
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
Under the Securities Exchange Act of 1934**

For the month of May, 2019

Commission File Number 001-38522

Realm Therapeutics plc
(Translation of registrant's name into English)

**267 Great Valley Parkway
Malvern, PA 19355**
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

On May 16, 2019, Realm Therapeutics plc (“**Realm**” or the “**Company**”) (NASDAQ: RLM) announced that the Company had reached agreement with ESSA Pharma Inc. (“**ESSA**”) (NASDAQ: EPIX; TSX-V: EPI) whereby the entire issued and outstanding share capital of Realm will be acquired by ESSA (the “**Acquisition**”). The Acquisition, which is subject to Realm shareholder approval, among other things, is intended to be implemented by means of a U.K. Court-sanctioned scheme of arrangement under Part 26 of the U.K. Companies Act 2006 and, assuming such sanction is granted following Realm shareholder approval, is expected to be completed by mid-2019.

The Exhibits to this Report on Form 6-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933 or the Exchange Act.

Exhibits

[99.1](#) Press Release, dated May 16, 2019

[99.2](#) Implementation Agreement between Essa Pharma Inc. and Realm Therapeutics plc, dated May 15, 2019

Realm Therapeutics plc

***Realm Therapeutics Announces Company to be Acquired by ESSA Pharma
Transaction Expected to be Completed by Mid-2019***

Malvern, PA May 16 2019 – Realm Therapeutics plc (“**Realm**” or the “**Company**”) (NASDAQ: RLM) announces today that the Company has reached agreement with ESSA Pharma Inc. (“**ESSA**”) (NASDAQ: EPIX; TSX-V: EPI) whereby the entire issued and outstanding share capital of Realm will be acquired by ESSA (the “**Acquisition**”). The Acquisition, which is subject to Realm shareholder approval, among other things, is intended to be implemented by means of a U.K. Court-sanctioned scheme of arrangement under Part 26 of the U.K. Companies Act 2006 and, assuming such sanction is granted following Realm shareholder approval, is expected to be completed by mid-2019.

Under the terms of the Acquisition, Realm Shareholders will be entitled to receive approximately 0.058 ESSA common shares for each Realm ordinary share in issue (the “**Exchange Ratio**”). The Exchange Ratio is derived by taking Realm’s estimated Net Cash Amount at the closing of the Acquisition (approximately US\$20.5 million), plus a 5% premium, divided by the 60-day volume-weighted average price (“**VWAP**”) of ESSA common shares as of May 14, 2019 (US\$3.19). The Exchange Ratio is subject to adjustment based on Realm’s final Net Cash Amount.

“We are very pleased to enter into this transaction with ESSA, whose lead program is a first-in-class therapy for castration-resistant prostate cancer, which represents a significant unmet need for patients,” said Alex Martin, Chief Executive Officer of Realm. “Following a comprehensive review of strategic alternatives, Realm’s board of directors concluded that the Acquisition is most likely to provide an opportunity for meaningful value creation for Realm shareholders and, as such, we have significant support from our shareholders for the transaction.”

“We are truly excited by the opportunity to further advance ESSA’s aniten programs including EPI-7386 which was recently nominated as the IND candidate for the treatment of prostate cancer, and this transaction significantly advances our potential treatment for patients,” said Dr. David R. Parkinson, Chief Executive Officer of ESSA.

Acquisition Details

The Acquisition is intended to be implemented by means of a U.K. Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The Acquisition is conditional on, among other things: (i) the approval of Realm Shareholders at the Court Meeting and the passing of the resolutions by Realm Shareholders at the General Meeting; and (ii) the sanction of the Scheme by the U.K. Court. The Acquisition is not currently expected to require the approval of ESSA shareholders.

The Acquisition is expected to become Effective by mid-2019, subject to the satisfaction (or, where applicable, waiver) of the Conditions set out in Appendix I to this Announcement.

Further details of the Acquisition will be contained in the Scheme Document which is intended to be posted to Realm shareholders along with notices of the Court Meeting and General Meeting and the Forms of Proxy within 15 business days following the date of this Announcement, unless Realm and ESSA otherwise agree to a later date.

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices).

The Acquisition will be subject to the Conditions and further terms that are set out in Appendix I, and to the full terms and conditions which will be set out in the Scheme Document. Appendix II contains the bases and sources of certain information used in this Announcement. Appendix III contains details of the irrevocable undertakings received in relation to the Acquisition. Appendix IV contains definitions of terms used in this Announcement.

About Realm Therapeutics

Realm Therapeutics has been engaged in a strategic review. The Investing Policy, which has guided the strategic review by the Directors, requires the Company to seek to invest in, partner with, acquire and/or be acquired by a company with meaningful development potential in the life sciences sector or with good overall business prospects. For more information on Realm Therapeutics, please visit www.realmmtx.com.

About ESSA Pharma Inc.

ESSA is a pharmaceutical company focused on developing novel and proprietary therapies for the treatment of castration-resistant prostate cancer (“CRPC”) in patients whose disease is progressing despite treatment with current therapies. ESSA’s proprietary “aniten” compounds bind to the N-terminal domain of the androgen receptor (“AR”), inhibiting AR-driven transcription and the AR signaling pathway in a unique manner which bypasses the drug resistance mechanisms associated with current anti-androgens. ESSA is currently progressing IND-enabling studies and expects to enter clinical studies with EPI-7386 in the first calendar quarter of 2020.

About Prostate Cancer

Prostate cancer is the second-most commonly diagnosed cancer among men and the fifth most common cause of male cancer death worldwide (Globocan, 2018). Adenocarcinoma of the prostate is dependent on androgen for tumor progression and depleting or blocking androgen action has been a mainstay of hormonal treatment for over six decades. Although tumors are often initially sensitive to medical or surgical therapies that decrease levels of testosterone, disease progression despite castrate levels of testosterone generally represents a transition to the lethal variant of the disease, metastatic CRPC (“mCRPC”), and most patients ultimately succumb to the illness. The treatment of mCRPC patients has evolved rapidly over the past five years. Despite these advances, additional treatment options are needed to improve clinical outcomes in patients, particularly those who fail existing treatments including abiraterone or enzalutamide, or those who have contraindications to receive those drugs. Over time, patients with mCRPC generally experience continued disease progression, worsening pain, leading to substantial morbidity and limited

Notice to U.S. investors in Realm

The Acquisition relates to shares of an English company and is proposed to be effected by means of a scheme of arrangement under English law. An Acquisition effected by means of a scheme of arrangement is not subject to any proxy solicitation or tender offer rules under the US Securities Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules.

The New Essa Shares to be issued under the Scheme have not been registered under the US Securities Act, or with any securities regulatory authority or under the securities laws of any state or other jurisdiction of the United States. The New Essa Shares are expected to be issued in the United States in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

Following prospective sanction by the High Court of the Acquisition and the issuance of the New Essa Shares, such shares may be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States without registration under the US Securities Act by all non-affiliates of Realm. Affiliates of Realm or Essa must either have their shares registered for sale with the US Securities and Exchange Commission or qualify for an exemption from registration under the US Securities Act in order to resell New Essa Shares owned by them.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10) thereunder, Realm will advise the Court through counsel that it will rely on the Section 3(a)(10) exemption based on the Court's sanctioning of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Realm Shareholders, at which hearing all such shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such shareholders.

The securities to be issued by Essa as consideration pursuant to the Acquisition should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act by persons who receive them under the scheme other than "affiliates" of Realm, and all non-affiliates may resell them following issuance without restriction under the US Securities Act. Affiliates of Realm must comply with restrictions on sale set forth in subsection (d) of Rule 145 promulgated under the US Securities Act, including no sales for the first 90 days following the Effective Date and limitations as to volume and manner of sale thereafter, unless such securities have been registered under the US Securities Act or qualify for another exemption from registration, including Regulation S, which permits such securities to be traded on the TSX-V. Affiliates of Essa following the Effective Date are subject to additional restrictions on sale of such securities, including as to volume and manner of sale, under Rule 144, unless such securities have been registered for resale under the US Securities Act or the disposition qualifies under another exemption from the US Securities Act. It may be difficult for US Realm Shareholders to enforce their rights and claims arising out of the US federal securities laws, since Essa and Realm are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Realm Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

None of the securities referred to in this Announcement has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Announcement. Any representation to the contrary is a criminal offence in the United States.

U.S. Realm Shareholders and Realm ADS Holders also should be aware that the Acquisition contemplated herein may have tax consequences to them in the United States. U.S. Realm Shareholders and Realm ADS Holders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this Acquisition.

Warning Concerning Forward-Looking Statements

All statements included in this Announcement, other than statements or characterisations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including Section 21E of the U.S. Exchange Act, other securities laws and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Whenever the document uses words such as, without limitation, "believe," "expect," "anticipate," "intend," "plan," "estimate," "will," "may," "predict," "could," "seek," "forecast" and negatives or derivatives of these or similar expressions, they are making forward-looking statements. Examples of such forward-looking statements include, but are not limited to, references to the anticipated benefits of the Acquisition, the anticipated effectiveness of the Acquisition and the timing thereof; statements concerning future drug development plans and projected timelines for the initiation and completion of preclinical and clinical trials of Essa; the potential for the results of ongoing preclinical or clinical trials and the efficacy of the drug candidates of Essa; the potential market opportunities and value of drug candidates; other statements regarding future product development and regulatory strategies, including with respect to specific indications; any statements regarding the future financial performance, results of operations or sufficiency of capital resources to fund its operating requirements, and any other statements that are not statements of historical fact. These forward-looking statements are based upon Realm's or, where relevant, Essa's present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur.

Realm Shareholders are cautioned that any forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those expressed or implied by these forward-looking statements. Important risk factors that may cause Realm's or Essa's actual results to differ materially from these forward-looking statements include, but are not limited to: (1) the Acquisition is subject to the satisfaction or waiver of certain conditions, including the receipt of requisite approvals by Realm Shareholders, and the sanction of the Scheme by the Court, which conditions may not be satisfied or waived; (2) uncertainties as to the timing of the consummation of the Acquisition and the ability of each party to consummate the Acquisition; (3) the risk that the Acquisition disrupts the parties' current operations or affects their ability to retain or recruit key employees; (4) the possible diversion of management time on Acquisition-related issues; (5) potential litigation relating to the Acquisition; (6) unexpected costs, charges or expenses resulting from the Acquisition; (7) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the Acquisition; (8) Essa may require substantial capital in the future to fund its operations and research and development; (9) Essa's ability to continue to fund and successfully progress internal research and development efforts and to create effective, commercially-viable drugs; and (10) the fact that Essa's compounds may not successfully complete pre-clinical or clinical testing, or be granted regulatory approval to be sold and marketed in the United States or elsewhere.

The information contained in Realm's annual report for the year ending 31 December 2018 distributed to shareholders and its filings with the SEC, including in its annual report on Form 20-F for the year ended 31 December 2018, identifies other important factors that could cause actual results to differ materially from those stated in or implied by the forward-looking statements in this Announcement. Realm's filings with the SEC are available on the SEC's website at www.sec.gov and its annual report previously distributed to shareholders is available at www.realmtx.com. You should not place undue reliance upon forward looking statements. Except as required by law, Realm does not intend to update or change any forward looking statements as a result of new information, future events or otherwise.

**RECOMMENDED ACQUISITION
OF
REALM THERAPEUTICS PLC ("REALM")
BY
ESSA PHARMA INC. ("ESSA")**

(to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006)

1. Introduction

Realm and Essa have announced that the boards of directors of Realm and Essa have reached agreement on the terms of a recommended acquisition whereby the entire issued share capital of Realm will be acquired by Essa. It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

2. The Acquisition

Under the Acquisition, which is subject to the Conditions and further terms set out in Appendix I to this Announcement, Realm Shareholders on the register of members at the Scheme Record Time will be entitled to receive a fraction of a New Essa Share for every 1 Realm Share held (the "Exchange Ratio").

The Exchange Ratio will be calculated on the basis of Realm's Net Cash Amount as at the Effective Date which will be set out in a statement to be prepared by Realm and agreed between Realm and Essa (or, if Realm and Essa do not agree, subject to expert determination in accordance with the procedure set out in the Implementation Agreement) prior to the Court Hearing.

Subject to the provisos set out below, the number of New Essa Shares to be issued to Scheme Shareholders shall be an amount equal to 105% of Realm's Net Cash Amount divided by US\$3.189, being the volume-weighted average price of the Essa Shares on Nasdaq for the 60 trading days prior to entry into the Implementation Agreement. The Exchange Ratio shall be determined by dividing the resulting number of New Essa Shares by 116,561,917, being the number of Realm Shares currently in issue.

The calculation of the number of New Essa Shares and the Exchange Ratio is subject to the following:

- Realm and Essa have agreed that the maximum number of New Essa Shares that can be issued as consideration pursuant to the Scheme is 7,933,301 New Essa Shares.
- In addition, if Realm's Net Cash Amount is less than US\$19,500,000, and Essa elects to waive the condition that the Net Cash Amount will be at least US\$19,500,000 on the Effective Date set out in paragraph B of Appendix I and proceed with the sanction of the Scheme, there will be no downwards adjustment and the number of New Essa Shares and the Exchange Ratio shall be calculated on the basis that the Net Cash Amount is US\$19,500,000.

By way of illustration, if Realm's Net Cash Amount is US\$20,500,000 (which is the estimated Net Cash Amount) the number of New Essa Shares to be issued would be 6,749,608 and the Exchange Ratio would be 0.05791 of a New Essa Share for each 1 Realm Share subject to the Scheme. In addition:

- The minimum number of New Essa Shares that could be issued under the Scheme would be 6,420,359 and the maximum number of New Essa Shares that could be issued under the Scheme would be 7,933,301.
- The Exchange Ratio would be within a range of 0.055081 of a New Essa Share for every 1 Realm Share (if Realm's Net Cash Amount is US\$19,500,000 (or below US\$19,500,000 and Essa elects to waive the condition set out in paragraph B of Appendix I) and 0.068061 of a New Essa Share for every 1 Realm Share if the maximum number of New Essa Shares are to be issued under the Scheme.

The final Exchange Ratio will be applied to the holding of each Realm Shareholder after the date of the Court Hearing at 6:00 p.m. on the Business Day immediately prior to the Scheme becoming Effective with the resulting number of New Essa Shares being rounded down to the nearest whole number.

3. **Background to and reasons for the Acquisition**

Following the results of two clinical trials and the resulting decision to suspend further clinical development of all programmes, in September 2018 Realm announced the commencement of a process to explore strategic alternatives for Realm, which might have included, without limitation, the sale of some or substantially all of its assets, a sale of stock, a strategic merger or other business combination transaction or other transaction between Realm and a third party. Realm retained MTS Health Partners, L.P. to serve as an advisor to the Realm Board in certain aspects of the process.

On 15 February 2019, Realm announced that it had agreed to sell certain assets, which comprised its Vashe® wound care royalty stream, hypochlorous acid ("HOCl") related equipment, intellectual property (including know-how, patents and copyrights), program records, and certain assigned contracts and intellectual property licenses to Urgo North America for gross proceeds of US\$10 million. Realm then further announced its intention to delist its ordinary shares from admission to trading on AIM and adopt an Investing Policy.

The disposal, AIM delisting and Investing Policy adoption were approved by shareholders at the general meeting held on 15 March 2019. The AIM delisting was effective on 27 March 2019 and the asset disposal completed on 28 March 2019.

The Investing Policy requires the Realm Directors to examine potential strategic opportunities. The Investing Policy, which remains the strategic focus of the Realm Directors, requires Realm to seek to invest in, partner with, acquire and/or be acquired by companies with meaningful development potential in the life sciences sector or with good overall business prospects; or, if a suitable transaction is not identified, the Realm Group will consider winding down and distributing the remaining assets to shareholders, following satisfaction of applicable obligations.

As such, Realm has been undertaking a strategic review process, focused on identifying potential strategic acquisitions.

The Realm Board now considers that the Acquisition is in the best interests of the Realm Shareholders.

4. **Recommendation**

For the reasons set out in this Announcement, the Realm Directors, who consulted with MTS Health Partners, L.P. as to the financial terms of the Acquisition, consider such terms to be fair and reasonable. In evaluating the financial terms of the Acquisition, the Realm Directors have taken into account publicly available information compiled by MTS Health Partners, L.P. regarding the financial position and public market valuation of Essa and the public market valuation of other companies in similar stages of development as Essa with a focus on oncology.

Accordingly, the Realm Directors believe that the terms of the Acquisition, including the terms of the Implementation Agreement, are fair and reasonable and that proceeding with the Acquisition is in the best interests of the Realm Shareholders and unanimously recommend that Realm Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as Charles Spicer, Alex Martin and Marella Thorell (being those Realm Directors who hold Realm Shares) have irrevocably undertaken to do in respect of their own holdings of, in aggregate, 572,045 Realm Shares (representing approximately 0.49 per cent. of the issued ordinary share capital of Realm on 15 May 2019 (being the last practicable date prior to the publication of this Announcement)).

5. **Background to and reasons for the Realm Board's recommendation**

In the course of making the determination that the Implementation Agreement, the Acquisition and the other transactions contemplated by the Implementation Agreement are fair and reasonable and are in the best interests of the Realm Shareholders, and to recommend that Realm's Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, the Realm Board considered numerous reasons, including the following material reasons for and benefits of the Acquisition: the availability and attractiveness of strategic alternatives, the future prospects of Essa, the views of major shareholders, the robust negotiation process, the likelihood of completion, the terms of the Implementation Agreement and the irrevocable undertakings received in respect of the Acquisition.

6. **Irrevocable undertakings**

Essa has received Irrevocable Undertakings to vote or procure votes in favour of the resolutions relating to the Scheme at the Meetings from Charles Spicer, Alex Martin and Marella Thorell, each a Realm Director, in respect of their entire beneficial holdings, amounting to 572,045 Realm Shares representing approximately 0.49 per cent. of the issued ordinary share capital of Realm on 15 May 2019 (being the last practicable date prior to the publication of this Announcement).

In addition to the irrevocable undertakings to vote or procure votes in favour of the resolution that Essa has obtained from certain Realm Directors, Essa has also received irrevocable undertakings from BVF Partners LP, OrbiMed Private Investments VI, LP, Oracle Management Limited and Sussex Trading Company Limited, each Realm Shareholders, to vote or procure votes in favour of the resolutions relating to the Scheme at the Meetings in respect of their entire beneficial holdings, amounting to 52,418,451 Realm Shares, in aggregate, representing approximately 44.97 per cent. of the issued ordinary share capital of Realm as at 15 May 2019 (being the last practicable date prior to the publication of this Announcement).

Further details of these Irrevocable Undertakings are set out in Appendix III.

7. **Information on Essa**

Essa is a public company incorporated in British Columbia, Canada and operates in the United States through its wholly-owned subsidiary, ESSA

Pharmaceuticals Corp., based in Houston, Texas. Essa is a pharmaceutical company currently in preclinical stage focused on developing novel and proprietary therapies for the treatment of prostate cancer in patients whose disease is progressing despite treatment with current therapies, including abiraterone and enzalutamide. Essa believes its clinical series of compounds can significantly expand the interval of time in which patients suffering from castration-resistant prostate cancer ("CRPC") can benefit from hormone-based therapies. Specifically, the compounds act by disrupting the androgen receptor ("AR") signalling pathway, the primary pathway that drives prostate cancer growth, by preventing AR activation through selective binding to the Tau-5 region of the N-terminal domain ("NTD") of the AR. In this respect, Essa's compounds differ from classical anti-androgens, which interfere either with androgen synthesis, or with the binding of androgens to the ligand-binding domain ("LBD"), located at the opposite end of the receptor. A functional NTD is essential for activation of the AR; blocking the NTD inhibits AR-driven transcription and therefore androgen-driven biology. We believe that the transcription inhibition mechanism of Essa's preclinical series of compounds is unique, and has the advantage of bypassing identified mechanisms of resistance to the anti-androgens currently used in the treatment of CRPC. Essa has been granted by the United States Adopted Names ("USAN") Council a unique USAN stem "-aniten" to recognize this new mechanistic class. Essa refers to this series of proprietary compounds, currently in development, as the "Aniten" series. In preclinical studies, blocking the NTD has demonstrated the capability to prevent AR-drive gene expression. A recently completed Phase I clinical trial of Essa's first generation ralaniten acetate ("EPI-506") demonstrated prostate-specific antigen ("PSA") declines, a sign of inhibition of AR-drive biology, at higher doses levels.

The British Columbia Cancer Agency ("BCCA") and the University of British Columbia ("UBC") are joint owners of the intellectual property that constitutes Essa's initial series of compounds, which include EPI-002 and EPI-506. Essa licensed the original EPI-family of drugs from UBC and the BCCA. Essa is party to a license agreement with the BCCA and UBC dated 22 December 2010, as amended, which provides Essa with exclusive world-wide rights to the issued patents and patent applications in respect of EPI-series compounds, including the next generation Aniten compounds. Essa believes that it has developed a strong and defensive intellectual property position for multiple EPI and Aniten structural classes, with 14 active patent families, covering different structural motifs/analogues. Patent applications are pending in the United States and in contracting states to the Patent Cooperation Treaty for the Aniten next-generation NTD inhibitors, with expiry between 2037-2039.

Essa's shares are traded on the Nasdaq Capital Market under the symbol "EPIX", and on the TSXV under the symbol "EPI". Essa's principal executive offices are located at Suite 720, 999 West Broadway, Vancouver, British Columbia, Canada, V5Z 1K5 and its telephone number is +1 (778) 331-0962.

For more information about Essa, please visit www.essapharma.com.

8. Information on Realm

Realm is a public limited company incorporated in England and Wales. Realm had been focused on the development of novel, prescription treatments for immune mediated diseases in adults and children. In 2018, the Realm Group completed two Phase 2 clinical studies. In March 2018, the Realm Group reported that its Phase 2 study of PR013, a topical ophthalmic solution for the treatment of Allergic Conjunctivitis, did not demonstrate efficacy. As a result, Realm discontinued further development of that program. In September 2018, the Realm Group announced top-line results of its Phase 2 trial of PR022 in Atopic Dermatitis which did not meet the Realm Group's threshold for continued investment and, as such, Realm decided to discontinue all drug development programs based on its proprietary technology. Also in September 2018, the Realm Group announced the hiring of MTS Health Partners, L.P., to act as an advisor in relation to a strategic review that was initiated by the Board to explore options which include the potential sale of the Realm Group as a possible outcome.

On 15 February 2019, Realm announced that it had agreed to sell certain assets, which comprised its Vashe® wound care royalty stream, hypochlorous acid ("HOCl") related equipment, intellectual property (including know-how, patents and copyrights), program records, and certain assigned contracts and intellectual property licenses to Urgo North America for gross proceeds of US\$10 million. Realm then further announced its intention to delist its ordinary shares from admission to trading on AIM and adopt an Investing Policy.

The disposal, AIM delisting and Investing Policy adoption were approved by shareholders at the general meeting held on 15 March 2019. The AIM delisting was effective on 27 March 2019 and the asset disposal completed on 28 March 2019.

The Investing Policy requires the Realm Directors to examine potential strategic opportunities. The Investing Policy, which remains the strategic focus of the Realm Directors, requires Realm to seek to invest in, partner with, acquire and/or be acquired by companies with meaningful development potential in the life sciences sector or with good overall business prospects; or, if a suitable transaction is not identified, the Realm Group will consider winding down and distributing the remaining assets to shareholders, following satisfaction of applicable obligations.

As such, Realm has been in the midst of a strategic review process, focused on identifying potential strategic transactions.

The Realm ADSs are traded on Nasdaq under the symbol "RLM." Realm's principal executive offices are located at 267 Great Valley Parkway, Malvern, PA 19355, USA, and its telephone number is +1 484 321 2700.

For more information about Realm, please visit www.realmtx.com.

9. Financing

The entirety of the Consideration payable to Scheme Shareholders will be satisfied by the issue of New Essa Shares and as such there will be no cash element.

10. Acquisition related arrangements

Implementation Agreement

Explanatory Note Regarding the Implementation Agreement

The following is a summary of the material provisions of the Implementation Agreement, a copy of which will be available at www.realmtx.com and under Essa's profile on www.sedar.com. This summary does not purport to be complete and may not contain all of the information about the Implementation Agreement that may be important to shareholders. You should carefully read the Implementation Agreement in its entirety, as the rights and obligations of the parties thereto are governed by the express terms of the Implementation Agreement and not by this summary or any other information contained in this document.

The following summary of the Implementation Agreement is intended to provide information regarding the terms of the Implementation Agreement and is not intended to provide any factual information about Realm or modify or supplement any factual disclosures about Realm in its public reports filed with the SEC. In particular, the Implementation Agreement and the related summary are not intended to be, and should not be relied upon as, disclosures regarding any facts and circumstances relating to Realm. The representations and warranties contained in the Implementation Agreement were made only for purposes of that agreement and as at specific dates, were solely for the benefit of the parties to the Implementation Agreement, may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders and may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made by the parties to each other. You should not rely on the representations and warranties contained in the Implementation Agreement as characterisations of the actual state of facts or condition of Realm, Essa or any of their respective subsidiaries, affiliates or businesses. In addition, information concerning the subject matter of the representations, warranties and covenants may change, which subsequent information may or may not be fully reflected in Realm's or Essa's respective public disclosures.

Structure of the Acquisition

The Acquisition will be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006. The Scheme involves an application by Realm to the Court to sanction the Scheme, pursuant to which all of the Realm Scheme Shares will be transferred to Essa, in consideration for which holders of Realm Scheme Shares will receive the Consideration. The transfer of the Realm Scheme Shares to Essa, provided for in the Scheme, will result in the entire issued share capital of Realm being held by Essa.

When the Acquisition Becomes Effective

The Acquisition will become Effective once all the Conditions have been satisfied or (where applicable) waived, the Scheme has been sanctioned by the Court and a copy of the Court Order has been delivered to the Registrar of Companies.

Representations and Warranties

The Implementation Agreement contains representations and warranties of Realm, subject to certain exceptions in the Implementation Agreement and in the disclosure schedule delivered in connection with the Implementation Agreement as to, among other things: corporate existence and power; ownership of subsidiaries; corporate authority, consents and approvals relating to the execution, delivery and performance of the Implementation Agreement; capitalisation and indebtedness; SEC filings; financial statements; the absence of any changes, occurrences or developments that has had a material adverse effect with respect to Realm, the absence of certain material changes in the business of Realm since 31 December 2018; real property; compliance with laws and permits; regulatory matters; anti-corruption and bribery; tax matters; material contracts; environmental matters; insurance; employees and employee benefit plans; and privacy and data security.

The Implementation Agreement also contains broadly reciprocal representations and warranties of Essa subject to certain exceptions in the Implementation Agreement and in the disclosure schedule delivered in connection with the Implementation Agreement

Some of the representations and warranties in the Implementation Agreement are qualified by materiality qualifications or a "material adverse effect" qualification with respect to either Realm or Essa, as discussed below.

For purposes of the Implementation Agreement, a "material adverse effect" with respect to either Realm or Essa means, subject to certain exceptions described in the definition of "material adverse effect" in the Implementation Agreement, any state of facts, condition, development, circumstance, change, effect or event occurring on or after 15 May 2019 (being the date of the Implementation Agreement) which, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on (i) the condition (financial or otherwise), business, assets, liabilities or results of operations of Realm or Essa (as applicable) and its subsidiaries, taken as a whole, or (ii) the ability of Realm or Essa (as applicable) to consummate the Acquisition on or before the Long Stop Date.

Conduct of Business Pending the Acquisition

The Implementation Agreement provides that, during the period from 15 May 2019, being the date of the Implementation Agreement, until the earlier of (a) the termination of the Implementation Agreement in accordance with its terms and (b) the Effective Date (the "relevant period"), except (i) as required or otherwise contemplated under the Implementation Agreement or as required by applicable law; (ii) with the written consent of Essa (which will not be unreasonably withheld, conditioned or delayed); or (iii) as set forth in the disclosure schedule delivered in connection with the Implementation Agreement, Realm will, and will cause each of its subsidiaries to preserve intact its material assets (being its cash) and continue wind-down activities and maintain the listing of the Realm ADSs on Nasdaq (to the extent practicable and commercially reasonable).

In addition, during the relevant period, except (i) as required or otherwise contemplated under the Implementation Agreement or as required by applicable law; (ii) with the written consent of Essa (which will not be unreasonably withheld, conditioned or delayed); or (iii) as set forth in the disclosure schedule delivered in connection with the Implementation Agreement, Realm will not, and will cause each of its subsidiaries not to, subject in each case to certain specified exceptions, among other things: authorise or pay any dividends; repurchase, redeem, issue or grant any

Realm Shares or other equity interests; amend the Realm Articles; acquire any person or other business organisation; incur or guarantee any indebtedness; amend or modify its material contracts; commence any litigation; establish or adopt any benefit plan; grant or pay any termination payments or bonuses; hire any employees or contractors; enter into any collective bargaining agreement; adopt a plan or agreement of complete or partial liquidation; enter into any new line of business; sell any of its material assets; enter into any transaction with a Realm Shareholder; or make any changes in its accounting methods.

The Implementation Agreement also imposes similar restrictions on Essa's conduct of business during the relevant period. In addition to those restrictions referred to in the paragraph above but applied in respect of Essa's business, during this period, except (i) as required or otherwise contemplated under the Implementation Agreement or as required by applicable law; (ii) with the written consent of Realm (which consent shall not be unreasonably withheld, conditioned or delayed); or (iii) as set forth in the disclosure schedule delivered in connection with the Implementation Agreement, Essa shall, and shall cause each of its subsidiaries to conduct their business in the ordinary course, preserve intact its material assets and business organisation and maintain its advantageous relationships with patients, material suppliers, material distributors and regulators.

For the relevant period, save in respect of certain employee share options or with the written consent of Realm (such consent not to be unreasonably withheld, conditioned or delayed) Essa is also prevented from issuing, granting or selling or otherwise disposing of any additional shares of, or other equity interests in, Essa or any of its subsidiaries, or securities convertible into or exchangeable for such shares or equity interests or issue or grant any options, warrants, calls, subscription rights or other rights of any kind to acquire such shares, other equity interests or securities, on terms which, when taken as a whole, can reasonably be considered to be more economically favourable to the person to whom such securities are to be issued than those on which the New Essa Shares are to be issued under the Scheme.

