

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006.

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT PROFESSIONAL ADVISER WHO, IF YOU ARE TAKING ADVICE IN THE UK, IS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, OR FROM AN APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE IN A TERRITORY OUTSIDE THE UK.

If you have sold or otherwise transferred all of your shares in Old Tiziana, you should immediately forward this document together with the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell or otherwise transfer or you have sold or otherwise transferred only part of your holding of shares in Old Tiziana, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document into jurisdictions other than the UK may be restricted by law and therefore this document and/or the accompanying documents may not be distributed or published in any jurisdiction except under circumstances which result in compliance with any applicable laws and regulations. Persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



TIZIANA LIFE SCIENCES PLC

Recommended Proposals to establish

TIZIANA LIFE SCIENCES LTD

**as the holding company of the Tiziana Group
by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

**Cancellation of Admission to Trading on the Main Market
and
Notices of Court Meeting and General Meeting**

You should read the whole of this document and the accompanying Forms of Proxy.

Your attention is drawn to the letter from the Executive Chairman of Old Tiziana set out in Part I of this document which contains the unanimous recommendation of the Board that you vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the Scheme General Meeting.

Notices of the Court Meeting and the Scheme General Meeting, both to be held remotely by a virtual meeting platform on 27 September 2021, are set out in Parts VIII and IX of this document, respectively. The Court Meeting will start at 11:00 a.m. and the Scheme General Meeting at 11:15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned).

In light of the current uncertainty surrounding the COVID-19 pandemic and with a view to taking appropriate measures to safeguard the health of Old Tiziana Shareholders, Old Tiziana will be holding the Court Meeting and the Scheme General Meeting as virtual meetings. Therefore, Old Tiziana Shareholders will be able to participate and vote in the Meetings electronically via a virtual meeting platform. Further information is set out in paragraphs 14 and 17 of Part II of this document.

Capitalised words and phrases used in this document shall have the meanings given to them in Part VII of this document.

The action to be taken by Old Tiziana Shareholders in respect of the Meetings is set out on page 15 of this document. Old Tiziana Shareholders will find accompanying this document a Blue Form of Proxy for use in connection with the Court Meeting and a White Form of Proxy for use in connection with the Scheme General Meeting. Whether or not you intend to participate in the Meetings via the virtual meeting platform, please complete and sign each of the accompanying Forms of Proxy in accordance with the instructions printed on them and return them to Old Tiziana's Registrar, Link Group, as soon as possible and, in any event, so as to be received by the deadline set out on the relevant form.

COVID-19 Restrictions

The Board is closely monitoring the COVID-19 pandemic, including UK Government guidance, and will continue to do so in the lead up to the Court Meeting and the Scheme General Meeting.

In light of the current uncertainty and with a view to taking appropriate measures to safeguard the health of Old Tiziana Shareholders, Old Tiziana will hold the Meetings virtually.

The Old Tiziana Shareholders will be given the opportunity to participate and vote electronically in the Meetings through the virtual meeting platform, details of which are set out in paragraphs 14 and 17 of Part II of this document.

Old Tiziana Shareholders participating in the Meetings via the virtual meeting platform will be permitted to ask questions of the Chairman of the Meetings at the Meetings, or questions can be submitted in advance to info@tizianalifesciences.com. Old Tiziana Shareholders have the right to raise any objections they may have to the Scheme at the Meetings provided such objections are submitted by email (to the email address shown above) in advance of the meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Old Tiziana Shareholders. Whether or not you intend to attend and/or vote at the Meetings via the virtual meeting platform, you are therefore strongly advised to sign and return your Blue Form of Proxy (by post, by hand, online or electronically through www.signalshares.com or CREST) for the Court Meeting as soon as possible. The completion and return of the Forms of Proxy (by post, by hand, online or electronically through www.signalshares.com or CREST) will not prevent you from attending, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the Scheme General Meeting, if you are entitled to and wish to do so.

If the blue Form of Proxy for the Court Meeting is not returned by the relevant time, it may be emailed to post_proxy_deadline_court_votes@linkgroup.co.uk any time prior to the commencement of the Court Meeting. However, in the case of the Scheme General Meeting, unless the White Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. Old Tiziana Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the Meetings or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Further details are set out in Part II of this document.

Registered holders of Old Tiziana ADSs as at the ADS Voting Record Time will be contacted by JPMorgan Chase Bank, N.A, as depositary for the Old Tiziana ADSs (the “**Depositary**”), with guidelines on how to provide voting instructions to the Depositary with respect to the Old Tiziana ADSs. In order to vote, holders of Old Tiziana ADSs are required to follow the voting instructions and to meet the deadlines provided by the Depositary. Persons that hold Old Tiziana ADSs in accounts with brokers or other securities intermediaries at the ADS Voting Record Time should follow the instructions provided by their brokers or other securities intermediaries.

If you have any queries please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

If the Scheme proceeds as presently envisaged, it is expected that dealings in Old Tiziana Shares and Old Tiziana ADSs will continue until close of business on 20 October 2021. **New Tiziana Shares will be listed on NASDAQ and trading in them will commence at the opening of business (New York time) on or about 21 October 2021.**

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his own independent legal, financial or tax adviser for legal, financial or tax advice.

NEW TIZIANA SHARES HAVE NEITHER BEEN MARKETED TO, NOR ARE AVAILABLE FOR PURCHASE OR EXCHANGE, IN WHOLE OR IN PART, BY THE PUBLIC IN THE UNITED KINGDOM OR ELSEWHERE IN CONNECTION WITH THE LISTING OF THE NEW TIZIANA SHARES ON NASDAQ. THIS DOCUMENT IS NOT A PROSPECTUS BUT A SHAREHOLDER CIRCULAR AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Securities may not be offered or sold in the United States unless they are registered under the US Securities Act or are exempt from such registration. The New Tiziana Shares to be issued pursuant to the Scheme will not be, and are not required to be, registered with the SEC under the Securities Act in reliance upon the exemption from registration provided by Section 3(a)(10) thereof. **Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved the New Tiziana Shares or passed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.**

INFORMATION FOR UNITED STATES SHAREHOLDERS

In the United States, this document is being furnished to Old Tiziana Shareholders solely to explain the Proposals and describe the action recommended to be taken by Old Tiziana Shareholders in relation to the Court Meeting and the Scheme General Meeting. This document is personal to each Old Tiziana Shareholder and does not constitute an offer to any person or to the public generally to subscribe for or otherwise acquire New Tiziana Shares. This document is not an offer of securities for sale in the United States. The New Tiziana Shares to be issued to Old Tiziana Shareholders in connection with the Scheme will not be, and are not required to be, registered with the SEC under the US Securities Act, in reliance upon the exemption from registration provided by Section 3(a)(10) thereof. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Tiziana Shares issued pursuant to the Scheme, Old Tiziana will advise the High Court that it will rely on the Section 3(a)(10) exemption based on the High Court's sanctioning of the Scheme, which will be relied upon by Old Tiziana as an approval of the Scheme following a hearing on its fairness to Old Tiziana Shareholders at which hearing all such Old Tiziana Shareholders will be 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 or will be given to all such Shareholders.

The New Tiziana Shares to be issued pursuant to the Scheme will not be registered under the securities laws of any state of the United States, and will be issued in the United States pursuant to the Scheme in reliance on available exemptions from such state law registration requirements.

Enforceability of judgments

Old Tiziana is a public limited company incorporated under the laws of England and Wales and New Tiziana is an exempted company limited by shares incorporated under the laws of Bermuda. Certain of the directors of New Tiziana and Old Tiziana are citizens or residents of countries other than the United States. Substantially all or a significant portion of the assets of such persons and a significant portion of the assets of the Tiziana Group are located outside of the United States. As a result, it may not be possible to effect service of process within the United States upon such persons or New Tiziana and/or Old Tiziana, or to enforce against them judgments of US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. There is substantial doubt as to the enforceability in the United Kingdom and Bermuda in original actions or in actions for enforcement of judgments of US courts, based on the civil liability provisions of US federal securities laws.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITHIN THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS

EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Cautionary note regarding forward-looking statements

This document contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this document can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “plan,” “potential” and “should,” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking-statements include all matters that are not facts.

Forward-looking statements appear in a number of places in this document and include, but are not limited to, statements regarding the Directors’ intentions, beliefs or current expectations concerning among other things, the Tiziana Group’s business, results of operations, financial position, prospects, dividends and growth strategies.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Tiziana Group’s operations, its financial position and dividends, and the development of the markets and the industries in which the Tiziana Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the Tiziana Group’s results of operations and financial position, and the development of the markets and the industries in which the Tiziana Group operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, but not limited to, those identified under “Risk Factors”.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document reflect the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Tiziana Group’s business, results of operations, financial condition, prospects, dividends, growth and strategies. Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the Listing Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, neither Old Tiziana or New Tiziana undertakes any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

In addition, statements that “we believe” and similar statements reflect the beliefs and opinions of the Directors on the relevant subject. These statements are based upon information available to the Directors as of the date of this document, and while the Directors believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and such statements should not be read to indicate that the Directors have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

No profit forecast

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings per share.

