code by RFB; and

(6) upon the 60 day written notice of RFB.

(iii) This agreement is governed in accordance with the laws of the State of California.

13.8.4 Shareholder Arrangements

(i) *Third Party Voting Arrangments*. Pursuant to the terms set out in the certificate of incorporation of RFB, and Delaware corporate law, any action that requires the approval of the RFB stockholders must be approved by the affirmative vote or consent of the holders of at least a majority of the equity of RFB. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds owns 67.14 per cent. of the outstanding equity of RFB; therefore, unless the equity ownership of RFB by Allied Minds is diluted to or below 50 per cent., no other equity holder of RFB is required for such stockholder approval.

(ii) *Preemptive Rights*. Pursuant to the terms of a subscription agreement effective as of 5 December 2008, entered into between RFB and Manuel Lagunas-Solar, in the event RFB sells any equity securities, Dr. Lagunas-Solar has a preemptive right to purchase Common Stock of RFB in an amount such that Dr. Lagunas-Solar would thereafter own shares of Common Stock of RFB representing at least fifteen per cent. of the outstanding shares of the capital stock of RFB on a fully diluted, as-converted basis. Pursuant to the terms of a subscription agreement dated 19 April 2011 entered into between RFB and Shellwater & Co. (as nominee for Regents of the University of California (Davis)), in the event RFB sells any equity securities, Shellwater & Co. has a preemptive right to purchase Common Stock of RFB in an amount such that Shellwater & Co. would thereafter own shares of Common Stock of RFB representing at least ten per cent. of the outstanding shares of the capital stock of RFB on a fully diluted, as-converted basis.

(iii) *Right of First Refusal and Co-Sale Agreement*. Pursuant to the terms of an stockholders agreement dated 10 June 2011 ("**RFB Stockholder Agreement**") made between the stockholders of RFB, the shares of common stock in RFB

held by the stockholders are subject to a primary right of first refusal in favour of RFB, and in the event RFB does not elect to purchase all shares which are proposed to be transferred, the non-selling stockholders a party to the RFB Stockholder Agreement have a secondary right of first refusal to purchaser their *pro rata* portion of the remaining shares (determined according to their ownership percentage in RFB). If any shares remain after the primary and secondary rights of first refusal for transfer to a third party, then the RFB stockholders a party to the RFB Stockholder Agreement have a right or co-sale with respect to such shares.

(iv) *Anti-Dilution Arrangements*. No current equity holder of RFB has anti-dilution protection with respect to their equity in RFB.

(v) *Third Party Purchase Rights*. There are no outstanding rights for third parties to purchase equity in RFB.

(vi) *Drag-Along Rights*. Pursuant to the RFB Stockholder Agreement, if a bona-fide written offer to acquire RFB is made by a third party to RFB or the holders of more than 66.67 per cent. of the outstanding shares of RFB (a "**RFB Super-majority Interest**") and an RFB Super-majority Interest wish to accept the offer, then the holders of equity representing a Super-majority Interest have the right to require the other stockholders who are a party to the RFB Stockholder Agreement to sell their shares to the proposed purchaser at the same price and on the same terms and conditions. As at 19 June 2014, the latest practicable date prior to publication of this Prospectus, Allied Minds owns 67.14 per cent. of the outstanding equity of RFB. If, however, all equity of RFB which is currently available under the RFB equity plan (the "**RFB Plan**") pool becomes issued and outstanding, and Allied Minds otherwise does not increase its equity ownership in RFB, Allied Minds' ownership of RFB could fall below the 66.67 per cent. threshold, which would result in requiring an additional member or members of RFB to approve in order to exercise drag-along rights.

(vii) *Registration Rights*. Pursuant to the RFB Stockholder Agreement, upon the request of the holders of a majority of RFB's common stock, RFB must use commercially reasonable efforts to effect a public offering. As at 19 June 2014 the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 67.14 per cent of the outstanding common stock of RFB; therefore, unless the equity ownership of RFB by Allied Minds is diluted to or below 50 per cent., Allied Minds controls this right. The RFB Stockholder Agreement also provides for customary demand and piggy-back registration rights. The above registration rights are subject to customary US underwriter cutbacks and customary US blackout rights of RFB.

13.9 Summary of the material agreements relating to SciFluor Life Sciences, LLC ("**SciFluor**")

13.9.1 Amended and Restated License Agreement

Pursuant to that certain License Agreement dated 15 February 2011 (as amended and restated by the Amended and Restated License Agreement dated 31 January 2012) made between (1) SciFluor and (2) President and Fellows of Harvard College ("**Harvard**"), Harvard has granted to SciFluor a number of exclusive and non-exclusive licenses and rights (subject to (i) Harvard's right to use the licensed technology arising from the SciFluor Patent Rights and to grant licenses to other non-profit or government research organisations to use such rights, for internal research, teaching and other educational purposes only and not for the purpose of commercial manufacture, distribution or provision of services for a fee, (ii) a pre-existing worldwide, non-exclusive, royalty free license, without the right to sublicense, granted by Harvard to a third party to practice certain of the SciFluor Patent Rights (as defined below) solely for such third party's internal research, (iii) Harvard's right to grant a nonexclusive license under certain SciFluor Patent Rights (as defined below) to any third party licensee of certain patents and patent applications that are not subject to SciFluor's exclusive license, and (iv) the Bayh-Dole Act and regulations

promulgated thereunder) over certain patents are owned by Harvard or is created by Harvard's academic staff, students or third parties which vests in Harvard (the "**SciFluor Patent Rights**").

As partial consideration for the license agreement, SciFluor agreed to: (i) use commercially reasonable efforts to develop and commercialise licensed products; (ii) grant Harvard a specific equity interest in SciFluor, and (iii) make a range or different royalty, non-royalty and milestone payments. Milestone payments for each therapeutic licensed product are due upon the initiation of the first phase 1, phase 2 and phase 3 clinical study and upon receipt of the United States marketing authorisation.

The principal provisions of the exclusive license agreement are as follows:

(i) If Harvard notifies SciFluor of a third party proposal to commercialise the SciFluor Patent Rights for a proposed product, then SciFluor can either attempt to commercialise the product itself or enter into a sublicense with the third party for such proposed product. However, if SciFluor fails to achieve certain milestones in the course of commercialisation or fails to enter into a reasonable sublicense, then Harvard may terminate this license agreement with respect to the proposed product and license it to third parties;

(ii) Harvard has control of the preparation, filing, prosecution, protection and maintenance of the SciFluor Patent Rights, and SciFluor has the first option to take action in the prosecution, prevention, or termination of any possible or actual infringement of the SciFluor Patent Rights;

(iii) The license agreement terminates upon the expiration date of the last-to-expire patents subject to the agreement; the Harvard/SciFluor License Agreement may also be terminated:

  (1) by Scifluor upon 60 days' written notice;

  (2) by either party upon written notice, if the other party commits a material breach of the Harvard/SciFluor License Agreement and fails to cure that breach after receiving written notice thereof;

  (3) if SciFluor fails to procure and maintain certain insurance requirements;

  (4) at the option of Harvard if SciFluor fails to achieve certain performance milestones; and

  (5) upon the written notice of Harvard if SciFluor is adjudged bankrupt or applies for a settlement with its creditors or bankruptcy protection.

(iv) This agreement is governed in accordance with the laws of the Commonwealth of Massachusetts.

13.9.2 Third Party Member Arrangements.

(i) *Third Party Voting Arrangements*. Pursuant to the terms of an operating agreement dated 1 March 2011 ("**SciFluor Operating Agreement**") made between the members of SciFluor, the parties agreed to certain arrangements with regard to the management and governance of SciFluor. Any action that requires the approval of the SciFluor members must be approved by the affirmative vote or consent of the holders of at least a majority of the equity of SciFluor. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 79 per cent. of the outstanding equity of SciFluor; therefore, unless the equity ownership of SciFluor by Allied Minds is diluted to or below 50 per cent., no other equity holder of SciFluor is required for such stockholder approval. Furthermore, in the event Allied Minds, Inc. (now, Allied Minds, LLC) as a "Super Member" thereunder, desires to enter into a transaction between Allied Minds, Inc. (now, Allied Minds, LLC) or any of its affiliates and SciFluor which (i) results in the dilution of the percentage interests of all other SciFluor members except Allied Minds, Inc. (now, Allied Minds, LLC), or (ii) results

in increasing the companies obligations by a certain amount over the course of a twelve (12) month period, then Allied Minds, Inc. (now, Allied Minds, LLC) must secure the approval of at least one (1) other member in order to proceed with such related party transaction.