Alternative Proposals; Non-solicitation

Except as expressly permitted by the Implementation Agreement, between 15 May 2019 and the earlier of the termination of the Implementation Agreement in accordance with its terms and the Effective Date, Realm and its subsidiaries will not, directly or indirectly, and will use their reasonable endeavours to cause their representatives not to:

- continue, and will procure the termination of, any solicitation, knowing encouragement, discussions or negotiations with any persons that may be ongoing with respect to an acquisition proposal (as defined below) and Realm confirmed that it has, (i) terminated access to any third party to any data room containing confidential information of Realm and (ii) requested the return or destruction of all confidential information provided to third parties prior to 15 May 2019 that have, since 1 September 2018 entered into confidentiality agreements with Realm relating to a possible acquisition proposal;
- solicit, initiate or knowingly facilitate or encourage (including by way of furnishing non-public information) any inquiries regarding, or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, an acquisition proposal;
- engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other person any non-public information in connection with, or for the purpose of soliciting or knowingly encouraging or facilitating, an acquisition proposal or any proposal or offer that could reasonably be expected to lead to an acquisition proposal;
- enter into any term sheet, letter of intent, implementation agreement, co-operation agreement, acquisition agreement, agreement in principle or similar agreement with respect to an acquisition proposal or any proposal or offer that could reasonably be expected to lead to an acquisition proposal; or
- waive or release any person from, forebear in the enforcement of, or amend any standstill agreement or any standstill provisions of any other contract.

Pursuant to the Implementation Agreement, and as used throughout this document, an "acquisition proposal" means any inquiry, proposal or offer from any person (other than Essa) relating to (i) any direct or indirect acquisition or purchase, in a single transaction or a series of related transactions, of 25% or more (based on the fair market value thereof, as reasonably determined by the Realm Board) of the assets (including share capital of Realm's subsidiaries) of Realm and its subsidiaries, taken as a whole, or (B) shares carrying 25% or more of the aggregate voting power and economic rights of Realm or (ii) any takeover offer, exchange offer, merger, consolidation, business combination, recapitalisation, liquidation, dissolution, share exchange or similar transaction involving Realm that, if consummated, would result in any person (or the shareholders of any person) owning, directly or indirectly, shares carrying 25% or more of the aggregate voting power and economic rights of Realm or the resulting direct or indirect parent of Realm, other than, in each case, the Acquisition.

Receipt of Competing Acquisition Proposals

If at any time after 15 May 2019 and before the earlier of the termination of the Implementation Agreement in accordance with its terms and the Effective Date, Realm or any of its subsidiaries or any of their representatives receives an unsolicited bona fide written acquisition proposal from any person, which did not result from a breach of the non-solicitation provisions of the Implementation Agreement, then after providing notice to Essa, Realm and its representatives may contact such person solely to clarify the terms and conditions thereof, and if the Realm Board determines in good faith, after consultation with its financial advisers and outside legal counsel, that such acquisition proposal constitutes or is reasonably likely to lead to a superior proposal (as defined below) and the failure to take such action would be in breach of their fiduciary duties or would violate their obligations under the Companies Act, then Realm and its representatives may:

- furnish, pursuant to an acceptable confidentiality agreement, information (including non-public information) with respect to Realm and its subsidiaries to the person who has made such acquisition proposal; provided that Realm will, as promptly as practicable (and in any event within 24 hours), provide to Essa any non-public information concerning Realm and its subsidiaries that is provided to any person pursuant to this bullet point to the extent access to such information was not previously provided to Essa or its representatives; and
- engage in or otherwise participate in discussions or negotiations with the person making such acquisition proposal for so long as Realm and its representatives reasonably believe it may lead to a superior proposal.

Pursuant to the Implementation Agreement, and as used throughout this document, a “superior proposal” means any bona fide written acquisition proposal that, if consummated, would result in a person (or the shareholders of any person) owning, directly or indirectly, (i) 80% or more of the aggregate voting power and economic rights of Realm or the resulting direct or indirect parent of Realm or (ii) all or substantially all of the assets (including share capital of Realm’s subsidiaries) of Realm and its subsidiaries, taken as a whole, (A) on terms which the Realm Board determines, in good faith, after consultation with outside counsel and its financial adviser, would result in greater value to Realm Shareholders from a financial point of view than the Acquisition, including a price per Realm Share with a value greater than 10% above the Consideration, after taking into account all of the terms and conditions of such acquisition proposal and the Implementation Agreement and (B) that is reasonably likely to be completed relative to the Acquisition, taking into account all financial, regulatory, legal, timing and other aspects of such proposal.

Changes in Realm Board Recommendation

The Realm Board has unanimously recommended that Realm Shareholders vote in favour of the Scheme and the Resolutions, which recommendation is referred to as the “Realm Board Recommendation” in the Implementation Agreement. The Implementation Agreement permits the Realm Board to change its recommendation only in certain limited circumstances, as described below.

Except as expressly permitted by the Implementation Agreement, the Realm Board may not:

- withdraw (or modify in a manner adverse to Essa), or publicly propose to withdraw (or modify in a manner adverse to Essa), the Realm Board recommendation; or (ii) approve, recommend or declare advisable, or publicly propose to approve, recommend or declare advisable, any acquisition proposal (any action listed in this bullet point being a “Realm adverse change recommendation”); or
- approve, recommend or declare advisable, or propose to approve, recommend or declare advisable any contract with respect to any acquisition proposal, requiring, or reasonably expected to cause, Realm to delay or fail to consummate, or that would otherwise materially impede, interfere with or be inconsistent with, the Acquisition (other than an acceptable confidentiality agreement).

Notwithstanding anything to the contrary contained in the Implementation Agreement, at any time before the earlier of (i) the termination of the Implementation Agreement in accordance with its terms and (ii) the Effective Date, if Realm or any of its subsidiaries has received a bona fide written acquisition proposal, which did not result from a breach of the non-solicitation provisions of the Implementation Agreement from any person that has not been withdrawn, and after consultation with its financial advisers and outside legal counsel the Realm Board has determined, in good faith, that such acquisition proposal is a superior proposal, then:

- the Realm Board may make a Realm adverse change recommendation, and/or
- Realm may terminate the Implementation Agreement, and implement such superior proposal, in both cases, if and only if:
 - Realm has given Essa prior written notice of its intention to consider making a Realm adverse change recommendation or terminating the Implementation Agreement at least four Business Days prior to making any such Realm adverse change recommendation or termination, and Essa has not elected during such notice period to negotiate in good faith with respect to any revisions to the terms of the Acquisition so that the revised terms proposed by Essa are at least as favourable as the competing acquisition proposal; and
 - Realm has provided to Essa information with respect to such acquisition proposal in accordance with the terms of the Implementation Agreement; and after giving effect to the proposals made by Essa during such period, if any, after consultation with financial advisers or outside legal counsel, the Realm Board has determined, in good faith, that such acquisition proposal is a superior proposal.

Each of the above bullet points will also apply to any material amendment to any acquisition proposal or any matching acquisition proposal made by Essa and require written notice of Realm’s intention to consider making a Realm adverse change recommendation or terminating the Implementation Agreement, except that the references to four Business Days will be three Business Days.

In the event that Essa, in response to an acquisition proposal, proposes terms that are at least as favourable as the competing acquisition proposal, unless such competing party proposes a further superior proposal following Essa’s proposal, within four Business Days of Essa’s proposal, Realm will, and will procure its affiliates and representatives to, terminate all discussions with the other party.

Efforts to Complete the Acquisition

Realm and Essa have agreed that prior to the Effective Date, Realm will use all reasonable endeavours to implement the Scheme in accordance with the terms of, and the timetable set out in, the Announcement and this document, and to consult with Essa in relation to such implementation.

Subject to the terms and conditions of the Implementation Agreement, Realm and Essa have agreed that each party to the Implementation Agreement will use all reasonable endeavours to: (i) make all filings (if any) and give all notices (if any) required to be made or given by such party pursuant to any material contract in connection with the Acquisition and (ii) seek any consent required to be obtained pursuant to any material contract by such party in connection with the Acquisition; and (iii) seek to lift any restraint, injunction or other legal bar to the Acquisition brought by any third person against such party.

Essa has agreed to:

- provide promptly to Realm all such information about itself, Essa Group and Essa Directors as may reasonably be requested by Realm for the purpose of inclusion in the Scheme Document and to provide such other co-operation and assistance as may reasonably be required in connection with the preparation of the Scheme Document; and
- notify Realm promptly of: (i) any changes in the information disclosed in any document or announcement published by Essa in connection with the Acquisition which are material in the context of that document or announcement; and (ii) any material new information which may be relevant to a Realm Shareholder in considering the merits of the Acquisition, and agrees that any such information may be published by Realm if (a) it determines that such disclosure is necessary to ensure that all Realm Shareholders have sufficient information to consider the merits of the Acquisition and (b) Essa has consented to the content and form of the disclosure (such consent not to be unreasonably withheld, conditioned or delayed).

Realm has agreed to, among other things:

- prior to the General Meeting and Court Meeting, keep Essa informed of the number of proxy votes received in respect of the Resolutions to be proposed at the General Meeting and the Court Meeting and promptly provide Essa with details of any material changes to Realm's shareholder and other statutory registers which occur prior to the Effective Date; and
- provide, and procure that each member of the Realm Group provides, promptly to Essa and its advisers such information, documentation and access to the management, employees, facilities and assets of the Realm Group and its advisers and independent auditors as is reasonably requested by Essa for the purposes of implementing the Acquisition, post-Acquisition planning, verifying Realm's business plan and preparing or making any filing, notification or submission with a tax authority or governmental authority in connection with the Acquisition.

Other Covenants and Agreements

The Implementation Agreement also contains additional covenants, including, among others, covenants relating to the filing of this document; Essa's right to seek injunctive or other equitable relief in relation to any breach or prospective breach of the undertakings described above in the following sections of this description of the Implementation Agreement: "*Conduct of Business Pending the Acquisition*," "*Alternative Proposals; Non-solicitation*," "*Receipt of Realm Takeover Proposals*," "*Changes in Board Recommendation*," and certain other covenants included in the Implementation Agreement; the delisting and deregistration of Realm Shares and Realm ADSs, and public announcements with respect to the Acquisition.

In addition, Essa has given certain additional covenants in relation to certain securities law filings, resale registration statements, and confirmed its intention to use commercially reasonable efforts to (i) provide its shareholders with a PFIC Annual Information Statement and (ii) determine, on or before 1 March 2020, whether the Scheme qualified as a transaction described in Section 351 of the Code.

Conditions to Completion of the Acquisition

The Conditions to completion of the Acquisition are set out in Appendix I to this document. The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective, by no later than 11.59 p.m. on the Long Stop Date. The Scheme is conditional on:

- approval of the Scheme by Scheme Shareholders at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting;
- the Court Meeting being held on or before the twenty-second day after the expected date of the Court Meeting as set out in the Scheme (or such later date, if any, as Essa and Realm may agree and the Court may allow);
- approval of the Resolutions by Realm Shareholders at the General Meeting or any adjournment of that meeting;
- the General Meeting being held on or before the twenty-second day after the expected date of the General Meeting as set out in the Scheme (or such later date, if any, as Essa and Realm may agree and the Court may allow);

- the sanction of the Scheme by the Court (with or subject to any modification, addition or condition which Realm and Essa may agree and which the Court approves) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- the Court Hearing being held on or before the date immediately preceding the Long Stop Date (or such later date, if any, as Essa and Realm may agree and the Court may allow).

In addition, Essa and Realm have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions have been satisfied or, where relevant, waived:

- on the Effective Date, Realm having a minimum Net Cash Amount of US\$19,500,000;
- the listing of the New Essa Shares having been conditionally approved by the TSXV, subject only to standard listing conditions, (ii) the Bidder having received the Nasdaq Approval and (iii) the Essa Shares remaining listed for trading on TSXV and Nasdaq and neither exchange having provided a notice of delisting thereof or indicated an intention to delist the Essa Shares; and
- all of the requirements of the Section 3(a)(10) Exemption, other than those that would be satisfied by the occurrence of the Court Hearing and the sanction of the Scheme at the Court Hearing, being met.

Termination

The Implementation Agreement may be terminated in the following circumstances:

- upon agreement in writing between Essa and Realm at any time prior to the Effective Date;
- by Realm, if the New Essa Shares (other than those issued to certain “affiliates” of Realm or Essa) are not issued free of any restrictive legends or are not freely tradeable upon issuance in the United States without restriction, including as to volume and manner of sale;
- by Realm, in response to a superior proposal (as detailed in this section under the heading “Changes in Board Recommendation”);
- by either Essa or Realm, by written notice to the other, if:
 - the Scheme Document is not distributed to the Realm Shareholders in accordance with the Implementation Agreement (provided that the right to terminate the Implementation Agreement pursuant to this provision shall not be available to a party whose breach of any provision of the Implementation Agreement shall have been the primary cause of such failure to distribute this document in accordance therewith);
 - an injunction shall have been entered permanently restraining, enjoining or otherwise prohibiting the consummation of the Acquisition and such injunction shall have become final and non-appealable (provided that the right to terminate the Implementation Agreement pursuant to this provision shall not be available to a party whose breach of any provision of the Implementation Agreement shall have been the primary cause of such injunction); or
 - any Condition for the benefit of the terminating party which has not been waived (or is incapable of waiver) is (or has become) incapable of satisfaction by the Long Stop Date) provided that the right to terminate the Implementation Agreement pursuant to this provision shall not be available to a party whose breach of any provision of the Implementation Agreement shall have been the primary cause of such Condition not being waived or satisfied);
- this Announcement is not released by 12:00pm on the next Business Day following the date of the Implementation Agreement.
- by Essa, by written notice to Realm, if:
 - the Realm Board notifies Essa or publicly states that it no longer recommends (or intends to recommend) that the Realm Shareholders vote in favour of the Acquisition;
 - an intentional or material breach of the non-solicitation provisions of the Implementation Agreement occurs that results in an acquisition proposal;
 - following the Court Meeting or the General Meeting the Realm Board notifies Essa in writing or publicly states that Realm will not seek the sanctioning of the Scheme by the Court;

- the Realm Board effects a Realm adverse change recommendation, (ii) the Realm Board shall have failed to include the Realm Board recommendation in this document when mailed, or (iii) the Realm Board shall have failed to reaffirm the Realm Board recommendation within 10 days after Essa so requests in writing or, if earlier, three days prior to the General Meeting (it being understood Realm will have no obligation to make such reaffirmation on more than three occasions); or
- Realm breaches any of its representations and warranties set out in the Implementation Agreement where such breach of representation and warranty would result in a failure of the Condition set out in E(i) at Appendix I or fails to perform any covenant or obligation in the Implementation Agreement on the part of Realm if such failure would reasonably be expected to prevent Realm from consummating the transactions contemplated by the Implementation Agreement and cannot be cured by Realm by the Long Stop Date (subject to certain notice provisions);
- by Realm, by written notice to Essa, if Essa breaches any of its representations and warranties set out in the Implementation Agreement where such breach of representation and warranty would result in a failure of the Condition set out in E(ii) at Appendix I or fails to perform any covenant or obligation in the Implementation Agreement on the part of Essa if such failure would reasonably be expected to prevent Essa from consummating the transactions contemplated by the Implementation Agreement and cannot be cured by Essa by the Long Stop Date (subject to certain notice provisions);
- by Realm, if Essa has not obtained the consent of Silicon Valley Bank in connection with the Scheme prior to the Court Meeting;
- by either Realm or Essa, if the Effective Date has not occurred by the Long Stop Date; and
- by either Realm or Essa, if Essa is required to obtain shareholder approval and such shareholder approval has not been obtained by an extended long-stop date to be agreed between Realm and Essa (not to be later than 31 August 2019).

Compensatory Payments

Essa will pay Realm a compensatory payment in an amount equal to US\$200,000 if the Implementation Agreement is terminated (i) by Realm, for breach of representation, warranty, covenant or obligation of Essa (on the basis set out above), (ii) by either Realm or Essa if Essa was required to obtain shareholder approval and has failed to obtain such shareholder approval (if required) by the extended Long Stop Date or (iii) by Realm if Essa was unable to obtain a consent from Silicon Valley Bank in connection with the Scheme prior to the Court Meeting.

Realm will pay Essa a compensatory payment in an amount equal to US\$200,000 if the Implementation Agreement is terminated (i) by Realm in respect of a superior proposal; (ii) by either Essa or Realm where Realm Shareholders have not passed the necessary resolutions at the Court Meeting and the General Meeting; or (iii) by Essa, for breach of representation, warranty, covenant or obligation of Realm (on the basis set out above).

Limitation on Remedies

In the event of the termination of the Implementation Agreement pursuant to its terms, the Implementation Agreement will be terminated, and there shall be no other liability between Essa and Realm other than in respect of those provisions that are expressed to survive termination (including in respect of the compensatory payments referred to above).

Confidentiality agreement

Realm and Essa entered into a confidentiality agreement dated 29 January 2019, pursuant to which each party has undertaken to keep confidential information relating to the other and to the Acquisition and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the fifth anniversary of the date of the confidentiality agreement.

11. Structure of the Acquisition

Scheme

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Realm and the Scheme Shareholders under Part 26 of the Companies Act. The procedure involves, amongst other things, an application by Realm to the Court to sanction the Scheme, in consideration for which Scheme Shareholders will receive New Essa Shares on the basis described in paragraph 2 above. The purpose of the Scheme is to provide for Essa to become the owner of the whole of the issued and to be issued share capital of Realm.

Approval by Court Meeting and General Meeting

In order to become Effective, the Scheme requires the:

- (a) satisfaction (or, where applicable, waiver) of the Conditions;

- (b) approval of a majority in number of the Scheme Shareholders who vote, representing not less than 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders, present and voting, either in person or by proxy, at the Court Meeting; and
- (c) approval of the requisite majorities of the votes cast, either in person or by proxy, of the resolutions necessary in order to implement the Scheme at the General Meeting (to be held directly after the Court Meeting).

Application to Court to sanction the Scheme

Once the approvals of the Realm Shareholders have been obtained at the Court Meeting and the General Meeting, and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the Court at the Court Hearing.

The Scheme will become effective in accordance with its terms on delivery of the Court Order to the Registrar. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting, or whether they voted in favour of or against the Scheme.

Full details of the Scheme to be set out in the Scheme Document

The Scheme will be subject to the satisfaction (or, where applicable, waiver) of the Conditions and the full terms and conditions to be set out in the Scheme Document. Further details of the Scheme will be set out in the Scheme Document, including the expected timetable and the action to be taken by Scheme Shareholders.

The Scheme will be governed by the laws of England and Wales.

It is expected that the Scheme Document will be dispatched to Realm Shareholders within 15 Business Days of the date of this Announcement, unless Realm and Essa otherwise agree to a later date.

Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Scheme Document will also be made available on Realm's website at <https://www.realmtx.com/>.

At this stage, subject to the approval and availability of the Court (which is subject to change), and subject to the satisfaction (or, where applicable, waiver) of the Conditions, Essa expects the Acquisition will become Effective by mid-year 2019.

Fractional entitlements

Fractions of New Essa Shares shall not be allotted or issued to Realm Shareholders pursuant to the Scheme, and the aggregate number of New Essa Shares to which a holder of Realm Shares would be entitled pursuant to the Scheme shall be rounded down to the nearest whole number of New Essa Shares. All fractions of New Essa Shares to which Realm Shareholders would otherwise have become entitled shall be aggregated and allotted and issued to a person appointed by Essa and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale (after the deduction of all expenses and commissions incurred in connection with such sale (including any amounts in respect of value added tax)) will be distributed by Essa in due proportions to Realm Shareholders who would otherwise have been entitled to fractions of New Essa Shares. For the purposes of determining fractional entitlements, each member's holding which is recorded in the register of members of Realm by reference to a separate designation at the Effective Date, whether in certificated or uncertificated form, shall be treated as a separate holding.

12. De-listing and re-registration

Delisting of Realm ADSs

Prior to the Scheme becoming Effective (but after the General Meeting), a request will be made by Realm to Nasdaq to suspend trading of, and delist, the Realm ADSs on Nasdaq, to take effect on, or shortly after, the Effective Date. As of the Effective Date, the Realm ADS facility will be terminated. Subsequently, the Realm ADSs and Realm Shares will be deregistered under the U.S. Exchange Act.

As soon as practicable after the Effective Date and after the termination of the Realm ADS facility and the cancellation of the listing and admission to trading of the Realm ADSs on Nasdaq, it is intended that Realm will be re-registered as a private limited company under the relevant provisions of the Companies Act.

Listing of Essa Shares

Application will be made to the TSXV and Nasdaq to list the New Essa Shares on the TSXV and Nasdaq. Listing of the New Essa Shares is subject to TSXV and Nasdaq approval and must be conditionally obtained (subject to standard listing conditions) prior to the closing of the Acquisition. It is expected that admission to trading will become effective and that dealings for normal settlement in the New Essa Shares will commence on the TSXV and Nasdaq at 8.00 a.m. EST on the Effective Date.

Details of how Realm Shareholders in the UK can hold, access and trade the New Essa Shares will be set out in the Scheme Document.

13. Realm ADSs

Realm ADS Holders will not be entitled to attend the Court Meeting or General Meeting in person. Instead, Realm will instruct that the Realm Depository delivers to Realm ADS Holders as of the Realm ADS Voting Record Time a notice of (or notices for) the Court Meeting and the General Meeting, and Realm ADS Holders as of the Realm ADS Voting Record Time will have the right to instruct the Realm Depository how to vote the Realm Shares underlying the Realm ADSs with respect to the Acquisition, subject to and in accordance with the terms of the Deposit Agreement,

a copy of which is available free of charge at the SEC's website at www.sec.gov or by directing a request to Realm's contact for enquiries identified above.

Shareholders, including ADS Holders, who hold their Realm Shares in the name of a broker, bank or other nominee should follow the voting instructions provided by such nominee in order that their Realm Shares represented by their Realm ADSs (as applicable) are represented at the Court Meeting and the General Meeting.

14. Overseas shareholders

The availability of the Acquisition and the distribution of this Announcement to persons resident in, or citizens of, or otherwise subject to, jurisdictions outside the United Kingdom and the United States may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Realm Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement is not intended to and does not constitute or form part of any offer to sell or to subscribe for, or any invitation to purchase or subscribe for, or the solicitation of any offer to purchase or otherwise subscribe for, any securities. Realm Shareholders are advised to read carefully the Scheme Document and the Forms of Proxy once these have been dispatched.

15. General

The Acquisition will be subject to the Conditions and other terms set out in this Announcement and to the full terms and conditions which will be set out in the Scheme Document. It is expected that the Scheme Document will be dispatched to Realm Shareholders as soon as practicable and, in any event, (unless otherwise agreed by Essa and Realm) within 15 Business Days following the date of this Announcement.

In deciding whether or not to vote or procure votes in favour of the resolutions relating to the Scheme at the Meetings in respect of their Realm Shares, Realm Shareholders should rely on the information contained, and follow the procedures described, in the Scheme Document.

Details of the effect of the Acquisition on Realm ADS Holders will be set out in the Scheme Document in due course.

The Scheme Document will not be reviewed by any federal state securities commission or regulatory authority in the United States, nor will any commission or authority pass upon the accuracy or adequacy of the Scheme Document. Any representation to the contrary is unlawful and may be a criminal offence.

The Acquisition will be subject to the Conditions and further terms that are set out in Appendix I, and to the full terms and conditions which will be set out in the Scheme Document. Appendix II contains the bases and sources of certain information used in this Announcement. Appendix III contains details of the Irrevocable Undertakings received in relation to the Acquisition that are referred to in this Announcement. Appendix IV contains definitions of terms used in this Announcement. The Appendices form part of, and should be read in conjunction with, this Announcement.

16. Documents on display

Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, copies of the following documents will, by no later than the Business Day following the date of this Announcement, be made available on Realm's website at <https://www.realmtx.com/> (as applicable) until the Effective Date:

- (a) this Announcement; and
- (b) the Implementation Agreement.

Neither the contents of Realm's website, nor the content of any other website accessible from hyperlinks on either such website, is incorporated into or forms part of, this Announcement.

APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

Part A

Conditions to the Scheme and the Acquisition

The Acquisition will be governed by English law and will be subject to the exclusive jurisdiction of the English courts.

The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective, by no later than 11.59 p.m. on the Long Stop Date.

Scheme approval

A. The Scheme will be conditional upon:

(i)

(A) its approval by a majority in number representing not less than 75 per cent. in value of the Realm Shareholders (or the relevant class or classes thereof, if applicable) in each case present, entitled to vote and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting; and

(B) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the twenty second day after the expected day of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Essa and Realm may agree and the Court may allow);

(ii)

(A) all resolutions necessary to approve and implement the Scheme and to approve certain related matters being duly passed by the requisite majorities at the General Meeting or at any adjournment of that meeting;

(B) the General Meeting or any adjournment of that meeting being held on or before the twenty second day after the expected date of the General Meeting to be set in the Scheme Document in due course (or such later date, if any, as Essa and Realm may agree and the Court may allow); and

(iii)

(A) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Essa and Realm) and the delivery of a copy of the Court Order to the Registrar of Companies; and

(B) the Court Hearing being held on or before the date immediately preceding the Long Stop Date (or such later date, if any, as Essa and Realm may agree and the Court may allow).

If any Condition referred to in paragraphs A(i) to A(iii) above is not capable of being satisfied by the date specified therein, Essa shall make an announcement as soon as practicable and, in any event, by not later than 7.00 a.m. (New York time) on the Business Day following the date so specified, stating whether Essa has invoked that Condition or, with the agreement of Realm, specified a new date by which that Condition must be satisfied.

In addition, Essa and Realm have agreed that the Acquisition is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions have been satisfied or, where relevant, waived:

Net Cash Amount

B. on the Effective Date, Realm shall have a minimum Net Cash Amount of US\$19,500,000;

Essa Listings

C.

(i) the listing of the New Essa Shares having been conditionally approved by the TSXV, subject only to standard listing conditions;

(ii) Essa having received the Nasdaq Approval; and

(iii) the Essa Shares remaining listed for trading on TSXV and Nasdaq and neither exchange having provided a notice of delisting thereof or indicated any intention to delist Essa Shares;

Section 3(a)(10) Exemption

D. all of the requirements of the Section 3(a)(10) Exemption, other than those that would be satisfied by the occurrence of the Court Hearing and the sanction of the Scheme at the Court Hearing being met;

Accuracy of representations and warranties

E.

- (i) the representations and warranties set out in clause 11.1 of the Implementation Agreement shall be true and correct in all respects as at the date of the Implementation Agreement and as at 11.59 p.m. on the date immediately preceding the date of the Court Hearing, as though made as at 11.59 p.m. on the date immediately preceding the date of the Court Hearing (except to the extent such representations and warranties are made as at an earlier date, in which case as at such earlier date), except (save in respect of the representation and warranty given in clause 11.1(j)(i)) where such failure(s) to be true and correct (without giving effect to any materiality or Realm Material Adverse Effect qualifications set forth therein) have not had and would not reasonably be expected to have, individually or in the aggregate, a Realm Material Adverse Effect; and
- (ii) the representations and warranties set out in clause 11.2 of the Implementation Agreement shall be true and correct in all respects as at the date of the Implementation Agreement and as at 11.59 p.m. on the date immediately preceding the date of the Court Hearing, as though made as at 11.59 p.m. on the date immediately preceding the date of the Court Hearing (except to the extent such representations and warranties are made as at an earlier date, in which case as at such earlier date), except (save in respect of the representation and warranty given in clause 11.2(n)(i)) where such failure(s) to be true and correct (without giving effect to any materiality or Essa Material Adverse Effect qualifications set forth therein) have not had and would not reasonably be expected to have, individually or in the aggregate, an Essa Material Adverse Effect; and

Delivery of officer's certificates

F.

- (i) Realm shall have delivered to Essa a certificate, effective as of 9.00 a.m. on the date of the Court Hearing and signed by an authorised officer of Realm, that the conditions in paragraphs B, D and E(i) have been satisfied; and
- (ii) Essa shall have delivered to Realm a certificate, effective as of 9.00 a.m. on the date of the Court Hearing and signed by an authorised officer of Essa, that the conditions in paragraphs C and E(ii) have been satisfied.

Part B Waiver and Invocation of the Conditions

Essa reserves the right to waive, in whole or in part, Conditions A(i)(B), A(ii)(B), A(iii)(B), B, E(i) and F(i).

Realm reserves the right to waive, in whole or in part, Conditions C, D, E(ii) and F(ii).

Conditions A(i)(A), A(ii)(A) and A(iii)(A) cannot be waived.

The Acquisition is subject to the satisfaction (or waiver, if permitted) of the Conditions in Part A above, and to certain further terms set out in Part C below, and to the full terms and conditions which will be set out in the Scheme Document.

Conditions A(i), A(ii), B, E(i) and F(i) must be fulfilled, determined by Essa and Conditions C, D, E(ii) and F(ii) must be fulfilled, determined by Realm, to be or to remain satisfied or (if permitted under this Part B and capable of waiver) waived, by no later than 9.00 a.m. BST on the date of the Court Hearing, failing which the Acquisition will lapse.

Neither party shall be under any obligation to waive or treat as satisfied any of Conditions B to F (inclusive) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions to the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

Part C Certain further terms of the Acquisition

The Acquisition will lapse if the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date.

The availability of the Acquisition to persons not resident in the U.K. or U.S. may be affected by the Laws of the relevant jurisdictions. Persons who are not resident in the U.K. or U.S. should inform themselves about, and observe, any applicable requirements. Realm Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay and observe any applicable requirements.

This Acquisition will be governed by English law and be subject to the jurisdiction of the English courts.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

The Realm Shares will be acquired by Essa with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of the Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the Realm Shares.

The New Essa Shares to be issued under the Scheme will be issued and allotted with full title guarantee, credited as fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of issue of the New Essa Shares or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital made on or after the Effective Date in respect of the Essa Shares and otherwise shall rank *pari passu* with the issued Essa Shares.