Date

This document is published on 3 September 2021.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Expected time/date
ADS Voting Record Time	30 September 2021
Latest time for receipt by the Depositary of voting instructions from holders of Old Tiziana ADSs for the Court Meeting	8:00 a.m. (New York time) on 22 September 2021
Latest time for receipt by the Depositary of voting instructions from holders of Old Tiziana ADSs for the Scheme General Meeting	8:00 a.m. (New York time) on 22 September 2021
Latest time for receipt by Old Tiziana's Registrars of Blue Forms of Proxy from Old Tiziana Shareholders for the Court Meeting ¹	11:00 a.m. on 23 September 2021
Latest time for receipt by Old Tiziana's Registrars of White Forms of Proxy from Old Tiziana Shareholders for the Scheme General Meeting ²	11:15 a.m. on 23 September 2021
Voting record time for the Court Meeting and the Scheme General Meeting ³	6:00 p.m. on 23 September 2021
Court Meeting	11:00 a.m. on 27 September 2021
Scheme General Meeting ⁴	11:15 a.m. on 27 September 2021
<i>The following dates are subject to change:</i>	
Court Hearing to sanction the Scheme and the Old Tiziana Reduction of Capital	19 October 2021
Scheme Record Time	Close of business on 20 October 2021
Last day of dealings in, and for registration of transfers of, Old Tiziana ADSs	20 October 2021
Last day of dealings in, and for registration of transfers of, Old Tiziana Shares	20 October 2021
Scheme Effective Date	21 October 2021
Effective date for the Share Capital Consolidation	Immediately after the Scheme becomes effective on 21 October 2021
Delisting of Old Tiziana Shares from the Main Market	8:00 a.m. on 21 October 2021
Cancellation of listing of Old Tiziana ADSs on NASDAQ	9:30 a.m. (New York time) on 21 October 2021
Commencement of trading in the New Tiziana Shares on NASDAQ	9:30 a.m. (New York time) on 21 October 2021

Notes:

¹ Blue Forms of Proxy for the Court Meeting not returned by this time may be emailed to post_proxy_deadline_court_votes@linkgroup.co.uk any time prior to the commencement of the Court Meeting. However, if possible, Old Tiziana Shareholders are requested to lodge the Blue Forms of Proxy by 11:00 a.m. (London time) on 23 September 2021.

² To be valid White Forms of Proxy for the Scheme General Meeting must be lodged by 11:15 a.m. on 23 September 2021. White Forms of Proxy cannot be accepted after this time.

³ If either the Court Meeting or the Scheme General Meeting is adjourned, the voting record time for the adjourned meeting will be 6:00 p.m. on the date falling two days before the adjourned meeting.

⁴ To commence at the time fixed or as soon thereafter as the Court Meeting concludes or is adjourned, whichever is the later.

Unless otherwise stated, all references to times in this document are to London time. The times and dates given are based on the Directors' expectations and may be subject to change. These times and dates are indicative only and will depend, amongst other things, on the date on which the High Court sanctions the Scheme. In particular, certain Court dates are subject to confirmation by the High Court. If the scheduled date of the Court Hearing is changed, Old Tiziana will give adequate notice of the change by issuing an announcement through an RIS. Any changes to other times or dates indicated above may, in Old Tiziana's discretion, be notified in the same manner. All Old Tiziana Shareholders have the right to attend the Court Hearing. In light of the ongoing COVID-19 pandemic, the Court Hearing is likely to be conducted via Skype. If you are interested in attending the Court Hearing via Skype, you are directed to the Business and Property Courts Rolls Building Cause List at [justice.gov.uk](https://www.justice.gov.uk) for details of how to do so. The time of the Court Hearing and information on how to attend will be updated on the Court's website after 4.30 p.m. on the Business Day before the Court Hearing.

SUMMARY

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document tells you about:

- (a) the proposed reorganisation of the Tiziana Group which will result in a new Bermuda-incorporated, UK tax resident company ("New Tiziana") becoming the holding company of the Tiziana Group;
- (b) the proposed share consolidation to be implemented by New Tiziana immediately after the Scheme becomes effective;
- (c) the proposed cancellation of the admission of the Tiziana Group to trading on the Main Market;
- (d) the proposed cancellation of listing of the Old Tiziana ADSs on NASDAQ;
- (e) the proposed direct listing of shares of New Tiziana on NASDAQ; and
- (f) the proposed adoption by New Tiziana of a new equity incentive plan.

Here is what you need to do now:

- read this summary;
- read the Chairman's letter set out as Part I on pages 19 to 23 of this document. This explains what is happening and why your Board recommends that you should vote in favour of the Proposals;
- read the remainder of this document; and
- if you have any further queries please call the Link Group helpline, the number of which is below.

Old Tiziana Shareholders should read the whole of this document and not just rely on this summary. This summary should not be regarded as a substitute for reading the whole document.

1. WHY IS TIZIANA PROPOSING THE SCHEME?

New Tiziana has been incorporated in Bermuda and will be UK tax resident. The Scheme will establish New Tiziana as the parent company of the Tiziana Group. The Board believes that this is the most appropriate structure for the Tiziana Group.

Following a review of the appropriate place(s) of listing and domicile for the parent company of the Tiziana Group, the Board has concluded that the interests of its business and shareholders are best served by aligning the place of the listing with the principal business activities of the Tiziana Group, which are predominately based in the US. Therefore, the Board intends to establish a direct listing on NASDAQ. Given this intention, the Board concluded that England was not the most appropriate place of incorporation for the parent company of the Tiziana Group because it is not possible to directly list shares of English companies on NASDAQ. Therefore, if Old Tiziana remained the parent company of the Tiziana Group, only ADSs in respect of Old Tiziana Shares could be listed on NASDAQ. The Board believes that listing shares on NASDAQ directly, as opposed to maintaining its current listing of ADSs, will provide for greater analyst coverage, liquidity and reduce costs for shareholders. Therefore, the Scheme will establish a new Tiziana Group holding company, New Tiziana, incorporated in Bermuda, with its tax residence in the United Kingdom. Bermuda is a well established jurisdiction for companies traded on NASDAQ and New Tiziana Shares can be directly listed on NASDAQ.

2. WHY IS TIZIANA IMPLEMENTING THE PROPOSALS BY WAY OF A SCHEME OF ARRANGEMENT?

The Scheme is a formal procedure under the Companies Act 2006 which is commonly used to carry out corporate reorganisations. The Scheme requires the approval of Old Tiziana Shareholders and the High Court. If the relevant approvals are obtained, all Old Tiziana Shareholders will be bound by the Scheme regardless of whether or how they voted.

3. WHAT WILL I END UP WITH AFTER THE PROPOSALS COME INTO EFFECT?

New Tiziana intends to implement a share consolidation in respect of New Tiziana Shares issued under the Scheme. This is to ensure that the New Tiziana Shares trade initially on NASDAQ at a price more readily comparable to its peers. The ratio of the Share Capital Consolidation will be two-for-one. Whilst the Share Capital Consolidation will reduce the number of issued shares of New Tiziana, shareholders will still own the same proportion of New Tiziana immediately after the Scheme becomes effective as they did of Old Tiziana immediately before the Scheme became effective, subject to fractional interests, if any. A fractional entitlement may arise as a result of the Share Capital Consolidation. For example, as the ratio of the Share Capital Consolidation is two-for-one, then an Old Tiziana Shareholder holding 51 New Tiziana Shares immediately after the Scheme becomes effective will, after the Share Capital Consolidation, be entitled to 25 New Tiziana Shares and a one-half fractional entitlement to a New Tiziana Share. Fractional entitlements of New Tiziana Shares shall not be issued and to the extent Old Tiziana Shareholders are entitled to fractional New Tiziana Shares, those fractional entitlements will be aggregated by New Tiziana's transfer agent, Computershare, and sold as soon as practicable after the Scheme Effective Date at the then prevailing prices on the open market and the net proceeds of sale distributed *pro rata* to the Old Tiziana Shareholders entitled to them. Neither New Tiziana nor any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the sales or any failure to sell fractional entitlements to New Tiziana Shares.

The Share Capital Consolidation will be implemented immediately after the Scheme becomes effective. The register of members of New Tiziana will be updated to reflect your shareholding on the Scheme and the Share Capital Consolidation becoming effective.

Old Tiziana Shares in certificated form

On the Scheme Effective Date, all certificates representing Old Tiziana Shares will cease to be valid and binding in respect of such holdings and should be destroyed.

As soon as practicable and, in any event, no later than 14 days after the Scheme Effective Date, Computershare will mail a statement by first class mail to each Scheme Shareholder holding Scheme Shares in certificated form providing evidence of ownership of the New Tiziana Shares such Scheme Shareholder holds. Such Scheme Shareholders wishing to deposit their New Tiziana Shares electronically with DTC will need to contact their brokers to arrange for deposit of those shares following receipt of their statement providing evidence of ownership. Temporary documents of title will not be issued and transfer of New Tiziana Shares by such Scheme Shareholders will not be permitted until they receive their statement providing evidence of ownership and effect such transfer in accordance with the directions on such statement.

Accordingly, holders of Scheme Shares in certificated form should be aware that there will be a delay in their ability to deal with their New Tiziana Shares until after they receive their statement providing evidence of ownership.

Old Tiziana Shares held in uncertificated form (i.e. in CREST)

Old Tiziana Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date.

Unlike Old Tiziana Shares, New Tiziana Shares are not capable of being held, transferred or settled directly through the CREST settlement system. A Scheme Shareholder who holds Scheme Shares in uncertificated form through CREST (directly or through a broker or other nominee with a CREST account) immediately prior to the Scheme Record Time will be issued New Tiziana Shares in the manner described below.