(ii) *Preemptive Rights*. Pursuant to the SciFluor Operating Agreement, each SciFluor member has the preemptive right to purchase its *pro rata* share of any new capital securities which SciFluor may from time to time sell and/or issue. Each SciFluor Member's *pro rata* share shall be determined on a fully diluted basis by reference to the percentage interests of SciFluor issued and outstanding interests and securities convertible or exchangeable into SciFluor interests.

(iii) *Right of First Refusal and Co-Sale*. No current equity holder of SciFluor is obligated by or has rights of first refusal and/or co-sale rights.

(iv) *Anti-Dilution Arrangements*. No current equity holder of SciFluor has anti-dilution protection with respect to their equity in SciFluor.

(v) *Third Party Purchase Rights*. There are no outstanding rights for third parties to purchase equity in SciFluor;.

(vi) *Drag-Along Rights*. There are no current drag-along rights regarding SciFluor equity holders.

13.10 Summary of the material agreements relating to SoundCure, Inc. (''**SoundCure**'')

13.10.1 Exclusive License Agreement

Pursuant to that certain Exclusive License Agreement dated 7 July 2010 made between (1) SoundCure, and (2) The Regents of the University of California (''**UC**'') (the ''**UC/SoundCure License Agreement**''), UC granted SoundCure an exclusive, worldwide, sub-licensable license (subject to (i) UC's right to use the licensed technology arising from the UC Patent Rights for educational, clinical and research purposes, including any sponsored research performed for or on behalf of commercial entities and including publication or communication of any research results, (ii) the National Institutes of Health's ''Principles and Guidelines for Recipient of NIH Research Grants and Contracts on Obtaining and Disseminating Biomedical Research Resources,'' which sets forth the following principles: (1) ensure academic freedom and publication, (2) ensure appropriate implementation of the Bayh-Dole Act, (3) minimize administrative impediments to academic research, and (4) ensure dissemination of research resources developed with NIH funds, and (iii) the Bayh-Dole Act and regulations promulgated thereunder) to certain patents owned by UC (collectively, the ''**UC Patent Rights**'').

As consideration for the license agreement, SoundCure agreed to: (1) pay royalties, sublicense fees and other license maintenance fees to UC; (ii) pay all costs for prosecuting the patents comprising the UC Patents Rights; and (iii) grant Shellwater & Co. (as nominee for UC) certain shares of SoundCure, Inc. common stock. Additionally, SoundCure was obligated to spend a certain amount for the development of products (including by development of products via a sponsored research agreement with UC) within the first two years of the UC/SoundCure License Agreement. The UC/SoundCure License Agreement also contains the following provisions:

(i) A most favoured nation clause with respect to pre-emptive rights enjoyed by any SoundCure stockholder;

(ii) UC can require SoundCure to grant a mandatory sublicense, if (i) UC notifies SoundCure of an application or use by a third party for the UC Patent Rights that would not apply to any market that SoundCure is currently commercialising the UC Patent Rights for, (ii) SoundCure has not developed or is not currently developing such application or use, and (iii) SoundCure, following sixty (60) days of receipt of such notice, either declines to develop that application or use or does not diligently pursue the development and commercialisation of such use or application. Furthermore,

if SoundCure does not reasonably pursue such a sublicense with the applicable third party, UC has the right to directly license the UC Patent Rights to such third party;

(iii) Products embodying the UC Patent Rights must be substantially manufactured in the United States;

(iv) UC shall control the maintenance and prosecution of the UC Patent Rights, and SoundCure has the first option to institute a suit for patent infringement, however, any suit must be preceded by a notice to the possible infringer, which requires the consent of both parties;

(v) The term of the UC/SoundCure License Agreement terminates upon the expiration date of the last to expire of the patents within the UC Patent Rights; the UC/SoundCure License Agreement may be terminated:

(1) by UC upon written notice if SoundCure breaches the UC/SoundCure License Agreement, provided SoundCure shall have a period of ninety (90) days to remedy such breach; and

(2) by SoundCure upon sixty (60) days' prior written notice; and

(vi) This UC/SoundCure License Agreement is governed in accordance with the laws of the State of California.

13.10.2 Exclusive Option

SoundCure entered into that certain Letter Agreement dated 5 February 2014 between (1) SoundCure and (2) UC, pursuant to which UC promises to offer SoundCure an exclusive option to obtain an exclusive, worldwide, sublicensable license to make, use, sell, offer to sell and import products under certain patents owned by UC (the "**UC Invention**") in consideration for the reimbursement of UC for all patent-related costs incurred through the date of the Letter Agreement, as well as future patent-related costs relating to the UC Invention. In the event UC receives express interest in licensing the UC Invention from a third party, UC must provide to SoundCure notice of such third party interest, and a forty-five (45) day period to determine if SoundCure desires to enter into a license agreement for the Invention. The term of the Letter Agreement is one year, and any option granted pursuant thereto shall be exercisable during the term of the Letter Agreement.

13.10.3 Third Party Stockholder Arrangements.

(i) *Third Party Voting Arrangements*. Pursuant to the terms set out in the certificate of incorporation of SoundCure, and Delaware corporate law, any action that requires the approval of the SoundCure stockholders must be approved by the affirmative vote or consent of the holders of at least a majority of the equity of SoundCure. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 84.62 per cent. of the outstanding equity of SoundCure; therefore, unless the equity ownership of SoundCure by Allied Minds is diluted to or below 50 per cent., no other equity holder of SoundCure is required for such stockholder approval.

(ii) *Preemptive Rights*. Pursuant to the terms of an agreement dated 8 July 2009 made between SoundCure and Fan-Gang Zeng (the "**Zeng Subscription Agreement**"), if SoundCure proposes to issue, sell or exchange any shares of SoundCure's capital stock, Shellwater & Co. (as nominee for University of California, Irvine) ("**Shellwater**") has the right to purchase up to such number of shares of capital stock offered as will cause Shellwater and its assignee(s) or designee(s) to own collectively shares of SoundCure capital stock representing at least ten percent (10 per cent.) of the outstanding shares of the capital stock of SoundCure on a fully diluted basis. Similarly, Pursuant to the terms of an agreement dated 8 July 2009, by and between SoundCure and Qing Tang (the "**Tang Subscription Agreement**"), if SoundCure proposes to issue, sell or exchange any shares of SoundCure's capital stock, Shellwater & Co. (as nominee for University of California, Irvine) ("Shellwater") has the right to purchase up to such number of shares of capital stock offered as will

cause Shellwater and its assignee(s) or designee(s) to own collectively shares of SoundCure capital stock representing at least ten percent (10 per cent.) of the outstanding shares of the capital stock of SoundCure on a fully diluted basis.

(iii) *Right of First Refusal and Co-Sale*. Pursuant to the terms of a stockholder's agreement dated 8 July 2009 made between the stockholders of SoundCure (the "**SoundCure Stockholders' Agreement**"), the parties agreed to certain arrangements with regard to the management and governance of SoundCure. The issued and outstanding shares of common stock in SoundCure held by the SoundCure stockholders are subject to a primary right of first refusal in favour of SoundCure, and in the event SoundCure does not elect to purchase all shares which are proposed to be transferred, a secondary right of first refusal in favour of the remaining SoundCure stockholders, *pro rata* according to their ownership percentage in SoundCure. If any shares remain after the primary and secondary rights of first refusal for transfer to a third party, the non-transferring SoundCure stockholders have a co-sale right with respect to such shares;

(iv) *Anti-Dilution Arrangements*. No current equity holder of SoundCure has anti-dilution protection with respect to their equity in SoundCure.

(v) *Third Party Purchase Rights*. There are no outstanding rights for third parties to purchase equity in SoundCure.

(vi) *Drag-Along Rights*. Pursuant to the SoundCure Stockholder's Agreement, in the event that a third party makes a *bona fide* written offer to acquire SoundCure, then upon approval by the SoundCure board of directors and the SoundCure stockholders holding a majority of SoundCure's stock, which based on the current outstanding capitalisation of SoundCure would require only Allied Minds to consent, could require the remaining SoundCure stockholders to sell their shares to the proposed purchaser at the same price and on the same terms and conditions as those offered to acquire SoundCure. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 84.62 per cent. of the outstanding equity of SoundCure; therefore, unless the equity ownership of SoundCure by Allied Minds is diluted to or below 50 per cent., Allied Minds without any other stockholder, is able to exercise the drag-along rights

(vii) *Limitation on Registration Rights*. No stockholder of SoundCure has the right to register or cause to be registered its stock in SoundCure without the express written agreement of SoundCure, however, if SoundCure grants registration rights to any person, SoundCure agrees to simultaneously grant *pari passu* registration rights to all SoundCure stockholders.