Fractions of New Essa Shares shall not be allotted or issued to Realm Shareholders pursuant to the Scheme, and the aggregate number of New Essa Shares to which a holder of Realm Shares would be entitled pursuant to the Scheme shall be rounded down to the nearest whole number of New Essa Shares. All fractions of New Essa Shares to which Realm Shareholders would otherwise have become entitled shall be aggregated and allotted and issued to a person appointed by Essa and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale (after the deduction of all expenses and commissions incurred in connection with such sale (including any amounts in respect of value added tax)) will be distributed by Essa in due proportions to Realm Shareholders who would otherwise have been entitled to fractions of New Essa Shares. For the purposes of determining fractional entitlements, each member's holding which is recorded in the register of members of Realm by reference to a separate designation at the Effective Date, whether in certificated or uncertificated form, shall be treated as a separate holding.

The Acquisition is not being conducted, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

The Acquisition is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Announcement. The Acquisition is subject to the applicable requirements of the Companies Act and the Court.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

Unless otherwise stated in this announcement:

1. Realm's issued ordinary share capital refers to the 116,561,917 Realm Shares in issue as at 15 May 2019 (being the latest practicable date prior to publication of this Announcement);
2. Essa's issued common shares refers to the 6,311,098 Essa Shares in issue as at 15 May 2019 (being the latest practicable date prior to publication of this Announcement);
4. Closing price quoted for Realm ADS or an Essa Share refers to Nasdaq closing price;
5. The 60 trading day volume weighted average price of an Essa Share is derived from the volume and price taken from Nasdaq's website; and
6. Certain figures included in this Announcement have been subject to rounding adjustments.

APPENDIX III

IRREVOCABLE UNDERTAKINGS

Essa has received irrevocable commitments from certain Realm Directors, as listed below, in respect of their own beneficial holdings of Realm Shares, representing in aggregate approximately 0.49 per cent. of the existing issued ordinary share capital of Realm. These commitments require each Realm Director to vote or procure that the registered holder votes in favour of the resolutions relating to the Acquisition at the Meetings.

Name	Shares	(%)
Charles Spicer	273,930	0.24
Alex Martin	248,115	0.21
Marella Thorell	50,000	0.04
Joseph William Birkett	—	—
Balkrishan (Simba) Gill, PhD	—	—
Ivan Gergel, MD	—	—
Sanford (Sandy) Zweifach	—	—
TOTAL	572,045	0.49

Essa has also received irrevocable undertakings from BVF Partners LP, OrbiMed Private Investments VI, LP Oracle Management Limited and Sussex Trading Company Limited, each Realm Shareholders, to vote or procure votes in favour of the resolutions relating to the Scheme at the Meetings in respect of their entire beneficial holdings, amounting to 52,418,451 Realm Shares, in aggregate, representing approximately 44.97 per cent. of the issued share capital of Realm as at 15 May 2019, being the last practicable date prior to this Announcement.

The Irrevocable Undertakings given by the Realm Directors listed above will cease to be binding if:

- this Announcement is not released by noon (B.S.T) on 20 May 2019 (unless otherwise agreed between Essa and Realm);
- the Scheme Document is not posted within 15 Business Days following the date of this Announcement (unless otherwise agreed between Essa and Realm); or
- the Scheme does not become effective, lapses or is withdrawn without becoming or being declared unconditional in accordance with its terms; or
- Essa announces, with the consent of any governmental authority (if required) and before the Scheme Document is posted, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme is announced by Essa at the same time or within 28 days thereafter; or
- the Scheme lapses or is withdrawn or otherwise becomes incapable of becoming effective or has not become effective on or the date falling 3 months after 20 May 2019.

The Irrevocable Undertakings given by BVF Partners LP, OrbiMed Private Investments VI L.P, Oracle Management Limited and Sussex Trading Company Limited will cease to be binding if:

- the Scheme does not become effective, lapses or is withdrawn without becoming or being declared unconditional in accordance with its terms;
- Essa announces, with the consent of any relevant authority (if required) and before the Scheme Document is posted, that it does not intend to proceed with the Acquisition; or
- the Scheme lapses or is withdrawn or otherwise becomes incapable of becoming effective or has not become effective on or before the date falling 3 months after 20 May 2019.

APPENDIX IV

DEFINITIONS

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

Acquisition	the proposed acquisition by Essa of the entire issued share capital of Realm (including all shares represented by Realm ADSs), to be implemented by means of the Scheme as described in this Announcement;
Announcement	means this announcement;
Business Day	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London, Toronto and New York;
Citibank or Depositary	Citibank, N.A., as depositary bank of the Realm ADSs;
Closing Price	means the Nasdaq closing price for an Essa Share or a Realm ADS, as applicable;
Companies Act	means the Companies Act 2006;

Conditions	means the conditions to the Acquisition set out in Part A of Appendix I and to be set out in the Scheme Document;
Court	means the High Court of Justice in England and Wales;
Court Hearing	means the hearing of the Court at which Realm will seek an order sanctioning the Scheme pursuant to Part 26 of the Companies Act (including any adjournment, postponement or reconvention thereof);
Court Meeting	means the meeting or meetings of the Realm Shareholders to be convened by order of the Court pursuant to Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment approved or imposed by the Court and agreed to by Essa and Realm) including any adjournment, postponement or reconvention of any such meeting, notice of which shall be contained in the Scheme Document;
Court Order	means the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
Effective	in the context of the Acquisition the Scheme having become effective in accordance with its terms;
Effective Date	means the date on which the Scheme becomes Effective;
Essa	;
Essa Directors	the directors of Essa as at the date of this document or, where the context so requires, the directors of Essa from time to time;
Essa Group	Essa and its subsidiary undertakings and associated undertakings;
Essa Shares	;
Exchange Ratio	means the exchange ratio of a fraction of a New Essa Share for every 1 Realm Share to be calculated in accordance with the Implementation Agreement and as set out in paragraph 2 of this Announcement;
Forms of Proxy	means the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document;
General Meeting	means the general meeting of Realm Shareholders (including any adjournment thereof) to be convened for the purpose of considering and, if thought fit, approving the shareholder resolutions necessary to enable Realm to implement the Acquisition, notice of which shall be contained in the Scheme Document;
Implementation Agreement	means the implementation agreement entered into on 15 May 2019 between Essa and Realm and, relating to, amongst other things, the implementation of the Acquisition;
Irrevocable Undertakings	means the irrevocable undertakings given by certain of the Realm Directors (Charles Spicer, Alex Martin and Marella Thorell) and BVF Partners LP, OrbiMed Private Investments VI, LP Oracle Management Limited and Sussex Trading Company Limited to vote or procure votes in favour of the Scheme at the Court Meeting and the resolutions to be passed at the General Meeting, as detailed in paragraph 6 and Appendix II of this Announcement;
Law	any federal, state, local, municipal, foreign or other law, statute, constitution, resolution, ordinance, common law, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority;
Long Stop Date	means 31 July 2019, or such later date (if any) as Essa and Realm may agree, and the Court may allow;
Material Adverse Effect	has the meaning given to it in the Implementation Agreement;
Meetings	means the Court Meeting and the General Meeting;
Nasdaq	means the Nasdaq Stock Market;

Nasdaq Approval	means verbal or email confirmation by Nasdaq that it has completed its review of Essa's notification of listing of the New Essa Shares in connection with the Acquisition and that Nasdaq has not rejected or expressed any objection to the listing of the New Essa Shares;
Net Cash Amount	means in relation to Realm, cash, cash equivalents and short term investments, plus current AMT tax receivables in relation to the 2018 U.S. federal income tax return of the Company that will result in an actual refund of cash taxes, plus pre-paid expenses (including pre-paid rent and lease deposit, as applicable) which are either refundable or which have future value to Essa following the Effective Date, less all liabilities including all of the Company's costs incurred in relation to the Acquisition and the strategic review process, lease termination fees or a liability for future lease payments (if applicable), runoff D&O insurance premiums, annual subscription or maintenance fees for services performed prior to 30 June 2019, severance or notice payments and other employee-related termination costs all calculated in good faith on a U.S. GAAP basis and irrespective of when paid, calculated as at the Effective Date;
New Essa Shares	the Essa Shares to be issued to the Scheme Shareholders pursuant to the Acquisition, in accordance with the terms of the Scheme;
Realm	Realm Therapeutics plc, a public limited company incorporated in England and Wales with registered number 05789798 whose registered office is at Cannon Place, 78 Cannon Street, London, England, EC4N 6AF;
Realm ADSs	sponsored American Depositary Shares, each representing twenty-five (25) Realm Shares, for which Citibank is the depository;
Realm ADS Holder	holder of Realm ADSs;
Realm Board	the board of directors of Realm at the date of this document or, where the context so requires, the board of directors of Realm from time to time;
Realm Directors	the directors of Realm as at the date of this document or, where the context so requires, the directors of Realm from time to time;
Realm Group	Realm, its subsidiaries and its subsidiary undertakings from time to time;
Realm Shareholder	means a holder of Realm Shares;
Realm Shareholder Meetings	the Court Meeting and/or the General Meeting, as the case may be;
Realm Shares	means the ordinary shares of GBP 0.10 each in the capital of Realm;
Registrar	means the Registrar of Companies in England and Wales;
Resolutions	means the shareholder resolutions necessary to enable Realm to implement the Acquisition to be proposed at the General Meeting;
Restricted Jurisdiction	means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Realm Shareholders in that jurisdiction;
Scheme	means the proposed scheme of arrangement under Part 26 of the Companies Act between Realm and Scheme Shareholders to implement the Acquisition to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Essa and Realm;
Scheme Document	means the document to be dispatched to Realm Shareholders including the particulars required by section 897 of the Companies Act;
Scheme Record Time	means the time and date to be specified as such in the Scheme Document, expected to be 6.00 p.m. (London time) on the Business Day immediately preceding the Effective Date, or such other time as Essa and Realm may agree;
Scheme Voting Time	means the time and date to be specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. (London time) on the day two days prior to the Court Meeting or any adjournment thereof (as the case may be);

Scheme Shareholders	means holders of Scheme Shares;
Scheme Shares	<p>Realm Shares:</p> <p>A. in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time;</p> <p>B. issued after the date of the Scheme Document and prior to the Scheme Voting Record Time which remain in issue at the Scheme Record Time; and</p> <p>C. issued at or after the Scheme Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, and in each case, which remain in issue at the Scheme Record Time,</p> <p>excluding, in any case, any Realm Shares held by or on behalf of Essa or Essa Group at the Scheme Record Time;</p>
SEC	means the U.S. Securities and Exchange Commission;
Section 3(a)(10) Exemption	means the exemption from the registration requirements of the U.S. Securities Act under Section 3(a)(10) thereof;
TSXV	means the TSX Venture Exchange;
U.K. or United Kingdom	means the United Kingdom of Great Britain and Northern Ireland;
U.S. or United States	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
U.S. Exchange Act	means the U.S. Securities Exchange Act of 1934; and
U.S. Securities Act	means the U.S. Securities Act of 1933.

All references to GBP, pence, Sterling, Pounds, Pounds Sterling, p or £ are to the lawful currency of the United Kingdom. All references to USD, \$, US\$, U.S. dollars, United States dollars and cents are to the lawful currency of the United States of America.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, amended, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All the times referred to in this Announcement are London times unless otherwise stated. References to the singular include the plural and vice versa.

All references to “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated undertaking” have the respective meanings given to them in the Companies Act.

15 MAY 2019

(1) ESSA PHARMA INC.

(2) REALM THERAPEUTICS PLC

IMPLEMENTATION AGREEMENT

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THIS AGREEMENT is made on 15 May 2019.

AMONG:

- (1) **ESSA PHARMA INC.**, a company incorporated in British Columbia, Canada, and whose registered office is at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, Canada V7X 1L3 (the "**Bidder**"); and
- (2) **REALM THERAPEUTICS PLC**, a public limited company incorporated in England and Wales (registered number 05789798), whose registered office is at Cannon Place, 78 Cannon Street, London EC4N 6AF, United Kingdom (the "**Company**");

together referred to as the "**parties**" and each as a "**party**" to this agreement (the "**Agreement**").

WHEREAS:

- (A) The parties each desire the Acquisition of the Company by the Bidder.
- (B) The Company Directors intend to recommend the Acquisition to the Company Shareholders.
- (C) The parties have agreed that the Acquisition will be implemented by means of a scheme of arrangement under Part 26 of the Act.
- (D) The Scheme will result in the Bidder acquiring the entire issued share capital of the Company.
- (E) The parties have agreed to take certain steps to implement the Acquisition and wish to enter into this Agreement to record their respective obligations relating to such matters.

IT IS AGREED:

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1. **Interpretation**

1.1 In this Agreement, its Recitals and Schedules, each of the following expressions shall have the following meanings:

“Acceptable Confidentiality Agreement” ;

“Acquisition” the acquisition by the Bidder of the entire issued and to be issued share capital of the Company for the Consideration, to be effected in accordance with this Agreement by means of the Scheme and shall, where the context so requires, include any subsequent revision, variation, extension or renewal thereof as agreed by the parties in writing;

“Acquisition Proposal” any inquiry, proposal or offer from any person (other than the Bidder) relating to (i) any direct or indirect acquisition or purchase, in a single transaction or a series of related transactions, of (A) 25 per cent. or more (based on the fair market value thereof, as reasonably determined by the Company Board) of the assets (including share capital of the Company’s subsidiaries) of the Company and its subsidiaries, taken as a whole, or (B) shares carrying 25 per cent. or more of the aggregate voting power and economic rights of the Company or (ii) any takeover offer, exchange offer, merger, consolidation, business combination, recapitalisation, liquidation, dissolution, share exchange or similar transaction involving the Company that, if consummated, would result in any person (or the shareholders of any person) owning, directly or indirectly, shares carrying 25 per cent. or more of the aggregate voting power and economic rights of the Company or the resulting direct or indirect parent of the Company, other than, in each case, the Acquisition;

“Act” the UK Companies Act 2006 (including the schedules thereto);

“Action” any legal, arbitral, administrative, regulatory or other action, charge, complaint, enquiry, litigation, inquiry, audit, examination, investigation or proceedings;

“Advisers” ;

“ADS” ;

“Affiliate” with respect to any person, any other person directly or indirectly controlling, controlled by or under common control with such person (as used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a person, whether through the ownership of securities or partnership or other ownership interests, by Contract or otherwise);

“Agent” ;

“Agreed Form” in relation to any document, such document in the terms agreed among the parties as at the date of this Agreement, subject to any further changes as the parties may agree from time to time;

“Announcement” ;

“Anti-Corruption Laws” the US Foreign Corrupt Practices Act of 1977, the US Anti-Kickback Act of 1986, the UK Bribery Act of 2012, the Anti-Bribery Laws of the People’s Republic of China and the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any applicable Law of similar effect, and the related regulations and published interpretations thereunder;

“Articles”	;
“Assets”	Vashe® wound care royalty stream, an FDA 510(k)-cleared anti-itch hydrogel, which was formerly marketed as Aurstat™, hypochlorous acid (HOCl) related equipment, intellectual property (including know-how, patents and copyrights), program records, and certain assigned contracts and intellectual property licences and all other assets defined as such in the Assets Disposal Agreement;
“Assets Disposal”	the disposal of the Assets pursuant to the terms of the Assets Disposal Agreement;
“Assets Disposal Agreement”	;
“Benefit Plan”	each “employee benefit plan” within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA and all other employee benefit plans, programs, agreements and arrangements (whether oral or written, formal or informal, funded or unfunded) maintained for, available to or otherwise relating to any employees or former employees of the Company or the Bidder, as the context may require, or in respect of which the Company or the Bidder as applicable is obligated to contribute or in any way liable, whether or not insured and whether or not subject to any applicable Law, including bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, severance and termination pay, hospitalization, health and other medical benefits, life and other insurance, dental, vision, legal, long-term and short-term disability, salary continuation, vacation, supplemental unemployment benefits, education assistance, profit-sharing, mortgage assistance, employee loan, employee assistance and pension, retirement and supplemental retirement plans, programs and agreements (including any defined benefit or defined contribution pension plan whether or not registered under applicable Law and any group registered retirement savings plan), except that the term “ Benefit Plans ” shall not include any statutory plans with which the Company or the Bidder as applicable is required to comply, including the Canada/Quebec Pension Plan and plans administered pursuant to applicable provincial health tax, workers’ compensation and workers’ safety and employment insurance legislation;
“Bidder Board”	the board of Bidder Directors from time to time;
“Bidder Common Shares”	the common shares without par value of the Bidder;
“Bidder Directors”	the directors of the Bidder from time to time;
“Bidder Group”	the Bidder and its subsidiaries and subsidiary undertakings from time to time;
“Bidder Information”	has the meaning given to it in Clauses 6.1 and 6.7;

“Bidder Intellectual Property Rights”	any and all Intellectual Property Rights (i) owned or purported to be owned by the Bidder Group or (ii) licensed, or for which rights are otherwise granted or held for use, to the Bidder Group by a third party, including, but not limited to, the Licensed Intellectual Property Rights, the Owned Intellectual Property Rights, the Licensed Registered IP and the Owned Registered IP;
“Bidder Material Adverse Effect”	a Material Adverse Effect in respect of the Bidder or the Bidder Group, as applicable;
“Bidder Material Contract”	has the meaning given to it in Clause 11.2(w)(i);
“Bidder Public Documents”	has the meaning given to it in Clause 11.2(m)(i);
“Bidder Shareholders”	the holders of Bidder Common Shares from time to time;
“Blakes”	Blake, Cassels & Graydon LLP;
“Business Day”	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London, United Kingdom, New York, United States and Vancouver, British Columbia, Canada;
“BVF”	Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., Biotechnology Value Trading Fund OS, L.P., MSI BVF SPV, L.L.C., and Investment 10, L.L.C.;
“Change of Control Payment”	has the meaning given to it in Clause 11.1(q)(i)(D);
“Circular”	the circular to be issued by the Company to the Company Shareholders setting out, among other things, the terms and conditions of the Acquisition and the notice of the Court Meeting and the General Meeting;
“Code”	the U.S. Internal Revenue Code of 1986;
“Company Adverse Change Recommendation”	has the meaning given to it in Clause 9.4(a)(i);
“Company Board”	the board of Company Directors from time to time;
“Company Board Recommendation”	the unanimous recommendation of the Company Directors to the Company Shareholders to vote in favour of the Resolutions at the Court Meeting and the General Meeting (or, in the Announcement, the statement of their intention to make such recommendation);
“Company Directors”	the directors of the Company from time to time;
“Company Group”	the Company and its subsidiaries and subsidiary undertakings from time to time;
“Company Material Adverse Effect”	a Material Adverse Effect in respect of the Company or the Company Group, as applicable;
“Company Material Contract”	has the meaning given to it in Clause 11.1(q)(i);

“Company Net Cash Amount”	in relation to the Company, cash, cash equivalents and short term investments, plus current AMT tax receivables in relation to the 2018 US federal income tax return of the Company that will result in an actual refund of cash Taxes, plus pre-paid expenses (including pre-paid rent and lease deposit, as applicable) which are either refundable or which have future value to the Bidder following Closing, less all liabilities including all of the Company’s costs incurred in relation to the Acquisition and the strategic review process, lease termination fees or a liability for future lease payments (if applicable), run-off D&O insurance premiums, annual subscription or maintenance fees for services performed prior to 30 June 2019, severance or notice payments and other employee-related termination costs all calculated in good faith on a US GAAP basis and irrespective of when paid, calculated as at the Effective Date;
“Company SEC Documents”	has the meaning given to it in Clause 11.1(i)(i);
“Company Shareholders”	the holders of Company Shares;
“Company Shares”	the ordinary shares of the Company with a nominal value of GBP 0.10 each; provided that, for the avoidance of doubt, “Company Shares” include ordinary shares of the Company represented by ADSs;
“Compensatory Payment”	a compensatory payment that may be payable by the Company to the Bidder pursuant to Clause 13.1 or by the Bidder to the Company pursuant to Clause 13.2, as applicable;
“Conditions”	the conditions to completion of the Acquisition set out in Appendix I to the Announcement;
“Confidentiality Agreement”	the confidentiality agreement entered into by the Bidder and the Company on 29 January 2019;
“Consideration”	the number of New Bidder Shares for each 1 Company Share calculated on the basis of the Exchange Ratio, to be issued to Company Shareholders on or within 5 Business Days of the Effective Date pursuant to the Scheme;
“Contract”	with respect to any person, any legally binding contract, agreement, lease, sublease, licence, commitment, sale or purchase order, indenture, note, bond, loan, mortgage, deed of trust, instrument or other arrangement, whether written or oral, express or implied, to which such person is a party or by which such person or such person’s properties or assets are bound;
“Cooley”	Cooley LLP and Cooley (UK) LLP;
“Court”	the High Court of Justice in England and Wales;
“Court Hearing”	the hearing of the Court at which the Company will seek an order sanctioning the Scheme pursuant to Part 26 of the Act;

“Court Meeting”	the meeting of Company Shareholders (and any adjournment, postponement or reconvention thereof) to be convened by order of the Court pursuant to section 896 of the Act in order for the Company Shareholders to consider, and if thought fit approve, the Scheme;
“Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Act;
“D&O Indemnified Parties”	has the meaning given to it in Clause 6.6(a);
“Depository”	Citibank, N.A.;
“Deposit Agreement”	the agreement dated 3 July 2018 between the Company, the Depository and the holders from time to time of ADSs issued thereunder;
“Determination Notice”	has the meaning given to it in Clause 9.4(b)(iii);
“EDGAR”	the Electronic Data Gathering, Analysis and Retrieval database of the SEC;
“Effective Date”	the date upon which the Scheme becomes effective in accordance with its terms;
“Employees”	the employees (including Company Directors) and other service providers of the Company;
“Environmental Law”	any applicable Law relating to pollution or protection of human health, worker health or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including any Law or regulation relating to emissions, discharges, releases or threatened releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;
“Environmental Permit”	any Permit that is required by a Governmental Authority under any Environmental Law and necessary to the operation of the business of the Company Group;
“ERISA”	the U.S. Employee Retirement Income Security Act of 1974;
“Estimated Company Net Cash Amount Statement”	the statement in the Agreed Form as at the date of this Agreement setting out the estimated Company Net Cash Amount as at 30 June 2019 prepared on a US GAAP basis by the Company;
“Eversheds”	Eversheds Sutherland (International) LLP;
“Exchange Act”	the United States <i>Securities Exchange Act of 1934</i> and the rules and regulations promulgated thereunder;
“Exchange Ratio”	the exchange ratio calculated in accordance with Clause 2.2;
“Fasken”	Fasken Martineau DuMoulin LLP;
“FDA”	the US Food and Drug Administration;
“Federal Health Care Program”	has the meaning given to it in Clause 11.1(m)(iii);

“Final Company Net Cash Amount Statement”	the statement prepared by the Company pursuant to Clause 2.2 setting out the Company Net Cash Amount calculated as to the Effective Date prepared on a US GAAP basis for the purposes of calculating the Exchange Ratio;
“Financial Adviser”	in relation to the Bidder, Oppenheimer & Co., Inc. and, in relation to the Company, MTS Health Partners, L.P., including (unless the context otherwise requires) directors, officers and employees thereof;
“GAAP”	(a) with respect to the Bidder, means generally accepted accounting principles as set forth in the CPA Canada Handbook - Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time; and (b) with respect to the Company, means US GAAP;
“General Meeting”	the general meeting of the Company Shareholders (including any adjournment, postponement or reconvention thereof) to be convened in connection with the Scheme in order for the Company Shareholders to consider, and if thought fit approve, certain matters in connection with the Scheme and the Acquisition, notice of which is to be set out in the Circular (including any adjournment, postponement or reconvention thereof);
“Governmental Authority”	any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, provincial, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature including any governmental division, department, agency, commission, instrumentality, official, ministry, fund, foundation, centre, organisation, unit or body and any court, arbitrator or other tribunal and includes for clarity and without limitation, TSXV and Nasdaq;
“Hazardous Materials”	any waste, material, or substance that is listed, regulated or defined under any Environmental Law and includes any pollutant, chemical substance, hazardous substance, hazardous waste, special waste, solid waste, asbestos, mould, radioactive material, polychlorinated biphenyls, petroleum or petroleum-derived substance or waste;
“Health Authority”	the Governmental Authorities which administer Health Laws including the FDA, the European Medicines Agency (EMA), Health Canada and other equivalent agencies in any jurisdiction;

“Health Law”

any applicable Law of any Governmental Authority (including multi-country organisations) the purpose of which is to ensure the safety, efficacy and quality of medicinal and pharmaceutical products by regulating the research, development, manufacturing, processing, importation, exportation, marketing, advertising, labelling, storage, pricing and distribution of these products, including applicable Law relating to good laboratory practices, good clinical practices, investigational use, product marketing authorisation, manufacturing facilities compliance and approval, good manufacturing practices, labelling, advertising, promotional practices, safety surveillance, record keeping and filing of required reports;

“Health Submissions”

has the meaning given to it in Clause 11.2(r)(ii);

“HIPAA”

collectively: (a) the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191), including its implementing rules and regulations with respect to privacy, security of health information, and transactions and code sets; (b) the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009); (c) the Omnibus Rule effective March 26, 2013 (78 Fed. Reg. 5566), and other implementing rules regulations at 45 CFR Parts 160 and 164; and (d) any federal, state and local laws regulating the privacy and/or security of individually identifiable information, in each case, as the same may be amended, modified or supplemented from time to time;

“Indebtedness”

any and all (a) indebtedness for borrowed money, whether current or funded, secured or unsecured, including that evidenced by notes, bonds, debentures or other similar instruments (and including all outstanding principal, prepayment premiums, if any, and accrued interest, fees and expenses related thereto), (b) amounts owed with respect to drawn letters of credit, (c) cash overdrafts, (d) net obligations in respect of interest rate, currency or commodity swaps, collars, caps, hedges, futures Contract, forward Contract, options or other derivative instruments or arrangements, (e) obligations under conditional sale, title retention or similar agreements or arrangements creating an obligation with respect to the deferred purchase price of property, services, securities or assets with respect to which the Company Group is liable, primarily or secondarily, absolutely, contingently or otherwise, including all Company Group notes and “earn-out” payments, and (f) indebtedness secured by an Encumbrance on the Company Group’s assets or properties and (g) outstanding guarantees of obligations of the type described in (a) through (c) above;

“Indicative Timetable”

the indicative timetable set out in Schedule 1;

“Intellectual Property Rights”

all rights, title, and interests in and to all intellectual property rights of every kind and nature however denominated, throughout the world, including: (a) patents, patent applications, invention disclosures, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof (“**Patents**”); (b) trademarks, service marks, names, corporate names, trade names, domain names, logos, slogans, trade dress, design rights, and other similar designations of source or origin, together with the goodwill symbolised by any of the foregoing (“**Trademarks**”); (c) copyrights and copyrightable subject matter (“**Copyrights**”); (d) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing (“**Software**”); (e) trade secrets and all other confidential information, ideas, know-how, inventions, proprietary processes, formulae, models, and methodologies (“**Trade Secrets**”); (f) rights of publicity, privacy, and rights to personal information; (g) moral rights and rights of attribution and integrity; (h) domain names and social media accounts and handles; (i) all applications and registrations for the foregoing; and (j) all rights and remedies against past, present, and future infringement, misappropriation, or other violation thereof;

“Knowledge”

with respect to the Company, any matter within the knowledge, information or belief of either Alex Martin or Marella Thorell following due inquiry, and with respect to the Bidder, any matter within the knowledge, information or belief of David Parkinson, David Wood or Peter Virsik following due inquiry;

“Law”

any federal, state, provincial, local, municipal, foreign or other law, statute, constitution, resolution, ordinance, common law, code, edict, decree, guidance, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority and the rules, regulations, policies and requirements of each of Nasdaq and TSXV;

“Leased Real Property”

267 Great Valley Parkway, Malvern, Pennsylvania, 19355, US being the real property that is leased or subleased by the Company and its subsidiaries;

“Liability”	any direct or indirect debt, liability, obligation, commitment, guaranty, claim, loss, damage, deficiency, fine, cost or expense of any kind or nature (in each case, including interest thereon), whether relating to payment, performance or otherwise, known or unknown, asserted or unasserted, fixed, absolute or contingent, joint or several, accrued or unaccrued, secured or unsecured, disclosed or undisclosed, liquidated or unliquidated, due or to become due, or determined, determinable or otherwise, asserted or not asserted, vested or unvested, or executory, whenever or however arising (including, whether or not required to be reflected or reserved against on the financial statements of the relevant person under US GAAP if applicable);
“Licensed Intellectual Property Rights”	has the meaning given to it in Clause 11.2(q)(i);
“Lien”	any mortgage, deed of trust, hypothecation, lien, licence, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of any property or asset, whether voluntarily incurred or arising by operation of law or otherwise, including any agreement to give or grant any of the foregoing. For the purposes of this Agreement, a person shall be deemed to own subject to a Lien any property or asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital or other lease or other title retention agreement relating to such property or asset;
“Long Stop Date”	31 July 2019 or such later date as may be agreed pursuant to Clause 10.11 (if applicable) or as the Bidder and the Company may otherwise agree in writing;
“Matching Acquisition Proposal”	has the meaning given to it in Clause 9.4(b)(iii);
“Material Adverse Effect”	any state of facts, condition, development, circumstance, change, effect or event occurring on or after the date hereof which, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on: <ul style="list-style-type: none"> (a) the condition (financial or otherwise), business, assets, liabilities or results of operations of the Company Group or the Bidder Group (as applicable), taken as a whole; provided, however, that none of the following shall be deemed, either alone or in combination, to constitute or be taken into account in determining whether there is, or would reasonably be expected to be, a Material Adverse Effect:

- (i) the payment of all reasonably incurred fees associated with the consummation of the Acquisition and the winding down of operations required to implement the Acquisition;
- (ii) changes in general economic conditions, or changes in securities, credit or other financial markets, in the United States or the UK, or conditions generally affecting the pharmaceutical or biotechnology industries;
- (iii) acts of war, sabotage or terrorism or natural disasters or public health crises involving the United States or the UK;
- (iv) changes of applicable Law or GAAP or the interpretation thereof;
- (v) any event arising directly or indirectly from or otherwise relating to any change in, or any compliance with or action taken for the purpose of complying with any change in, any applicable Law or GAAP (or interpretations of any applicable Law or GAAP), provided that such change is not at the relevant party's discretion in a manner inconsistent with past practice;
- (vi) the announcement, pendency or consummation of this Agreement and the Acquisition, including the identity of, or the effect of any fact or circumstance relating to, the parties or any of their Affiliates or any communication by the parties or any of their Affiliates regarding plans, proposals or projections with respect to the parties or their employees;
- (vii) the direct or indirect effects of:
 - (A) any breach by the other party of the terms of this Agreement;
 - (B) any action that the other party directs the relevant party to take in writing or to which the other party specifically consents in writing pursuant to this Agreement; or