As soon as practicable and, in any event, no later than 14 days after the Scheme Effective Date, Computershare will mail a statement by first class mail to each Scheme Shareholder holding Scheme Shares in uncertificated form providing evidence of ownership of the New Tiziana Shares such Scheme Shareholder holds. Such Scheme Shareholders wishing to deposit their New Tiziana Shares electronically with DTC will need to contact their brokers to arrange for deposit of those shares following receipt of their statement providing evidence of ownership. Temporary documents of title will not be issued and transfer of New Tiziana Shares by such Scheme Shareholders will not be permitted until they receive their statement providing evidence of ownership and effect such transfer in accordance with the directions on such statement.

Accordingly, holders of Scheme Shares in uncertificated form should be aware that there will be a delay in their ability to deal with their New Tiziana Shares until after they receive their statement providing evidence of ownership.

Old Tiziana ADSs

In connection with the cancellation of the Scheme Shares and the issue of the Old Tiziana Shares to New Tiziana, the ADS facility which is currently in place in the US in respect of the Old Tiziana Shares will be terminated. The Old Tiziana ADS facility will not be replicated by New Tiziana.

Upon the Scheme and subsequent Share Capital Consolidation by New Tiziana being implemented, the existing Old Tiziana Shares underlying each Old Tiziana ADS will be cancelled and the New Tiziana Shares issued in exchange will initially be registered in the name of the Depository. If the Scheme and subsequent Share Capital Consolidation by New Tiziana are implemented, persons registered as holding Old Tiziana ADSs at the effective date set by the Depository will be entitled to receive one New Tiziana Share for every one Old Tiziana ADS (representing two underlying Old Tiziana Shares). Holders of Old Tiziana ADSs at the effective date set by the Depository will own the same proportion of New Tiziana Shares immediately after the Scheme Effective Date as they held in the ordinary share capital of Old Tiziana by virtue of their Old Tiziana ADSs immediately prior to the Scheme Effective Date, subject to fractional entitlements, if any.

To the extent Old Tiziana ADSs are held through DTC, the Depository will arrange for DTC to surrender its entire position of Old Tiziana ADSs for cancellation and Computershare, New Tiziana's transfer agent, will deliver New Tiziana Shares through the DTC settlement system, in each case with no action being required on the part of the persons holding those Old Tiziana ADSs.

If there are any holders of Old Tiziana ADSs that are evidenced by physical certificates registered on the books of the Depository, the Depository will send a notice to any such holders of certificated Old Tiziana ADSs regarding the mechanics of surrendering their Old Tiziana ADSs for cancellation for delivery of New Tiziana Shares. Holders of certificated Old Tiziana ADSs will need to follow the instructions set out in that notice to surrender their Old Tiziana ADSs for cancellation and to receive the New Tiziana Shares. If there are any holders of uncertificated Old Tiziana ADSs registered on the books of the Depository, they will have New Tiziana Shares registered in their names and their uncertificated Old Tiziana ADSs will be cancelled. Those holders do not need to take any action.

In accordance with the terms of the Deposit Agreement, holders of Old Tiziana ADSs will be charged a fee of US\$0.05 for each Old Tiziana ADS (or a portion thereof) cancelled.

4. DO I HAVE TO PAY ANYTHING UNDER THE SCHEME?

No. All New Tiziana Shares arising as a result of the Scheme are being issued to Old Tiziana Shareholders in return for their existing Old Tiziana Shares. No additional payment is required, except for the cancellation fee payable to holders by Old Tiziana ADSs.

5. WHAT WILL THE SHARE CAPITAL OF OLD TIZIANA BE FOLLOWING THE SCHEME TAKING EFFECT?

Under the Scheme, all of the existing ordinary shares in Old Tiziana will be cancelled by way of the Old Tiziana Reduction of Capital. The reserve arising from the Old Tiziana Reduction of Capital will be used in paying up the same number of new ordinary shares to be issued to New Tiziana so as to ensure that New Tiziana is the sole shareholder of the ordinary shares in Old Tiziana. Following the Scheme becoming effective, Old Tiziana Shares will be de-listed from the Main Market.

6. WHAT EFFECT WILL THE SCHEME HAVE ON THE OLD TIZIANA SHARE SCHEMES?

It is the Board's intention that options and awards will continue on the same basis, other than that they will ultimately deliver New Tiziana Shares rather than Old Tiziana Shares. Details of the impact of the Scheme on participation in the Old Tiziana Share Schemes will be sent separately to the participants.

The Old Tiziana Shareholders (who will become shareholders of New Tiziana pursuant to the Scheme) are being asked to approve the adoption by New Tiziana of the New Tiziana Share Scheme at the Scheme General Meeting. Details of the New Tiziana Share Scheme are set out in paragraph 7 of Part V of this document. The Directors expect that New Tiziana will adopt the New Tiziana Share Scheme as part of the Tiziana Group's arrangements to incentivise employees following the introduction of New Tiziana as the new parent company of the Tiziana Group.

7. WHY AM I BEING SENT THIS DOCUMENT?

The Scheme and the other Proposals require Old Tiziana Shareholders to vote on certain matters at both the Court Meeting and the Scheme General Meeting. This document contains information to assist you in your voting decision for both the Court Meeting and the Scheme General Meeting in relation to the Proposals.

8. WHY ARE THERE TWO MEETINGS AND DO I NEED TO ATTEND BOTH?

There will be two Old Tiziana Shareholder Meetings being the Court Meeting and the Scheme General Meeting. These meetings are being called for different purposes and will be held on 27 September 2021 via a virtual meeting platform, one directly after the other.

The sole purpose of the Court Meeting is to seek the approval of Old Tiziana Shareholders for the Scheme. In order for the Scheme to be approved, a majority in number representing 75 per cent. in value of the shares held by shareholders voting (in person via the virtual meeting platform or by proxy) will need to support the Scheme.

The subsequent Scheme General Meeting, which will be held immediately following the Court Meeting, is being called to enable Old Tiziana Shareholders to approve elements of the Scheme, various matters in connection with the Scheme and the New Tiziana Share Scheme, each as briefly described in Part I of this document.

Old Tiziana Shareholders are invited to attend and participate in the Court Meeting and the Scheme General Meeting remotely via a virtual meeting platform, and are recommended not to attend the Court Meeting and the Scheme General Meeting physically in person.

9. DO I NEED TO VOTE?

It is important that as many Old Tiziana Shareholders as possible cast their votes. This applies to both the Court Meeting and the Scheme General Meeting. **In particular, it is important that as many votes as possible are cast at the Court Meeting so as to demonstrate to the High Court that there is a fair representation of Old Tiziana Shareholder opinion.**

If you do not wish, or are unable, to attend the Court Meeting and/or the Scheme General Meeting remotely via the virtual meeting platform, you may appoint someone (known as a "proxy") to act on your behalf and vote at the Court Meeting and/or the Scheme General Meeting. You may appoint your proxy by completing the Blue Form of Proxy (in relation to the

Court Meeting) and the White Form of Proxy (in relation to the Scheme General Meeting) and returning them in accordance with the instructions set out in paragraph 5 of Part I and paragraph 17 of Part II of this document and on the relevant Form of Proxy.

You are therefore strongly encouraged to complete, sign and return your Blue Form of Proxy and White Form of Proxy as soon as possible.

If you hold Old Tiziana Shares in Uncertificated form you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual ensuring that it is received by the Registrars (under CREST participant ID RA10) by no later than 11:00 a.m. on 23 September 2021 in the case of the Blue Form of Proxy and 11:15 a.m. on 23 September 2021 in the case of the White Form of Proxy.

Holders of Old Tiziana ADSs will be contacted by the Depositary with guidelines on how to provide voting instructions to the Depositary with respect to the Old Tiziana ADSs. In order to vote, holders of Old Tiziana ADSs are required to follow the voting instructions and to meet the deadlines provided by the Depositary.

Should you later change your mind and decide to attend one or both of the Meetings remotely via the virtual meeting platform, having returned the Forms of Proxy will not preclude you from doing so.

10. WHAT ABOUT FUTURE DIVIDENDS? DO I NEED TO CHANGE MY EXISTING INSTRUCTIONS SO FAR AS THE PAYMENT OF DIVIDENDS IS CONCERNED?

The Directors expect New Tiziana to adopt the dividend policy that Old Tiziana has adopted to date. At present, Old Tiziana intends to pay dividends at such times (if any) and in such amounts (if any) as the Directors determine appropriate in their absolute discretion. Old Tiziana's current intention is to retain any earnings for use in its business operations, and Old Tiziana does not currently anticipate declaring any dividends until it is generating significant revenue. Old Tiziana will only pay dividends to the extent that to do so is in accordance with all applicable laws.

The Directors expect that your present dividend instructions will be continued for New Tiziana after the Scheme becomes effective, unless and until you revoke them. If you wish to change your instructions you should contact the Registrars using the contact details set out below.

11. WHAT DO I DO WITH MY OLD SHARE CERTIFICATES?

When the Scheme becomes effective, your holding of Old Tiziana Shares will be replaced by an equivalent holding of New Tiziana Shares. **Thus, all your old certificates for Old Tiziana Shares held in Certificated form will cease to be valid and should be destroyed. No share certificates will be issued for New Tiziana Shares unless a shareholder requests one from New Tiziana.**

12. WILL I HAVE TO PAY ANY TAX AS A RESULT OF THE SCHEME?

There should generally be no tax liabilities for UK-resident Old Tiziana Shareholders arising from the Scheme. Additionally, the Scheme is intended to qualify as a "reorganization" for US federal income tax purposes. Accordingly and assuming the Scheme so qualifies, other than in respect of fractional shares (if any) arising on the implementation of the Share Capital Consolidation, Old Tiziana Shareholders subject to tax in the US should also not be expected to recognize any gain or loss on exchange of Old Tiziana Shares for New Tiziana Shares.