13.11 Summary of the material agreements relating to Spin Transfer Technologies, Inc. ("**STT**")

13.11.1 License Agreement

Pursuant to that certain Research and License Agreement dated 1 December 2007 made between (1) STT and (2) New York University ("**NYU**"), NYU granted STT an exclusive, sublicensable worldwide license (subject to NYU's right to use, and to permit other non-profit research or educational institutions to use, the STT Patent Rights for educational and research purposes to certain patents that relate to intellectual property owned by NYU or is created by NYU's academic staff, students or third parties which vests in NYU (the "**STT Patent Rights**"). Pursuant to the agreement, STT will fund the research and NYU undertakes to perform the research under the supervision of Dr Andrew Kent.

As partial consideration for the license to the STT Patent Rights, STT agreed to: (i) grant NYU an equity interest in STT; (ii) pay NYU certain royalty fees; (iii) pay NYU sublicense fees, and (iv) sponsor and fund research to be performed by NYU under the Research and License Agreement. STT must pay the difference between the royalty payments made above and an applicable minimum royalty payment the calendar year.

The Research and License Agreement has been amended a total of nine times (1 February 2010, 15 June 2010, 25 October 2010, 17 February 2011, 7 April 2011, 1 March 2012, 16 April 2012, 30 April 2013 and 18 April 2014). The amendments

updated payment amounts owed under the Research and License Agreement, defined new research to be performed under the agreement and extended the term of the research period. Prior to the end of the research period, as such period has been amended on the dates set forth above and is currently set as 15 June 2015, STT will assess, as it has in the past, whether additional research is necessary or desirable under the Research and License Agreement, and will seek to further amend the Research and License Agreement as applicable. The Research and License Agreement contains the following provisions:

(i) NYU retains all rights to intellectual property rights conceived solely by its own employees through the sponsored research and the company retains rights to all intellectual property rights conceived solely by its own employees, consultants or agents. All intellectual property rights which is made jointly and collectively by employees of NYU and the company is jointly owned by both parties.

(ii) In connection with NYU's equity grant under the agreement, NYU was granted the right to invest in any future stock offering by NYU, under the same terms as other investors in such offering, to purchase the number of shares necessary to maintain NYU's equity interest in NYU;

(iii) NYU can force STT to grant a mandatory sublicense, if (i) it informs STT of an application or use for the STT Patent Rights that would not apply to any market that STT is currently commercialising the STT Patent Rights for, (ii) STT has not developed or is not currently developing such application or use, and (iii) STT either declines to develop that application or use or does not diligently pursue the development and commercialisation of such use or application.

(iv) Products which result from the STT Patent Rights and are sold in the United States must be substantially manufactured in the United States;

(v) NYU shall control the maintenance and prosecution of the STT Patent Rights, and STT shall have the first option to bring suit against an infringer of the STT Patent Rights.

(vi) The license agreement terminates upon the expiration date of the last-to-expire patents subject to the agreement; additionally, the license agreement may be terminated:

(1) upon 30 days' written notice by STT; and

(2) if either party materially breaches the Research and License Agreement and fails to cure such breach within 60 days, and the non-breaching party provides notice of termination.

(vii) This agreement is governed in accordance with the laws of the State of New York.

13.11.2 Third Party Stockholder Arrangements

(i) *Third Party Voting Arrangements*. Pursuant to the terms set out in the certificate of incorporation of STT, and Delaware corporate law, any action that requires the approval of the STT stockholders must be approved by the affirmative vote or consent of the holders of at least a majority of the equity of STT. As at 19 June 2014 the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 56.13 per cent. of the outstanding equity of STT; therefore, unless the equity ownership of STT by Allied Minds is diluted to or below 50 per cent., no other equity holder of STT is required for such stockholder approval (and Allied Minds can block any such action).

(ii) *Preemptive Rights*. Pursuant to a side letter in favour of NYU dated 16 November 2011, NYU has the right to purchase such number of shares of capital stock of STT proposed to be issued, sold or exchanged by STT as will cause NYU to own such number of STT capital securities representing at

least the percentage of the outstanding shares of STT's capital securities on a fully diluted basis owned by NYU as of the date of the proposed issuance, sale or exchange.

(iii) *Right of First Refusal and Co-Sale*. Pursuant to a stockholder's agreement dated as of 6 February 2012 (the "**STT Stockholders Agreement**"), the parties agreed to certain arrangements with regard to their involvement in STT . The shares of common stock in STT held by Allied Minds, Inc. (now, Allied Minds, LLC), Invesco and NYU are subject to a primary right of first refusal in favour of STT, and in the event STT does not elect to purchase all shares which are proposed to be transferred, a secondary right of first refusal in favour of Allied Minds, Inc. (now, Allied Minds, LLC), Invesco and NYU ("**Major STT Stockholders**"), *pro rata* according to their ownership percentage in STT. If any shares remain after the primary and secondary rights of first refusal for transfer to a third party, the Major STT Stockholders have a co-sale right with respect to such shares.

(iv) *Anti-Dilution Protections*. No current equity holder of STT has anti-dilution protection with respect to their equity in STT.

(v) *Rights to Purchase Equity*. There are no outstanding rights for third parties to purchase equity in STT.

(vi) *Registration Rights*. Pursuant to the STT Stockholders Agreement, after June 2015, upon the request of the holders of a majority of STT's common stock, STT must use commercially reasonable efforts to effect a public offering. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 56.13 per cent of the outstanding common stock of STT; therefore, unless the equity ownership of STT by Allied Minds is diluted to or below 50 per cent., Allied Minds controls this right. The STT Stockholders Agreement also provides for customary demand and piggyback registration rights. The above registration rights are subject to customary US underwriter cutbacks and customary US blackout rights of STT.

(vii) *Drag-Along Rights*. In the event that a third party makes a *bona fide* written offer to acquire STT, then upon approval by the STT board of directors and the Major SST Stockholders holding at least two-thirds of STT's stock, the remaining Major STT Stockholder would be required to sell its shares to the proposed purchaser at the same price and on the same terms and conditions as those offered to acquire STT. As at 19 June 2014, the latest practicable date prior to the publication of this Prospectus, Allied Minds owns 56.13 per cent. of the outstanding equity of STT; therefore, Allied Minds would need additional stockholders to approve of such acquisition in order to exercise the drag-along rights.

13.12 Summary of the material agreements relating to Allied Minds, Inc. (now, Allied Minds, LLC)

In June and July of 2007, Allied Minds, Inc. (now, Allied Minds, LLC) raised approximately $15,000,000 through the sale and issuance of 1,006,603 of its shares of common stock in the aggregate to twenty five investors (including certain investors that are nominees for multiple individual account holders). Allied Minds, Inc. (now, Allied Minds, LLC) entered into a separate, substantially similar subscription agreement with each of its common stock investors. Such subscription agreements contemplated the sale of common stock by Allied Minds, Inc. (now, Allied Minds, LLC) to the investors pursuant to Regulation S promulgated under the Securities Act of 1933, as amended. The subscription agreements contain standard representations and warranties by Allied Minds, Inc. (now, Allied Minds, LLC) (including, capitalisation, authorisation and litigation) and by the individual investors (including, citizenship, access to information, investment intent and securities act compliance).

In April of 2010, Allied Minds, Inc. (now, Allied Minds, LLC) raised approximately $70,000,000 through the Regulation S sale and issuance of 1,906,452 shares of Series A Preferred stock to Invesco Asset Management Ltd. (held by Hare & Co. (as nominee of The Bank of New York Mellon) as custodian for Invesco). Invesco

purchased the Series A Preferred stock in two tranches, the first closing of which was conditioned upon (among other things) the filing of an amended and restated certificate of incorporation with the Secretary of State of the State of Delaware to authorise the Series A Preferred stock and set forth the preferences and rights thereof. Additionally, the initial closing was conditioned upon Allied Minds, Inc. (now, Allied Minds, LLC) entering into a stockholders agreement with Invesco and Allied Minds, Inc. (now, Allied Minds, LLC) increasing authorised number of shares available for issuance pursuant to the AMI Option Plan to 500,000. Allied Minds, Inc. (now, Allied Minds, LLC) provided standard preferred financing representations and warranties (including organisation and good standing, authorisation, capitalisation, consents, financial statements, absence of certain developments, insider transactions, tax matters, material contracts, real property, intellectual property, permits and licenses, environmental and litigation). The Subscription Agreement for Series A Preferred stock is governed in accordance with English Law and the parties agreed to submit to the exclusive jurisdiction of the English Courts for all purposes in connection with the Subscription Agreement.