(C) any action specifically required to be taken by the relevant party, or the failure of the relevant party to take any action that the relevant party is specifically prohibited by the terms of the Agreement from taking, to the extent the other party fails to give its timely consent thereto after a written request therefor pursuant to Clause 9.1 or 10.1 as applicable; and/or

(viii) any failure of the relevant party to meet any internal or public projections, forecasts, estimates of earnings or revenues,

except,

(A) in the case of paragraphs (i), (ii), (iii) and (iv), to the extent such changes or events disproportionately affect the relevant party relative to other participants in the industry in which the relevant party operates; and

(B) the exceptions set forth in sub paragraphs (i) through (viii) shall not prevent or otherwise affect a determination that any fact, change, event, occurrence or effect underlying, or that may have contributed to, such decline or failure has resulted in or contributed to a Material Adverse Effect; and

(b) the ability of the relevant party to consummate the Acquisition on or before the Long Stop Date;

“Material Contract”

a Company Material Contract or a Bidder Material Contract;

“MI 61-101”

has the meaning given to it in Clause 11.2(t);

“Nasdaq”

the Nasdaq Capital Market;

“Nasdaq Approval”

verbal or email confirmation by Nasdaq that it has completed its review of the Bidder’s notification of listing of the New Bidder Shares in connection with the Acquisition and that Nasdaq has not rejected or expressed any objection to the listing of the New Bidder Shares;

“New Bidder Directors”

has the meaning given to it in Clause 6.13;

“New Bidder Shares”

the Bidder Common Shares to be issued as consideration pursuant to this Agreement and the Scheme;

“Offer Related Expenses”

all fees and expenses incurred by the Bidder in connection with the Acquisition, including the fees and expenses of its advisers;

“Owned Intellectual Property Rights”

has the meaning given to it in Clause 11.2(p)(ii);

“Owned Registered IP”	has the meaning given to it in Clause 11.2(p)(i);
“Permits”	any certificates, permits, licences, franchises, approvals, new drug applications (NDAs), biologics licence applications (BLAs), investigational new drug applications (INDs), clinical trial applications (CTAs), concessions, qualifications, registrations, certifications, designations, and similar authorisations from any Governmental Authority (including any Health Authority);
“Permitted Liens”	(a) any Lien for Taxes that are not due and payable or the validity of which is being contested in good faith by appropriate proceedings; (b) any Lien representing the rights of customers, suppliers and subcontractors in the ordinary course of business consistent with past practice under the terms of any Contracts to which the relevant party hereto is a party or under general principles of commercial or government contract law (including mechanics’, materialmen’s, carriers’, workmen’s, warehouseman’s, repairmen’s, landlords’ and similar liens granted or which arise in the ordinary course of business consistent with past practice); (c) in the case of any Contract, Liens that are restrictions against the transfer or assignment thereof that are included in the terms of such Contract; (d) in the case of real property, Liens that are easements, rights-of-way, encroachments, restrictions, conditions and other similar Liens incurred or suffered in the ordinary course of business consistent with past practice and which, individually or in the aggregate, do not and would not materially impair the use (or contemplated use), utility or value of the applicable real property or otherwise materially impair the present or contemplated business operations at such location, or zoning, entitlement, building and other land use regulations imposed by Governmental Authorities having jurisdiction over such real property or that are otherwise set forth on a title report; and (e) non-exclusive licences of or other grants of rights to use or obligations with respect to Intellectual Property Rights that accompany the sale of the Company’s or Bidder’s, as applicable, products or services in the ordinary course of business;
“Personal Information”	data and information concerning an identifiable natural person;
“Personnel”	in relation to any person, its board of directors and/or executive officers, members of their immediate families, related trusts and persons connected with them;
“Pre-Funded Warrants”	;

“Pre-Funded Warrants Exercise Agreements”	the agreements in the Agreed Form between the Bidder and (i) Eventide Gilead Fund and Eventide Healthcare & Life Sciences Fund and (ii) BVF relating to the exercise of their Pre-Funded Warrants to be entered into on or around the date of this Agreement;
“Privacy Laws”	Laws relating to privacy, data security of Personal Information and/or electronic marketing including the EU Data Protection Directive (95/46/EC) (together with relevant national implementing legislation), the EU General Data Protection Regulation (2016/679) (together with relevant national implementing legislation, such as in the United Kingdom, the Data Protection Act 2018) and HIPAA;
“Privacy Policies”	has the meaning given to it in Clause 11.1(v);
“Proceedings”	has the meaning given to it in Clause 20.2;
“Process”	any operation that is performed upon Personal Information whether or not by automatic means, including the access, acquisition, collection, recording, organisation, storage, alteration, retrieval, consultation, use, processing, disclosure, combination, blocking, transfer, return or destruction, and “Processed” or “Processing” shall be construed accordingly;
“Realm Principal Shareholders”	OrbiMed Private Investments VI, L.P. and BVF Partners L.P.;
“Recall”	any material voluntary or involuntary recall, field correction, corrective action, suspension, seizure, detention, discontinuance or withdrawal from the market;
“Relevant Period”	the period between the date of this Agreement and the earlier to occur of: (i) the Effective Date, and (ii) the date of termination of this Agreement in accordance with Clause 12;
“Relevant Withdrawal Event”	has the meaning given to it in Clause 12.1(e);
“Representatives”	in relation to each party, its Financial Advisers, Advisers, directors, officers, employees, and consultants;
“Resolutions”	the resolutions of the Company Shareholders to be proposed at the Court Meeting and the General Meeting in order to approve the Scheme and certain other matters in connection with the Acquisition;
“Sanction Date”	the date that the Court sanctions the Scheme;
“Sarbanes-Oxley Act”	the Sarbanes-Oxley Act of 2001;
“Scheme”	the scheme of arrangement to be proposed under section 899 of the Act by the Company to the Company Shareholders to implement the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Bidder;
“Scheme Record Time”	the time and date to be specified as such in the Circular, expected to be 6:00 p.m. on the Business Day immediately preceding the Effective Date, or such other time as the parties may agree;
“SEC”	the United States Securities and Exchange Commission;

“Section 3(a)(10) Exemption”	has the meaning given to it in Clause 2.8;
“Securities Act”	the United States <i>Securities Act of 1933</i> and the rules and regulations promulgated thereunder;
“Securities Laws”	the Securities Act, the Exchange Act, the <i>Securities Act</i> (British Columbia), and all other applicable United States federal and state, and Canadian provincial and territorial, securities laws, rules, regulations, instruments and published policies thereunder;
“Security Breach”	any actual or suspected breach of security leading to the accidental or unlawful destruction, loss, theft, alteration, unauthorised disclosure, destruction of, access or damage to Personal Information Processed by the Company;
“Skadden”	Skadden, Arps, Slate, Meagher & Flom LLP;
“Superior Proposal”	any <i>bona fide</i> written Acquisition Proposal that if consummated would result in a person (or the shareholders of any person) owning, directly or indirectly, (a) 80 per cent. or more of the aggregate voting power and economic rights of the Company or the resulting direct or indirect parent of the Company or (b) all or substantially all of the assets (including share capital of the Company’s subsidiaries) of the Company and its subsidiaries, taken as a whole, (i) on terms which the Company Board determines, in good faith, after consultation with outside counsel and its Financial Adviser, would result in greater value to the Company Shareholders from a financial point of view than the Acquisition, including a price per Company Share with a value greater than 10 per cent. above the Consideration, after taking into account all of the terms and conditions of such Acquisition Proposal and this Agreement and (ii) that is reasonably likely to be completed relative to the Acquisition, taking into account all financial, regulatory, legal, timing and other aspects of such proposal;
“SVB”	Silicon Valley Bank, a California corporation;
“SVB Loan Agreement”	the loan and security agreement dated 18 November 2016 between SVB and the Bidder;
“Supplement”	has the meaning given to it in Clause 6.7;

“Tax”

all forms of taxation and statutory, governmental, state, federal, provincial, local, foreign, government or municipal charges, fees, tolls, customs, duties, imposts, contributions, levies, withholdings, or liabilities or social security or national insurance contributions of any kind wherever chargeable and in any jurisdiction including net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, branch profits, profit share, licence, lease, service, service use, value added, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, premium, property, windfall profits, wealth, net wealth, net worth, export and import fees and charges, registration fees, tonnage, vessel, or other taxes, charges, fees, duties, levies, tariffs, imposts, tolls, customs, or other tax (however denominated), whether disputed or not, imposed or required to be withheld by any Tax Authority; and any penalty, fine, surcharge, interest, inflationary adjustment or other additions to tax or other additional amounts imposed thereon, with respect thereto, or relating thereto, in all cases, wherever and whenever imposed and regardless of whether such taxes, penalties, charges, costs and interest are directly or primarily chargeable against or attributable to the Company or the Bidder, any member of the Company Group or the Bidder Group or any other person and regardless of whether the Company or the Bidder, any member of the Company Group or the Bidder Group or any other person has or may have any right of reimbursement against any other person;

“Tax Authority”

any government, state, province or municipality or any local, state, federal, provincial or other fiscal, revenue, customs or excise authority, body or official or other Governmental Authority in any jurisdiction having authority in the assessment, collection or administration of Tax;

“Tax Return”

any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, amended tax return, claim for refund or declaration of estimated Tax) required or permitted to be supplied to, or filed with, a Tax Authority in connection with the determination, assessment or collection of any Tax or the administration of any applicable Laws relating to any Tax;

“Tax Sharing Agreement”	any existing agreement or arrangement (whether or not written) binding any member of the Company Group or the Bidder Group (as applicable) that provide for the allocation, apportionment, sharing or assignment of any Tax Liability or benefit, excluding, for the avoidance of doubt, any Contract entered into in the ordinary course of business and which does not relate primarily to Taxes;
“Total Consideration”	has the meaning given to it in Clause 2.1;
“Trading Day”	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in New York, United States;
“Transaction Documents”	means this Agreement, the Announcement and the Confidentiality Agreement (and “Transaction Document” means any one of them);
“Transfer Taxes”	has the meaning given to it in Clause 14.2;
“Treasury Shares”	any Company Shares which are for the time being held by the Company as treasury shares (within the meaning of the Act);
“TSXV”	means the TSX Venture Exchange;
“TSXV Approval”	the approval of the Acquisition by TSXV;
“undertaking party”	has the meaning given to it in Clause 15.5;
“US GAAP”	United States generally accepted accounting principles;
“Voting Record Time”	in relation to the Court Meeting or General Meeting, as the context requires, the date and time to be specified in the Circular by reference to which entitlement to vote at the Court Meeting or General Meeting, as the case may be, will be determined; and
“VWAP”	the volume weighted average price.

1.2 In this Agreement:

- (a) the Recitals and Schedules form an integral part of this Agreement;
- (b) the headings are for convenience only and shall not affect its interpretation;
- (c) expressions used in this Agreement shall have the same meanings as in the Act, unless the context requires otherwise or they are otherwise defined in this Agreement;
- (d) a reference to the provisions of applicable Law includes a reference to any provision which from time to time amends, extends, consolidates or replaces that provision and any subordinate legislation, rule or regulation made under any such provisions;
- (e) words denoting the singular number shall include the plural, the masculine gender shall include the feminine gender and neuter, and vice versa;
- (f) references to Clauses, Sub-Clauses, Recitals and Schedules (and Paragraphs thereto) are, unless otherwise stated, to clauses of and recitals and schedules (and paragraphs thereto) to this Agreement;

- (g) references to offer and takeover offer shall be construed in accordance with the Act;
 - (h) references to a party means a party to this Agreement and a reference to parties means each of the parties to this Agreement;
 - (i) the expressions holding company, subsidiary and subsidiary undertaking shall have the meaning given to them in the Act;
 - (j) references to "USD", "US dollars" or "\$" shall mean the lawful currency of the United States of America and references to "GBP", "pound sterling", "pence" or "£" shall mean the lawful currency of the United Kingdom;
 - (k) references to persons shall include individuals, corporations (wherever incorporated), unincorporated associations (including partnerships), trusts, any form of governmental body, agency or authority, and any other organisation of any nature (in each case, whether or not having separate legal personality);
 - (l) references to a time of day are, unless expressly stated otherwise, to London time;
 - (m) references to include and including, and variations thereof, shall be deemed to be followed by the words without limitation; and
 - (n) a reference to any English legal term for any action, remedy, method or form of judicial proceeding, legal document, court or any other legal concept or matter will be deemed to include a reference to the corresponding or most similar legal term in any jurisdiction other than England, to the extent that such jurisdiction is relevant to the Acquisition or the terms of this Agreement.
- 1.3 In construing this Agreement, the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced or followed by the word other or including or in particular shall not be given a restrictive meaning because they are followed or preceded (as the case may be) by particular examples intended to fall within the meaning of the general words.

2. **Consideration**

2.1 The Bidder represents, warrants and undertakes that on or within 5 Business Days following the Effective Date, in accordance with the procedures to be set out in the Circular, it will procure the issuance of the Consideration in accordance with this Clause 2 and in accordance with the terms of the Scheme to satisfy, in full, the consideration requirements under and in connection with the Acquisition (the "**Total Consideration**").

2.2

- (a) Subject to Clauses 2.2(b) and 2.2(c) below, the number of New Bidder Shares to be issued as Consideration pursuant to this Agreement and the Scheme and the Exchange Ratio shall be calculated as follows:
 - (i) an amount equal to 105% of the Company Net Cash Amount set out in the Final Company Net Cash Amount Statement shall be divided by US\$3.189, being the

VWAP of the Bidder Common Shares on Nasdaq for the 60 Trading Days prior to the date of this Agreement, to determine the aggregate number of New Bidder Shares; and

- (ii) the resulting number of New Bidder Shares in sub-Clause (i) shall be divided by 116,561,917, being the number of Company Shares in issue, to determine the fraction of a New Bidder Share to be issued for each 1 Company Share subject to the Scheme (the “**Exchange Ratio**”).
- (b) Notwithstanding the Company Net Cash Amount and the Exchange Ratio calculated pursuant to Clause 2.2(a), the maximum number of New Bidder Shares that can be issued as Consideration pursuant to this Agreement and the Scheme shall be 7,933,301 New Bidder Shares.
- (c) If the Company Net Cash Amount set out in the Final Company Net Cash Amount Statement is less than US\$19,500,000 and the Bidder elects to waive the condition set out in paragraph B of Appendix I to the Announcement, then the Company Net Cash Amount for the purposes of the calculation in Clause 2.2(a) shall be deemed to be US\$19,500,000, such that the minimum number of New Bidder Shares that can be issued as Consideration pursuant to this Agreement and the Scheme shall be 6,420,359 New Bidder Shares.
- (d) By way of illustration, if the Company Net Cash Amount set out in the Final Company Net Cash Amount Statement is equal to the Company Net Cash Amount set out in the Estimated Company Net Cash Amount Statement, the number of New Bidder Shares to be issued as Consideration pursuant to this Agreement will be 6,749,608 and the Exchange Ratio will be 0.05791 of a New Bidder Share for each 1 Company Share subject to the Scheme.

2.3 In relation to the Company Net Cash Amount:

- (a) on the date falling five days before the Court Hearing, the Company will deliver an updated draft Final Company Net Cash Amount Statement (on the same form as the Estimated Company Net Cash Amount Statement) to the Bidder calculated as to an Effective Date projected to occur on the Business Day falling immediately after the Court Hearing;
- (b) the Bidder will deliver notice of its acceptance of such draft Final Company Net Cash Amount Statement (an “**Acceptance Notice**”) or deliver notice of objection (an “**Objection Notice**”) in writing to the Company on or before the date falling one Business Day prior to the Court Hearing;
- (c) if the Bidder delivers an Acceptance Notice, or fails to deliver an Objection Notice within such time period, then the draft Final Company Net Cash Amount Statement shall be deemed the Final Company Net Cash Amount Statement for the purposes of determining the Exchange Ratio;

- (d) if the Bidder delivers an Objection Notice within such time period, then (i) the Company shall instruct Counsel to postpone the Court Hearing to a date falling on or before the Long Stop Date and (ii) the parties shall seek to agree the Final Company Net Cash Amount Statement in good faith, acting reasonably, provided if the parties cannot agree on or before the date falling five Business Days prior to the postponed Court Hearing, then the Court Hearing shall be further postponed and the parties shall, subject to Clause 2.3(e), jointly engage an independent accountant from any of EY or PwC or such other independent account as may be agreed in writing between the parties (the “**Independent Accountant**”) to finally determine the Final Company Net Cash Amount Statement calculated as to an Effective Date projected to occur within one Business Day of the postponed Court Hearing;
- (e) In the event that the parties cannot agree the Final Company Net Cash Amount Statement, the parties will engage an Independent Accountant who will act as an expert and not an arbitrator. The Independent Accountant shall make all calculations in accordance with US GAAP and shall determine only those items remaining in dispute between Company and the Bidder. Each of the Company and the Bidder shall enter into a customary engagement letter with the Independent Accountant at the time such dispute is submitted to the Independent Accountant and otherwise reasonably cooperate with the Independent Accountant. The Independent Accountant shall be instructed to deliver to the Company and the Bidder a written determination of the disputed items within ten (10) Business Days of receipt of the disputed items, which determination shall be final and binding on the Parties and not subject to appeal, absent manifest error or fraud. The fees and expenses of the Independent Accountant shall be borne:
 - (i) in the event that the Independent Accountant makes a determination of the Final Company Net Cash Amount that differs from that set out in the Final Company Net Cash Amount Statement delivered by the Company to the Bidder by an amount equal to or less than US\$50,000, by the Bidder; or
 - (ii) in the event that the Independent Accountant makes a determination of the Final Company Net Cash Amount that differs from that set out in the Final Company Net Cash Amount Statement delivered by the Company to the Bidder by an amount greater than US\$50,000, by the Company (through a deduction from the Company Net Cash Amount set out in the Final Company Net Cash Amount Statement); and
- (f) the Company Net Cash Amount as shown on the Final Company Net Cash Amount Statement shall be used to calculate the Exchange Ratio in accordance with Clause 2.2.

2.4 Fractions of New Bidder Shares shall not be allotted or issued to holders of Company Shares pursuant to the Scheme, and the aggregate number of New Bidder Shares to which a holder of Company Shares shall be entitled under Clause 2.2 shall be rounded down to the nearest whole number of New Bidder Shares. All fractions to which, but for this Clause 2.4, holders of Company Shares would have become entitled shall be aggregated and allotted and issued to a person appointed by the Bidder and sold in the market as soon as practicable after the Effective Date.

The net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale (including any amounts in respect of value added tax)) will be distributed by the Bidder in due proportions to the Company Shareholders who would otherwise have been entitled to fractions of New Bidder Shares. For the purposes of determining fractional entitlements, each member's holding which is recorded in the register of members of the Company by reference to a separate designation at the Effective Date, whether in certificated or uncertificated form, shall be treated as a separate holding.

- 2.5 In the event that the Total Consideration is increased as a result of a Matching Acquisition Proposal, references in this Agreement to the Total Consideration and to the amount required to enable the Bidder to satisfy the Total Consideration in full shall be to the amount as so increased.
- 2.6 The Bidder shall procure that the New Bidder Shares to be issued to the Company Shareholders pursuant to the Scheme as Consideration shall be credited as fully paid and non-assessable shares which shall rank *pari passu* with the existing Bidder Common Shares then in issue.
- 2.7 The Bidder shall use all reasonable endeavours, with the good faith cooperation and assistance of the Company, pursuant to Clause 4.6, to procure that the New Bidder Shares to be issued to the Company Shareholders pursuant to the Scheme as Consideration be approved for listing on the TSXV and Nasdaq.
- 2.8 The parties shall use all reasonable endeavours to procure all New Bidder Shares to be issued to the Company Shareholders upon the Scheme becoming effective to be issued in reliance on the exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof (the "**Section 3(a)(10) Exemption**") and in reliance on exemptions from registration under state "blue sky" or other applicable Securities Laws.
- 2.9 The Bidder further represents, warrants and undertakes that it will ensure that cash resources are, and will remain until the Effective Date, available to the Bidder sufficient to meet all the fees and expenses incurred by the Bidder in connection with the Acquisition, including without limitation, the Offer Related Expenses.

3. **Indicative Timetable**

Each party shall use its reasonable endeavours to take all steps as are necessary to implement the Acquisition in accordance with the Announcement and the Indicative Timetable.

4. **Conditions**

General

- 4.1 The obligation of the parties to complete the Scheme is subject to satisfaction or, where permitted or required under this Agreement, waiver of the Conditions by the Bidder or the Company, as applicable. The Bidder shall appear by counsel at the Court Hearing (either individually or jointly with the Company) to undertake to be bound by the Scheme following the satisfaction (or, where permitted or required under this Agreement, waiver by the Bidder or the Company, as applicable) of the Conditions.

4.2 The parties undertake that by 9:00 a.m. on the date of the Court Hearing, each shall deliver a notice in writing to the other party confirming the satisfaction or waiver of

(a) in relation to the Bidder, the Conditions set out in paragraphs C and E(ii) of Appendix I to the Announcement; or

(b) in relation to the Company, the Conditions set out in paragraphs A(i) and A(ii)(A), B, D and E(i) of Appendix I to the Announcement,

and if either party cannot deliver notice of such satisfaction or waiver by 9:00a.m. on the date of the Court Hearing, then the Court Hearing date shall be postponed to a date falling before the Long Stop Date, and the undertakings set out in this Section 4.2(a) and (b) shall be repeated at such time.

4.3 The Bidder undertakes to the Company to keep the Company informed promptly of the progress towards satisfaction (or otherwise) of the Condition set out in paragraph C of Appendix I to the Announcement and, if the Bidder is, or becomes, aware of any matter which might reasonably be considered to be material in the context of the satisfaction or waiver of any of the Conditions, the Bidder will as soon as reasonably practicable make the substance of any such matter known to the Company and, so far as it is aware of the same, provide such details and further information as the Company may reasonably request, provided, that nothing in this Agreement shall oblige the Bidder to provide any information to the Company which (a) is personally identifiable information of a director, officer or employee of the Bidder or its subsidiary undertakings, except to the Company's Advisers on an external counsel basis, or (b) the Bidder is not permitted to provide pursuant to applicable Law or contractual obligation (provided, that, the Bidder shall use reasonable endeavours to make substitute arrangements or permit such disclosure in a manner that would not violate such restrictions).

4.4 The Company undertakes to the Bidder to keep the Bidder informed promptly of it becoming aware of the occurrence or existence or any fact, event or circumstance that has had or would reasonably be expected to have a Company Material Adverse Effect or would cause or constitute a material breach of any representation, warranty, covenant or other agreement contained herein, provided, that nothing in this Agreement shall oblige the Company to provide any information to the Bidder which is (a) personally identifiable information of a director, officer or employee of the Company or its subsidiary undertakings, except to the Bidder's Advisers on an external counsel basis, or (b) the Company is not permitted to provide pursuant to applicable Law or contractual obligation (provided, that, the Company shall use reasonable endeavours to make substitute arrangements or permit such disclosure in a manner that would not violate such restrictions).

4.5 The Bidder shall be responsible for contacting and corresponding with TSXV and the Nasdaq for the TSXV Approval and Nasdaq Approval for which the Bidder (either alone or jointly with the Company) is required to apply, including preparing and submitting all necessary filings, notifications and submissions as soon as reasonably practicable. The Bidder shall consult with the Company to the extent reasonably practicable and keep the Company updated as to progress towards obtaining such approvals, including by taking the steps set out in Clause 4.7.

4.6 The Company undertakes to cooperate in good faith with the Bidder in relation to the TSXV Approval and Nasdaq Approval for which the Bidder (either alone or jointly with the Company)

is required to apply and to assist the Bidder in communicating with the TSXV and the Nasdaq in relation to such approvals (including by submitting any necessary filings, notifications and submissions as soon as reasonably practicable upon request by the Bidder) and promptly to provide such information and assistance to the Bidder as the Bidder may reasonably require for the purposes of obtaining any such approvals and for the purpose of making a submission, filing or notification to the TSXV or the Nasdaq in connection with any such approvals as soon as reasonably practicable.

4.7 Without prejudice to Clauses 4.5 and 4.6:

- (a) the Company undertakes to the Bidder to provide the Bidder, as promptly as reasonably practicable and in any event before any applicable deadline or due date, all such information as may be necessary or desirable for the purpose of obtaining the TSXV Approval and Nasdaq Approval and to provide all such other assistance as may reasonably be required by the Bidder in connection with obtaining the TSXV Approval and the Nasdaq Approval, including assistance in connection with such pre-notification contacts with the TSXV and the Nasdaq as the Bidder reasonably considers desirable;
- (b) subject to applicable Law, the Bidder undertakes to promptly notify the Company and provide copies of any significant communications with the TSXV and the Nasdaq in connection with obtaining the TSXV Approval and Nasdaq Approval, provided, that nothing in this Agreement shall oblige the Bidder to provide any information to the Company which is personally identifiable information of a director, officer or employee of the Bidder, except to the Company's Advisers on an external counsel basis;
- (c) subject to applicable Law, the parties undertake to each other to use all reasonable endeavours to procure that each party and its Representatives are able to attend any significant meetings or hearings and participate in any substantive discussions with the TSXV and the Nasdaq in connection with obtaining the TSXV Approval and Nasdaq Approval; provided that the Bidder shall be permitted to take the lead in all joint meetings and communications with the TSXV and the Nasdaq in connection with the approvals; and
- (d) the Bidder shall use its reasonable endeavours, and take any and all steps necessary, to obtain the TSXV Approval and the Nasdaq Approval as soon as practicable and in any event, prior to the date of the Court Hearing as set out in the Indicative Timetable, or such later date as may be agreed between the parties in writing.

Company Net Cash Amount

4.8 This Agreement and the Acquisition contemplated hereunder is conditional upon, as set out in the Final Company Net Cash Amount Statement calculated as at an Effective Date falling one Business Date after the date of the Court Hearing, the Company having a minimum Company Net Cash Amount of USD 19,500,000. This condition shall be satisfied by (i) the determination of the Final Company Net Cash Amount Statement pursuant to Clause 2.2 and (ii) the filing of a witness statement by a director of the Company with the Court on the Business Day prior to the Court Hearing confirming that the Company Net Cash Amount is not less than USD 19,500,000.

Bidder listings

- 4.9 This Agreement and the Acquisition contemplated hereunder is conditional upon, at the Business Day prior to the Court Hearing, (i) the listing of the New Bidder Shares having been conditionally approved by the TSXV, subject only to standard listing conditions, (ii) the Bidder having received the Nasdaq Approval and (iii) the Bidder Common Shares remaining listed for trading on TSXV and Nasdaq and neither exchange having provided a notice of delisting thereof or indicated an intention to delist the Bidder Common Shares.

Section 3(a)(10) Exemption

- 4.10 This Agreement and the Acquisition contemplated hereunder is conditional upon, at the Business Day prior to the Court Hearing, all of the requirements of the Section 3(a)(10) Exemption, other than those that would be satisfied by the occurrence of the Court Hearing and the sanction of the Scheme at the Court Hearing, being met.
- 4.11 The Company shall adjourn the Scheme to a date agreed with the Bidder to the extent that any of the Conditions (other than the Conditions set out in paragraph A(i) or A(ii) of the Conditions) have not been satisfied (or, where permitted or required under this Agreement, waived by the Bidder or the Company, as applicable) by 9:00 a.m. on the date set out in the Indicative Timetable for the Court Hearing. Such adjournments shall continue until the Long Stop Date at the request of the Bidder.

5. Implementation of the Acquisition

Issue of Circular

- 5.1 Subject to Bidder discharging its obligations under Clause 6.1, the Company shall issue the Circular (by way of furnishing the Circular on Form 6-K to the SEC) as soon as reasonably practicable and in any event no later than 15 days after the date of this Agreement, or such later date as the parties agree in writing. The Company shall provide Bidder with reasonable opportunity to review the Circular prior to the furnishing of such Form 6-K to the SEC and the Company shall give reasonable consideration to all additions, deletions, or changes thereto suggested by the Bidder and disseminate such Circular to Company Shareholders as promptly as reasonably practicable following the Court hearing to convene the Scheme.
- 5.2 The conditions to the Scheme set out in the Circular shall be the same as the Conditions.
- 5.3 The Company will procure that the Circular includes the Company Board Recommendation.

Implementation of the Transaction

- 5.4 The Acquisition shall entail the acquisition by the Bidder of the entire issued and, to the extent issued in compliance with Clause 9.1(c)(iv), to be issued share capital of the Company by way of the Scheme.
- 5.5 The Bidder will undertake to be bound by the Scheme.

5.6 The Company undertakes to use all reasonable endeavours to implement the Scheme in accordance with the terms of, and the timetable set out in, the Announcement and the Circular, and to consult with the Bidder in relation to such implementation. Subject to the terms and conditions of this Agreement, each party hereto shall use all reasonable endeavours to: (a) make all filings (if any) and give all notices (if any) required to be made or given by such party pursuant to any Material Contract in connection with the Acquisition; (b) seek any consent required to be obtained pursuant to any Material Contract by such party in connection with the Acquisition; and (c) seek to lift any restraint, injunction or other legal bar to the Acquisition brought by any third person against such party.

5.7 Save as otherwise permitted by Clause 9.3 of this Agreement, neither the Company nor the Bidder shall, and each shall procure that none of its subsidiaries or Representatives shall, knowingly take any action that may result in the Acquisition being frustrated or, in the case of the Company only, in Company Shareholders being denied the opportunity to decide on its merits.

6. **Documentation, Information and Undertakings**

6.1 The Bidder undertakes to provide promptly to the Company all such information about itself, the Bidder Group and the Bidder Directors as may reasonably be requested by the Company for the purpose of inclusion in the Circular ("**Bidder Information**") and to provide such other co-operation and assistance as may reasonably be required in connection with the preparation of the Circular provided that the Company submits, or procures the submission of drafts and revised drafts of the Circular to Bidder for review and considers its reasonable comments in relation thereto.