Details of the UK, US and Bermuda tax treatment of Old Tiziana Shareholders arising under the Scheme are set out in paragraph 6 of Part V of this document.

The summary information on taxation in this document is intended as a guide only and holders of Old Tiziana Shares who are in any doubt about their tax position, or who are resident for tax purposes outside the UK, Bermuda or the US, are strongly advised to contact an appropriate professional independent adviser without delay immediately.

13. DO I NEED TO TAKE FURTHER ACTION?

It is important that you vote at the Court Meeting and the Scheme General Meeting. You are strongly encouraged to complete, sign and return your Forms of Proxy as soon as possible. See question 9 above and the instructions set out in paragraph 5 of Part I and paragraph 17 of Part II of this document and on the relevant Form of Proxy.

14. WHAT IF I STILL HAVE QUESTIONS?

If you have read this summary and still have questions you should read the rest of this document and consult an independent financial adviser. If you have any questions relating to this document, any of the Meetings and the completion and return of the Proxy Forms, please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

ACTION TO BE TAKEN

You are eligible to vote

For the reasons set out in this document, the Directors unanimously consider that the terms of the Proposals described in this document are fair and reasonable and in the best interests of Old Tiziana and Old Tiziana Shareholders as a whole. Accordingly, in order to implement the Proposals, the Directors recommend that you vote in favour of the Proposals, as all the Directors intend to do in respect of their own beneficial holdings of Old Tiziana Shares, and that you take the action described below.

Voting at the Court Meeting and the Scheme General Meeting

The Scheme will require approval at the meeting of Old Tiziana Shareholders convened by order of the Court to be held via a virtual meeting platform (the "Court Meeting"). The Court Meeting will start at 11:00 a.m. on 27 September 2021. Implementation of the Scheme also requires approval of Old Tiziana Shareholders of resolutions to be proposed at the Scheme General Meeting to be held at the same venue at 11:15 a.m. on 27 September 2021 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Shareholder Meetings are set out in Parts VIII and IX of this document. Both Meetings will be held using the same virtual meeting platform address at the web address below. You will not need to log out of the meeting and log in again.

To join the Court Meeting, type (or paste) the following web address into your web browser:

<https://mmitc.webex.com/mmitc/onstage/g.php?MTID=e90b3a70ecb4ecf5bf242c4027558359e>

You will be asked to enter a password to gain access to the Court Meeting. This password can be found on the top section of the Blue Form of Proxy. Please detach and keep this portion of the Blue Form of Proxy before returning it.

When the Court Meeting opens at the appointed time, you be able to see and hear the Chairman of the Court Meeting. The Chairman will open the Court Meeting and address any questions that have been submitted in advance. All attendees will remain muted by the host unless and until they are invited to speak by the Chairman of the Court Meeting.

The Chairman will then formally put the resolution to approve the Scheme to the Court Meeting, and you will have an option to submit an electronic poll card to record your vote. Please ensure that your email program is open when you "submit" the online poll card to ensure an automatic response email is generated. If you (a) have already submitted a Form of Proxy or appointed an electronic or CREST proxy; or (b) do not wish to vote, you do not need to submit a poll card.

Once voting at the Court Meeting has concluded, the Chairman will formally close the Court Meeting and open the Scheme General Meeting. If you wish to participate in the Scheme General Meeting, please do not exit the virtual meeting platform. If you did not participate in the Court Meeting, but wish to participate in the Scheme General Meeting, please type (or paste) the above web address into your web browser and enter your password.

Voting on the Resolutions at the Scheme General Meeting will take place in the same manner as set out above.

Please check you have received the following with this document:

- a Blue Form of Proxy for use in respect of the Court Meeting on 27 September 2021; and
- a White Form of Proxy for use in respect of the Scheme General Meeting on 27 September 2021.

If you have not received all of these documents, please contact the Link Group Helpline on the number indicated below.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of shareholder opinion.

Whether or not you plan to participate in the Meetings via the virtual meeting platform, you are therefore strongly encouraged to complete, sign and return your Forms of Proxy in accordance with the instructions thereon, or to appoint a proxy electronically at www.signalshares.com, so as to be

received by Old Tiziana's Registrar, Link Group, of PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible, and in any event by the following times and dates:

- Blue Forms of Proxy for the Court Meeting by 11:00 a.m. on 23 September 2021; and
- White Forms of Proxy for the Scheme General Meeting by 11:15 a.m. on 23 September 2021.

If the blue Form of Proxy for the Court Meeting is not returned by the relevant time, it may be emailed to post_proxy_deadline_court_votes@linkgroup.co.uk any time prior to the commencement of the Court Meeting. In the case of the Scheme General Meeting, unless the White Form of Proxy is returned by the time and date mentioned in the instructions printed thereon, it will be invalid.

The completion and return of a Form of Proxy will not prevent you from attending and voting remotely via the virtual meeting platform at the Court Meeting, the Scheme General Meeting or any adjournment thereof, if you so wish and are so entitled.

Registered holders of Old Tiziana ADSs as at the ADS Voting Record Time will be contacted by the Depositary with guidelines on how to provide voting instructions to the Depositary with respect to the Old Tiziana ADSs. In order to vote, holders of Old Tiziana ADSs are required to follow the voting instructions and to meet the deadlines provided by the Depositary. Persons that hold Old Tiziana ADSs in accounts with brokers or other securities intermediaries at the ADS Voting Record Time should follow the instructions provided by their brokers or other securities intermediaries.

Multiple proxy voting instructions

As an Old Tiziana Shareholder, you are entitled to appoint a proxy in respect of some or all of your Old Tiziana Shares. You are also entitled to appoint more than one proxy. A space has been included on the Forms of Proxy to allow you to specify the number of shares in respect of which that proxy is appointed. The principles applied to multiple proxy voting instructions are detailed below.

If you wish to appoint more than one proxy in respect of your shareholding, you should contact Link Group on 0371 664 0321 (or on +44 (0) 371 664 0321 if calling from outside the UK) for further Forms of Proxy, or photocopy the Forms of Proxy as required. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

The following principles shall apply in relation to the appointment of multiple proxies:

- (i) Old Tiziana will give effect to the intentions of members and include votes wherever and to the fullest extent possible.
- (ii) Where a proxy does not state the number of shares to which it applies (a "**blank proxy**") then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of shares registered in the name of the appointing member (the "**member's entire holding**"). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies (a "**specific proxy**"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting Forms of Proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
- (iii) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than the member's entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares. That is, there is only assumed to be a conflict where the aggregate number of shares in respect of which proxies have been appointed exceeds the member's entire holding.
- (iv) When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if Old Tiziana is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as having been sent and received at the same time, to minimise the number of conflicting proxies.

- (v) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) an entire holding, none of them shall be treated as valid.
- (vi) Where the aggregate number of shares in respect of which proxies are appointed exceeds a member's entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced *pro rata*.
- (vii) Where the application of paragraph (vi) above gives rise to fractions of shares, such fractions will be rounded down.
- (viii) If a member appoints a proxy or proxies and then decides to attend the Court Meeting or the Scheme General Meeting remotely via the virtual meeting platform and vote, then the vote at the Meeting will override the proxy vote(s). If the vote at the Meeting is in respect of the member's entire holding, then all proxy votes will be disregarded. If, however, the member votes at the meeting in respect of less than the member's entire holding, then if the member indicates on his polling card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote at the Meeting will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding.
- (ix) In relation to paragraph (viii) above, in the event that a member does not specifically revoke proxies, it will not be possible for Old Tiziana to determine the intentions of the member in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

Electronic appointment of proxies by registered Shareholders holding shares through CREST

Registered Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the Shareholder Meetings or any adjournment(s) by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by the Registrar (ID RA10) at least 48 hours prior to the Court Meeting or Scheme General Meeting, as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Old Tiziana may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Regulations.

Assistance on Shareholder Helpline

If you have any queries please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

PART I

LETTER FROM THE EXECUTIVE CHAIRMAN

TIZIANA LIFE SCIENCES PLC

(incorporated and registered in England and Wales with registered number 03508592)

Directors

Gabriele Cerrone (Executive Chairman)
Kunwar Shailubhai (Chief Executive Officer)
Thomas Adams (Executive Director)
John Brancaccio (Non-executive Director)
Willy Simon (Non-executive Director)

Registered Office:

3rd Floor
11-12 St. James's
Square
London
SW1Y 4LB

3 September 2021

To the holders of Old Tiziana Shares and Old Tiziana ADSs, and for information purposes only, to holders of options under the Old Tiziana Option Schemes and the holders of Old Tiziana Warrants and Old Tiziana Loan Notes

Dear Shareholder,

Recommended Proposals in respect of the introduction of a new holding company and related matters

1. INTRODUCTION

On 13 January 2020, Old Tiziana announced its intention to put in place a new parent company for the Tiziana Group, New Tiziana being a Bermuda-incorporated company that will be tax resident in the UK. It is intended that shares of New Tiziana will be listed directly on NASDAQ but will not be admitted to trading on the Main Market. It is intended that this new corporate structure will be implemented by means of a scheme of arrangement under Part 26 of the Companies Act involving a reduction of capital.