In May of 2013, Allied Minds, Inc. raised approximately $100,000,000 through the sale and issuance of 1,538,461 shares of Series B Preferred stock, in the aggregate, to ten investors (including certain investors that are nominees for multiple individual account holders). Allied Minds, Inc. (now, Allied Minds, LLC) entered into a separate, substantially similar subscription agreement with each of its Series B Preferred stock investors. With the exception of one US investor, such subscription agreements contemplated the sale of Series B Preferred stock by Allied Minds, Inc. (now, Allied Minds, LLC) to the investors pursuant to Regulation S. Allied Minds, Inc. (now, Allied Minds, LLC) provided substantially similar representations and warranties to the Series B Preferred stockholders as were provided to Invesco in connection with its purchase of Series A Preferred stock. The initial closing of the Series B Preferred stock financing was conditioned upon (among other things) the filing of a further amended and restated certificate of incorporation with the Secretary of State of the State of Delaware to authorise the Series B Preferred stock and set forth the relative preferences and rights thereof. Additionally, the first closing was conditioned upon each of the investors entering into an amended and restated stockholders agreement, and the receipt of a minimum amount of $60,000,000. The Subscription Agreements for Series B Preferred stock are governed in accordance with English Law and the parties agreed to submit to the non-exclusive jurisdiction of the English Courts for all purposes in connection with the Subscription Agreement, provided that the Subscription Agreement with the US investor is governed by Massachusetts, US law and the parties thereto are agreed to submit to the non-exclusive jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. In connection with the Series B Preferred stock financing, Allied Minds, Inc. (now, Allied Minds, LLC) entered into separate side letters with the US investor and one other U.K. investor which provided for certain information rights, board observer rights and co-investment rights (meaning that Allied Minds, Inc. agreed to use best efforts to allow such investor to invest up to its *pro rata* amount in each equity financing of a subsidiary of Allied Minds, Inc. whereby such subsidiary is seeking at least $10,000,000 in equity financing from investors).

13.13 Underwriting Agreement

On 19 June 2014, the Company, Allied Minds, LLC, each Director, the Lending Shareholder and the Underwriter entered into the Underwriting Agreement. Each of the Selling Shareholders entered into a separate deed poll of election (each a "**Deed of Election**" and together the "**Deeds of Election**"). Pursuant to the terms of the Underwriting Agreement and Deeds of Election:

13.13.1 the Underwriter has agreed to (i) procure subscribers for the New Ordinary Shares to be issued by the Company and purchasers for Existing Ordinary Shares to be sold by the Selling Shareholders in the Offer (excluding any Over-allocation Shares), or failing which (ii) to subscribe for or purchase, as the case may be, for themselves, at the Offer Price, the Ordinary Shares (excluding any Over-allocation Shares) to be issued or sold pursuant to the Offer;

13.13.2 in consideration for its services and subject to Admission occurring, (i) the Company has agreed to pay to the Underwriter a commission of 2.75 per cent. of the amount equal to the Offer Price multiplied by the aggregate number of New Ordinary Shares issued and Over-allotment Shares sold; (ii) each Selling Shareholder has agreed to pay the Underwriter a commission of 2.0 per cent. of the amount equal to the Offer Price multiplied by the aggregate number of Existing Ordinary Shares sold on its behalf. The Company may also, at its absolute discretion, pay an additional commission to the Underwriter equal to up to 0.75 per cent. of the Offer Price multiplied by the number of New Ordinary Shares issued, the Over-allotment Shares sold and 5,674,944 of the Existing Ordinary Shares sold on behalf of certain Selling Shareholders;

13.13.3 the obligations of the Underwriter to procure subscribers or purchasers for or, failing which, itself to subscribe for, or purchase, the Ordinary Shares to be issued or sold pursuant to the Offer on the terms of the Underwriting Agreement are subject to certain conditions. These conditions include, among other things, the absence of any breach of representation or warranty under the Underwriting Agreement or the Deeds of Election and Admission occurring on or before 8.00 a.m. on 25 June 2014 (or such later time and/or date as may be agreed in accordance with the terms of the Underwriting Agreement). In addition, the Underwriter has the right to terminate the Underwriting Agreement prior to Admission in certain specified circumstances that are customary in an agreement of this nature;

13.13.4 the Company has granted to the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may require the Company to issue additional Ordinary Shares up to a maximum of 15 per cent. of the total number of New Ordinary Shares comprised in the Offer (before any exercise of the Over-allotment Option) at the Offer Price to cover short positions resulting from over-allocations of Ordinary Shares, if any, made in connection with the Offer, to satisfy any such over-allocations and/or to cover short positions arising in connection with stabilising transactions (including if required to re-deliver Borrowed Shares to the Lending Shareholder). The Stabilising Manager shall pay 50 per cent. of the proceeds (if any) from any sale of Borrowed Shares to Allied Minds, LLC after deduction of all dealing and other costs legitimately and reasonably incurred by the Stabilising Manager in connection with stabilising transactions. The Over-allotment Option is exercisable, in whole or in part, upon notice by the Stabilising Manager at any time on or before the 30th calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange;

13.13.5 the Company has agreed to be subject to a 365 day lock-up period following Admission, during which time, subject to certain exceptions, it may not issue or dispose of any new Ordinary Shares without the consent of Jefferies;

13.13.6 each Director has agreed to be subject to a 365 day lock-up period following Admission, during which time, subject to certain exceptions, it may not (among other things) dispose of any interest in Ordinary Shares held by them without the consent of Jefferies;

13.13.7 the Company has agreed to pay or cause to be paid (together with any applicable VAT) certain costs, charges, fees and expenses of or arising in connection with or incidental to, the Offer. Allied Minds LLC has agreed to pay (subject to certain limitations) any UK stamp duty and/or SDRT accruing on the issue of Ordinary Shares or sale of Over-allotment Shares pursuant to the Offer, on any stabilising transactions or in connection with the transfer or re-transfer of any Borrowed Shares pursuant to the Stock Lending Agreement. The Selling Shareholders have agreed to pay or cause to be paid (together with any applicable VAT and subject to certain limitations) any UK stamp duty and/or SDRT accruing on the sale of Existing Ordinary Shares pursuant to the Offer.

13.13.8 each of the Company and the Directors have given certain representations, warranties and undertakings, subject to certain limits to the Underwriter;

13.13.9 the Company and Allied Minds, LLC have each given an indemnity to the Underwriter on customary terms; and

13.13.10 the parties to the Underwriting Agreement have given certain covenants to each other regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions.

13.14 Lock-up arrangements

13.14.1 Invesco has agreed with Jefferies that, save for certain customary exceptions and other than pursuant to the Offer or with the consent of Jefferies, not to (among other things) offer, issue, lend or dispose of, or agree to offer, issue, lend or dispose of, directly or indirectly, any Ordinary Shares held by it or on its behalf immediately before Admission or related securities or any interest in those Ordinary Shares or related securities for a period ending 180 days after the date of Admission. The exceptions include (a) the acceptance by Invesco of a general offer made to all holders of Ordinary Shares or entering into an irrevocable commitment in relation to the same; (b) the sale or disposal by a Invesco of Ordinary Shares pursuant to any offer by the Company to purchase its own shares; (c) the transfer or disposal by Invesco pursuant to a compromise or arrangement between the Company and its creditors, or any class of them, or between the Company and its members, or any class of them, which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Act 2006; (d) the taking up or disposal by a Selling Shareholder of rights granted in respect of a rights issue or other pre-emptive share offering by the Company; (e) disposing of Ordinary Shares where it is required to do so by law or regulation including, without limitation, any transfer or disposal required pursuant to regulations applicable to investment funds that have been established in accordance with the UCITS (Undertaking for Collective Investment in Transferable Securities) Directive; (f) a transfer or disposal by Invesco of Ordinary Shares by a nominee to the beneficial owner of such Ordinary Shares or another nominee (provided that there is no change in the beneficial ownership of such Ordinary Shares); (g) a transaction with regard to Ordinary Shares purchased by Invesco in the market after the Offer; or (g) disposing of Ordinary Shares pursuant to an order made by a Court of competent jurisdiction.