6.2 The Company undertakes to:

- (a) prior to the General Meeting and Court Meeting, provide the Bidder with a regular update of the number of proxy votes received in respect of the resolutions to be proposed at the General Meeting and the Court Meeting and promptly provide the Bidder with details of any material changes to the Company's shareholder and other statutory registers which occur prior to the Effective Date;
- (b) inform, by its Counsel, the Court of the Bidder's intention to rely on the Section 3(a)(10) Exemption in connection with the issuance of the New Bidder Shares to be issued as Consideration, and the intended use of the Court's approval of the Acquisition as the basis for such exemption;
- (c) co-ordinate with the Bidder for the purpose of obtaining any Tax clearances that the Bidder may reasonably require to be obtained in connection with the Scheme and the Acquisition, to provide drafts of any such application for clearance and take into account the Bidder's reasonable comments and not to despatch any application for such clearance without the prior written consent of the Bidder;
- (d) provide, and procure that each member of the Company Group provides, promptly to the Bidder and its Representatives such information, documentation and access to the management, employees, facilities and assets of the Company Group and its Advisers

and independent auditors as is reasonably requested by the Bidder for the purposes of implementing the Acquisition, post-Acquisition planning and preparing or making any filing, notification or submission with a Tax Authority or Governmental Authority in connection with the Acquisition; and

- (e) take any action not otherwise contemplated under this Agreement and which is reasonably requested by the Bidder to implement the Acquisition.
- 6.3 The Bidder undertakes to notify the Company promptly of: (a) any changes in the information disclosed in any document or announcement published by the Bidder in connection with the Acquisition which are material in the context of that document or announcement; and (b) any material new information which may be relevant to a Company Shareholder in considering the merits of the Acquisition, and agrees that any such information may be published by the Company if (i) it determines that such disclosure is necessary to ensure that all Company Shareholders have sufficient information to consider the merits of the Acquisition and (ii) the Bidder has consented to the content and form of the disclosure (such consent not to be unreasonably withheld, conditioned or delayed).
- 6.4 None of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in the Circular will, at the date it is first mailed to the Company Shareholders, or at the time of the General Meeting, contain any untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements made therein not false or misleading in light of the circumstances under which they are made. The Circular will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder. No representation is made by the Company with respect to statements made or incorporated by reference therein based on information supplied by the Bidder for inclusion or incorporation by reference therein.
- 6.5 None of the information supplied or to be supplied by the Bidder for inclusion or incorporation by reference in the Circular will, at the date it is first mailed to the Company Shareholders, or at the time of the General Meeting, contain any untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements made therein not false or misleading in light of the circumstances under which they are made. No representation is made by the Bidder with respect to statements made or incorporated by reference therein based on information supplied by the Company for inclusion or incorporation by reference therein.
- 6.6 Directors' and Officers' Indemnification and Insurance
- (a) Prior to the Effective Date, the Company shall purchase and maintain an extended reporting period endorsement under the Company's existing directors' and officers' liability insurance coverage for any directors, managers and officers of the Company or any of its subsidiaries and any person who was a director, manager or officer of the Company or any of its subsidiaries in the six years prior to the Effective Date (the "**D&O Indemnified Parties**") which shall provide such D&O Indemnified Parties with coverage for at least six years following the Effective Date on terms and in a form mutually acceptable to the Bidder and the Company.

- (b) The rights of the D&O Indemnified Parties under this Clause 6.6 shall be in addition to any rights such D&O Indemnified Parties may have under the articles of association or other comparable organisational documents of the Company or any of its subsidiaries, or under any applicable Contracts as specifically identified in Schedule 3 or applicable Law.

6.7 If any supplemental circular, proxy statement (or related materials) or document is required to be published by the Company in connection with the Acquisition or, subject to the prior written consent of the Bidder, any variation or amendment to the Acquisition (a “**Supplement**”), the Bidder shall, as soon as reasonably practicable, provide such co-operation and information (including such information as is necessary for the Supplement to comply with all applicable legal and regulatory provisions) as may be required or reasonably requested by the Company in order to finalise the relevant Supplement (such information also being “**Bidder Information**”). The Company shall submit, or procure the submission of drafts and revised drafts of the Supplement to the Bidder in reasonable time for review and shall consider the Bidder’s reasonable comments in relation thereto.

6.8 Upon execution of this Agreement:

- (a) the Company will deliver to the Bidder an extract of the resolutions of the Company Directors pursuant to which the Acquisition was approved and the Company Board Recommendation was given; and
- (b) the Bidder will deliver to the Company an extract of the resolutions of the Bidder Directors pursuant to which the Acquisition was approved.

6.9 On the Effective Date, the Company shall deliver:

- (a) resignation letters and releases in favour of the Company or the relevant subsidiary of the Company from the directors of the members of the Company Group who are serving immediately prior to the Effective Date (other than Marella Thorell in respect of the Company); and
- (b) lock-up agreements from each of the Company Directors for a period of 90 days after the Effective Date.

6.10 On the Effective Date, the Company shall cause each subsidiary of the Company that is treated as a “domestic corporation” for US federal tax purposes to deliver to the Company and to the Bidder:

- (a) an executed certificate in form and substance reasonably satisfactory to the Bidder and in compliance with the requirements of US Treasury Regulations §§ 1.897-2(h) and 1.1445-2(c)(3), dated as of the Effective Date, certifying that such subsidiary of the Company is not and has not been a US real property holding corporation during the five-year period ending on the Effective Date; and
- (b) a copy of the notice of such certification to be sent to the U.S. Internal Revenue Service in accordance with the provisions of Treasury Regulations Section 1.897-2(h)(2),

together with written authorisation for each of the Company and the Bidder to deliver such notice and a copy of such certification to the U.S. Internal Revenue Service on behalf of the Company on the Bidder, as applicable, after the Effective Date.

- 6.11 At or immediately prior to the Effective Date (subject to the Effective Date taking place), the Company will procure that at a duly convened meeting of the Company Board (or a duly appointed committee thereof) it will be resolved that:
- (a) the Acquisition and the Scheme will be approved for registration at Companies House and in the Company's shareholder and other statutory registers;
 - (b) any resignations pursuant to Clause 6.9 will be approved;
 - (c) any appointments of directors and/or secretary (if any) to the boards of the applicable members of the Company Group, the identity of whom the Bidder notifies the Company prior to the Effective Date, will be approved; and
 - (d) the disposition of any Company Shares (including derivative securities) pursuant to the Acquisition by each individual who is subject to Section 16 as an officer or director of the Company under the Exchange Act will be exempt under Rule 16b-3 promulgated under the Exchange Act to the fullest extent available, as reasonably required under applicable Law.
- 6.12 On or prior to the Effective Date, the Bidder shall deliver resignation letters from two existing Bidder Directors, conditional upon the Effective Date taking place.
- 6.13 At least ten Business Days' prior to the Effective Date, the Company shall deliver the names of three individuals it wishes to nominate as Bidder Directors (the "**New Bidder Directors**") and the Bidder shall confirm such individuals are acceptable (acting reasonably), provided that if any such New Bidder Directors is not acceptable to the Bidder (acting reasonably), then the Bidder shall notify the Company as soon as practicable (and in any event within 5 (five) Business Days of the Company delivering the names of the New Bidder Directors to the Bidder) so as to allow the Company to deliver an alternate name of a New Bidder Director for nomination.
- 6.14 Within one Business Day of the Effective Date (subject to the Effective Date taking place), the Bidder will procure that at a duly convened meeting of the Bidder Board (or a duly appointed committee thereof) it will be resolved that:
- (a) the resignations of the two existing Bidder Directors referred to in Clause 6.12 will be approved; and
 - (b) the Bidder Board will increase the number of Bidder Directors from eight to nine; and
 - (c) the appointments of the New Bidder Directors will be approved.

7. **Announcement**

The initial press releases relating to this Agreement shall be the Announcement issued by the Company (by way of a Form 6-K) and a press release issued by the Bidder and, except as

required by Law, thereafter the Bidder and the Company shall consult with, and seek the written consent of, each other before issuing any further press release(s) or otherwise making any public statement with respect to the transactions contemplated by this Agreement, in each case prior to a Company Adverse Change Recommendation; provided that a party will not need to consult with, or seek the consent of, the other party, with respect to communications that are consistent with previous releases, public disclosures or public statements made jointly by the parties (or individually, if approved by the other party).

8. Responsibility for Information and Standards of Care

8.1 The Bidder will procure that the Bidder Directors accept responsibility for all of the information in the Circular relating to the Bidder and other members of the Bidder Group and their respective Personnel.

8.2 The Company will procure that the Company Directors accept responsibility for their views set out in the Circular and all information in the Circular other than information for which responsibility is accepted by the Bidder Directors under Clause 8.1.

8.3 Each party acknowledges and agrees that:

- (a) each document, announcement or other information published, or statement made, from the date of this Agreement until the Effective Date must be prepared with the highest standards of care and accuracy;
- (b) the language used in such document, announcement or other information must clearly and concisely reflect the position being described and the information given must be adequately and fairly presented; and
- (c) these requirements apply whether the document, announcement or other information is published, or the statement is made, by the party concerned or by an adviser on its behalf.

8.4 Each party undertakes to use its reasonable endeavours not to make statements in relation to this Acquisition from the date of this Agreement until the Effective Date which, while not factually inaccurate, may be misleading or may create uncertainty in respect of the Acquisition.

9. Company Conduct Pending Completion of the Acquisition

9.1 During the Relevant Period, except (a) as required or otherwise contemplated under this Agreement or as required by applicable Law; (b) with the written consent of the Bidder (which consent shall not be unreasonably withheld, conditioned or delayed); or (c) as set forth in Paragraph 2 of Part A of Schedule 3, the Company shall, and shall cause each of its subsidiaries to:

- (a) preserve intact its material assets (being, for the avoidance of doubt, its cash) and continue wind-down activities;
- (b) maintain the Company's listing on the Nasdaq, to the extent practicable and commercially reasonable;

- (c) not do any of the following:
- (i) authorise or pay any dividends on or make any distribution with respect to the outstanding shares of its share capital or awards (in cash or in kind), other than in accordance with this Agreement;
 - (ii) repurchase, redeem, repay, reduce or otherwise reacquire any Company Shares or other equity interests, or any rights, warrants or options to acquire any of the Company Shares or other equity interests;
 - (iii) create, split, combine, subdivide or reclassify any Company Shares or other equity interests;
 - (iv) issue, grant or sell or otherwise dispose of any additional shares of, or other equity interests in, the Company or any of its subsidiaries, or securities convertible into or exchangeable for such shares or equity interests or issue or grant any options, warrants, calls, subscription rights or other rights of any kind to acquire such shares, other equity interests or securities;
 - (v) amend or permit the adoption of any amendment to its Articles or other charter or organisational documents other than an amendment required in order to implement the Acquisition in accordance with the terms of the Scheme; provided that in the event that the Effective Date does not occur by 30 June 2019, as provided for in the Circular or in the notice of the Company's annual general meeting for 2019, the Company may amend its Articles ahead of such date to provide for a quorum of not less than one-third of the Company Shares for any meeting of Company Shareholders to comply with the relevant requirements of Nasdaq;
 - (vi) acquire (by merger, consolidation, acquisition of stock or assets or otherwise) any person or other business organisation or division thereof, or any properties or assets;
 - (vii) (i) incur or guarantee any Indebtedness or (ii) make any loans, capital contributions or advances to any person, other than to a wholly owned subsidiary of the Company;
 - (viii) make, incur or authorise any capital expenditure (except for capital expenditures that do not exceed USD 10,000 in the aggregate);
 - (ix) other than the lease in respect of the Leased Property (provided that the Company shall keep the Bidder informed promptly of any and all developments in relation to the amendment, modification, sublease or termination of such lease), (i) amend or modify in any material respect, or waive any material rights under or cancel, fail to renew, voluntarily terminate, or assign any Company Material Contract; or (ii) enter into any Contract which if entered into prior to the date hereof would have been a Company Material Contract;

- (x) except with respect to Tax matters (which shall be governed by Clause 9.1(c)(xxii)) or with respect to any dispute relating to this Agreement, commence any new litigation; or enter into any settlement, release, waiver or compromise of any pending or threatened litigation;
- (xi) other than in respect of the cancellation of any outstanding options to purchase Company Shares, establish, adopt, enter into, amend or terminate any Benefit Plan or any plan, scheme, program, policy, agreement or arrangement that would be a Benefit Plan if it were in effect on the date of this Agreement, except as otherwise permitted by Clause 9.1(c)(iv) above or Clause 9.1(c)(xii) below;
- (xii) grant, increase, or pay any bonus, incentive, change in control, retention, severance, or termination payment or benefit, or increase the base compensation, cash bonus opportunity or other compensation of, or accelerate the vesting or payment of any payment or benefit payable to, any current or former employee, director or individual independent contractor of the Company or any of its subsidiaries, except to the extent required by applicable Law or required in accordance with the terms of a Benefit Plan as in effect on the date of this Agreement;
- (xiii) hire, engage, promote or terminate the employment or engagement of (other than for cause) any employee, director or individual independent contractor;
- (xiv) enter into any collective bargaining agreement or other agreement or understanding with any labour organisation;
- (xv) adopt or implement any stockholder rights plan or similar arrangement;
- (xvi) adopt a plan or agreement of complete or partial liquidation or dissolution, merger, consolidation, restructuring, recapitalisation or other reorganisation of the Company or any of its subsidiaries;
- (xvii) enter into any new line of business;
- (xviii) sell, assign, lease, mortgage, pledge, encumber, transfer or dispose of any of its material assets, except for the sale or other reduction of inventory in the ordinary course of business or the sublease of the Leased Property or termination of the lease of the Leased Property (provided that the Company shall keep the Bidder informed promptly of any and all developments in relation to the amendment, modification, sublease or termination of such lease);
- (xix) fail to maintain any of its material insurance policies in effect as of the date of this Agreement, other than renewals or replacement of such policies with comparable coverage;
- (xx) enter into any transaction with any Company Shareholder (legally enforceable or not) save, for the avoidance of doubt, this Agreement and the other Transaction Documents;

- (xxi) make or adopt any change in its accounting methods, principles, practices policies or procedures, except as required by a concurrent change in US GAAP, including without limitation, any change in depreciation or amortisation policies or rates;
- (xxii) make or change any Tax election, change an annual accounting period, adopt or change any Tax accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Company Group, surrender any right to claim a refund of Taxes, consent to any extension of waiver of the limitation period applicable to any Tax claim or assessment relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action is outside of the ordinary course of business and would have the effect of materially increasing the Tax liability of the Company Group for any period or materially decreasing any Tax attribute of the Company Group; or
- (xxiii) authorise any of, or agree or commit to take, any of the actions described in the foregoing Sub-Clauses (i) through (xxii) of this Clause 9.1.

9.2 One Business Day prior to the Effective Date, the Company will deliver to the Bidder a certificate signed by an authorized officer of the Company, certifying that, as at the date thereof, the representations and warranties set out in Clause 11.1 are true and correct in all material respects.

9.3 No Solicitation:

- (a) Except as expressly permitted by this Clause 9.3, during the Relevant Period the Company and its subsidiaries shall not, directly or indirectly, and shall use their reasonable endeavours to cause their Representatives not to:
 - (i) continue, and shall procure the termination of, any solicitation, knowing encouragement, discussions or negotiations with any persons that may be ongoing with respect to an Acquisition Proposal and the Company confirms that other than as required to comply with the terms of the Asset Disposal Agreement, it has (i) terminated access to all other third parties other than the Bidder and its Representatives to any data room containing confidential information of the Company and (ii) requested the return or destruction of all confidential information provided to third parties prior to the date hereof that have, since 1 September 2018 entered into confidentiality agreement with the Company relating to a possible Acquisition Proposal;
 - (ii)
 - (A) solicit, initiate or knowingly facilitate or encourage (including by way of furnishing non-public information) any inquiries regarding, or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, an Acquisition Proposal;

- (B) engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other person any non-public information in connection with, or for the purpose of soliciting or knowingly encouraging or facilitating, an Acquisition Proposal or any proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; or
 - (C) enter into any term sheet, letter of intent, implementation agreement, co-operation agreement, acquisition agreement, agreement in principle or similar agreement with respect to an Acquisition Proposal or any proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; or
 - (iii) waive or release any person from, forbear in the enforcement of, or amend any standstill agreement or any standstill provisions of any other Contract.
- (b) If at any time during the Relevant Period, the Company or any of its subsidiaries or any of its or their Representatives receives an unsolicited *bona fide* written Acquisition Proposal from any person, which Acquisition Proposal was made or renewed on or after the date of this Agreement and did not result from a breach of Clause 9.3(a),
- (i) after providing notice to the Bidder pursuant to Clause 9.3(c), the Company and its Representatives may contact such person solely to clarify the terms and conditions thereof; and
 - (ii) if the Company Board determines in good faith, after consultation with its Financial Adviser and outside legal counsel, that such Acquisition Proposal constitutes or is reasonably likely to lead to a Superior Proposal and the failure to take such action would be in breach of their fiduciary duties or would violate their obligations under the Act, then the Company and its Representatives may:
 - (A) furnish, pursuant to an Acceptable Confidentiality Agreement, information (including non-public information) with respect to the Company and its subsidiaries to the person who has made such Acquisition Proposal; provided that the Company shall, as promptly as practicable (and in any event within 24 hours), provide to the Bidder any non-public information concerning the Company and its subsidiaries that is provided to any person pursuant to this Clause 9.3(b) to the extent access to such information was not previously provided to the Bidder or its Representatives; and
 - (B) engage in or otherwise participate in discussions or negotiations with the person making such Acquisition Proposal for so long as the Company and its Representatives reasonably believe it may lead to a Superior Proposal.
- (c) During the Relevant Period, the Company shall: (i) promptly (and in any event within 24 hours) notify the Bidder if any inquiries, proposals or offers with respect to an Acquisition

Proposal are received by the Company or its subsidiaries, or if the Company is notified of any inquiries, proposals or offers with respect to an Acquisition Proposal delivered to its or their Representatives, including the identity of any third party that makes such an inquiry, proposal or offer, and provide to the Bidder a copy of any written Acquisition Proposal (including any proposed term sheet, letter of intent, implementation agreement, co-operation agreement, acquisition agreement or similar agreement with respect thereto) and a summary of any material unwritten terms and conditions thereof; (ii) keep the Bidder reasonably informed of any material developments, discussions or negotiations regarding any Acquisition Proposal permitted by this Agreement on a prompt basis (and in any event within 24 hours of such material development, discussion or negotiation); and (iii) to respond promptly to any reasonable requests made by the Bidder in light of such information.

- (d) Nothing in this Clause 9.3 or elsewhere in this Agreement shall prohibit the Company from (i) taking and disclosing to the Company Shareholders a position contemplated by Rule 14e-2(a), Rule 14d-9 or Item 1012(a) of Regulation M-A promulgated under the Exchange Act, including any “stop, look and listen” communication pursuant to Rule 14d-9(f) promulgated under the Exchange Act, or (ii) making any disclosure to the Company Shareholders that is required by applicable Law; provided that any such disclosure (other than a “stop, look and listen” communication made in compliance with Rule 14d-9(f)) will be deemed to be a Company Adverse Change Recommendation unless the Company Board expressly reaffirms the Company Board Recommendation in such disclosure; provided further that this Clause 9.3(d) will not be deemed to permit the Company Board to make a Company Adverse Change Recommendation, except to the extent permitted by Clause 9.4(b).
- (e) The Company agrees that in the event any of its subsidiaries or any Representative of the Company or its subsidiaries takes any action which, if taken by the Company, would constitute a breach of this Clause 9.3, the Company shall be deemed to be in breach of this Clause 9.3.

9.4 Company Board Recommendation:

- (a) Subject to Clause 9.4(b), the Company Board shall not:
 - (i) (A) withdraw (or modify in a manner adverse to the Bidder), or publicly propose to withdraw (or modify in a manner adverse to the Bidder), the Company Board Recommendation; or (B) approve, recommend or declare advisable, or publicly propose to approve, recommend or declare advisable, any Acquisition Proposal (any action described in this Clause 9.4(a)(i) being referred to as a “**Company Adverse Change Recommendation**”); or
 - (ii) approve, recommend or declare advisable, or propose to approve, recommend or declare advisable, or allow the Company to execute or enter into any Contract with respect to any Acquisition Proposal, requiring, or reasonably expected to cause, the Company to abandon, terminate, delay or fail to consummate, or that would otherwise materially impede, interfere with or be inconsistent with, the Acquisition (other than an Acceptable Confidentiality Agreement).

- (b) Notwithstanding anything to the contrary contained in this Agreement, at any time during the Relevant Period, if the Company or any of its subsidiaries has received a *bona fide* written Acquisition Proposal, which did not result from a breach of Clause 9.3(a) from any person that has not been withdrawn, and after consultation with its Financial Advisers and outside legal counsel the Company Board shall have determined, in good faith, that such Acquisition Proposal is a Superior Proposal,
- (i) the Company Board may make a Company Adverse Change Recommendation; and/or
 - (ii) the Company may, subject to Clause 13, terminate this Agreement pursuant to Clause 12.1(b), and implement such Superior Proposal,

in both cases, if and only if:

- (iii) the Company has given the Bidder prior written notice of its intention to consider making a Company Adverse Change Recommendation or terminating this Agreement pursuant to Clause 12.1(b) at least four (4) Business Days prior to making any such Company Adverse Change Recommendation or termination (a "**Determination Notice**") (which notice and any public disclosure thereof that is required by Law shall not constitute a Company Adverse Change Recommendation or termination) and the Bidder has not elected during such four (4) Business Day period to negotiate in good faith with respect to any revisions to the terms of the Acquisition or another proposal to the extent proposed by the Bidder so that the terms proposed by the Bidder are at least as favourable as the competing Acquisition Proposal (the Bidder's revised Acquisition Proposal, being the "**Matching Acquisition Proposal**"); and
- (iv) (A) the Company has provided to the Bidder information with respect to such Acquisition Proposal in accordance with Clause 9.3; and (B) after giving effect to the proposals made by the Bidder during such period (other than a Matching Acquisition Proposal), if any, after consultation with financial advisers or outside legal counsel, the Company Board shall have determined, in good faith, that such Acquisition Proposal is a Superior Proposal.

Issuance of any "stop, look and listen" communication by or on behalf of the Company pursuant to Rule 14d-9(f) shall not be considered a Company Adverse Change Recommendation and shall not require the giving of a Determination Notice or compliance with the procedures set forth in this Clause 9.4(b).

9.5 If the Bidder delivers a Matching Acquisition Proposal pursuant to Clause 9.4(b), the Company Board shall deliver a revised Company Board Recommendation in respect of the Bidder's Matching Acquisition Proposal, and the terms of this Agreement shall apply *mutatis mutandis*.

9.6 Unless such Acquisition Proposal as is referred to in Clause 9.4(b) proposes a further Superior Proposal within four (4) Business Days of a Matching Acquisition Proposal, then within such four (4) Business Day period, the Company shall, and shall procure (so far as within its power) its Affiliates and Representatives to, terminate all discussions with such party.

- 9.7 The provisions of Clause 9.4(b) shall also apply to any material amendment to any Acquisition Proposal or any Matching Acquisition Proposal and require a new Determination Notice, except that the references to four (4) Business Days shall be deemed to be three (3) Business Days.

Transaction Litigation

- 9.8 The Company shall as soon as reasonably practicable notify the Bidder in writing (and shall thereafter keep the Bidder informed on a current basis with respect to), and shall give the Bidder the opportunity to participate in the defence and settlement of any litigation related to the Acquisition or related transactions, including the right to review and comment on all filings and responses to be made by the Company and to attend any negotiations and discussions with third parties related thereto. The Company shall not agree to settle any such litigations without the Bidder's prior written consent.

Nasdaq; Post-Closing SEC Reports; Termination of Deposit Agreement

- 9.9 During the Relevant Period, the Company shall cooperate with the Bidder and use reasonable endeavours to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under Laws (including the payment of any fees due to the Depository prior to or in connection with the termination of the Company's ADS program pursuant to the terms of the Deposit Agreement) to enable the delisting by the Company of the Company Shares from Nasdaq and the deregistration of the Company Shares in accordance with the Exchange Act promptly after the Effective Date. As soon as reasonably practicable after the Effective Date, the Company shall provide notice to the Depository to terminate the Deposit Agreement.

Enforceability of Undertakings

- 9.10 The parties further agree that, without prejudice to any other remedy which may be available to the Bidder, the Bidder shall be entitled to seek injunctive or other equitable relief in relation to any breach or prospective breach of the undertakings in Clause 9, it being acknowledged that an award of damages may not be an adequate remedy for such a breach.
- 9.11 The Company agrees with the Bidder to procure that its subsidiaries and each of its and their respective Representatives is made aware of and complies with each of the undertakings contained in Clause 9.

10. Bidder Conduct Pending Completion of the Acquisition

- 10.1 During the Relevant Period, except (a) as required or otherwise contemplated under this Agreement or as required by applicable Law; (b) with the written consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed); or (c) as set forth in Paragraph 1 of Part B of Schedule 3:
- (a) the Bidder shall, and shall cause each of its subsidiaries to (i) conduct the business in the ordinary course, preserve intact its material assets and business organisation and maintain its advantageous relationships with patients, material suppliers, material distributors and regulators; and (ii) not do any of the following:

- (i) authorise or pay any dividends on or make any distribution with respect to the outstanding shares of its share capital (in cash or in kind);
- (ii) repurchase, redeem, repay, reduce or otherwise reacquire any Bidder Common Shares or other equity interests;
- (iii) create, split, combine, subdivide or reclassify any Bidder Common Shares or other equity interests;
- (iv) acquire (by merger, consolidation, acquisition of stock or assets or otherwise) any person or other business organisation or division thereof or, other than in the ordinary course of business consistent with past practices and in an amount that does not exceed USD 300,000, any properties or assets;
- (v) (i) incur or guarantee any Indebtedness or (ii) make any loans, capital contributions or advances to any Person, other than to a wholly owned subsidiary of the Bidder, except in each case in an amount that does not exceed USD 300,000;
- (vi) make, incur or authorise any capital expenditure (except for capital expenditures that do not exceed USD 300,000);
- (vii) commence any new litigation involving claims for money damages in excess of USD 300,000; or enter into any material settlement, release, waiver or compromise of any pending or threatened litigation;
- (viii) enter into any collective bargaining agreement or other agreement or understanding with any labour organisation;
- (ix) adopt or implement any stockholder rights plan or similar arrangement;
- (x) adopt a plan or agreement of complete or partial liquidation or dissolution, merger, consolidation, restructuring, recapitalisation or other reorganisation of the Bidder or any of its subsidiaries;
- (xi) enter into any new line of business that is not reasonably related to the business of the Bidder and its subsidiaries as of the date hereof;
- (xii) sell, assign, lease, mortgage, pledge, encumber, transfer or dispose of any of its material assets, except for the sale or other reduction of inventory in the ordinary course of business;
- (xiii) fail to maintain any of its material insurance policies in effect as of the date of this Agreement, other than renewals or replacement of such policies with comparable coverage;
- (xiv) make or adopt any change in its accounting methods, principles, practices policies or procedures, except as required by a concurrent change in GAAP,

including without limitation, any change in depreciation or amortisation policies or rates; or

- (xv) make or change any Tax election, change an annual accounting period, adopt or change any Tax accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Bidder Group, surrender any right to claim a refund of Taxes, consent to any extension of waiver of the limitation period applicable to any Tax claim or assessment relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action is outside of the ordinary course of business and would have the effect of materially increasing the Tax liability of the Bidder Group for any period or materially decreasing any Tax attribute of the Bidder Group.
- 10.2 During the Relevant Period, except (a) with the written consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed); or (b) as set forth in Paragraph 2 of Part B of Schedule 3, the Bidder shall not, issue, grant or sell or otherwise dispose of any additional shares of, or other equity interests in, the Bidder or any of its subsidiaries, or securities convertible into or exchangeable for such shares or equity interests or issue or grant any options, warrants, calls, subscription rights or other rights of any kind to acquire such shares, other equity interests or securities on terms which, when taken as a whole, can reasonably be considered to be more economically favourable to the person to whom such securities are to be issued than those on which the New Bidder Shares are to be issued under the Scheme.
- 10.3 The Bidder has delivered accurate and complete executed copies of the Pre-Funded Warrant Exercise Agreements to the Company on or around the date of this Agreement and shall use reasonable endeavours to procure that the Pre-Funded Warrants are exercised on or prior to the Business Day prior to the Court Hearing, including by enforcing all of its rights expressly set out in the Pre-Funded Warrants Exercise Agreements.
- 10.4 The Bidder shall use reasonable endeavours to ensure that the New Bidder Directors are nominated at the next annual general meeting of the Bidder Shareholders, anticipated to be held on or around June 2020.
- 10.5 One Business Day prior to the Effective Date, the Bidder will deliver to the Company a certificate signed by an authorized officer of the Bidder, certifying that, as at the date thereof, the representations and warranties set out in Clause 11.2 are true and correct in all material respects.
- 10.6 The Bidder currently satisfies and, from the date of this Agreement until the day falling on the first anniversary of this Effective Date, the Bidder covenants to continue to satisfy the current public information requirements of Rule 144(c)(1) promulgated under the Securities Act.
- 10.7 Upon receipt by the Bidder within two (2) calendar weeks (the "**Request Period**") from the issuance of the Circular of a written notice from a Realm Principal Shareholder requesting that the Bidder prepare and file with the SEC a registration statement covering resales, from time to time, pursuant to Rule 415 under the Securities Act of the New Bidder Shares beneficially owned by such Realm Principal Shareholder and its affiliates pursuant to the Scheme (a "**Resale Registration Statement**"), the Bidder shall use commercially reasonable endeavours to file a

Resale Registration Statement with the SEC as soon as practicable following the expiration of the Request Period and use commercially reasonable endeavours to have such Resale Registration Statement declared effective by the SEC as soon as practicable following the Effective Date. The Company shall use commercially reasonable endeavours to assist and cooperate with the preparation and filing of the Resale Registration Statement, including with respect to the preparation and inclusion of financial statements and pro forma financial information, as required. The Bidder shall use commercially reasonable endeavours to keep the Resale Registration Statement continuously effective from the time of its effectiveness through the date that is the earlier of (i) two (2) years following the Effective Date; (ii) the date that all such New Bidder Shares have been sold; or (iii) the date that all such New Bidder Shares are freely re-saleable on the Nasdaq without limitation as to volume or manner of sale. The Bidder shall be responsible for all costs related to the filing and effectiveness of the Resale Registration Statement, other than any discounts or selling commissions incurred by the Realm Principal Shareholders or the legal, accounting or other professional or advisory fees of the Company or the Realm Principal Shareholders relating to the preparation and filing of the Registration Statement.