If the Scheme is approved and becomes effective, it will result in Old Tiziana Shareholders holding New Tiziana Shares and in Old Tiziana becoming a wholly-owned subsidiary of New Tiziana. Old Tiziana will be re-registered as a private company and will be renamed Tiziana Life Science Limited.

If the Scheme and subsequent Share Capital Consolidation by New Tiziana (as described below) are implemented, Old Tiziana Shareholders at the Scheme Record Time will receive, in exchange for their Old Tiziana Shares, New Tiziana Shares on the following basis, subject to fractional interests, if any:

for every two Old Tiziana Shares held

one New Tiziana Share

Old Tiziana Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date. Unlike Old Tiziana Shares, New Tiziana Shares are not capable of being held, transferred or settled directly through the CREST settlement system. A Scheme Shareholder who holds Scheme Shares in uncertificated form through CREST (directly or through a broker or other nominee with a CREST account) immediately prior to the Scheme Record Time will be issued New Tiziana Shares in the manner set out in paragraph 13 of Part II of this document.

Upon the Scheme and subsequent Share Capital Consolidation by New Tiziana being implemented, the existing Old Tiziana Shares underlying each Old Tiziana ADS will be cancelled and the New Tiziana Shares issued in exchange will be registered in the names of the registered holders of Old Tiziana ADSs immediately prior to the Scheme Effective Date. If the Scheme and subsequent Share Capital Consolidation by New Tiziana (as described below) are implemented, persons registered as holding Old Tiziana ADSs at the Scheme Effective Date will be entitled to receive one New Tiziana Share for every one Old Tiziana

ADS (representing two Old Tiziana Shares) held immediately prior to the Scheme Effective Date. Further details of the settlement process for holders of Old Tiziana ADSs is set out in paragraph 13 of Part II of this document.

Fractional entitlements of New Tiziana Shares shall not be issued and to the extent Old Tiziana Shareholders are entitled to fractional New Tiziana Shares, those fractional entitlements will be aggregated by New Tiziana's transfer agent, Computershare, and sold as soon as practicable after the Scheme Effective Date at the then prevailing prices on the open market and the net proceeds of sale distributed *pro rata* to the Old Tiziana Shareholders entitled to them.

Accordingly, whilst the Share Capital Consolidation will reduce the number of issued shares of New Tiziana, Old Tiziana Shareholders will still own the same proportion of New Tiziana immediately after the Scheme becomes effective as they did of Old Tiziana immediately before the Scheme became effective, subject to fractional interests, if any.

A number of differences exist between the Old Tiziana Articles and the New Tiziana Bye-laws. A summary of the principal differences between the rights of the Old Tiziana Shareholders and New Tiziana Shareholders is contained in Part III of this document.

The purpose of this document is to explain the Proposals and why your Board considers the Scheme to be on fair and reasonable terms and all of the Proposals to be in the best interests of Old Tiziana and its shareholders as a whole.

Your Board is unanimously recommending that you vote in favour of the Proposals as they intend to do in respect of their aggregate shareholdings in Old Tiziana representing 34.29 per cent. of the total voting rights in Old Tiziana as at the Latest Practicable Date.

A summary of the action recommended is set out on page 15 of this document and on the Forms of Proxy accompanying this document.

2. BACKGROUND TO AND REASONS FOR THE PROPOSALS

Following a review of the appropriate place(s) of listing and domicile for the parent company of the Tiziana Group, the Board has concluded that the interests of its business and shareholders are best served by aligning the place of the listing with the principal business activities of the Tiziana Group, which are predominately based in the US. Therefore, the Board intends to establish a direct listing on NASDAQ. Given this intention, the Board concluded that England was not the most appropriate domicile for the parent company of the Tiziana Group because it is not possible to directly list shares of English companies on NASDAQ. Therefore, if Old Tiziana remained the parent company of the Tiziana Group, only ADSs in respect of Old Tiziana Shares could be listed on NASDAQ. The Board believes that listing shares on NASDAQ directly, as opposed to maintaining its current listing of ADSs, will provide for greater analyst coverage, liquidity and reduce costs for shareholders. Therefore, the Scheme will establish a new Tiziana Group holding company, New Tiziana, incorporated in Bermuda, with its tax residence in the United Kingdom. Bermuda is a well established jurisdiction for companies traded on NASDAQ and New Tiziana Shares can be directly listed on NASDAQ.

As part of the Proposals, New Tiziana intends to implement a share consolidation in respect of New Tiziana Shares issued under the Scheme to ensure that the shares of New Tiziana trade initially on NASDAQ at a price more readily comparable to its peers. The ratio of the Share Capital Consolidation will be two-for-one. It is intended that the Share Capital Consolidation will be implemented immediately after the Scheme becomes effective. Whilst the Share Capital Consolidation will reduce the number of issued shares of New Tiziana, shareholders will still own the same proportion of New Tiziana immediately after the Scheme becomes effective as they did of Old Tiziana immediately before the Scheme became effective, subject to fractional interests, if any. A fractional entitlement may arise as a result of the Share Capital Consolidation. For example, as the ratio of the Share Capital Consolidation is two-for-one, then an Old Tiziana Shareholder holding 51 New Tiziana Shares immediately after the Scheme becomes effective will, after the Share Capital Consolidation, be entitled to 25 New Tiziana Shares and a one-half fractional entitlement to a New Tiziana Share. Fractional entitlements of New Tiziana Shares shall not be issued and to the extent Old Tiziana Shareholders are entitled to fractional New Tiziana Shares, those fractional entitlements will be aggregated by New Tiziana's transfer agent, Computershare, and sold as

soon as practicable after the Scheme Effective Date at the then prevailing prices on the open market and the net proceeds of sale distributed *pro rata* to the Old Tiziana Shareholders entitled to them. Neither New Tiziana nor any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the sales or any failure to sell fractional entitlements to New Tiziana Shares.

3. IMPACT OF THE PROPOSALS

3.1 Business and operations

It is expected that New Tiziana will have the same business and operations after the Scheme Effective Date as Old Tiziana has before the Scheme Effective Date.

The Proposals will not result in any changes to the day-to-day operation of the business of the Tiziana Group or its strategy. It is expected that New Tiziana will report the Tiziana Group's financial results in US Dollars rather than Pounds Sterling.

3.2 Corporate governance and Board of Directors

In connection with the migration, New Tiziana will adopt a Code of Business Conduct and Ethics which covers a broad range of matters including the handling of conflicts of interest, compliance issues and other corporate policies such as insider trading and equal opportunity and non-discrimination standards. New Tiziana's Code of Business Conduct and Ethics will apply to all directors, executive officers and employees of New Tiziana. New Tiziana will publish its Code of Business Conduct and Ethics on its website (www.tizianalifesciences.com). The information contained on New Tiziana's website does not form part of this document.

The Proposals are not expected to have any adverse impact on Old Tiziana Shareholders as a whole. New Tiziana will have the same board and management as Old Tiziana on the Scheme Effective Date.

The overall level of remuneration of Executive Directors will remain unchanged. The total fees payable to each of those Non-Executive Directors will not be varied as a result of the Scheme.

Further details on the specific effects of the Proposals on the Directors are set out in paragraphs 2 and 3 of Part V of this document.

3.3 Takeover Code

As a public limited company registered in England and with its registered office in the UK and admitted to trading on the Main Market, the Company is currently subject to the provisions of the Takeover Code. Following the Scheme becoming effective, Shareholders will become shareholders in New Tiziana, a company which is incorporated in Bermuda. As a result, following the Scheme becoming effective, the Takeover Code will not apply to any offer made to shareholders in New Tiziana to acquire their shares.

Shareholders should note that, if the Scheme is implemented, they will not receive the protections afforded by the Takeover Code in the event of an offer to acquire their shares in New Tiziana.

Further details of the protections afforded by the Takeover Code are set out in paragraph 5 of Part II of this document and under the heading "Takeovers of Public Companies" in Part III of this document.

3.4 NASDAQ Listing

If the Scheme proceeds as presently envisaged, it is expected that dealings in Old Tiziana Shares and Old Tiziana ADSs will continue until close of business on 20 October 2021. New Tiziana Shares will be listed on NASDAQ and trading in them will commence at the opening of business (New York time) on or about 21 October 2021.

3.5 Dividends

The New Tiziana Shares will rank *pari passu* in all respects, including the right to receive all dividends and other distributions (if any) declared, paid or made by New Tiziana after the listing of shares of New Tiziana on NASDAQ. The Directors expect New Tiziana to adopt the dividend policy that Old Tiziana has adopted to date. At present, Old Tiziana intends to pay dividends at such times (if any) and in such amounts (if any) as the Directors determine

appropriate in the absolute discretion. Old Tiziana's current intention is to retain any earnings for use in its business operations, and Old Tiziana does not currently anticipate declaring any dividends until it is generating significant revenue. Old Tiziana will only pay dividends to the extent that to do so is in accordance with all applicable laws.

3.6 **Old Tiziana Share Schemes, New Tiziana Share Scheme, Old Tiziana Warrants and Old Tiziana Loan Notes**

Details of proposals to be made to holders of options and awards granted under the Old Tiziana Share Schemes and holders of Old Tiziana Warrants and Old Tiziana Loan Notes are set out in paragraphs 9 and 10 of Part II of this document.

Details of the New Tiziana Share Scheme expected to be adopted by New Tiziana, subject to the approval of such adoption by the Old Tiziana Shareholders at the Scheme General Meeting and the Scheme becoming effective, are set out in paragraph 7 of Part V of this document.

3.7 **Taxation**

UK, Bermuda and US taxation

Your attention is drawn to paragraph 6 of Part V of this document for further information about the taxation consequences of the Scheme.