13.14.2 Certain of the Selling Shareholders (other than the Directors and certain Senior Managers and employees who are bound for 365 days) have agreed with Jefferies, save for certain customary exceptions and other than pursuant to the Offer or with the consent of Jefferies, not to (among other things) offer, issue, lend or dispose of, or agree to offer, issue, lend or dispose of, directly or indirectly, any Ordinary Shares or related securities or any interest in those Ordinary Shares or related securities for a period ending 90 days after the date of Admission. The exceptions include (a) the acceptance by a Selling Shareholder of a general offer made to all holders of Ordinary Shares or entering into an irrevocable commitment in relation to the same; (b) the sale or disposal by a Selling Shareholder of Ordinary Shares pursuant to any offer by the Company to purchase its own shares; (c) the transfer or disposal by a Selling Shareholder of Ordinary Shares to any trust for the direct or indirect benefit of the Selling Shareholder or the immediate family of the Selling Shareholder, provided that the trustee of the trust agrees to be bound in writing by the restrictions applicable to that Selling Shareholder and provided further that such transfer shall not involve a disposition for value; (d) the taking up or disposal by a Selling Shareholder of rights granted in respect of a rights issue or other pre-emptive share offering by the Company; (e) the disposal by a Selling Shareholder of Ordinary Shares pursuant to an order made by a Court of competent jurisdiction; or (f) the disposal of Ordinary Shares following the death or disability of a Selling Shareholder.

13.14.3 Certain Senior Managers and certain other employees have agreed with Jefferies, save for certain customary exceptions and other than pursuant to the Offer or with the consent of Jefferies, not to (among other things) offer, issue, lend or dispose of, or agree to offer, issue, lend or dispose of, directly or indirectly, any Ordinary Shares or related securities or any interest in those Ordinary Shares or related securities for a period ending 365 days after the date of Admission. The exceptions include (a) the acceptance by a Selling Shareholder of a general offer made to all holders of Ordinary Shares or entering into an irrevocable commitment in relation to the same; (b) the sale or disposal by a Selling Shareholder of Ordinary Shares pursuant to any

offer by the Company to purchase its own shares; (c) the transfer or disposal of Ordinary Shares by a Selling Shareholder to any trust for the direct or indirect benefit of the Selling Shareholder or the immediate family of the Selling Shareholder, provided that the trustee of the trust agrees to be bound in writing by the restrictions applicable to that Selling Shareholder and provided further that such transfer shall not involve a disposition for value; (d) the taking up or disposal by a Selling Shareholder of rights granted in respect of a rights issue or other pre-emptive share offering by the Company; (e) the disposal by a Selling Shareholder of Ordinary Shares pursuant to an order made by a Court of competent jurisdiction; (f) the disposal of Ordinary Shares following the death or disability of a Selling Shareholder; or (g) the disposal of any Ordinary Shares following the termination of the Selling Shareholder's employment without cause, provided that such disposal does not take place prior to the date that falls 90 days after the date of Admission (the exception in paragraph (g) however not applying to certain Senior Managers).

13.15 Stock Lending Agreement

In connection with settlement and stabilisation, Jefferies, as Stabilising Manager, has entered into a stock lending agreement (the "**Stock Lending Agreement**") with the Lending Shareholder pursuant to which the Stabilising Manager will be able to borrow, from the Lending Shareholder, a number of Ordinary Shares equal in aggregate to up to 6,638,161 issued Ordinary Shares legally and beneficially owned by the Lending Shareholder of the total number of Ordinary Shares comprised in the Offer for the purposes, among other things, of allowing the Stabilising Manager to settle, at Admission, over-allocations, if any, made in connection with the Offer. If the Stabilising Manager borrows any Ordinary Shares pursuant to the Stock Lending Agreement, it will be obliged to return equivalent shares to the Lending Shareholder in accordance with the terms of the Stock Lending Agreement.

13.16 Relationship Agreement

The Relationship Agreement as described in paragraph 10 of this Part XVI.

13.17 Merger Agreement

On 16 April 2014, the Company entered into a merger agreement (the "**Merger Agreement**"), with Allied Minds, Inc. (now, Allied Minds, LLC) and Merger Sub, whereby, conditional upon the Directors resolving to proceed with the Offering, Merger Sub would merge with and into Allied Minds Inc. (the "**Merger**"), with Allied Minds Inc. surviving the Merger.

Pursuant to the terms of the Merger Agreement:

(i) the one share of common stock of Merger Sub was converted into the right to receive one share of common stock of Allied Minds Inc. Once the one share of Merger Sub common stock was converted into one share of Allied Minds Inc., then: (a) Merger Sub no longer had any shares outstanding, and (b) the Company became the sole holder of the only share of common stock outstanding of Allied Minds Inc. and Allied Minds Inc. therefore became a wholly owned subsidiary of the Company;

(ii) the Company was required to allot and issue Shares to the holders of common stock in Allied Minds Inc. to satisfy the Company's obligations referred to below at paragraph (iii) below;

(iii) subject to paragraph (iv) below and subject to any adjustment by the Company and Allied Minds, Inc. to ensure that the percentage ownership of each holder of common stock in Allied Minds Inc. immediately prior to the Effective Time of the Merger in accordance with and on the basis set out in the Merger Agreement, each holder of issued and outstanding shares of common stock of Allied Minds, Inc. (other than any Dissenting Shares) was at the Effective Time automatically converted into the right to receive twenty two (22) fully paid up Ordinary Shares;

(iv) any Dissenting Shareholder who exercised and perfected its appraisal rights in accordance with the DGCL would not receive the Merger Consideration but instead would be entitled to receive such consideration as may be determined by the Delaware Court of Chancery to be due to them as the 'fair value' in respect of their common stock in Allied Minds, Inc.; and

(v) the terms of the existing 2008 AM Inc. Stock Option and Issuance Plan were amended such that: (a) after completion of the Merger and upon the exercise of the outstanding stock options granted under it prior to the Merger, holders of those options were issued Ordinary Shares, rather than common stock of Allied Minds, Inc. (b) the plan in its amended form was adopted and operated by the Company rather than Allied Minds, Inc.; and (c) the Company assumed all the rights and obligations of Allied Minds, Inc. under the plan.

Further details on the Merger is set out in paragraph 3 (*Reorganisation*) of this Part XVI above.

14. LITIGATION

Save as disclosed in this paragraph 14, there are not and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months, which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability.

On 10 October 2013, Crocus Technology S.A. filed a petition at the US Patent Office ("**PTO**") requesting that the PTO grants an inter partes review ("**IPR**") of US Patent No. 6,980,469 which relates to magnetic devices for memory cells that can serve as non-volatile memory. This patent is licensed by STT from the New York University pursuant to the licensing agreement dated 1 December 2007, the details of which are summarised in paragraph 13.11.1 of this Part XVII (*Additional Information*). The IPR is a form of proceeding permitted under the Leahy-Smith America Invents Act, which permits third parties to challenge the validity of issued patents. No damages are available in such IPR proceedings. This IPR proceeding therefore does not constitute a quantifiable claim against the Group.

On 17 January 2014, the New York University filed a preliminary response to address the claims set out in the petition and to narrow the scope of the IPR. On 1 April 2014, the PTO granted the petition with respect to claims 1-12, 14-20, 22-31, and 33-35, and denied the petition's challenge to claims 13, 21, and 32. As such there will be no review on those two claims.

STT utilises a number of patents licensed from the New York University and the Directors do not believe that this patent being held to be invalid pursuant to the IPR would have a material effect on STT's financial position.

15. ENVIRONMENTAL ISSUES

As far as the Directors are aware, there are no material environmental issues that may affect the Group or the Group's utilisation of its tangible assets.

16. WORKING CAPITAL

The Company is of the opinion that the working capital available to it is sufficient for the present requirements of the Group, that is, for at least twelve months from the date of this Prospectus.

17. NO SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 31 December 2013, the date to which the last audited consolidated accounts of Allied Minds plc were prepared.

18. THE DISCLOSURE AND TRANSPARENCY RULES

18.1 From Admission and for so long as the Company has any of its share capital admitted to trading on the main market of the London Stock Exchange, or any successor market or any other market operated by the London Stock Exchange, every Shareholder must comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules (as amended and varied from time to time) of the FCA Handbook.

18.2 Under the Disclosure and Transparency Rules, a Shareholder is required to notify the Company of the percentage of its voting rights if the percentage of voting rights which he holds (directly or indirectly) reaches, exceeds or falls below three per cent. and each one per cent. threshold thereafter up to 100 per cent. The notification must be made within four trading days of the Shareholder learning of the acquisition or disposal leading to the increase or decrease in his shareholding.