- 10.8 The Bidder shall cause the New Bidder Shares to be issued by the Bidder to Company Shareholders under Clause 2.1 to be issued free of any restrictive legends and take any such actions as may be required to ensure that they are freely tradeable as of, or within five Business Days' of, the Effective Date in the United States without restriction, including as to volume and manner of sale (other than with respect to New Bidder Shares issued to a person who is an affiliate (as defined in Rule 405 under the Securities Act) of the Company or the Bidder prior to the Effective Date or will be an affiliate of the Bidder after the Effective Date).
- 10.9 For the taxable year that includes the Effective Date and for the following 5 taxable years, the Bidder shall use commercially reasonable efforts to provide its shareholders with a "PFIC Annual Information Statement" that meets the requirements of Section 1295 of the Code (and the applicable United States Treasury Regulation) as needed to allow a shareholder of Bidder to make and maintain a "Qualified Electing Fund" election in accordance with Section 1295 of the Code (and the applicable United States Treasury Regulation).
- 10.10 The Bidder will use commercially reasonable endeavours on or before 1 March 2020 to determine whether the Scheme qualified as a transaction described in Section 351 of the Code, provided that, for the avoidance of doubt, commercially reasonable endeavours shall not include obtaining an opinion of outside counsel or other written advice from an outside advisor. The Bidder intends to post IRS Form 8937 to the investor relations section of its website in the case that it determines that the Acquisition is likely to be treated as a Section 351 exchange.
- 10.11 If any requirement for Bidder shareholder approval shall arise pursuant to applicable law or the rules of Nasdaq and/or the TSXV, the Bidder undertakes to exercise all reasonable efforts to procure such shareholder approval as soon as reasonably practicable and the parties agree to extend the Long Stop Date as may be required to accommodate such shareholder approval process (provided that the Long Stop Date shall not be extended beyond 31 August 2019).

10.12 The Bidder shall use all reasonable endeavors to procure that SVB shall give its consent to the Scheme as required under the SVB Loan Agreement as soon as reasonably practicable and, in any event, prior to the Court Meeting.

11. Representations and Warranties

11.1 The Company represents and warrants to the Bidder that:

- (a) *Corporate Existence and Power:* the Company is a public company limited by shares duly incorporated and validly existing under the laws of England and Wales and has all corporate power to carry on its business as now conducted. Each of the Company's subsidiaries has all corporate powers to carry on its business as now conducted;
- (b) *Subsidiaries:* each of the subsidiaries of the Company has been duly incorporated and is validly existing and in good standing under the laws of the jurisdiction of its incorporation (in the case of good standing, to the extent such jurisdiction recognises such concept). The Company owns beneficially and of record all of the equity interests of its subsidiaries, free and clear of all Liens. All the issued and outstanding shares, share capital or other equity interests of, or ownership interests in, each of the Company's subsidiaries, have been duly authorised and validly issued and are fully paid and non-assessable;
- (c) *Organisational Documents:* the Company has delivered or made available to the Bidder accurate and complete copies of the Articles of the Company and the equivalent organisational documents of each of its subsidiaries, including all amendments thereto, as in effect on the date of this Agreement;
- (d) *Corporate Authorisation:* the Company has the requisite power and authority to enter into and perform its obligations under this Agreement in accordance with the terms hereof. The execution and delivery of this Agreement have been duly and validly authorised by the Company Board;
- (e) *Binding Obligations:* assuming due authorisation, execution and delivery by the Bidder, this Agreement constitutes the legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and by general principles of equity;
- (f) *Governmental Authorisation:* the execution, delivery and performance by Company of this Agreement and the consummation by the Company of the Acquisition requires no action by or in respect of, or filing with, any Governmental Authority or any stock market or stock exchange on which Company Shares are listed for trading in connection with the execution and delivery of this Agreement or the Company's and its subsidiaries' performance of their obligations hereunder or the consummation of the Acquisition and the other transactions contemplated by the Circular other than: (a) compliance with the provisions of the Act; (b) compliance with, the Exchange Act and the Securities Act, and the rules and regulations thereunder, as may be required in connection with this Agreement, the Acquisition and the other transactions contemplated by this Agreement;

or (c) such other actions, authorisations, consents, approvals or filings, the absence of which have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

(g) *Non-Contravention*: the execution, delivery and performance by the Company of this Agreement and the consummation of the Acquisition and the other transactions contemplated by the Circular do not and will not:

- (i) contravene, conflict with, or result in any violation or breach of (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit or any obligation to make an offer to purchase or redeem any Indebtedness or capital shares or any loss of any benefit under, require a consent or waiver under, require the payment of a penalty or change in control payment under, or result in the creation of any Lien upon any of the properties or assets of the Company Group under, any provision of the Company's or its subsidiaries' constitutional documents;
- (ii) require the approval of the Company Shareholders (other than shareholder approval referred to in this Agreement, including pursuant to the Scheme);
- (iii) contravene, conflict with or result in a violation or breach of any provision of any applicable Law;
- (iv) require any payment to or consent or other action by any person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a breach or default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company or any of its subsidiaries is entitled under, require a consent or waiver under, require the payment of a penalty or change in control payment under, or result in the creation of any Lien upon any of the properties or assets of the Company Group under, any provision of any Contract or other instrument binding on the Company or any of its subsidiaries or any Contract, licence, franchise, Permit, certificate, approval or other similar authorisation affecting, or relating in any way to, the assets or business of the Company and its subsidiaries; or
- (v) result in the creation or imposition of any Lien on any asset of the Company (other than a lien referred to in Clause 11.1(g) (iv)), as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

(h) Capitalisation; Indebtedness:

- (i) the authorised share capital of the Company is 116,561,917 and is as set out in the table below as of 14 May 2019;

<u>Class of Shares</u>	<u>Currency</u>	<u>Nominal value</u>	<u>Number Allotted</u>	<u>Aggregate Nominal Value</u>
Ordinary	GBP	0.10	116,561,917	11,656,191.70

- (ii) the Company Shares are duly authorised, validly issued, fully paid and non-assessable and free of pre-emptive rights, rights of repurchase or forfeiture, rights of participation, rights of maintenance or any similar rights;
 - (iii) there are no outstanding bonds, debentures, notes or other Indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote (excluding any rights on enforcement of security)) on any matters on which Company Shareholders may vote. There are no issued or outstanding (i) securities of the Company convertible into or exchangeable or exercisable for Company Shares in the share capital or other voting securities of or ownership interests in the Company; (ii) warrants, calls, options or other rights to acquire from the Company, or other obligation of the Company to issue, any shares or other voting securities or ownership interests in or any securities convertible into or exchangeable or exercisable for Company Shares or other voting securities or ownership interests in the Company; or (iii) awards, restricted shares, stock appreciation rights, performance units, contingent value rights, "phantom" stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of any part of the share capital or voting securities of the Company (the items in (i) through (iii) of this Clause being referred to collectively as the "**Company Securities**"). No option has been granted to acquire Company Shares with a per share exercise price that is less than the fair market value of a Company Share on the applicable date that it was granted;
 - (iv) other than as set out in Schedule 3, the Company has no subsidiaries; and
 - (v) there is no outstanding Indebtedness of the Company or the Company Group;
- (i) SEC Filings; Financial Statements:
- (i) since 3 July 2018, the Company has filed or furnished on a timely basis all reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated therein) required by the SEC to be filed or furnished by the Company with the SEC (as supplemented, modified or amended since the time of filing, collectively, the "**Company SEC Documents**"). As of their respective dates, or, if amended prior to the date of this Agreement, as of the date of (and giving effect to) the last such amendment (and, in the case of registration statements and proxy statements, on the date of effectiveness and the dates of the relevant meetings, respectively), the Company SEC Documents complied in all material respects with the requirements of the Securities Act, the Exchange Act or the Sarbanes-Oxley Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to those Company SEC Documents, and, except to the

extent that information contained in such Company SEC Documents has been revised, amended, modified or superseded (prior to the date of this Agreement) by a later filed Company SEC Document, none of the Company SEC Documents when filed or furnished contained any untrue statement of a material fact or, when considered together with the other SEC Documents, omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

- (ii) the financial statements (including any related notes and schedules) contained or incorporated by reference in the Company SEC Documents: (a) complied as to form in all material respects with the published rules and regulations of the SEC applicable thereto; (b) were prepared in accordance with US GAAP applied on a consistent basis throughout the periods covered (except as may be indicated in the notes to such financial statements or, in the case of unaudited interim financial statements, as may be permitted under applicable Securities Laws); and (c) fairly presented, in all material respects, the financial position of the Company Group as of the respective dates thereof and the results of operations and cash flows of the Company Group for the periods covered thereby (subject, in the case of the unaudited financial statements, to the absence of notes and to normal and recurring year-end adjustments that are not, individually or in the aggregate, material);
- (iii) the Company maintains a system of internal control over financial reporting (as defined in Rule 13a-15 under the Exchange Act) that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP, and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with US GAAP and that receipts and expenditures are being made only in accordance with authorisations of management and the Company Board; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of the assets of the Company that could have a material effect on the financial statements. To the Knowledge of the Company, since 31 December 2018 to the date of this Agreement, neither the Company nor the Company's independent registered accountant has identified or been made aware of: (1) any significant deficiency or material weakness in the design or operation of the internal control over financial reporting utilised by the Company, which is reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; or (2) any allegation of fraud, whether or not material, that involves the management or other employees of the Company who have a significant role in the Company's internal control over financial reporting. Since 31 December 2018 through the date of this Agreement, neither the Company nor any of its subsidiaries has received any written

complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or its subsidiaries or their respective internal accounting controls that, individually or in the aggregate, would reasonably be expected to be material to the Company Group, taken as a whole;

- (iv) the Company maintains disclosure controls and procedures as defined in and required by Rule 13a-15 or 15d-15 under the Exchange Act that are reasonably designed to ensure that all information required to be disclosed in the Company's reports that it files or submits under the Exchange Act is recorded, processed, summarised and reported within the time periods specified in the rules and forms of the SEC and that all such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure and to enable the principal executive officer of the Company and the principal financial officer of the Company to make the certifications required under the Exchange Act with respect to such reports;
 - (v) the Company is not a party to, nor does it have any obligation or other commitment to become a party to, "off-balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act) where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Company in the Company SEC Documents; and
 - (vi) as of the date of this Agreement, there are no outstanding or unresolved comments in comment letters received from the SEC with respect to the Company SEC Documents. To the Knowledge of the Company, none of the Company SEC Documents is the subject of ongoing SEC review and there are no inquiries or investigations by the SEC or any internal investigations pending or threatened, in each case regarding any accounting practices of the Company;
- (j) *Absence of Certain Changes*: since 31 December 2018 to the date of this Agreement, except as contemplated by this Agreement:
- (i) there has not been any Company Material Adverse Effect; and
 - (ii) the business of the Company has been conducted in all material respects in the ordinary course consistent with the outcomes of its strategic review and the Company has not authorised, agreed or committed to take any action, or failed to take any action that would result in:
 - (A) any declaration, setting aside or payment of any dividends on, or making of any distribution with respect to the outstanding shares of its share capital (in cash or in kind);
 - (B) any establishment, adoption, amendment or termination of any material benefit plan or any plan, scheme, program, policy agreement or

arrangement that would be a material Benefit Plan if it were in effect on the date of this Agreement;

- (C) any split, combination or reclassification of any part of the share capital of the Company or any issuance or the authorisation of any issuance of any other securities in respect of, in lieu of or in substitution for shares of the share capital of the Company;
 - (D) any change in accounting methods, principles or practices by the Company or any of its subsidiaries materially affecting the consolidated assets, liabilities or results of operations of the Company, except as may have been required (A) by US GAAP (or any interpretation thereof), including pursuant to standards, guidelines and interpretations of the Financial Accounting Standards Board or any similar organisation, or (B) by applicable Law, including Regulation S-X under the Securities Act;
 - (E) other than the Assets Disposal, any sale, lease (as lessor), licence or other disposition of, or pledge, encumbrance or other Lien imposed upon (other than a Permitted Lien), any properties or assets that are material, individually or in the aggregate, to the Company and its subsidiaries, taken as a whole;
 - (F) any material election with respect to Taxes by the Company or any of its subsidiaries or settlement or compromise by the Company or any of its subsidiaries of any material Tax liability or refund other than, in each case, in the ordinary course of business;
 - (G) any material settlement, release, waiver or compromise of any pending or threatened litigation that is material to the Company and its subsidiaries, taken as a whole;
 - (H) any other action that would be prohibited by Clause 9.1 if it were taken during the Relevant Period;
- (k) Real Property:
- (i) the Company and its subsidiaries do not own any real property;
 - (ii) the Company and its subsidiaries hold valid and existing leasehold interests in the Leased Property, in each case free and clear of any Liens. As of the date of this Agreement, neither the Company nor any of its subsidiaries has received any written notice regarding any violation or breach or default under any lease related to the Leased Real Property that has not since been cured;
- (l) Compliance with Laws; Permits:
- (i) since 31 December 2016 to the date of this Agreement: (i) the Company is and has been in compliance in all material respects with and is not under investigation

with respect to, (ii) to the Company's Knowledge, the Company has not been threatened to be charged with, nor has it been subject to, or (iii) the Company has not been given notice of, nor to the Company's Knowledge, threatened with an Action concerning, any material violation of any applicable Law or Permit. There is no judgment, decree, injunction, rule or order of any arbitrator or Governmental Authority outstanding against the Company or any of its Affiliates; and

- (ii) the Company has not been restrained by a Governmental Authority or other person in its ability to conduct or have conducted its business as currently conducted;

(m) Regulatory Matters:

- (i) the Company has been in material compliance with, and has not been notified by any Governmental Authority of any failure (or any investigation with respect thereto) by the Company to comply in all material respects with any Health Law;
- (ii) none of the Company, any of its subsidiaries or, to the Knowledge of the Company, any of its officers, employees or agents (authorised to speak on behalf of the Company), have (i) made an untrue statement of a material fact or fraudulent statement to any Health Authority, failed to disclose a material fact required to be disclosed to any Health Authority, or committed an act, made a statement, or failed to make a statement, including with respect to any scientific data or information, that, at the time such disclosure was made or failure to disclose occurred, would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Reg. 46191 (September 10, 1991), and any amendments thereto, or for any other Health Authority to invoke any similar policy; or (ii) been debarred pursuant to 21 U.S.C. section 335a (a) or (b) or any comparable Health Law; and
- (iii) none of the Company, any of its respective officers, directors, or, to the Knowledge of the Company, its managing employees, agents (as those terms are defined in 42 C.F.R. § 1001.2), or any other person described in 42 C.F.R. § 1001.1001(a): (a) has been charged with or convicted of any criminal offense relating to the delivery of an item or service under any federal health care program as defined in 42 U.S.C. §1320a-b(f) and including the Medicare, Medicaid and TRICARE programs ("**Federal Health Care Program**"); (b) has been debarred, excluded or suspended from participation in any Federal Health Care Program; (c) has had a civil monetary penalty assessed against it, him or her under 42 U.S.C. §1320a-7a; (d) is currently listed on the list of parties excluded from federal procurement programs and non-procurement programs as maintained in the Government Services Administration's System for Award Management or other federal agencies; (e) is, to the Knowledge of the Company, the target or subject of any material current or potential investigation relating to any Federal Health Care Program-related offense; or (f) has engaged in any

activity that is in material violation of or is cause for civil penalties or mandatory or permissive exclusion under federal or state Laws;

- (n) *Certain Business Practices*: neither the Company nor any of its subsidiaries, nor, to the Knowledge of the Company, any of its employees, Representatives or agents (in each case, acting in the capacity of an employee or Representative of the Company or its subsidiaries) has: (i) used any material funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; (ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns; or (iii) violated any provision of any Anti-Corruption Laws or any rules or regulations promulgated thereunder, anti-money laundering laws or any rules or regulations promulgated thereunder or any applicable Law of similar effect. Since 31 December 2016 to the date of this Agreement, neither the Company nor any of its subsidiaries has received any written communication that alleges any of the foregoing;
- (o) *Litigation*: as of the date hereof, there is no material Action or suit (or any basis therefor) pending against, or, to the Knowledge of the Company, threatened against, the Company or any of its subsidiaries;
- (p) *Taxes*:
 - (i) with respect to Taxes for which the period of assessment or collection has not lapsed, all material Tax Returns required by applicable Law to be filed with any Tax Authority by, or on behalf of, the Company and its subsidiaries have been filed when due (taking into account any authorised extensions) in accordance with all applicable Law and all such Tax Returns were, when filed, true, correct and complete in all material respects;
 - (ii) each of the Company and its subsidiaries has paid (or has had paid on its behalf) or has withheld and remitted to the appropriate Tax Authority all material Taxes shown on any Tax Returns as due and payable, or, where payment or remittance is not yet due, has established (or has had established on its behalf and for its sole benefit and recourse) in accordance with US GAAP an adequate accrual for all material Taxes through the end of the last period for which each of the Company and its subsidiaries ordinarily records items on its books;
 - (iii) there is no audit or Action now pending or to the Company's Knowledge threatened in writing against or with respect to the Company or any of its subsidiaries in respect of any material Taxes, and no deficiency in respect of material Taxes has been asserted in writing as a result of any audit, examination or Action by any Tax Authority that has not been paid, accrued for or contested in good faith (with appropriate reserves established in accordance with generally accepted accounting principles in the UK) and in accordance with applicable Law;
 - (iv) each of the Company and its subsidiaries:

- (A) is not, and has not been, a party to any Tax Sharing Agreement; and
 - (B) for taxable years for which the applicable statute of limitations for an assessment of Taxes has not expired, has not been a member of a group filing a consolidated, combined or unitary Tax Return (other than a group the common parent of which is or was the Company or any of its subsidiaries and which included only the Company and /or any of its subsidiaries);
- (v) neither the Company nor any of its subsidiaries has ever been resident for Tax purposes or had a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a jurisdiction outside of the jurisdiction in which it was incorporated;
- (vi) to the Company's Knowledge, neither the Company nor any of its subsidiaries has been party to at any time:
- (A) any transaction or series of transactions, scheme or arrangement of which the main purpose, or one of the main purposes, was the avoidance of a Tax liability;
 - (B) a transaction that, as of the date of this Agreement, constitutes a "listed transaction" for purposes of Section 6011 of the Code and applicable Treasury Regulations thereunder (or a similar provision of state, local or foreign legal requirement); or
 - (C) any transactions, schemes or arrangements which either were notifiable arrangements for the purposes of Part 7 Finance Act 2004 (Disclosure of tax avoidance schemes) or was a notifiable scheme for the purposes of Schedule 11A Value Added Tax Act 1994 (Disclosure of avoidance schemes) or is required to be disclosed under rules introduced in EU Council Directive 2018/822/EU;
- (vii) neither the Company nor any of its subsidiaries has any liability for the payment of any material Tax imposed on any person (other than the Company) as a transferee or successor;
- (viii) in each case where the making of an election by any current or former employee, officer or worker (together with, where required, the relevant employer entity) in respect of the acquisition by such employee, officer or other worker of shares or securities in the Company or any of its subsidiaries would have the effect of mitigating the Company or any of its subsidiaries' liability to Tax in respect of any subsequent dealings in those shares or securities, such an election has been validly made.
- (ix) neither the Company nor any of its subsidiaries is required (x) to make any adjustment (nor has any Tax Authority proposed in writing any such adjustment) pursuant to Section 481 of the Code, or any similar provision of applicable Law,

for any period or portion thereof beginning on or after the Effective Date as a result of a change in accounting method, or (y) to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Effective Date as a result of any (i) closing agreement as described in Section 7121 of the Code (or any corresponding or similar provision of Tax Law) executed on or prior to the Effective Date, (ii) intercompany transaction or excess loss account described in the Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of Tax Law) created on or prior to the Effective Date, (iii) instalment sale or open transaction disposition made on or prior to the Effective Date or (iv) prepaid amount received on or prior to the Effective Date;

- (x) neither the Company nor any of its subsidiaries has constituted either a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for, or intended to qualify for, tax-free treatment under Section 355 of the Code;
 - (xi) neither the Company nor any of its subsidiaries has made any election under Section 965(h) of the Code to pay any tax liability under Section 956 of the Code in instalments;
 - (xii) neither the Company nor any of its subsidiaries is a "surrogate foreign corporation" within the meaning of Section 7874(a)(2)(B) of the Code, or has elected to be treated as a U.S. person under Section 897(i) of the Code;
 - (xiii) neither the Company nor any of its subsidiaries is, or has been, a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code; and
 - (xiv) neither the Company nor any of its subsidiaries has made an entity classification (“check-the-box”) election under Section 7701 of the Code; and
 - (xv) this Clause 11.1(p), together with Clauses 11.1(h)(iii), 11.1(i) and 11.1(u), constitute the sole and exclusive representations and warranties of any member of the Company Group with respect to any Tax matters. For the avoidance of doubt, no representation is made concerning the existence or amount of, or limitations on, any net operating loss, Tax basis or other Tax asset or liability.
- (q) **Material Contracts:**
- (i) Schedule 3 lists each “Company Material Contract” (collectively, the “**Company Material Contracts**”) to which the Company or its subsidiaries are bound as at the date of this Agreement. The Company has prior to the date of this Agreement made available to the Bidder a true and complete copy of each Company Material Contract (including all amendments, modifications, extensions and renewals thereto and waivers thereunder) or has publicly made available such

Company Material Contract in EDGAR. For purposes of this Agreement, each of the following constitutes a Company Material Contract:

- (A) each Contract that provides for annual payments or receipts that are still outstanding in excess of USD 50,000 or provides for payments or receipts that are still outstanding in the aggregate in excess of USD 50,000;
- (B) each Contract that is a settlement, conciliation or similar agreement pursuant to which (A) the Company or its subsidiaries will be required after the date of this Agreement to pay more than USD 50,000 or (B) that contains material restrictions on such party's conduct;
- (C) each Contract that (A) restricts the ability of the Company or any of its subsidiaries to compete in any business with any person in any geographical area, (B) requires the Company or any of its subsidiaries to conduct any business on a "most favoured nation" basis with any third party or (C) provides for "exclusivity" or any similar requirement in favour of any third party, except in the case of each of Sub-Clauses (A), (B) and (C) for such restrictions, requirements or provisions that are not material to the Company and its subsidiaries, taken as a whole;
- (D) each Contract that by its terms requires the Company or any of its subsidiaries, or any successor to, or acquirer of, the Company or any of its subsidiaries, to make any payment as a result of a change of control of the Company or any of its subsidiaries, whether alone or in combination with any other event that would not itself result in such payment (a "**Change of Control Payment**"), or gives any Person a right to receive or elect to receive a Change of Control Payment;
- (E) each Contract for the acquisition or divestiture of a business (including any Contract containing an option to so acquire or divest) that contains continuing covenants, indemnities or other payment obligations that would reasonably be expected to result in the receipt or making of future payments by the Company or any of its subsidiaries or any other;
- (F) each Contract for the lease of real property with annual payments by the Company and its subsidiaries or any future indemnification obligations in respect of any real property;
- (G) any other Contract that is currently in effect and has been filed (or is required to be filed) by the Company as an exhibit pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act or that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act;
- (H) any Contract that is an employment or consulting agreement with any executive officer or other employee of the Company or any Company

subsidiary or member of the Company Board earning an annual salary or fee from the Company or any Company subsidiary in excess of USD 50,000; and

- (l) any Contract with any Affiliate, director, executive officer, person holding 5 per cent. of more of the Company Shares, or to the Knowledge of the Company, any Affiliate or immediate family member of any of the foregoing;
- (ii) each Company Material Contract is, with respect to the Company and its subsidiaries, valid, binding and in full force and effect and, to the Knowledge of the Company, enforceable against the other party or parties thereto in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and other laws affecting creditors' rights generally and general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity)); and
- (iii) neither the Company nor any of its Affiliates (including, for the avoidance of doubt, the Company), nor, to the Knowledge of the Company, any other party to a Company Material Contract, has materially breached or violated any material provision of, or taken or failed to take any action which, with or without notice, lapse of time, or both, would constitute a material breach under the provisions of such Company Material Contract, and, since 31 December 2016 to the date of this Agreement, neither the Company nor any of its Affiliates has received written notice that it has materially breached, materially violated or defaulted under any Company Material Contract;
- (r) *Environmental Matters*: (i) the Company and each of its subsidiaries is in material compliance with applicable Environmental Laws; and (ii) as of the date of this Agreement, there are no Actions pending and the Company has not been given notice in writing nor, to the Knowledge of the Company, threatened with an Action against the Company or any of its subsidiaries alleging that the Company or any of its subsidiaries is violating any applicable Environmental Law in any material respects. The representations and warranties made by the Company in this Clause 11.1(r), together with the representations and warranties set forth in Clause 11.1(f) (*Governmental Authorisation*) are the sole and exclusive representations and warranties made regarding environmental, health or safety matters, Environmental Laws, Environmental Permits or Hazardous Materials;
- (s) *Insurance*: the Company maintains insurance coverage in such amounts and covering such risks as are in accordance in all material respects with normal industry practice for companies of similar size and stage of development. The Company has delivered or made available to the Bidder an accurate and complete copy of all insurance policies which have an annual premium in excess of USD 10,000 relating to the business, assets and operations of the Company and its subsidiaries. To the Company's Knowledge, all such insurance policies are in full force and effect, no written notice of cancellation or material modification has been received (other than a notice in connection with ordinary renewals), and there is no existing material default or event which, with the giving of

notice or lapse of time or both, would constitute a material default, by any insured thereunder. As of the date of this Agreement, there is no material claim pending under any of the Company's insurance policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies;

- (t) *Finders' Fees*: except for MTS Health Partners, L.P., there is no investment banker, broker, finder or other similar intermediary that has been retained by or is authorized to act on behalf of the Company or the Company Group who might be entitled to any fee or commission from the Company or any subsidiary of the Company in connection with the Acquisition; and
- (u) Employees and Benefit Plans:
 - (i) the Company has prior to the date of this Agreement made available to the Bidder a true and complete copy of (a) each material Benefit Plan (including all amendments thereto) or, if not reduced to writing, a summary of all material terms thereof, (b) for each Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination or opinion letter from the U.S. Internal Revenue Service, and (c) all material correspondence with any Governmental Authority within the past three (3) years;
 - (ii) each Benefit Plan has been operated, funded and administered in material compliance with its terms and applicable Law;
 - (iii) the Benefit Plans do not include any defined benefit pension schemes or any liability for such schemes;
 - (iv) none of the Company, any of its subsidiaries nor any employer, trade or business that could at any time be treated as a "single employer" with the Company or any of its subsidiaries under Section 414 of the Code or Section 4001(b)(1) of ERISA has ever sponsored, maintained, contributed to or been required to contribute to, or has any Liability in respect of, (i) a plan that is or was subject to Title IV of ERISA, (ii) a plan that is or was subject to the minimum funding rules of Section 302 of ERISA or Section 412 of the Code, or (iii) any defined benefit pension plan;
 - (v) except as required under applicable Law, no Benefit Plan provides health or welfare benefits following retirement or other termination of employment or service;
 - (vi) except as provided in this Agreement, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby (whether alone or in conjunction with any other event) could (i) result in any payment or benefit to any current or former employee, director or individual independent contractor of the Company or any of its subsidiaries, (ii) directly or indirectly cause or result in the acceleration or increase of any obligation or benefits under any Benefit Plan, including accelerated vesting or payment of any compensation or benefits under, or the required funding of, any Benefit

Plan, (iii) limit or restrict the ability of the Company or its subsidiaries, as applicable, to modify, amend or terminate any Benefit Plan, or (iv) require any current or former employee or independent contractor of the Company to be notified of or consent to the transactions;

- (vii) no current or former employee, director or independent contractor of the Company or any of its subsidiaries has received or could receive any payments or benefits under any Benefit Plan (other than any agreements or plans implemented by the Bidder) that have resulted or could result, individually or in combination with any other payments or benefits, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code;
- (viii) no current or former employee, director or independent contractor of the Company or any of its subsidiaries is entitled to a gross-up, reimbursement or other payment in respect of any Taxes under Section 4999 of the Code (or any corresponding provisions of state, local or non-U.S. tax Law) or otherwise in respect of any payments or benefits that may be paid in connection with or following the consummation of the transactions contemplated by this Agreement;
- (ix) none of the Company or any of its subsidiaries is a party to or bound by a collective bargaining agreement or other agreement with any labour organisation and neither the Company nor any of its subsidiaries recognises a labour union or organisation in relation to its employees;
- (x) there is no labour strike, dispute, slowdown, stoppage, picketing, lockout or other similar labour activity pending or threatened in writing against or affecting the Company or any its subsidiaries, nor has there been any such action or event during the three years prior to the date of this Agreement;
- (xi) the Company and each of its subsidiaries are, and for the past three (3) years have been, in compliance in all material respects with respect to all Laws relating to labour and employment;
- (xii) there is no action or proceeding pending or, to the Company's Knowledge, threatened with respect to or involving any Benefit Plans, employees (in their capacities as such) or employment-related matters. To the Company's Knowledge, in the last five (5) years, no allegations of sexual harassment or misconduct have been made to the Company or any of its subsidiaries involving any of their respective current or former employees, directors or individual independent contractors;
- (xiii) except to the extent that the provision of such information is restricted under applicable Privacy Laws, the Company has prior to the date of this Agreement made available to the Bidder correct and complete information as to the name, current job title, base salary and target annual bonus for all current employees of the Company and its subsidiaries; and

- (xiv) no employee is employed under a non-immigrant work visa or other work authorization that is limited in duration;
- (v) *Privacy and Data Security:* The Company has materially complied with all applicable Privacy Laws relating to Processing of Personal Information (including the Personal Information of employees, clinical trial participants, patients, patient family members, caregivers or advocates, physicians and other health care professionals, clinical trial investigators, researchers, pharmacists). The Company has materially complied with each of its written and published policies and procedures concerning the privacy and security of Personal Information (the "**Privacy Policies**"). No claims have been asserted or, to the Knowledge of the Company, threatened against the Company by any Person or Governmental Authority alleging a material violation of Privacy Laws. To the Knowledge of the Company, no material Security Breach of Personal Information Processed by the Company has occurred;
- (w) *Company Net Cash Amount Statement:* the Company Net Cash Amount Statement has been prepared by the Company with all due care and attention and fairly sets out the assets and liabilities of the Company Group comprising the Company Net Cash Amount on a US GAAP basis. As at the date of this Agreement, there are no liabilities or commitments of the Company Group that should be recognized on a US GAAP basis other than those set out in the Company Net Cash Amount Statement or the financial statements (including any related notes and schedules) contained or incorporated by reference in the Company SEC Documents; and
- (x) *No Other Representations or Warranties:* except in the case of fraud, the Company acknowledges and agrees that: (a) the only representations, warranties, covenants and agreements made by the Bidder or any of its Affiliates or Representatives or any other person are the representations, warranties, covenants and agreements made in this Agreement; and (b) neither the Bidder nor any other person has made any representation or warranty, whether express or implied, as to the accuracy or completeness of any information regarding the Bidder furnished or made available to the Company and its Representatives except as expressly set forth in this Agreement.