The summary information on taxation in this document is intended as a guide only and holders of Old Tiziana Shares who are in any doubt about their tax position, or who are resident for tax purposes outside the UK, Bermuda or the US, are strongly advised to contact an appropriate professional independent adviser without delay.

3.8 **Delisting of Old Tiziana Shares**

The last day of dealings in Old Tiziana Shares on the Main Market and Old Tiziana ADSs on NASDAQ is expected to be 20 October 2021. No transfers of Old Tiziana Shares will be registered after close of business (London time) on 20 October 2021 and no transfers of Old Tiziana ADSs will be registered after close of business (New York time) on 20 October 2021.

Prior to the Scheme becoming effective, an application will be made to the London Stock Exchange to cancel the admission to trading of the Old Tiziana Shares on the Main Market. It is expected that such cancellation will take effect at 8.00 a.m. on the Scheme Effective Date.

It is proposed, as part of the application to Court in connection with the Scheme, to seek an order of the Court pursuant to section 651 of the Companies Act to re-register Old Tiziana as a private limited company.

4. AMENDMENTS TO OLD TIZIANA ARTICLES OF ASSOCIATION

In order to facilitate the Proposals certain amendments are proposed to Old Tiziana's Articles of Association. These are described in paragraph 4 of Part V of this document and set out in full in the Notice of the Scheme General Meeting in Part IX of this document.

5. ACTION TO BE TAKEN

The Scheme is conditional upon a number of matters which are set out in full in the Explanatory Statement contained in Part II of this document, including approval of the Scheme by the Old Tiziana Shareholders at the Court Meeting and the Resolutions at the Scheme General Meeting, as well as prior to the Court Hearing the formal processes having been put in place to directly list the New Tiziana Shares on NASDAQ having been approved in principle. Full particulars of the Court Meeting and the Scheme General Meeting are also contained in Part II of this document, including the action to be taken by Old Tiziana Shareholders.

In order that the High Court can be satisfied that the votes cast fairly represent the views of Old Tiziana Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Old Tiziana Shareholders are therefore urged to attend the Court Meeting remotely via the virtual meeting platform or by proxy. Separate Forms of Proxy for use at the Court Meeting (blue) and the Scheme General Meeting (white) are enclosed. Whether or not you propose to attend remotely via the virtual meeting

platform at the meeting in question, you are encouraged to complete, sign and return the appropriate Forms of Proxy, as explained in paragraph 14 of the Explanatory Statement contained in Part II of this document.

If you have any queries please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

Registered holders of Old Tiziana ADSs as at the ADS Voting Record Time will be contacted by the Depository for the Old Tiziana ADSs with guidelines on how to provide voting instructions to the Depository with respect to the Old Tiziana ADSs. In order to vote, holders of Old Tiziana ADSs are required to follow the voting instructions and to meet the deadlines provided by the Depository. Persons that hold Old Tiziana ADSs in accounts with brokers or other securities intermediaries as at the ADS Voting Record Time should follow the instructions provided by their brokers or other securities intermediaries.

6. OVERSEAS SHAREHOLDERS

If you are a citizen, resident or national of a jurisdiction outside the United Kingdom, your attention is drawn to paragraph 11 of Part II of this document.

7. RECOMMENDATION

The Board considers the Proposals and their terms to be fair and reasonable and in the best interests of Old Tiziana and Old Tiziana Shareholders as a whole.

Accordingly, the Board unanimously recommends Old Tiziana Shareholders and holders of Old Tiziana ADSs to vote in favour of the Scheme at the Court Meeting and to vote in favour of all the Resolutions proposed at the Scheme General Meeting as the Directors who hold Scheme Shares (being Gabriele Cerrone, Kunwar Shailubhai and Willy Simon) have irrevocably undertaken to do in respect of their own beneficial holdings, amounting in aggregate to Old Tiziana Shares and representing approximately 34.29 per cent. of the issued share capital of Old Tiziana at the Latest Practicable Date.

Yours faithfully,

Gabriele Cerrone
Executive Chairman

PART II

EXPLANATION OF THE SCHEME AND ITS EFFECTS

(EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT)

3 September 2021

To the holders of Old Tiziana Shares and the holders of Old Tiziana ADSs, and for information purposes only, to holders of options under the Old Tiziana Option Schemes and the holders of Old Tiziana Warrants and Old Tiziana Loan Notes

Dear Shareholder,

Recommended Proposals in respect of the introduction of a new holding company and related matters

1. INTRODUCTION

On 13 January 2020, Old Tiziana announced its intention to put in place a new parent company for the Tiziana Group, New Tiziana, being a Bermuda-incorporated company that will be tax resident in the UK. It is intended that this new corporate structure will be implemented by means of a scheme of arrangement under Part 26 of the Companies Act involving a reduction of capital.

The Scheme will require the approval of Old Tiziana Shareholders at the Court Meeting and the passing of the Special Resolutions at a separate meeting of Old Tiziana Shareholders as explained under “Meetings and consents for implementation of the Scheme” in paragraph 14 of this Part II.

Your attention is drawn to the letter from the Executive Chairman of Old Tiziana set out in Part I of this document, which forms part of this Explanatory Statement. That letter contains, *inter alia*, the unanimous recommendation by the Directors to Old Tiziana Shareholders to vote in favour of the Scheme at the Court Meeting and to vote in favour of all of the Resolutions proposed at the Scheme General Meeting, as they intend to do in respect of their own holdings.

That letter also states that the Directors consider the Proposals and their terms to be fair and reasonable and in the best interests of Old Tiziana and Old Tiziana Shareholders as a whole.

A description of the action to be taken by Old Tiziana Shareholders in relation to the Court Meeting and the Scheme General Meeting is set out in paragraph 17 of Part II of this document. The full text of the Scheme is set out in Part VI. The full text of each of the Resolutions to be proposed at the Court Meeting and the Scheme General Meeting is set out in Parts VIII and IX respectively.

2. SUMMARY OF THE PROPOSALS

The principal steps involved in the Proposals are as follows:

2.1 The Scheme

Under the Scheme, New Tiziana is proposing to reorganise the Tiziana Group pursuant to a Court approved scheme of arrangement under Part 26 of the Companies Act so that Old Tiziana becomes a wholly and directly owned subsidiary of New Tiziana and former Old Tiziana Shareholders become shareholders of New Tiziana. Immediately following the Scheme becoming effective, former Old Tiziana Shareholders will hold 100 per cent. of the New Tiziana Shares in issue.

The Scheme will be implemented by cancelling and extinguishing all of the Scheme Shares on the Scheme Effective Date, capitalising the reserve created by the cancellation and the issue of New Ordinary Shares to New Tiziana.

If the Scheme and a subsequent Share Capital Consolidation by New Tiziana (as described below) are implemented, Old Tiziana Shareholders at the Scheme Record Time will receive, in exchange for their Old Tiziana Shares, New Tiziana Shares.

Whilst the Share Capital Consolidation will reduce the number of issued shares of New Tiziana, Old Tiziana Shareholders will still own the same proportion of New Tiziana immediately after the Scheme becomes effective as they did of Old Tiziana immediately before the Scheme became effective, subject to fractional interests, if any.

Your attention is drawn to paragraph 14 of this Part II where the Scheme is explained in greater detail.

2.2 The Share Capital Consolidation

As part of the Proposals, New Tiziana intends to implement a share capital consolidation to ensure that the shares of New Tiziana trade initially on NASDAQ at a price more readily comparable to its peers. The ratio of the Share Capital Consolidation will be two-for-one. It is intended that the Share Capital Consolidation will be implemented immediately after the Scheme becomes effective.

The effect of this consolidation will be to reduce the number of New Tiziana Shares in issue, but the Old Tiziana Shareholders will own the same proportion of New Tiziana as they did of Old Tiziana immediately before the Scheme became effective, subject to fractional entitlements. A fractional entitlement may arise as a result of the Share Capital Consolidation. For example, as the ratio is two-for-one, an Old Tiziana Shareholder holding 51 New Tiziana Shares immediately after the Scheme becomes effective will, after the Share Capital Consolidation, be entitled to 25 New Tiziana Shares and a one-half fractional entitlement to a New Tiziana Share. Fractional entitlements of New Tiziana Shares shall not be issued and to the extent Old Tiziana Shareholders are entitled to fractional New Tiziana Shares, those fractional entitlements will be aggregated by New Tiziana's transfer agent, Computershare, and sold as soon as practicable after the Scheme Effective Date at the then prevailing prices on the open market and the net proceeds of sale distributed *pro rata* to the Old Tiziana Shareholders entitled to them. Neither New Tiziana nor any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the sales or any failure to sell fractional entitlements to New Tiziana Shares.

Upon the Scheme and subsequent Share Capital Consolidation by New Tiziana being implemented, the existing Old Tiziana Shares underlying each Old Tiziana ADS will be cancelled and the New Tiziana Shares issued in exchange will be registered in the names of the registered holders of Old Tiziana ADSs immediately prior to the Scheme Effective Date. If the Scheme and subsequent Share Capital Consolidation by New Tiziana (as described below) are implemented, persons registered as holding Old Tiziana ADSs at the Scheme Effective Date will be entitled to receive one New Tiziana Share for every one Old Tiziana ADS (representing two Old Tiziana Shares) held immediately prior to the Scheme Effective Date. Further details of the settlement process for holders of Old Tiziana ADSs is set out in paragraph 13 of Part II of this document.