18.3 **Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make the required disclosure to the Company may result in disenfranchisement.**

19. MANDATORY BIDS, SQUEEZE OUT AND SELL OUT RULES RELATING TO THE ORDINARY SHARES

Other than as provided by the Takeover Code and Chapter 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares of the Company.

''Interests in shares'' is defined broadly in the Takeover Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

''Voting rights'' for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

Persons acting in concert (and concert parties) comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are deemed under the Takeover Code to be acting in concert with each other unless the contrary is established.

19.1 Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Takeover Panel, to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

19.2 Squeeze out

Under the Companies Act, if pursuant to a takeover offer an offeror were to acquire 90 per cent. of the Ordinary Shares the subject of the takeover offer within four months of making the offer, it could then, subject to satisfying certain other requirements, compulsorily acquire the remaining ten per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

19.3 Sell out

The Companies Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can require the offeror to acquire his shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

19.4 Rule 9 disclosures

19.4.1 Overview

For the purposes of Rule 9 of the Takeover Code (which is described in paragraph 19.1 (*Mandatory bid*) of this Part XVI), the Company understands that the Takeover Panel may presume (i) Invesco, 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); to be acting in concert with other persons in the same category unless the contrary is established and (ii) the Executive Directors, Senior Managers and all other employees of the Group who hold Shares upon Admission to be acting in concert with other persons in the same category unless the contrary is established.

19.4.2 Whitewash procedure

When a company redeems or purchases its own voting shares, under Rule 37 of the Takeover Code any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code. Rule 37 of the Takeover Code provides that, subject to prior consultation, the Takeover Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the Takeover Code is followed. Appendix 1 to the Takeover Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 on Rule 37 of the Takeover Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company's purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, acting in concert with any of the directors. However, there is no presumption that all the directors (or any two or more directors) are acting in concert solely by reason of a proposed purchase by a company of its own shares, or the decision to seek shareholders' authority for any such purchase.

Under Note 2 on Rule 37 of the Takeover Code, the exception in Note 1 on Rule 37 described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if a person (or any relevant member of a group of persons acting in concert) has acquired an interest in shares at a time when he, she or it had reason to believe that such a purchase of its own shares by the company would take place. However, Note 2 will not normally be relevant unless the relevant person has knowledge that a purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).

The Takeover Panel must be consulted in advance in any case where Rule 9 of the Takeover Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30 per cent. or more but does not hold shares carrying more than 50 per cent. of the voting rights of a company, or may become interested in 30 per cent. or more on full implementation of the proposed purchase by the company of its own shares. In addition, the Takeover Panel should always be consulted if the aggregate interests in shares of the directors and any other persons acting in concert, or presumed to be acting in concert, with any of the directors amount to 30 per cent. or more, or may be increased to 30 per cent. or more on full implementation of the proposed purchase by the company of its own shares.

19.4.3 Other disclosures relating to Shareholders

19.4.3.1 Other than as described in paragraph 7 (*Significant Shareholders*) of this Part XVI the Company is not aware of any persons who, as at 19 June 2014 (being the latest practicable date prior to the publication of this Prospectus) and immediately after Admission, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company.

19.4.3.2 As of Admission, the Ordinary Shares will be the only class of share capital of the Company. All Shareholders will have equal voting rights and none of the Existing Shareholders will have different voting rights.

20. GENERAL

20.1 The expenses relating to the issue of the shares, including the Underwriter's commission, the UK Listing Authority listing fee, professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to £7.9 million ($13.4 million) (including VAT) and are payable by the Company. Included within this amount are commissions, in relation to the issue, Admission and the Offer of the new Ordinary Shares only, which are expected to be approximately £2.9 million ($5.0 million) payable to Jefferies (assuming no exercise of the Over-allotment Option). The total net proceeds accruing to the Company from the Offer after settling fees, expenses and commissions payable by the Company, are expected to amount to approximately £76.2 million ($130.0 million).

20.2 The auditors of the Group are KPMG LLP, whose address is 15 Canada Square, Canary Wharf, London E14 5GL. The auditors are a member firm of the Institute of Chartered Accountants in England and Wales.

20.3 Jefferies has given, and has not withdrawn, its written consent to the issue of this Prospectus with the inclusion herein of its name and references to it in the form and context in which they appear.

20.4 KPMG is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of the report in Part XII (*Historical Financial Information*) and its report in the unaudited *pro forma* financial information in Part XIII (*Unaudited Pro Forma Financial Information*) of this Prospectus, in the form and context in which they appear and has authorised the contents of those parts of this Prospectus which comprise its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

20.5 The financial information contained in this Prospectus does not amount to statutory accounts within the meaning of section 424(3) of the Companies Act.

There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.

20.6 Each New Ordinary Share is expected to be issued at a premium of 189 pence to its nominal value of one pence.

20.7 The Company confirms that where information in this Prospectus has been sourced from a third party, the source of this information has been provided, the information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE and at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission:

21.1 the Articles;

21.2 the Directors' and Senior Managers' service contracts and letters of appointment referred to in paragraph 6.7 (*Directors' and Senior Managers' Service Agreements and Letters of Appointment*) of this Part XVI;

21.3 the written consents referred to in paragraphs 20.3 and 20.4 (*General*) of this Part XVI;

21.4 the reports from KPMG set out in Part XII (*Historical Financial Information*) of this Prospectus; and

21.5 this Prospectus.

In addition, copies of this Prospectus are available on the Company's website www.alliedminds.com, or through the National Storage Mechanism (NSM) website located at www.morningstar.co.uk/uk/nsm.

Dated: 20 June 2014

PART XVII – DEFINITIONS

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

"2010 PD Amending Directive"	EU Directive 2010/73/EU
"Admission"	the admission of the Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities
"Allied Minds"	Allied Minds plc, its wholly owned subsidiary, Allied Minds, Inc. (now Allied Minds, LLC) and other companies in the Group
"AMFI"	Allied Minds Federal Innovations, Inc.
"Articles"	the articles of association of the Company to be adopted upon Admission
"Audit Committee"	the audit committee of the Company established by the Board
"Auditors"	KPMG LLP
"Bayh-Dole" or "Bayh-Dole Act"	US Patent and Trademark Law Amendments Act 1980, often known as the Bayh-Dole Act
"Board" or "Directors"	the board of directors of the Company
"Companies Act"	the Companies Act 2006, as amended
"Company" or "Issuer"	Allied Minds plc
"CREST"	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear United Kingdom & Ireland Limited is the operator
"Controlling Shareholder" or "Invesco"	Invesco Asset Management Limited, acting as agent for and on behalf of its discretionary managed clients
"Deed of Election"	has the meaning set out in Part XIV (*Details of the Offer*) of this Prospectus
"DOE"	the US Department of the Environment
"Disclosure and Transparency Rules"	the disclosure rules and transparency rules of the UK Listing Authority made under section 73A(3) and 73A(6) of FSMA
"EPO"	the European Patent Offices, where patent applications can be filed and resulting patents granted are a collection of national patents of EU member states
"EU"	the European Union
"Exchange Act"	US Securities Exchange Act of 1934, as amended
"Executive Directors"	the executive Directors of the Company
"Existing Ordinary Shares"	the Ordinary Shares in issue immediately prior to Admission
"FCA"	the UK Financial Conduct Authority
"FDA"	US Food and Drug Administration
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Group"	the Company and its consolidated subsidiaries and subsidiary undertakings from time to time
"Group Subsidiary Equity Incentive Plans"	the equity incentive plans established by certain Group companies, described in further detail of paragraph 8.4 of Part XVI (*Additional Information*) of this Prospectus
"IASB"	the International Accounting Standards Board
"IFRS"	the International Financial Reporting Standards, as adopted by the European Union
"Invesco"	Invesco Asset Management Limited acting as agent for and on behalf of its discretionary managed clients
"Investment Company Act"	the US Investment Company Act of 1940, as amended