11.2 The Bidder represents and warrants to the Company that:

- (a) *Corporate Existence and Power:* the Bidder is a company duly incorporated and validly existing under the laws of British Columbia, Canada, and has all corporate power to carry on its business as now conducted. Each of the Bidder's subsidiaries has all corporate powers to carry on its business as now conducted;
- (b) *Subsidiaries:* each of the subsidiaries of the Bidder has been duly incorporated and is validly existing and in good standing under the laws of the jurisdiction of its incorporation (in the case of good standing, to the extent such jurisdiction recognises such concept). The Bidder owns beneficially and of record all of the equity interests of its subsidiaries, free and clear of all Liens. All the issued and outstanding shares, share capital or other equity interests of, or ownership interests in, each of the Bidder's subsidiaries, have been duly authorised and validly issued and are fully paid and non-assessable;

- (c) *Organisational Documents*: the Bidder has delivered or made available to the Company accurate and complete copies of the Articles of the Bidder and the equivalent organisational documents of each of its subsidiaries, including all amendments thereto, as in effect on the date of this Agreement;
- (d) *Corporate Authorisation*: the Bidder has the requisite power and authority to enter into and perform its obligations under this Agreement in accordance with the terms hereof. The execution and delivery of this Agreement have been duly and validly authorised by the Bidder Directors. Provided that, on or prior to the Effective Date, no Company Shareholder would as a result of the Acquisition or otherwise become the holder of more than 20% of the voting securities of the Bidder, the Bidder does not require the approval of the Bidder Shareholders to enter into and perform its obligations under this Agreement in accordance with the terms hereof;
- (e) *Binding Obligations*: assuming due authorisation, execution and delivery by the Company, this Agreement constitutes the legal, valid and binding obligations of the Bidder and is enforceable against the Bidder in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and by general principles of equity;
- (f) *Governmental Authorisation*: the execution, delivery and performance by the Bidder of this Agreement, the consummation by it of the Acquisition and the implementation of the Scheme requires no action by or in respect of, or filing with, any Governmental Authority other than: (a) compliance with the provisions of the Act; (b) compliance with any applicable requirements of applicable US and Canadian securities laws; (c) approval of the acquisition by TSXV and Nasdaq, as may be applicable; or (d) such other actions, authorisations, consents, approvals or filings, the absence of which would not reasonably be expected to have, individually or in the aggregate, a Bidder Material Adverse Effect;
- (g) *Non-Contravention*: the execution, delivery and performance by the Bidder of this Agreement and the consummation of the Acquisition do not and will not:
 - (i) contravene, conflict with, or result in any violation or breach of with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit or any obligation to make an offer to purchase or redeem any Indebtedness or capital shares or any loss of any benefit under, require a consent or waiver under, require the payment of a penalty or change in control payment under, or result in the creation of any Lien upon any of the properties or assets of the Bidder Group under, any provision of its or its subsidiaries' constitutional documents;
 - (ii) require the approval of its shareholders (provided that, on or prior to the Effective Date, no Company Shareholder would as a result of the Acquisition or otherwise become the holder of more than 20% of the voting securities of the Bidder);
 - (iii) contravene, conflict with or result in a violation or breach of any provision of any applicable Law;

- (iv) require any payment to or consent or other action by any person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a breach or default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Bidder or any of its subsidiaries is entitled under, require a consent or waiver under, require the payment of a penalty or change in control payment under, or result in the creation of any Lien upon any of the properties or assets of the Bidder Group under, any provision of any Contract or other instrument binding on the Bidder or any of its subsidiaries or any Contract, licence, franchise, Permit, certificate, approval or other similar authorisation affecting, or relating in any way to, the assets or business of the Bidder and its subsidiaries; or
- (v) result in the creation or imposition of any Lien on any asset of the Bidder (other than a Lien referred to in Clause 11.2(g) (iv)), as would not reasonably be expected to have, individually or in the aggregate, a Bidder Material Adverse Effect;
- (h) *Capitalization*: the Bidder's authorised share capital consists of an unlimited number of Bidder Common Shares, and an unlimited number of preferred shares, without par value. As of the close of business on 14 May 2019, there are 6,311,098 Bidder Common Shares and nil preferred shares issued and outstanding, and 2,127,688 warrants (including the Pre-Funded Warrants) to purchase Bidder Common Shares outstanding and 1,141,961 options to purchase Bidder Common Shares outstanding. Except as disclosed above or as set out in Schedule 3, there are no options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by the Bidder of any securities of the Bidder (including Bidder Common Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of the Bidder (including Bidder Common Shares);
- (i) *Stock Exchange Listing*: the Bidder Common Shares are listed and posted for trading on each of Nasdaq and TSXV and the Bidder is not in default of its listing requirements on either Nasdaq or TSXV. No delisting, suspension of trading in or cease trading order with respect to any securities of the Bidder, and no inquiry or investigation (whether formal or informal) by TSXV or Nasdaq with respect to the Bidder or its securities is in effect or ongoing or, to the Bidder's Knowledge, threatened or expected to be implemented or undertaken;
- (j) *Reporting Status and Securities Laws Matters*: the Bidder is a "reporting issuer" in good standing in the Provinces of British Columbia, Alberta and Ontario, and is not on the list of reporting issuers in default under applicable Securities Laws in those provinces. No Governmental Authority has issued any order which is currently outstanding preventing or suspending trading in any of the Bidder's securities, and no such proceeding is, to the Bidder's Knowledge, pending, contemplated or threatened. The Bidder is not subject to any continuous or periodic or other disclosure requirements under the securities laws

of any jurisdiction, other than the Securities Laws. As of the date of this Agreement, the Bidder has not taken any action to cease to be a reporting issuer in any province of Canada nor has the Bidder received notification from any Governmental Authority seeking to revoke the reporting issuer status of the Bidder. The Bidder has filed all forms, reports, schedules, statements and other documents required to be filed under applicable Securities Laws with the appropriate Governmental Authority since 1 October 2017. As of their respective dates (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, as of the date of such subsequent filing), such filings (i) complied as to form, in all material respects, with the applicable requirements of applicable Securities Laws, and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made. The Bidder has not filed any confidential material change report which at the date of this Agreement remains confidential;

- (k) *Consideration Shares*: the New Bidder Shares comprising the Consideration will, when issued pursuant to the Scheme, be duly authorised and validly issued as fully paid and non-assessable Bidder Common Shares, free and clear of all Liens (other than Liens created by the holders thereof), freely tradeable under applicable Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control persons or pursuant to section 2.6 of National Instrument 45-102 - *Resale of Securities* of the Canadian Securities Administrators and other than as applicable to those New Bidder Shares issued to a person who is an affiliate (as defined in Rule 405 under the Securities Act) of the Company or the Bidder prior to the Effective Date or will be an affiliate of the Bidder after the Effective Date in respect of their affiliate status) listed and posted for trading on TSXV and Nasdaq, and are not and will not be subject to or issued in violation of, any pre-emptive rights or back-in rights and there is no agreement or understanding with any party in respect of the issue of securities or other consideration in respect of the Acquisition other than as set out in Schedule 3;
- (l) *Stock Exchange Approval*: the Bidder has not received any verbal or written notification from the TSXV or the Nasdaq of any objections to the Acquisition and the listing of the New Bidder Shares issuable as Consideration or any verbal or written notice of delisting or breach of the rules of the TSXV or Nasdaq;
- (m) *Securities Law Filings; Financial Statements*:
 - (i) since 31 December 2016 the Bidder has filed or furnished on a timely basis all reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated therein) required to be filed or furnished by the Bidder pursuant to Securities Laws (as supplemented, modified or amended since the time of filing, collectively, the "**Bidder Public Documents**"). As of their respective dates, or, if amended prior to the date of this Agreement, as of the date of (and giving effect to) the last such amendment (and, in the case of registration statements and proxy statements, on the date of effectiveness and the dates of the relevant meetings, respectively), the Bidder Public Documents complied in all material respects with the requirements of

Securities Laws, the Exchange Act or the Sarbanes-Oxley Act, as the case may be, and the rules and regulations of any Governmental Authority promulgated thereunder applicable to those Bidder Public Documents, and, except to the extent that information contained in such Bidder Public Document has been revised, amended, modified or superseded (prior to the date of this Agreement) by a later filed Bidder Public Document, none of the Bidder Public Documents when filed or furnished contained any untrue statement of a material fact or, when considered together with the other Bidder Public Documents, omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

- (ii) the financial statements (including any related notes and schedules) contained or incorporated by reference in the Bidder Public Documents: (a) complied as to form in all material respects with the published rules and regulations of the Governmental Authorities applicable thereto; (b) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered (except as may be indicated in the notes to such financial statements or, in the case of unaudited interim financial statements, as may be permitted by the applicable Governmental Authority); and (c) fairly presented, in all material respects, the financial position of the Bidder and its Group as of the respective dates thereof and the results of operations, changes in shareholder equity and cash flows of the Bidder and its Group for the periods covered thereby (subject, in the case of the unaudited financial statements, to the absence of notes and to normal and recurring year-end adjustments that are not, individually or in the aggregate, material);
- (iii) the Bidder maintains a system of internal control over financial reporting (as defined in Rule 13a-15 under the Exchange Act) that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Bidder; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and that receipts and expenditures are being made only in accordance with authorisations of management and the Bidder Directors; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of the assets of the Bidder that could have a material effect on the financial statements. To the Knowledge of the Bidder, since 30 September 2018 to the date of this Agreement, neither the Bidder nor the Bidder's independent registered accountant has identified or been made aware of: (1) any significant deficiency or material weakness in the design or operation of the internal control over financial reporting utilised by the Bidder, which is reasonably likely to adversely affect the Bidder's ability to record, process, summarise and report financial information; or (2) any allegation of fraud, whether or not material, that

involves the management or other employees of the Bidder who have a significant role in the Bidder's internal control over financial reporting. Since 30 September 2018 through the date of this Agreement, neither the Bidder nor any of its subsidiaries has received any written complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of the Bidder or its subsidiaries or their respective internal accounting controls that, individually or in the aggregate, would reasonably be expected to be material to the Bidder or its group, taken as a whole;

- (iv) the Bidder maintains disclosure controls and procedures as defined in and required by Rule 13a-15 or 15d-15 under the Exchange Act that are reasonably designed to ensure that all information required to be disclosed in the Bidder's reports that it files or submits under the Exchange Act is recorded, processed, summarised and reported within the time periods specified in the rules and forms of the SEC and that all such information is accumulated and communicated to the Bidder's management as appropriate to allow timely decisions regarding required disclosure and to enable the principal executive officer of the Bidder and the principal financial officer of the Bidder to make the certifications required under the Exchange Act with respect to such reports. The Bidder is in compliance in all material respects with all current listing and corporate governance requirements of Nasdaq and the TSXV;
 - (v) the Bidder is not a party to, nor does it have any obligation or other commitment to become a party to, "off-balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act) where the result, purpose or intended effect of such contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Bidder in the Bidder Public Documents; and
 - (vi) as of the date of this Agreement, there are no outstanding or unresolved comments in comment letters received from any Governmental Authority with respect to the Bidder Public Documents. To the Knowledge of the Bidder, none of the Bidder's Public Documents is the subject of ongoing SEC review and there are no inquiries or investigations by any Governmental Authority or any internal investigations pending or threatened, in each case regarding any accounting practices of the Bidder;
 - (vii) as of 31 March 2019, the Bidder was a "foreign private issuer" pursuant to Rule 405 under the Securities Act and Rule 3b-4(c) under the Exchange Act.
- (n) *Absence of Certain Changes:* since 30 September 2018 to the date of this Agreement, except as contemplated by this Agreement:
- (i) there has not been any Bidder Material Adverse Effect; and
 - (ii) the business of the Bidder has been conducted in all material respects in the ordinary course consistent with past practice and the Bidder has not authorised,

agreed or committed to take any action, or failed to take any action that would result in:

- (A) any declaration, setting aside or payment of any dividends on, or making of any distribution with respect to the outstanding shares of its share capital (in cash or in kind);
 - (B) any establishment, adoption, amendment or termination of any material benefit plan or any plan, scheme, program, policy agreement or arrangement that would be a material Benefit Plan if it were in effect on the date of this Agreement;
 - (C) any split, combination or reclassification of any part of the share capital of the Bidder or any issuance or the authorisation of any issuance of any other securities in respect of, in lieu of or in substitution for shares of the share capital of the Bidder;
 - (D) any change in accounting methods, principles or practices by the Bidder or any of its subsidiaries materially affecting the consolidated assets, liabilities or results of operations of the Bidder, except as may have been required (A) by GAAP (or any interpretation thereof), including pursuant to standards, guidelines and interpretations of the Financial Accounting Standards Board or any similar organisation, or (B) by applicable Law, including Regulation S-X under the Securities Act;
 - (E) any sale, lease (as lessor), licence or other disposition of, or pledge, encumbrance or other Lien imposed upon (other than a Permitted Lien), any properties or assets that are material to the Bidder and its subsidiaries, taken as a whole;
 - (F) any material election with respect to Taxes by the Bidder or any of its subsidiaries or settlement or compromise by the Bidder or any of its subsidiaries of any material Tax liability or refund other than, in each case, in the ordinary course of business;
 - (G) any material settlement, release, waiver or compromise of any pending or threatened litigation that is material to the Bidder and its subsidiaries, taken as a whole;
 - (H) any other action that would be prohibited by Clause 10.1 if it were taken during the Relevant Period;
- (o) Real Property:
- (i) the Bidder and its subsidiaries do not own, any real property;
 - (ii) the Bidder and its subsidiaries hold valid and existing leasehold interests in the real property that is leased by them (the "**Leased Real Property**"), in each case free and clear of any Liens. As of the date of this Agreement, neither the Bidder

nor any of its subsidiaries has received any written notice regarding any violation or breach or default under any lease related to the Leased Real Property that has not since been cured;

(p) Compliance with Laws; Permits:

- (i) since 31 December 2016 to the date of this Agreement: (a) the Bidder is and has been in compliance in all material respects with and is not under investigation with respect to, (b) to the Bidder's Knowledge, the Bidder has not been threatened to be charged with, nor has it been subject to, or (c) to the Bidder's Knowledge, the Bidder has not been threatened with an Action concerning, nor given notice of, any material violation of, any applicable Law or Permit. There is no judgment, decree, injunction, rule or order of any arbitrator or Governmental Authority outstanding against the Bidder or any of its Affiliates; and
- (ii) the Bidder has not been restrained by a Governmental Authority or other person in its ability to conduct or have conducted its business as currently conducted;

(q) Intellectual Property:

- (i) Schedule 3 contains a true and complete list, as at the date of this Agreement, of: (a) all issued, registered and applied for Intellectual Property Rights owned or purported to be owned by the Bidder Group (the "**Owned Registered IP**") including the full legal name of the owner(s) of record, applicable jurisdiction, status, application or registration number, and date of application, registration or issuance, as applicable, and for each Owned Registered IP; and (b) material Intellectual Property Rights licensed to the Bidder Group (the "**Licensed Intellectual Property Rights**"), including a listing of which Licensed Intellectual Property Rights are licensed on a non-exclusive basis and which are licensed on an exclusive basis;
- (ii) the Bidder Group is the sole and exclusive owner of all Owned Registered IP and all other Bidder Intellectual Property Rights other than the Licensed Intellectual Property Rights (collectively, the "**Owned Intellectual Property Rights**") and holds all right, title and interest in and to all Owned Intellectual Property Rights free and clear of all Liens (other than Permitted Liens);
- (iii) (a) the Bidder Group possesses valid rights to use, free and clear of all Liens (other than Permitted Liens), the Bidder Intellectual Property Rights and (b) the Bidder Group owns or has adequate rights to use all Intellectual Property Rights used or proposed to be used in connection with the operation of the Bidder Group's business;
- (iv)
 - (A) there is no Action pending against, or threatened in writing against, the Bidder Group (A) based upon, or challenging or seeking to deny or restrict, any of the Bidder Intellectual Property Rights or any right of the

Bidder Group therein, (B) alleging that any of the Bidder Intellectual Property Rights is invalid or unenforceable, (C) alleging that any use of any of the Bidder Intellectual Property Rights does or may misappropriate, infringe, or otherwise violate any Intellectual Property Right of any person, or (D) otherwise alleging that the Bidder Group has infringed misappropriated or otherwise violated any Intellectual Property Right of any person;

- (B) none of the Owned Intellectual Property Rights or, to the Knowledge of the Bidder, Licensed Intellectual Property Rights, have been adjudged invalid or unenforceable in whole or part;
- (C) each Contract granting to the Bidder Group rights in and to the Licensed Intellectual Property Rights is valid and binding on the applicable Bidder Group and to the Knowledge of the Bidder enforceable in accordance with its terms against the other party to such Contract (subject to applicable bankruptcy, insolvency, reorganisation, moratorium or other Laws affecting generally the enforcement of creditors' rights and subject to general principles of equity). The Bidder Group is not in material breach of any such Contract and, to the Knowledge of the Bidder, there does not exist any event or condition that would constitute a material breach or default. The Bidder Group has not received written notice of any material default under any such Contract. To the Bidder's Knowledge, each of the parties to each such Contract, has performed in all material respects all obligations required to be performed by any of them under such Contract;
- (D) all of the Owned Registered IP and, to the Knowledge of the Bidder, all of the Licensed Intellectual Property Rights that are issued, registered and applied for (the "**Licensed Registered IP**"), are valid, enforceable, in full force and effect and subsisting;
- (E) all registration, maintenance and renewal fees applicable to the Owned Registered IP and, to the Knowledge of the Bidder, Licensed Registered IP that are currently due have been paid and all documents and certificates necessary for the maintenance of such items have been filed with the Governmental Authority or other authorities in the applicable jurisdictions for the purposes of maintaining such items;
- (F) to the Knowledge of the Bidder, no person has infringed, misappropriated or otherwise violated any Bidder Intellectual Property Right;
- (G) the Bidder Group has taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of all Trade Secrets of the Bidder Group, the value of which to the Bidder Group is contingent upon maintaining the confidentiality thereof and no such Trade Secrets have been disclosed other than to persons who are bound by written

confidentiality agreements that protect the confidentiality of such Trade Secrets; and

each current and former employee of the Bidder Group, as well as each third party involved in the development or creation of any Bidder Intellectual Property Rights has executed a written agreement with the Bidder Group expressly: (a) assigning to the Bidder Group all right, title and interest in all Intellectual Property Rights (including in any inventions whether or not patentable, and Patents, Copyright, Trade Secrets and Software) which were invented, created, developed, authored, conceived or reduced to practice in the scope of, and during the term of, such person's employment for the bidder Group in the case of an employee, or such person's engagement by the Bidder Group in the case of a third party contractor or consultant; and (b) waiving in favour of the Bidder Group and its successors and assigns any moral rights held by such person in connection with any copyright residing in works of authorship forming part of any such Intellectual Property Rights;

(r) Regulatory Matters:

- (i) the Bidder has been in material compliance with, and has not been notified by any Governmental Authority of any failure (or any investigation with respect thereto) by the Bidder to comply in all material respects with any Health Law;
- (ii) (a) the Bidder has filed, maintained or furnished with the applicable Health Authorities all material filings, declarations, listings, registrations, reports, submissions, applications, amendments, modifications, supplements, notices, correspondence, and other documents required under applicable Health Laws (collectively, "**Health Submissions**") and (b) all such Health Submissions were materially complete and accurate and in compliance with applicable Health Laws when filed (or were corrected or completed by a subsequent filing) in all material respects;
- (iii) no manufacturing site of the Bidder, or to the Knowledge of the Bidder, any of its contract manufacturers for pharmaceutical products (including active ingredients and excipients) (a) is subject to a shutdown by a Governmental Authority or import or export prohibition or (b) has received any FDA Form 483, notice of violation, warning letter, untitled letter, or similar correspondence or notice from a Health Authority alleging or asserting noncompliance with any applicable Health Law, in each case that have not been materially complied with or closed to the satisfaction of the relevant Governmental Authority, and, to the Knowledge of the Bidder, no Governmental Authority is considering such action;
- (iv) neither the Bidder nor any of its subsidiaries, have received any written notice from any Health Authority (a) terminating, withdrawing, refusing to renew, or refusing to grant any material governmental licence, Permit, registration, or authorisation, including any IND, NDA, CTA, other clinical trial application or regulatory approval application, in any jurisdiction; or (b) placing a clinical hold order on, or otherwise terminating or suspending, any material ongoing clinical

trial conducted by or on behalf of the Bidder, and, to the Knowledge of the Bidder, there are no facts which could form the basis for such an Action;

- (v) none of the Bidder, any of its subsidiaries or, to the Knowledge of the Bidder, any of its officers, employees or agents (authorised to speak on behalf of the Bidder), have (i) made an untrue statement of a material fact or fraudulent statement to any Health Authority, failed to disclose a material fact required to be disclosed to any Health Authority, or committed an act, made a statement, or failed to make a statement, including with respect to any scientific data or information, that, at the time such disclosure was made or failure to disclose occurred, would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Reg. 46191 (September 10, 1991), and any amendments thereto, or for any other Health Authority to invoke any similar policy; or (ii) been debarred pursuant to 21 U.S.C. section 335a (a) or (b) or any comparable Health Law; and
- (vi) none of the Bidder, any of its respective officers, directors, or, to the Knowledge of the Bidder, its managing employees, agents (as those terms are defined in 42 C.F.R. § 1001.2), or any other person described in 42 C.F.R. § 1001.1001(a): (a) has been charged with or convicted of any criminal offense relating to the delivery of an item or service under any federal health care program as defined in 42 U.S.C. §1320a-b(f) and including the Medicare, Medicaid and TRICARE programs ("**Federal Health Care Program**"); (b) has been debarred, excluded or suspended from participation in any Federal Health Care Program; (c) has had a civil monetary penalty assessed against it, him or her under 42 U.S.C. §1320a-7a; (d) is currently listed on the list of parties excluded from federal procurement programs and non-procurement programs as maintained in the Government Services Administration's System for Award Management or other federal agencies; (e) is, to the Knowledge of the Bidder, the target or subject of any material current or potential investigation relating to any Federal Health Care Program-related offense; or (f) has engaged in any activity that is in material violation of or is cause for civil penalties or mandatory or permissive exclusion under federal or state Laws.
- (s) *Certain Business Practices*: neither the Bidder nor any of its subsidiaries, nor, to the Knowledge of the Bidder, any of its employees, Representatives or agents (in each case, acting in the capacity of an employee or Representative of the Bidder or its subsidiaries) has: (i) used any material funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; (ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns; or (iii) violated any provision of any Anti-Corruption Laws or any rules or regulations promulgated thereunder, anti-money laundering laws or any rules or regulations promulgated thereunder or any applicable Law of similar effect. Since 31 December 2016 to the date of this Agreement, neither the Bidder nor any of its subsidiaries has received any written communication that alleges any of the foregoing;

- (t) *Prior ownership of Company securities:* except as contemplated by this Agreement or as disclosed in Schedule 3, neither the Bidder nor any of its controlled Affiliates or “joint actors” (as defined in Multilateral Instrument MI 61-101 - Protection of Minority Security Holders in Special Transactions) (“**MI 61-101**”) (i) directly or indirectly owns any Company Shares or any securities, contracts or obligations convertible into or exercisable or exchangeable for Company Shares; or (ii) has any agreement, commitment or understanding with any “related party” of the Company that would constitute a “collateral benefit” under MI 61-101, and no person is acting jointly or in concert with the Bidder in connection with this Agreement or the Scheme;
- (u) *Litigation:* as of the date hereof, there is no material Action or suit (or any basis therefor) pending against, or, to the Knowledge of the Bidder, threatened against, the Bidder or any of its subsidiaries, that would reasonably be expected to prevent the Bidder from being able to comply with its obligations pursuant to this Agreement;
- (v) Taxes:
- (i) with respect to Taxes for which the period of assessment or collection has not lapsed, all material Tax Returns required by applicable Law to be filed with any Tax Authority by, or on behalf of, the Bidder and its subsidiaries have been filed when due (taking into account any authorised extensions) in accordance with all applicable Law and all such Tax Returns were, when filed, true, correct and complete in all material respects;
- (ii) each of the Bidder and its subsidiaries has paid (or has had paid on its behalf) or has withheld and remitted to the appropriate Tax Authority all material Taxes shown on any Tax Returns as due and payable, or, where payment or remittance is not yet due, has established (or has had established on its behalf and for its sole benefit and recourse) in accordance with GAAP an adequate accrual for all material Taxes through the end of the last period for which each of the Bidder and its subsidiaries ordinarily records items on its books;
- (iii) there is no audit or Action now pending or to the Bidder’s Knowledge threatened in writing against or with respect to the Bidder or any of its subsidiaries in respect of any material Taxes, and no deficiency in respect of material Taxes has been asserted in writing as a result of any audit, examination or Action by any Tax Authority that has not been paid, accrued for or contested in good faith (with appropriate reserves established in accordance with GAAP) and in accordance with applicable Law;
- (iv) each of the Bidder and its subsidiaries:
- (A) is not, and has not been, a party to any Tax Sharing Agreement; and
- (B) for taxable years for which the applicable statute of limitations for an assessment of Taxes has not expired, has not been a member of a group filing a consolidated, combined or unitary Tax Return (other than a group the common parent of which is or was the Bidder or any of its

subsidiaries and which included only the Bidder and/or any of its subsidiaries);

- (v) neither the Bidder nor any of its subsidiaries has ever been resident for Tax purposes or had a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a jurisdiction outside of the jurisdiction in which it was incorporated;
- (vi) to the Bidder's Knowledge, neither the Bidder nor any of its subsidiaries has been party to at any time:
 - (A) any transaction or series of transactions, scheme or arrangement of which the main purpose, or one of the main purposes, was the avoidance of a Tax liability;
 - (B) a transaction that, as of the date of this Agreement, constitutes a "listed transaction" for purposes of Section 6011 of the Code and applicable Treasury Regulations thereunder (or a similar provision of state, local or foreign legal requirement); or
 - (C) any transactions, schemes or arrangements which either were notifiable arrangements for the purposes of Part 7 Finance Act 2004 (Disclosure of tax avoidance schemes) or was a notifiable scheme for the purposes of Schedule 11A Value Added Tax Act 1994 (Disclosure of avoidance schemes) or is required to be disclosed under rules introduced in EU Council Directive 2018/822/EU or was a "reportable transaction" (as defined for purposes of section 237.3 of the Income Tax Act (Canada)) or that is subject to the provisions of any similar Canadian provincial or territorial Tax Law; or
- (vii) neither the Bidder nor any of its subsidiaries has any liability for the payment of any material Tax imposed on any person (other than the Bidder) as a transferee or successor;
- (viii) in each case where the making of an election by any current or former employee, officer or worker (together with, where required, the relevant employer entity) in respect of the acquisition by such employee, officer or other worker of shares or securities in the Bidder or any of its subsidiaries would have the effect of mitigating the Bidder or any of its subsidiaries' liability to Tax in respect of any subsequent dealings in those shares or securities, such an election has been validly made;
- (ix) neither the Bidder nor any of its subsidiaries is required (x) to make any adjustment (nor has any Tax Authority proposed in writing any such adjustment) pursuant to Section 481 of the Code, or any similar provision of applicable Law, for any period or portion thereof beginning on or after the Effective Date as a result of a change in accounting method, or (y) to include any material item of income in, or exclude any material item of deduction from, taxable income for

any taxable period (or portion thereof) ending after the Effective Date as a result of any (i) closing agreement as described in Section 7121 of the Code (or any corresponding or similar provision of Tax Law) executed on or prior to the Effective Date, (ii) intercompany transaction or excess loss account described in the Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of Tax Law) created on or prior to the Effective Date, (iii) instalment sale or open transaction disposition made on or prior to the Effective Date, or (iv) prepaid amount received on or prior to the Effective Date;

- (x) neither the Bidder nor any of its subsidiaries has constituted either a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for, or intended to qualify for, tax-free treatment under Section 355 of the Code;
 - (xi) neither the Bidder nor any of its subsidiaries has made any election under Section 965(h) of the Code to pay any tax liability under Section 956 of the Code in installments;
 - (xii) neither the Bidder nor any of its subsidiaries is a “surrogate foreign corporation” within the meaning of Section 7874(a)(2) (B) of the Code, or has elected to be treated as a U.S. person under Section 897(i) of the Code;
 - (xiii) neither the Bidder nor any of its subsidiaries is, or has been, a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code;
 - (xiv) the Bidder is not classified as other than an association taxable as a corporation for US federal tax purposes and neither the Bidder nor any of its subsidiaries has made an entity classification (“check-the-box”) election under Section 7701 of the Code; and
 - (xv) this Clause 11.2(u), together with Clause 11.2(m)(ii)(F), constitute the sole and exclusive representations and warranties of any member of the Bidder Group with respect to any Tax matters. For the avoidance of doubt, no representation is made concerning the existence or amount of, or limitations on, any net operating loss, Tax basis or other Tax asset or liability;
- (w) **Material Contracts:**
- (i) Schedule 3 lists each “Bidder Material Contract” (collectively, the “**Bidder Material Contracts**”) to which the Bidder or its subsidiaries are bound as at the date of this Agreement. The Bidder has prior to the date of this Agreement made available to the Company a true and complete copy of each Material Contract (including all amendments, modifications, extensions and renewals thereto and waivers thereunder) or has publicly made available such Material Contract in