3. CONDITIONS TO IMPLEMENTATION OF THE PROPOSALS

The implementation of the Scheme is conditional upon:

- 3.1 the approval of the Scheme by a majority in number, representing at least 75 per cent. in value, of the Old Tiziana Shareholders present and voting, either in person via the virtual meeting platform or by proxy, at the Court Meeting (or at any adjournment of such meeting);
- 3.2 the passing of the various Resolutions set out in the notice of the Scheme General Meeting to approve the Scheme and various matters in connection with the Scheme including (i) the Old Tiziana Reduction of Capital and the issue and allotment of the New Ordinary Shares; (ii) changes to the Old Tiziana Articles; and (iii) the approval of the adoption by New Tiziana of the New Tiziana Share Scheme at the Scheme General Meeting (or at any adjournment of such meeting);
- 3.3 the sanction of the Scheme by the High Court and the confirmation by the High Court of the Old Tiziana Reduction of Capital; and

- 3.4 copies of the Court Order and the Statement of Capital having been delivered to the Registrar of Companies for England and Wales.

The Court Hearing (at which it is proposed that the High Court sanction the Scheme) is expected to be held on or around 27 September 2021. Old Tiziana Shareholders or creditors who wish to support or oppose the Scheme will be informed by advertisement in a newspaper with national distribution in the United Kingdom of their right to appear in person, or be represented by counsel, at the Court Hearing. In light of the ongoing COVID-19 pandemic, the Court Hearing is likely to be conducted via Skype. If you are interested in attending the Court Hearing via Skype, you are directed to the Business and Property Courts Rolls Building Cause List at justice.gov.uk for details of how to do so. The time of the Court Hearing and information on how to attend will be updated on the Court's website after 4.30 p.m. on the business day before the Court Hearing.

In addition, the Directors will not take the necessary steps to enable the Scheme to become effective unless, at the relevant time, the following conditions have been satisfied:

- 3.5 the formal processes having been put in place to delist the Old Tiziana Shares from the Main Market and the Old Tiziana ADSs from NASDAQ; and
- 3.6 the formal processes having been put in place to directly list the New Tiziana Shares on NASDAQ.

If the Scheme is sanctioned by the High Court and the other conditions to the Scheme are satisfied or waived, the Scheme is expected to become effective, and dealings in the New Tiziana Shares to be issued pursuant to the Scheme are expected to commence, on 21 October 2021, the anticipated Scheme Effective Date.

If the Scheme has not become effective by 31 December 2021 (or such later date as Old Tiziana and New Tiziana may agree and the High Court may allow), it will lapse, in which event the Scheme will not proceed, Old Tiziana Shareholders will remain shareholders of Old Tiziana and the Old Tiziana Shares will continue to be listed on the Main Market.

The Scheme contains a provision for Old Tiziana and New Tiziana jointly to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme, or to any condition that the High Court may think fit to approve or impose. Old Tiziana has been advised by its legal advisers that the High Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Old Tiziana Shareholders unless Old Tiziana Shareholders were informed of any such modification, addition or condition. It will be a matter for the High Court to decide, in its discretion, whether or not further meetings of Old Tiziana Shareholders should be held. If the High Court does approve or impose a modification of, or addition or condition to, the Scheme which, in the opinion of the Directors, is such as to require the consent of the Old Tiziana Shareholders, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

The full text of the Scheme and of the Resolutions to be proposed at the Court Meeting and the Scheme General Meeting are set out in Parts VI, VIII and IX, respectively, of this document.

4. EFFECT OF THE SCHEME

The effect of implementation of the Scheme and the Share Capital Consolidation will be as follows:

- 4.1 instead of having its ordinary share capital owned by the Old Tiziana Shareholders, Old Tiziana will become a subsidiary of New Tiziana and Old Tiziana will be re-registered as a private limited company following the Scheme Effective Date;
- 4.2 instead of owning a given number of Old Tiziana Shares, each Old Tiziana Shareholder will own such number of New Tiziana Shares as represents the same proportion of New Tiziana immediately after the Scheme becomes effective as they did of Old Tiziana immediately before the Scheme became effective, subject to fractional interests, if any, and save as referred to below; and

- 4.3 New Tiziana, a Bermuda-incorporated, UK tax resident company will be the holding company of the Tiziana Group.

Shareholders should note that the proportions of New Tiziana Shares which will be held by Old Tiziana Shareholders may nevertheless be affected by the exercise of outstanding options, warrants or vesting of outstanding awards to subscribe for Old Tiziana Shares pursuant to the Old Tiziana Share Schemes or the exercise of Old Tiziana Warrants or Old Tiziana Loan Notes. However, were the Scheme not to become effective, the proportions in which Old Tiziana Shareholders would have held Old Tiziana Shares would have been affected to the same extent by the exercise or vesting of equivalent rights over Old Tiziana Shares in any case.

The proportion of New Tiziana Shares which will be held by Old Tiziana Shareholders will also be affected by the exercise of options and the grant of awards under the New Tiziana Share Scheme, if such New Tiziana Share Scheme is approved at the Scheme General Meeting.

Immediately following the Scheme becoming effective, New Tiziana will own no assets other than the ordinary share capital of Old Tiziana and nominal cash balances.

5. THE TAKEOVER CODE

5.1 Introduction

As a public limited company registered in England, with its registered office in the UK and listed on the Main Market, Old Tiziana is currently subject to the provisions of the Takeover Code and its shareholders are accordingly entitled to the protections afforded by the Takeover Code. Following the Scheme becoming effective, Old Tiziana Shareholders will become shareholders in New Tiziana, a Bermuda-incorporated company whose registered office is not in the UK. As a result, following the Scheme becoming effective, the Takeover Code will not apply to any offer made to shareholders in New Tiziana to acquire their New Tiziana Shares.

Old Tiziana Shareholders should note, therefore, that, if the Scheme is implemented, they will not receive the protections afforded by the Takeover Code in this event.

Brief details of the Takeover Code and the protections given by it are described below. **Before giving your consent to the Scheme, you may wish to take independent professional advice from an appropriate independent financial adviser.**

5.2 The Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

5.3 The general principles of the Takeover Code

The Takeover Code is based on a number of general principles which are essentially statements of standards of commercial behaviour. These general principles are:

- 5.3.1 All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
- 5.3.2 The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
- 5.3.3 The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.

- 5.3.4 False markets must not be created in the securities of the offeree company, of the offeror company or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
- 5.3.5 An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
- 5.3.6 An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

The general principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their applications. These general principles are applied by the Panel in accordance with their spirit in order to achieve their underlying purpose.

In addition to the general principles, the Takeover Code contains a series of rules, of which some are effectively expansions of the general principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the rules are expressed in more detailed language than the general principles, they are not framed in technical language and, like the general principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a rule in certain circumstances.

5.4 **Key provisions of the Takeover Code**

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. If the Scheme is implemented, these protections will be lost.

5.4.1 Equality of Treatment

General principle 1 of the Takeover Code states that all holders of securities of an offeror company of the same class must be afforded equivalent treatment. Furthermore, Rule 16 of the Takeover Code requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the company if there are favourable conditions attached which are not being extended to all shareholders.

5.4.2 Information to shareholders

General principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

5.4.3 Mandatory general offer

Under rule 9 of the Takeover Code if any person (or persons acting in concert with him) acquires any further shares carrying voting rights such that their resultant holding is 30 per cent. or more of the voting rights of the company, or if any person (or persons acting in concert with him) already holding 30 per cent. or more but not more than 50 per cent. of the voting rights increases their percentage holding, that person would be obliged to make a mandatory general offer to all remaining shareholders to purchase their shares at the highest price paid by him (or any persons acting in concert with him) within the preceding 12 months.

5.4.4 The opinion of the offeree board of directors and independent advice

The board of directors of the offeree company as required by rule 3.1 of the Takeover Code to obtain competent independent advice on an offer and the substance of such advice must be made known to its shareholders. Rule 25.1 of the Takeover Code requires that the board of directors of the offeree company must circulate its opinion on the offer and its reasons for forming that opinion to the offeree company's shareholders and persons with information rights. That opinion must include the

board's views on: the effects of implementation of the offer on all the company's interests, including, specifically, employment; and on the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings. Rule 20.1 of the Takeover Code states that, except with the consent of the Panel or as provided in the Notes on Rule 20.1, the information about the companies involved in the offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

5.4.5 Option holders and holders of convertible securities or subscription rights

Rule 15 of the Takeover Code provides that, when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the holders of such outstanding convertible securities to ensure their interests are safeguarded.

6. TAXATION

Your attention is drawn to paragraph 6 of Part V of this document for further information about the taxation consequences of the Scheme.

The summary information on taxation in this document is intended as a guide only and holders of Old Tiziana Shares who are in any doubt about their tax position, or who are resident for tax purposes outside the UK, Bermuda or the US, are strongly advised to contact an appropriate independent professional adviser without delay.

7. MEMORANDUM OF ASSOCIATION AND BYE-LAWS OF NEW TIZIANA

A summary of the New Tiziana Bye-laws is set out in paragraph 5 of Part V of this document. A description of the principal differences between English and Bermuda law is set out in Part III of this document.

8. DIRECTORS' AND OTHER INTERESTS

On the Scheme Effective Date, the boards of Old Tiziana and New Tiziana will be the same. Each of the Executive Directors will continue to be employed by Old Tiziana. The overall level of remuneration of Executive Directors will remain unchanged.