"ISIN"	International Securities Identification Number
"Jefferies"	Jefferies International Limited, a limited company incorporated in England and Wales with registered number 01978621
"KPMG"	KPMG LLP
"Lending Shareholder"	Mark Pritchard
"Listing Rules"	the listing rules of the UK Listing Authority made under section 74(4) of FSMA
"London Stock Exchange"	the stock exchange based in the City of London operated by London Stock Exchange plc (a public limited company registered in England and Wales with company number 02075721)
"LTIP" or "UK Long Term Incentive Plan"	the Allied Minds plc 2014 UK Long Term Incentive Plan
"Material Subsidiaries"	CryoXtract Instruments, LLC, Cephalogics, LLC, Optio Labs, Inc., ProGDerm, Inc., Precision Biopsy, LLC, RF Biocidics, Inc., SciFluor, LLC, SiEnergy Systems, LLC, SoundCure, Inc. and Spin Transfer Technologies, Inc.
"Member States"	member states of the EU
"Merger Agreement"	the agreement dated 17 April 2014 entered into between the Company, Allied Minds, Inc., a Delaware Corporation ("**Allied Minds Inc.**") and Allied Minds MergerCo., Inc., a Delaware Corporation, as described in paragraph 13.17 (*Merger Agreement*) of Part XVI (*Additional Information*) of this Prospectus
"MOA"	memorandum of agreement
"New Ordinary Shares"	new Ordinary Shares in the capital of the Company to be allotted and issued under the Offer
"Nomination Committee"	the nomination committee of the Company established by the Board
"Non-Executive Directors"	the non-executive Directors of the Company
"Offer Price"	190 pence, being the price at which each Ordinary Share is to be issued or sold under the Offer
"Offer Shares"	those New Ordinary Shares to be issued by the Company and those Existing Ordinary Shares to be sold by Selling Shareholders pursuant to the Offer as described in Part XIV (*Details of the Offer*) of this Prospectus
"Offer" or "Offering"	the offer of Ordinary Shares to certain institutional and professional investors at the Offer Price in the United Kingdom and elsewhere described in Part XIV (*Details of the Offer*) of this Prospectus
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares" or "Shares"	the ordinary shares of one pence each in the capital of the Company
"Over-allocation Shares"	means up to 6,638,161 Ordinary Shares sold pursuant to the Offer in addition to the Offer Shares and provided pursuant to the Stock Lending Agreement and/or the issue of Over-allotment Shares by the Company pursuant to the Over-allotment Option
"Over-allotment Option"	the option granted to the Stabilising Manager by the Company to subscribe for, or procure subscribers for, up to 15 per cent. of the total number of New Ordinary Shares comprised in the Offer as more particularly described in paragraph 4 (*Over-Allotment and Stabilisation*) of Part XIV (*Details of the Offer*) of this Prospectus
"Over-allotment Shares"	the Ordinary Shares sold pursuant to the exercise of the Over-allotment Option (if it is exercised)
"Other Subsidiaries"	a subsidiary company that is not a Material Subsidiary

"PCT"	the Patent Co-operation Treaty, where a patent application can be filed which establishes a filing date in all contracting states but must be followed up by application in the relevant states
"Phantom Plan"	the cash settled bonus plan described in further detail in paragraph 8.3 of Part XVI (*Additional Information*) of this Prospectus
"PPP"	public private partnership
"Prospectus Directive"	EU Prospectus Directive (2003/71/EC), as amended
"Prospectus Rules"	the prospectus rules of the UK Listing Authority made under section 73A of FSMA
"Registrar"	Capita Registrars Limited
"Regulation S"	Regulation S under the Securities Act
"Relationship Agreement"	the agreement dated 19 June 2014 entered into between the Company and Invesco described in paragraph 10 (*Relationship with Controlling Shareholder*) of Part XVI (*Additional Information*) of this Prospectus
"Remuneration Committee"	the remuneration committee of the Company established by the Board
"Restricted Jurisdiction"	any jurisdiction where the extension or availability of the Offer (and any other transaction contemplated thereby) would breach any applicable law or regulation
"SEC"	the US Securities and Exchange Commission
"Securities Act"	the US Securities Act of 1933, as amended
"SEDOL"	the Stock Exchange Daily Official List
"Selling Shareholders"	those persons listed in paragraph 7.3 of Part XVI (*Additional Information*) of this Prospectus who will be holders of Existing Ordinary Shares immediately prior to Admission and who, pursuant to a Deed of Election, have each agreed to sell Ordinary Shares in the Offer
"Senior Managers" or "Senior Management"	those persons who are set out senior managers at paragraph 6 (*Directors and Senior* Managers) of Part XVI (*Additional Information*) of this Prospectus
"Shareholders"	the holders of Shares in the capital of the Company
"Sponsor"	Jefferies
"Stabilising Manager"	Jefferies
"Stock Lending Agreement"	the stock lending agreement expected to be entered into between Jefferies and the Lending Shareholder described in paragraph 13.15 (*Stock Lending Agreement*) of Part XVI (*Additional Information*) of this Prospectus
"subsidiary company"	a subsidiary of the Company as that term is defined in section 1159 of the Act
"SRA"	a sponsored research agreement
"Takeover Code"	the UK City Code on Takeovers and Mergers
"Takeover Panel"	the panel charged with monitoring compliance with the Takeover Code
"UK Corporate Governance Code"	the UK Corporate Governance Code dated September 2012 issued by the Financial Reporting Council
"UK"	the United Kingdom of Great Britain and Northern Ireland
"Underwriter"	Jefferies

"Underwriting Agreement"	the underwriting agreement expected to be entered into between the Company, Allied Minds, LLC the Directors and the Underwriter described in paragraph 13.13 (*Underwriting Agreement*) of Part XVI (*Additional Information*) of this Prospectus
"US"	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
"US Stock Plan"	means the Allied Minds 2008 Stock Option/Issuance Plan
"VAT"	value added tax

PART XVIII – GLOSSARY

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

"Adipocytes"	specialised cells for the storage of fat
"adipogenesis assays"	the process of cell differentiation by which preadipocytes become adipocytes (fat cells). An assay is an investigative (analytic) procedure in laboratory medicine, pharmacology, environmental biology, and molecular biology for qualitatively assessing or quantitatively measuring the presence or amount or the functional activity of a target entity
"Advanced Persistent Threat ("APT") defeat"	a network attack in which an unauthorised person gains access to a network and stays there undetected for a long period of time. The intention of an APT attack is to steal data rather than to cause damage to the network or organisation
"Age-related Macular Degeneration (AMD)"	a common eye condition and a leading cause of vision loss among people age 50 and older. It causes damage to the macula, a small spot near the center of the retina and the part of the eye needed for sharp, central vision, which lets us see objects that are straight ahead
"Aliquotting"	the process of dividing, in this case, a biological sample into aliquots or taking aliquots from, in this case, a biological sample. An aliquot itself is a portion of a total sample
"amyotrophic lateral sclerosis"	a progressive degeneration of the motor neurons of the central nervous system, leading to wasting of the muscles and paralysis
"cardiac ablation procedures"	a procedure that is used to destroy small areas in your heart that may be causing your heart rhythm problems
"cermet"	any of a class of heat-resistant materials made of ceramic and sintered metal
"channelopathies"	genetic orphan rare diseases
"Chorioallantoic Membrane Model"	a vascular membrane found in eggs of some amniotes, such as birds and reptiles formed by the fusion of the mesodermal layers of two developmental structures: the allantois and chorion. In mammals, this structure forms the placenta
"Complementary Metal-Oxide-Semiconductor (CMOS)"	a technology for constructing integrated circuits. CMOS technology is used in microprocessors, microcontrollers, static RAM, and other digital logic circuits
"DRAM"	dynamic random-access memory (DRAM) is a type of random-access memory that stores each bit of data in a separate capacitor within an integrated circuit
"ezogabine"	an anticonvulsant used as a treatment for partial epilepsies
"Flash"	a kind of memory that retains data in the absence of a power supply
"Fuel Cell Electrolyte"	used to carry electrically charged particles from one electrode to the other, and a catalyst, which speeds the reactions at the electrodes
"GMR (giant magnetoresistive read heads)"	a quantum mechanical magnetoresistance effect observed in thin-film structures composed of alternating ferromagnetic and non-magnetic conductive layers
"HET-CAM"	a test used to determine the potential irritancy using an alternative to the Draize methodology. It has been shown to be a qualitative method of assessing the potential irritancy of chemicals
"HIV lipodystrophy"	HIV-associated lipodystrophy commonly presents with fat loss in face, buttocks, arms and legs. There is also fat accumulation in various body parts. Patients often present with "buffalo hump"-like fat deposits in their upper backs