EDGAR. For purposes of this Agreement, each of the following constitutes a Bidder Material Contract:

- (A) each Contract that provides for annual payments or receipts in excess of USD 300,000 or provides for payments or receipts in the aggregate in excess of USD 300,000 other than payments for legal, tax, audit, investment banking and similar services;
- (B) each Contract relating to Indebtedness of the Bidder or any of its subsidiaries having an outstanding principal amount under such Contract in excess of USD 300,000;
- (C) each Contract constituting a material joint venture, partnership or collaboration or similar Contract to which the Bidder or any of its subsidiaries is a party relating to the formation, creation, operation, management or control of any partnership or joint venture or to the ownership of any equity interest in any entity or business enterprise other than the subsidiaries;
- (D) each Contract that is a settlement, conciliation or similar agreement pursuant to which (I) the Bidder or its subsidiaries will be required after the date of this Agreement to pay more than USD 300,000 or (II) that contains material restrictions on such party's conduct;
- (E) each Contract that (I) restricts the ability of the Bidder or any of its subsidiaries to compete in any business with any person in any geographical area, (II) requires the Bidder or any of its subsidiaries to conduct any business on a "most favoured nation" basis with any third party or (III) provides for "exclusivity" or any similar requirement in favour of any third party, except in the case of each of Sub-Clauses (I), (II) and (III) for such restrictions, requirements or provisions that are not material to the Bidder and its subsidiaries, taken as a whole;
- (F) each Contract pursuant to which the Bidder or any of its subsidiaries has continuing obligations or interest involving (I) milestone or similar payments, including upon the achievement of regulatory or commercial milestones, in each case in excess of USD 300,000 of future payments in the aggregate or (II) payment of royalties or other amounts calculated based upon any revenues or income of the Bidder or any of its subsidiaries, in each case in excess of USD 300,000 of future payments in the aggregate;
- (G) each Contract, other than those in respect of investment banking services, that by its terms requires the Bidder or any of its subsidiaries, or any successor to, or acquirer of, the Bidder or any of its subsidiaries, to make a Change of Control Payment, or gives any Person a right to receive or elect to receive a Change of Control Payment;

- (H) each Contract for the acquisition or divestiture of a business (including any Contract containing an option to so acquire or divest) that contains (I) aggregate consideration in excess of USD 300,000 (II) continuing covenants, indemnities or other payment obligations that would reasonably be expected to result in the receipt or making of future payments by the Bidder or any of its subsidiaries in excess of USD 300,000 or (III) any other material obligations;
 - (I) each Contract for the lease of real property with annual payments by the Bidder and its subsidiaries in excess of USD 300,000 or any future indemnification obligations in respect of any real property;
 - (J) any other Contract that is currently in effect and has been filed (or is required to be filed) by the Bidder as an exhibit pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act or that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act;
 - (K) any Contract that is an employment or consulting agreement with any executive officer or other employee of the Bidder or any Bidder subsidiary or member of the Bidder Board earning an annual salary or fee from the Bidder or any Bidder subsidiary in excess of USD 300,000; and
 - (L) any Contract with any Affiliate, director, executive officer, person holding 5 per cent. of more of the Bidder Common Shares, or to the Knowledge of the Bidder, any Affiliate or immediate family member of any of the foregoing;
- (ii) each Bidder Material Contract is, with respect to the Bidder and its subsidiaries, valid, binding and in full force and effect and, to the Knowledge of the Bidder, enforceable against the other party or parties thereto in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and other laws affecting creditors' rights generally and general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity)); and
 - (iii) neither the Bidder nor any of its Affiliates (including, for the avoidance of doubt, the Bidder), nor, to the Knowledge of the Bidder, any other party to a Bidder Material Contract, has materially breached or violated any material provision of, or taken or failed to take any action which, with or without notice, lapse of time, or both, would constitute a material breach under the provisions of such Bidder Material Contract, and, since 31 December 2016 to the date of this Agreement, neither the Bidder nor any of its Affiliates has received written notice that it has materially breached, materially violated or defaulted under any Bidder Material Contract;

- (x) *Environmental Matters:* (i) the Bidder and each of its subsidiaries is in material compliance with applicable Environmental Laws; and (ii) as of the date of this Agreement, there are no Actions pending or, to the Knowledge of the Bidder, threatened in writing, against the Bidder or any of its subsidiaries alleging that the Bidder or any of its subsidiaries is violating any applicable Environmental Law in any material respects. The representations and warranties made by the Bidder in this Clause 11.2(x), together with the representations and warranties set forth in Clause 11.2(f) (*Governmental Authorisation*) are the sole and exclusive representations and warranties made regarding environmental, health or safety matters, Environmental Laws, Environmental Permits or Hazardous Materials;
- (y) *Insurance:* the Bidder has delivered or made available to the Company an accurate and complete copy of all material insurance policies relating to the business, assets and operations of the Bidder and its subsidiaries. The Bidder maintains insurance coverage in such amounts and covering such risks as are in accordance in all material respects with normal industry practice for companies of similar size and stage of development. To the Bidder's Knowledge, all material insurance policies are in full force and effect, no written notice of cancellation or material modification has been received (other than a notice in connection with ordinary renewals), and there is no existing material default or event which, with the giving of notice or lapse of time or both, would constitute a material default, by any insured thereunder. As of the date of this Agreement, there is no material claim pending under any of the Bidder's insurance policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies;
- (z) *Finders' Fees:* except as disclosed in Schedule 3, there is no investment banker, broker, finder or other similar intermediary that has been retained by or is authorised to act on behalf of the Bidder or the Bidder Group who might be entitled to any fee or commission from the Bidder or any subsidiary of the Bidder in connection with the Acquisition; and
- (aa) *Employees and Benefit Plans:*
- (i) the Bidder has prior to the date of this Agreement made available to the Company a true and complete copy of (a) each material Benefit Plan and its funding agreement, if applicable, (including, in each case, all amendments thereto) or, if not reduced to writing, a summary of all material terms thereof, (b) for each Benefit Plan that is intended to be qualified under Section 401(a) of the Code or registered under the Income Tax Act (Canada), a copy of the most recent determination or opinion letter from the U.S. Internal Revenue Service, or a copy of the most recent confirmation of registration from the Canada Revenue Agency and (c) all material correspondence with any Governmental Authority within the past three (3) years;
 - (ii) each Benefit Plan has at all times been operated, funded and administered in material compliance with its terms and applicable Law and, as applicable, has been registered under the Income Tax Act (Canada) since its inception;
 - (iii) the Benefit Plans do not include any defined benefit pension schemes or a pension plan that contains a "defined benefit provision" as defined in s. 147.1

of the Income Tax Act (Canada) and the Bidder does not have any liability for such schemes nor for Benefit Plans that contain such a defined benefit provision;

- (iv) none of the Bidder, any of its subsidiaries nor any employer, trade or business that could at any time be treated as a "single employer" with the Bidder or any of its subsidiaries under Section 414 of the Code or Section 4001(b)(1) of ERISA has ever sponsored, maintained, contributed to or been required to contribute to, or has any Liability in respect of, (i) a plan that is or was subject to Title IV of ERISA, (ii) a plan that is or was subject to the minimum funding rules of Section 302 of ERISA or Section 412 of the Code, or (iii) any defined benefit pension plan or any pension plan that contains a "defined benefit provision" as defined in section 147.1 of the Income Tax Act (Canada);
- (v) except as required under applicable Law, no Benefit Plan provides health or welfare benefits following retirement;
- (vi) except as provided in this Agreement, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby (whether alone or in conjunction with any other event) could (i) result in any payment or benefit to any current or former employee, director or individual independent contractor of the Bidder or any of its subsidiaries, (ii) directly or indirectly cause or result in the acceleration or increase of any obligation or benefits under any Benefit Plan, including accelerated vesting or payment of any compensation or benefits under, or the required funding of, any Benefit Plan, (iii) limit or restrict the ability of the Bidder or its subsidiaries, as applicable, to modify, amend or terminate any Benefit Plan, or (iv) require any current or former employee or independent contractor of the Bidder to be notified of or consent to the transactions;
- (vii) no current or former employee, director or independent contractor of the Bidder or any of its subsidiaries has received or could receive any payments or benefits under any Benefit Plan that have resulted or could result, individually or in combination with any other payments or benefits, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code;
- (viii) no current or former employee, director or independent contractor of the Bidder or any of its subsidiaries is entitled to a gross-up, reimbursement or other payment in respect of any Taxes under Section 4999 of the Code (or any corresponding provisions of state, local or non-U.S. tax Law) or otherwise in respect of any payments or benefits that may be paid in connection with or following the consummation of the transactions contemplated by this Agreement;
- (ix) none of the Bidder or any of its subsidiaries is a party to or bound by a collective bargaining agreement or other agreement with any labour organisation and neither the Bidder nor any of its subsidiaries recognises a labour union or organisation in relation to its employees;

- (x) there is no labour strike, dispute, slowdown, stoppage, picketing, lockout or other similar labour activity pending or threatened in writing against or affecting the Bidder or any its subsidiaries, nor has there been any such action or event during the three years prior to the date of this Agreement;
 - (xi) the Bidder and each of its subsidiaries are, and for the past three (3) years have been, in compliance in all material respects with respect to all Laws relating to labour and employment;
 - (xii) there is no action or proceeding pending or, to the Bidder's Knowledge, threatened with respect to or involving any Benefit Plans, employees (in their capacities as such) or employment-related matters. To the Bidder's Knowledge, in the last five (5) years, no allegations or sexual harassment or misconduct have been made to the Bidder or any of its subsidiaries involving any of their respective current or former employees, directors or individual independent contractors;
 - (xiii) except to the extent that the provision of such information is restricted under applicable Privacy Laws, the Bidder has prior to the date of this Agreement made available to the Company correct and complete information as to the name, current job title, base salary and target annual bonus for all current employees of the Bidder and its subsidiaries; and
 - (xiv) no employee with a title of "vice president" or above is employed under a non-immigrant work visa or other work authorization that is limited in duration;
- (bb) *Privacy and Data Security:* The Bidder has materially complied with all applicable Privacy Laws relating to Processing of Personal Information (including the Personal Information of employees, clinical trial participants, patients, patient family members, caregivers or advocates, physicians and other health care professionals, clinical trial investigators, researchers, pharmacists). The Bidder has materially complied with each of its Privacy Policies. No claims have been asserted or, to the Knowledge of the Bidder, threatened against the Bidder by any Person or Governmental Authority alleging a material violation of any such Privacy Laws. To the Knowledge of the Bidder, no material Security Breach of Personal Information Processed by the Bidder has occurred;
- (cc) *No Other Representations or Warranties:* except in the case of fraud, the Bidder acknowledges and agrees that: (a) the only representations, warranties, covenants and agreements made by the Company or any of its Affiliates or Representatives or any other person are the representations, warranties, covenants and agreements made in this Agreement; and (b) neither the Company nor any other person has made any representation or warranty, whether express or implied, as to the accuracy or completeness of any information regarding the Company furnished or made available to the Bidder and its Representatives except as expressly set forth in the Transaction Documents.

11.3 Each of the representations and warranties in this Clause 11 shall be construed as separate and shall not be limited or restricted by the terms of any other such representation or warranty.

12. Termination

12.1 This Agreement may be terminated as follows:

- (a) upon agreement in writing between the Bidder and the Company at any time prior to the Effective Date;
- (b) subject to Clause 13, by the Company, by written notice to the Bidder that the Acquisition Proposal constitutes a Superior Proposal, in accordance with Clause 9.4(b)(ii);
- (c) by the Company, by written notice to the Bidder if the New Bidder Shares to be issued by the Bidder to the Company Shareholders pursuant to Clause 2.1 are not issued free of any restrictive legends or are not freely tradeable upon issuance in the United States without restriction, including as to volume and manner of sale (other than with respect to New Bidder Shares issued to a person who is an affiliate (as defined in Rule 405 under the Securities Act) of the Company or the Bidder prior to the Effective Date or will be an affiliate of the Bidder after the Effective Date in respect of their affiliate status);
- (d) by either the Bidder or the Company, by written notice to the other, if:
 - (i) the Circular is not distributed to the Company Shareholders in accordance with Clause 5.1 (provided that the right to terminate this Agreement pursuant to this Clause 12.1(d)(i) shall not be available to a party whose breach of any provision of this Agreement shall have been the primary cause of such failure to distribute the Circular in accordance therewith);
 - (ii) an injunction shall have been entered permanently restraining, enjoining or otherwise prohibiting the consummation of the Acquisition and such injunction shall have become final and non-appealable (provided that the right to terminate this Agreement pursuant to this Clause 12.1(d)(ii) shall not be available to a party whose breach of any provision of this Agreement shall have been the primary cause of such injunction);
 - (iii) any Condition for the benefit of the terminating party which has not been waived (or is incapable of waiver) is (or has become) incapable of satisfaction by the Long Stop Date (provided that the right to terminate this Agreement pursuant to this Clause 12.1(d)(iii) shall not be available to a party whose breach of any provision of this Agreement shall have been the primary cause of such Condition not being waived or satisfied); or
 - (iv) the Announcement is not released by 12:00 p.m. London time on the next Business Day immediately following execution of this Agreement or such later time or date as the Bidder and the Company may agree in writing.
- (e) subject to Clause 13, by the Bidder, by written notice to the Company, if:
 - (i) the Company Board notifies the Bidder or publicly states that it no longer recommends (or intends to recommend) that the Company Shareholders vote in favour of the Acquisition;

- (ii) an intentional or material breach of Clause 9.3 occurs that results in an Acquisition Proposal;
- (iii) following the Court Meeting or the General Meeting the Company Board notifies the Bidder in writing or publicly states that the Company will not seek the sanctioning of the Scheme by the Court;
- (iv) (a) the Company Board effects a Company Adverse Change Recommendation, (b) the Company Board shall have failed to include the Company Board Recommendation in the Circular when mailed, or (c) the Company Board shall have failed to reaffirm the Company Board Recommendation within 10 days after the Bidder so requests in writing or, if earlier, three days prior to the General Meeting (it being understood the Company will have no obligation to make such reaffirmation on more than three occasions);
- (v) the Company breaches any of its representations and warranties set out in Clause 11.1 where such breach of representation and warranty would result in a failure of the condition set out in E(i) of the Announcement or fails to perform any covenant or obligation in this Agreement on the part of the Company if such failure would reasonably be expected to prevent the Company from consummating the transactions contemplated by this Agreement and cannot be cured by the Company by the Long Stop Date, or if capable of being cured in such time period, shall not have been cured within 30 days of the date the Bidder gives the Company written notice of such breach or failure to perform; provided, however, that the Bidder shall not have the right to terminate this Agreement pursuant to this Clause 12.1(e)(v) if the Bidder is then in material breach of any representation, warranty, covenant or obligation hereunder,

each of (i) to (vi) being a “**Relevant Withdrawal Event**”; provided that for the purposes of this Clause 12.1(e), the following shall not of itself constitute a Relevant Withdrawal Event: (a) any of the Company Director(s) not joining (or not continuing to participate) in any recommendation or intended recommendation in relation to a Matching Acquisition Proposal so long as such recommendation or intended recommendation in relation to such Matching Acquisition Proposal is concurrently maintained and reconfirmed by at least a majority of the entire the Company Board; and (b) any holding statement(s) issued by the Company Board to the Company Shareholders following a change of circumstances so long as any such holding statement contains an express statement that such recommendation is not withdrawn and does not contain a statement that the Company Board intends to withdraw such recommendation;

- (f) by the Company, by written notice to the Bidder, if the Bidder breaches any of its representations and warranties set out in Clause 11.2 where such breach of representation and warranty would result in a failure of the condition set out in E(ii) of the Announcement or fails to perform any covenant or obligation in this Agreement on the part of the Bidder if such failure would reasonably be expected to prevent the Bidder from consummating the transactions contemplated by this Agreement and such breach

or failure cannot be cured by the Bidder by the Long Stop Date, or if capable of being cured in such time period, shall not have been cured within 30 days of the date the Bidder gives the Company written notice of such breach or failure to perform; provided, however, that the Company shall not have the right to terminate this Agreement pursuant to this Clause 12.1(f) if the Company is then in material breach of any representation, warranty, covenant or obligation hereunder;

- (g) by either the Bidder or the Company, by written notice to the other, if the Effective Date has not occurred by the Long Stop Date, provided that, notwithstanding any other provision of this Agreement, the right to terminate this Agreement pursuant to this Clause 12.1(g) shall not be available to any party whose material breach of this Agreement has caused the failure of the Effective Date to have occurred by the Long Stop Date;
- (h) by either the Bidder or the Company, by written notice to the other, if the Bidder is required to obtain shareholder approval pursuant to Clause 10.11 and such shareholder approval has not been obtained by the Long Stop Date (as extended pursuant to such clause); or
- (i) by either the Bidder or the Company, by written notice to the other, if SVB consent to the Scheme is not received pursuant to Clause 10.12.

12.2 Subject to the provisions of this Agreement which are expressly provided to survive termination in Clause 12.3, and without prejudice to any liability of any party in respect of any antecedent breach hereof or to any accrued rights of any party hereto, if this Agreement is terminated pursuant to this Clause 12, this Agreement shall terminate and there shall be no other liability between the Company, on the one hand, or the Bidder, on the other hand.

12.3 The Confidentiality Agreement and Clauses 1, 12, 13, 14.1, 15, 16, 17, 18, 19, 20 and 21 shall survive termination of this Agreement and the termination of this Agreement and no party shall have any liability other than for fraud or wilful and material breach of this Agreement prior to termination.

12.4 No party shall have any right to terminate this Agreement, whether under this Agreement or otherwise, except as expressly set out in Clause 12.1 (and if, by operation of law, any party has such a right, it undertakes not to exercise such right).

13. **Compensatory Payment**

13.1 In the event that this Agreement is terminated by the Company pursuant to Clause 12.1(b) or by the Bidder pursuant to Clause 12.1(d)(iii) (but only where the Condition that has not been satisfied is that set out in condition A.(i)(A) or A.(ii)(A) of the Announcement) or Clause 12.1(e)(v), then the Company will pay to the Bidder, an amount equal to USD 200,000 within two (2) Business Days of such termination.

13.2 In the event that this Agreement is terminated by the Company pursuant to Clause 12.1(f), or by the Bidder or the Company pursuant to Clause 12.1(h) or 12.1(i) then the Bidder will pay to the Company, an amount equal to USD 200,000 within two (2) Business Days of such termination.

- 13.3 The parties acknowledge and agree that:
- (a) the primary purpose of this Agreement is to effect the Acquisition of the Company by the Bidder and as a result, each party has a legitimate business interest completing the Scheme in order to effect the Acquisition;
 - (b) if the Scheme is not sanctioned and made effective at the Effective Date, each party will have incurred significant cost in respect of the Acquisition and will suffer loss in an amount that is not possible to be ascertained at the date of this Agreement; and
 - (c) after due and careful consideration, including consultation with their respective Advisers, the parties agree that each Compensatory Payment is a genuine estimate of the overall loss that the relevant party would incur in such circumstances, is necessary to protect that party's legitimate business interest as described in Clause 13.3(a) and is proportionate to the loss likely to be suffered or incurred by that party in the event that the parties do not complete the Scheme and each party agrees that it will not contend that such amount constitutes a penalty.
- 13.4 All sums payable under this Clause 13 shall be paid in the form of an electronic funds transfer for same day value to such bank as may be notified to the party to receive payment to the other party and shall be paid in full free from any deduction or withholding whatsoever and without regard to any Lien, right of set-off, counter-claim or otherwise.
- 13.5 The parties acknowledge and agree that in no event shall a party be required to pay a Compensatory Payment on more than one occasion to the other party, whether or not the Compensatory Payment may be payable under more than one provision of this Agreement at the same or at different times and the occurrence of different events.

14. Fees, Costs, Payments and Transfer Taxes

- 14.1 Without prejudice to its other rights pursuant to this Agreement (or in relation to a breach by any party of the terms of this Agreement), each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement and any other agreement incidental to the implementation of the Acquisition or referred to in this Agreement.
- 14.2 Notwithstanding any other provision of this Agreement, all Tax Returns with respect to any excise, sales, use, transfer (including real property transfer), stamp duty, documentary, filing, recordation and other similar taxes arising directly or indirectly from the entry into this Agreement or the Acquisition ("**Transfer Taxes**") shall be timely filed by the party responsible for such filing under applicable Law (provided that the parties hereto shall cooperate in the preparation and filing of any Tax Returns with respect to the Transfer Taxes, including by promptly supplying any information in their possession that is reasonably necessary for the preparation and timely filing of such Tax Returns or the payment of any amounts pursuant to this Clause 14.2). All Transfer Taxes (and all reasonable out-of-pocket costs for the preparation of such Tax Returns) shall be borne by the Bidder.

14.3 The Bidder shall be entitled to deduct and withhold (or to direct the Company to deduct and withhold) from the Consideration otherwise payable pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under any applicable Laws related to Tax. To the extent that amounts are so deducted and withheld and timely remitted to the appropriate Tax Authority by the Bidder (or the Company), such amounts shall be treated for all purposes of this Agreement as having been paid to the person in respect of which the Bidder (or the Company) made such deduction and withholding. Any amount so withheld will timely be remitted to the appropriate Governmental Authority.

15. **Remedies and Waivers**

15.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement shall affect that right, power or remedy or operate as a waiver of it.

15.2 No waiver of any right, power or remedy provided by law or under this Agreement shall have effect unless given by notice in writing and executed by or on behalf of each of the parties.

15.3 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

15.4 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

15.5 Without prejudice to any other rights and remedies which a party may have, each party (each being, as applicable, for the purposes of this Clause 15 the "**undertaking party**") acknowledges and agrees that the other party would be materially harmed by a breach of any of the provisions of this Agreement and that damages alone would not be an adequate remedy for any such breach. Accordingly, the undertaking party acknowledges that the other party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief (and the undertaking party agrees that it shall not contest the appropriateness or availability thereof), for any threatened or actual breach of any provision of this Agreement and no proof of special damages shall be necessary for the enforcement by a party of its rights under this Agreement.

15.6 This Agreement may be executed in any number of counterparts, and by or on behalf of the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

16. **Invalidity**

16.1 If any provision of this Agreement is held to be illegal, void, invalid or unenforceable under the laws of any jurisdiction, the legality, validity and enforceability of the remainder of this Agreement in that jurisdiction shall not be affected, and the legality, validity and enforceability of the whole of this Agreement in any other jurisdiction shall not be affected.

16.2 If this Agreement would require a party to do or omit to do anything that would be contrary to the Act or applicable Law, then the parties shall endeavour to comply with this Agreement in a manner that is not contrary to the Act or applicable Law as the case may be, but if that is impossible then the relevant provision of this Agreement shall, to that extent, be of no force or effect.

17. **Notices**

17.1 Notices under this Agreement shall be given in writing by personal delivery, international courier, facsimile or email transmission (with a copy despatched by personal delivery or international courier) and shall be effective when received. Notices shall be given as follows:

(a) if to the Company:

For the attention of:

Marella Thorell

Address:

c/o CMS Cameron McKenna, Cannon Place, 78 Cannon Street,
London EC4N 6AF with a copy to:

Realm Therapeutics, Inc., 67 Great Valley Parkway, Malvern,
PA 19355,

Email:

Copied to (but shall not constitute notice to the Company): Cooley (UK) LLP

Attention: Ed Lukins

Address:

69 Old Broad Street, London EX2M 1QS

Facsimile:

Email:

Cooley LLP

Attention: Josh Kaufman

Address:

55 Hudson Yards, New York, NY 10001-2157

Facsimile:

Email:

(b) if to the Bidder:

For the attention of: David Parkinson
Address: Suite 2600, Three Bentall Centre, 595 Burrard Street,
Vancouver, British Columbia, Canada V7X 1L3
with a copy to:
Essa Pharma Inc., 999 West Broadway, Suite 720, Vancouver,
British Columbia, Canada V5Z 1K5

Facsimile:

Email:

**Copied to (but shall not constitute notice
to the Bidder):** Eversheds Sutherland (International) LLP

Attention: Caroline Clapham

Address: 1 Wood Street, London EC2V 7WS

Facsimile:

Email:

Skadden, Arps, Slate, Meagher & Flom LLP

Attention: Riccardo Leofanti

Address: Suite 1750, 222 Bay Street, Toronto, Ontario M5K 1J5 Canada

Facsimile:

Email:

Blake, Cassels & Graydon LLP

Attention: Joseph Garcia

Address: 595 Burrard Street, Suite 2600, Three Bentall Centre,
Vancouver, British Columbia V7X 1L3 Canada

Facsimile:

Email:

or to such other address, facsimile number or email (as applicable) as may from time to time be notified in writing by the recipient to each other party as being the recipient's address, facsimile number or email (as applicable) for notice.

17.2 Any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given:

- (a) if personally delivered, at the time of delivery;
- (b) if sent by international courier, at the time that delivery at the address referred to in Clause 17.1 is acknowledged to the relevant international courier; or
- (c) if sent by facsimile or email transmission, upon receipt by the sender of a transmission report or confirmation (or other appropriate evidence) that the facsimile or email has been transmitted to and received in full by the addressee, provided that where delivery or transmission occurs after 5:00 p.m. on a Business Day or on a day which is not a Business Day, receipt shall be deemed to occur at 9:00 a.m. on the next following Business Day.

18. **Entire Agreement; Severance**

- 18.1 The Transaction Documents constitute the whole and only agreement among the parties relating to the subject matter hereof and thereof and supersede any previous agreement whether written or oral among the parties in relation to the subject matter hereof and thereof.
- 18.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement.
- 18.3 No party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement. Nothing in this Clause 18.3 shall limit the liability of any party in respect of any fraud, fraudulent misrepresentation or misstatement. For the purposes of this Clause 18.3, pre-contractual statement means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time prior to the date of this Agreement.
- 18.4 If any provision of this Agreement is declared by any legal or other competent authority to be void or otherwise unenforceable, that provision shall be severed from the Agreement and the remaining provisions of this Agreement shall remain in full force and effect.

19. **General; Third Party Rights**

- 19.1 Nothing in this Agreement and no action taken by the parties under this Agreement shall constitute a partnership, association, joint venture or other co-operative entity among any of the parties.
- 19.2 No amendment, variation, change or addition to this Agreement shall be effective or binding on any party unless made in writing and executed by or on behalf of each of the parties. No waiver of any provision of this Agreement shall be effective unless such waiver is in writing and executed by or on behalf of the party waiving such provision.
- 19.3 This Agreement is personal to the parties and no party shall assign, transfer or create a trust over all or any part of the benefit of, or its rights or benefits under, this Agreement without the prior written consent of the other parties. Notwithstanding the foregoing, the Bidder may, upon written notice to the Company, assign to an Affiliate controlled by the Bidder its rights, interests and obligations under this Agreement of such party, provided that no such assignment shall (i) relieve the Bidder of its respective obligations hereunder or (ii) adversely impact in any respect the Company or its rights hereunder or materially impede or delay in any way the Acquisition.
- 19.4 Each Company Shareholder may enforce the terms of Clauses 10.6 and 10.8 and each Realm Principal Shareholder may enforce the terms of Clause 10.7, in each case, subject to and in accordance with the terms of the Contracts (Rights of Third Parties) Act 1999. Other than as expressly set out in this Clause 19.4, the parties do not intend that any term of this Agreement should be enforceable by any person who is not a party to this Agreement by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

20. **Governing Law**

- 20.1 This Agreement (together with all documents to be entered into pursuant to it which are not expressed to be governed by another law) and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- 20.2 Each of the parties agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any claim, legal action, proceedings, dispute or matter of difference which may arise out of or in connection with this Agreement (including claims for set-off or counterclaim) or the legal relationships established by this Agreement, whether contractual or non-contractual ("**Proceedings**").
- 20.3 Each of the parties irrevocably submits to the exclusive jurisdiction of the courts of England and Wales and waives any objection to any Proceedings in such courts or on the grounds of venue or on the grounds that such Proceedings have been brought in an inappropriate forum.
- 20.4 Each of the parties agrees that a judgment against it in the courts of England and Wales may be enforced against it in any other jurisdiction in accordance with the laws of that jurisdiction.

21. **Agents for Service of Process**

- 21.1 The Bidder shall at all times maintain an agent for service of process in England. The Bidder irrevocably appoints Blake, Cassels & Graydon LLP, 23 College Hill, 5th Floor, London EC4R 2RP United Kingdom (such entity, or any replacement agent, appointed pursuant to Clause 21.3, "**Agent**") as its agent for such purpose.
- 21.2 Without prejudice to any other permitted mode of service, each party agrees that service of any claim form, notice or other document for the purpose of any Proceedings begun in England shall be duly served upon it if served on the Agent in any manner permitted by the UK Civil Procedure Rules, whether or not it is forwarded to the party.
- 21.3 If for any reason the Agent appointed by any party at any time ceases to act as such, the party shall promptly appoint another such agent and promptly notify the other parties of the appointment and the new agent's name and address in accordance with Clause 17. If the party concerned does not make such an appointment within seven (7) Business Days of such cessation, then any other party may make such appointment on behalf of, and at the expense of, such defaulting party and if it does so shall promptly notify the other parties of the new agent's name and address in accordance with Clause 17.

22. **No Survival of Representations and Warranties**

None of the representations and warranties contained in this Agreement, the Disclosure Schedules or in any certificate or schedule or other document delivered by any person pursuant to this Agreement shall survive the Acquisition.

AS WITNESS WHEREOF this Agreement has been executed and delivered as a deed on the date which first appears above.

**EXECUTED and DELIVERED as a DEED for and on behalf of ESSA)
PHARMA INC.)**

by /s/ David R. Parkinson

David R. Parkinson, Chief Executive Officer

in the presence of:

Witness Signature:

/s/ Susan Parkinson.....

Name of Witness:

Susan Parkinson.....

Address of Witness:

.....

Occupation:

Artist.....

**EXECUTED and DELIVERED as a DEED for and on behalf of REALM)
THERAPEUTICS PLC)**

by /s/ Alex Martin

Chief Executive Officer

in the presence of:

Witness Signature:

/s/ Marella Thorell.....

Name of Witness:

Marella Thorell.....

Address of Witness:

.....

Occupation:

Chief Financial Officer and Chief Operating Officer