"Ionising Radiation"	radiation consisting of particles, X-rays, or gamma rays with sufficient energy to cause ionisation in the medium through which it passes
"Integrin Antagonist"	molecules that inhibit the integrins receptor which traditionally regulate a variety of cellular processes such as cell motility, migration, and proliferation. The integrins transduce signals from inside-out and outside-in the cell, thus representing the cellular link to the external environment. For these properties, integrin activation has been involved in pathological processes like tumour growth and metastasis formation. Recent advances are focused on small molecule antagonists that can block the integrin receptor binding to inhibit the biological effects exerted by these receptors
"KCNQ2/3 Modulator"	a molecule which alters or modifies the function and behaviour (activity) of the specific potassium channel on cell membranes known as the KCNQ2/3 channel
"Lipodystrophy"	a medical condition characterised by abnormal or degenerative conditions of the body's adipose tissue
"Magnetic Tunnel Junctions (MTJs)"	a magnetoresistive effect that occurs in a magnetic tunnel junction, which is a component consisting of two ferromagnets separated by a thin insulator
"Magneto-Resistive Random Access Memory (MRAM)"	a non-volatile random-access memory technology. Unlike conventional RAM chip technologies, data in MRAM is not stored as electric charge or current flows, but by magnetic storage elements. The elements are formed from two ferromagnetic plates, each of which can hold a magnetic field, separated by a thin insulating layer
"metatarsal foot fat pads"	cushions made of pockets of fascia filled with fatty acids. The fat pads help reduce torque and shear
"microfabrication"	the process of fabrication of miniature structures of micrometre scales and smaller
"nanometer scale electrolytes"	a material with thickness substantially less than 1 micro meter that conducts ions in an electrochemical reaction
"native IPv6 security technologies"	Internet Protocol version 6 (IPv6) is the latest version of the Internet Protocol (IP), the communications protocol that provides an identification and location system for computers on networks and routes traffic across the Internet. IPv6 was developed by the Internet Engineering Task Force (IETF) to deal with the long-anticipated problem of IPv4 address exhaustion. Native IPv6 are technologies created in an IPv6 environment
"non-volatile memory technology"	computer memory technology that enables the retention of information even when the memory device is not powered
"Orthogonal Spin Transfer (OST)"	Orthogonal Spin Transfer, a method of using the physics of 'spin transfer torque' to MRAM, in which the orientation of the spin polarisation field used to switch data is orthogonal to the direction of stored magnetic data. In conventional spin transfer MRAM, the orientation of the spin polarisation field is collinear with the direction of stored magnetic data
"Oxide Cathode"	the most common type of indirectly-heated cathode in which the nickel cathode surface has a coating of alkaline earth metal oxide to increase emission
"positron emitting tomography (PET)"	positron emission tomography (PET) is type of imaging based on the emission of positrons from an object, usually after injection of a radioactive substance that emits positrons as it decays. It has evolved into a specialised radiology procedure used to examine

	various body tissues to identify certain conditions. PET may also be used to follow the progress of the treatment of certain conditions
"Rabbit Choroid Neovascularization Model"	a rabbit model for the creation of new blood vessels in the choroid layers of the eye. This is a common symptom of the degenerative maculopathy wet age-related macular degeneration
"Radio Frequency (RF) Technology"	a rate of oscillation in the range of around 3 kHz to 300 GHz, which corresponds to the frequency of radio waves, and the alternating currents which carry radio signals
"Semiconductor"	a material which has electrical conductivity between that of a conductor such as copper and that of an insulator such as glass. Semiconductors are the foundation of modern electronics, including transistors, solar cells, light-emitting diodes (LEDs), quantum dots and digital and analog integrated circuits
"Silicon Substrate"	a silicon based substance onto which a layer of another substance is applied. These serve as the foundation upon which devices such as transistors, diodes, and especially integrated circuits are deposited
"Solid Oxide Fuel Cells (SOFC)"	a class of fuel cells characterised by the use of a solid oxide material as the electrolyte. SOFCs use a solid oxide electrolyte to conduct negative oxygen ions from the cathode to the anode
"specific reagents"	a specific substance or compound that is added to a system in order to bring about a chemical reaction, or added to see if a reaction occurs
"SRAM"	a type of semiconductor memory that is faster than DRAM, and retains its data so long as power is applied, not needing the periodic data refresh required in DRAM
"S-Tones®"	proprietary tones developed by SoundCure that are matched to the frequency of a patient's tinnitus (ringing in the ears) which are digitally produced. S-Tones® have been shown to be therapeutic in reducing the sensation of tinnitus in clinical trials and are cleared by FDA for sale
"subcutaneous fat"	the fatty or adipose tissue lying directly under the skin layers

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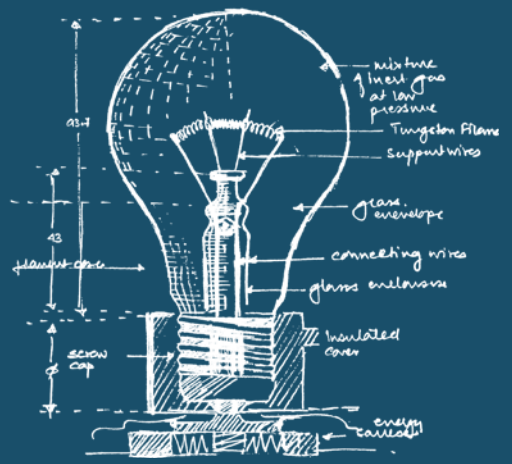

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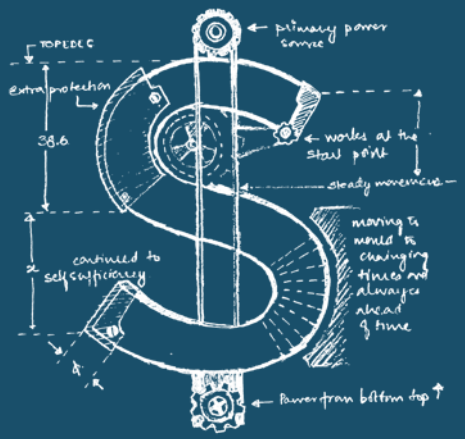

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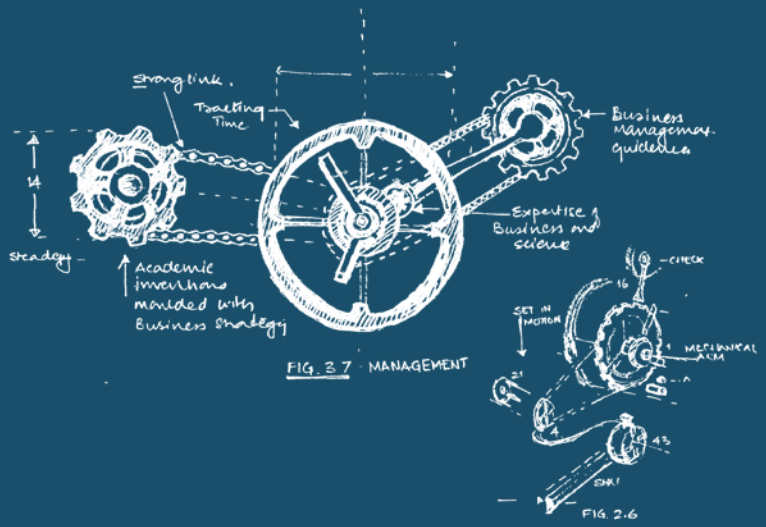
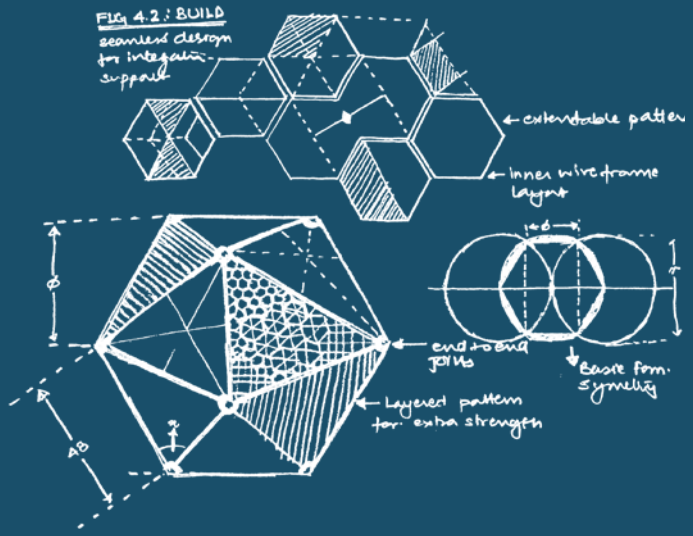


FIG. 3.7 MANAGEMENT

MANAGE



BUILD

TRANSFORMING U.S. INVENTION INTO INNOVATION