Each Non-Executive Director is expected to enter into a letter of appointment with New Tiziana (on or around the Scheme Effective Date), the terms of which (including the expiry date) are substantially the same as the terms of his appointment with Old Tiziana. The total fees payable to each of those Non-Executive Directors will not be varied as a result of the Scheme.

The interests of Directors in the existing share capital of Old Tiziana as at 1 September 2021 (being the last practicable date prior to the publication of this document) are set out in paragraph 2 of Part V of this document.

Shareholders are referred to the matters described in Part III of this document in relation to the effect on Directors arising from the adoption of the New Tiziana Bye-laws and the fact that New Tiziana is incorporated in Bermuda and subject to the Companies Act 1981 of Bermuda, as amended.

Save as described above, the effect of the Scheme on the interests of the Directors (details of which are set out in paragraphs 2 and 3 of Part V of this document) does not differ from its effect on the like interests of other Old Tiziana Shareholders.

9. EMPLOYEE SHARE SCHEMES

9.1 Old Tiziana Share Schemes

Participants in the Old Tiziana Share Schemes will be written to separately to explain the impact of the Scheme on their participation in the Old Tiziana Share Schemes. A summary of certain terms and conditions of the Old Tiziana Share Schemes is set out in paragraph 7 of Part V of this document.

The Board and the Remuneration Committee will seek to ensure that participants' rights under the Old Tiziana Share Schemes are rolled over into equivalent rights relating to the New Tiziana Shares when the Scheme becomes effective.

No further options or awards will be granted under the Old Tiziana Share Schemes after the Scheme becomes effective.

9.2 New Tiziana Share Scheme

A summary of certain material terms and conditions of the New Tiziana Share Scheme is set out in paragraph 7.6 of Part V of this document.

The Old Tiziana Shareholders (who will become shareholders of New Tiziana pursuant to the Scheme) are being asked to approve the adoption by New Tiziana of the New Tiziana Share Scheme at the Scheme General Meeting. The Directors propose that New Tiziana adopt, and recommend that shareholders approve, the New Tiziana Share Scheme as part of the Tiziana Group's continuing efforts to attract, retain and incentivise employees and other service providers of the Tiziana Group following the introduction of New Tiziana as the new parent company of the Tiziana Group.

10. OLD TIZIANA WARRANTS AND OLD TIZIANA LOAN NOTES

The Scheme will affect the holders of Old Tiziana Warrants and Old Tiziana Loan Notes. It is proposed by the boards of directors of each of Old Tiziana and New Tiziana that the Old Tiziana Warrants and the Old Tiziana Loan Notes outstanding at the Scheme Effective Date will be replaced with equivalent warrants and equivalent loan notes, respectively, that relate to New Tiziana Shares. Holders of the Old Tiziana Warrants and Old Tiziana Loan Notes will be written to separately to explain the impact of the Scheme on their Old Tiziana Warrants and Old Tiziana Loan Notes.

11. OVERSEAS SHAREHOLDERS

The implications of the Scheme for, and the distribution of this document to, Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme and the distribution of this document and/or the accompanying documents, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdictions.

If, in respect of any Overseas Shareholder, New Tiziana is advised that if the allotment and issue of New Tiziana Shares would or might infringe the laws of any jurisdiction outside Bermuda or the United Kingdom, or would or might require New Tiziana to obtain any governmental or other consent or effect any registration, filing or other formality, New Tiziana may determine that no New Tiziana Shares shall be allotted and issued to such shareholder but instead those New Tiziana Shares shall be allotted and issued to a nominee appointed by New Tiziana as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder. Alternatively, New Tiziana may determine that the New Tiziana Shares shall be issued to that shareholder and sold on his behalf, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder's risk.

Overseas Shareholders should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Scheme in their particular circumstances. For additional information relating to the US tax consequences of the Scheme for certain categories of US Shareholders, see paragraph 6 of Part V of this document.

THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

The New Tiziana Shares to be issued to Old Tiziana Shareholders in connection with the Scheme will not be, and are not required to be, registered with the SEC under the US Securities Act in reliance upon the exemption from registration provided by Section 3(a)(10) thereof. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Tiziana Shares issued pursuant to the Scheme, Old Tiziana will advise the High Court that it will rely on the Section 3(a)(10) exemption based on the High Court's sanctioning of the Scheme, which will be relied upon by Old Tiziana as an approval of the Scheme following a hearing on its fairness to Old Tiziana Shareholders at which hearing all such Old Tiziana Shareholders will be 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 or will be given to all such Shareholders.

The New Tiziana Shares to be issued to Old Tiziana Shareholders in connection with the Scheme will not be registered under the securities laws of any state of the United States, and will be issued in the United States pursuant to the Scheme in reliance on available exemptions from such state law registration requirements.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of the New Tiziana Shares or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Old Tiziana Shareholders who are citizens or residents of the United States should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Scheme and in their particular circumstances.

12. LISTING AND DEALINGS

It is intended that New Tiziana Shares will be listed on NASDAQ but not on the Main Market.

If all the conditions to the Scheme are satisfied, Old Tiziana intends to seek the delisting of the Old Tiziana Shares from the Main Market and the Old Tiziana ADSs from NASDAQ with effect from the Scheme Effective Date.

The last day of dealings in Old Tiziana Shares is expected to be 20 October 2021. The last time for registration of transfers of Old Tiziana Shares is expected to be close of business on 20 October 2021 (the Scheme Record Time).

The last day of dealings in Old Tiziana ADSs is expected to be 20 October 2021. The last time for registration of transfers of Old Tiziana ADSs is expected to be close of business on 20 October 2021 (the Scheme Record Time).

If the Scheme proceeds as presently envisaged, New Tiziana Shares will be listed on NASDAQ and trading in them will commence at the opening of business (New York time) on or about 21 October 2021.

These dates may be deferred if it is necessary to adjourn any meeting required to approve the arrangements described in this document or if there is any delay in obtaining the High Court's sanction of the Scheme or confirmation of the Old Tiziana Reduction of Capital. In the event of a delay, the application for the Old Tiziana Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme becomes effective.

13. SETTLEMENT

13.1 Old Tiziana Shares in certificated form

On the Scheme Effective Date, all certificates representing Old Tiziana Shares will cease to be valid and binding in respect of such holdings and should be destroyed.

As soon as practicable and, in any event, no later than 14 days after the Scheme Effective Date, Computershare will mail a statement by first class mail to each Scheme Shareholder holding Scheme Shares in certificated form providing evidence of ownership of the New Tiziana Shares such Scheme Shareholder holds. Such Scheme Shareholders wishing to deposit their New Tiziana Shares electronically with DTC will need to contact their brokers to arrange for deposit of those shares following receipt of their statement providing evidence of ownership. Temporary documents of title will not be issued and transfer of New Tiziana Shares by such Scheme Shareholders will not be permitted until they receive their statement providing evidence of ownership and effect such transfer in accordance with the directions on such statement.

Accordingly, holders of Scheme Shares in certificated form should be aware that there will be a delay in their ability to deal with their New Tiziana Shares until after they receive their statement providing evidence of ownership.

13.2 Old Tiziana Shares held in uncertificated form (i.e. in CREST)

Old Tiziana Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date.

Unlike Old Tiziana Shares, New Tiziana Shares are not capable of being held, transferred or settled directly through the CREST settlement system. A Scheme Shareholder who holds Scheme Shares in uncertificated form through CREST (directly or through a broker or other nominee with a CREST account) immediately prior to the Scheme Record Time will be issued New Tiziana Shares in the manner described below.

As soon as practicable and, in any event, no later than 14 days after the Scheme Effective Date, Computershare will mail a statement by first class mail to each Scheme Shareholder holding Scheme Shares in uncertificated form providing evidence of ownership of the New Tiziana Shares such Scheme Shareholder holds. Such Scheme Shareholders wishing to deposit their New Tiziana Shares electronically with DTC will need to contact their brokers to arrange for deposit of those shares following receipt of their statement providing evidence of ownership. Temporary documents of title will not be issued and transfer of New Tiziana Shares by such Scheme Shareholders will not be permitted until they receive their statement providing evidence of ownership and effect such transfer in accordance with the directions on such statement.

Accordingly, holders of Scheme Shares in uncertificated form should be aware that there will be a delay in their ability to deal with their New Tiziana Shares until after they receive their statement providing evidence of ownership.

13.3 Old Tiziana ADSs

In connection with the cancellation of the Scheme Shares and the issue of the Old Tiziana Shares to New Tiziana, the ADS facility which is currently in place in the US in respect of the Old Tiziana Shares will be terminated. The Old Tiziana ADS facility will not be replicated by New Tiziana.

Upon the Scheme and subsequent Share Capital Consolidation by New Tiziana being implemented, the existing Old Tiziana Shares underlying each Old Tiziana ADS will be cancelled and the New Tiziana Shares issued in exchange will initially be registered in the name of the Depositary. If the Scheme and subsequent Share Capital Consolidation by New Tiziana are implemented, persons registered as holding Old Tiziana ADSs at the effective date set by the Depositary will be entitled to receive one New Tiziana Share for every one Old Tiziana ADS (representing two underlying Old Tiziana Shares). Holders of Old Tiziana ADSs at the effective date set by the Depositary will own the same proportion of New Tiziana Shares immediately after the Scheme Effective Date as they held in the ordinary share capital of Old Tiziana by virtue of their Old Tiziana ADSs immediately prior to the Scheme Effective Date, subject to fractional entitlements, if any.

To the extent Old Tiziana ADSs are held through DTC, the Depositary will arrange for DTC to surrender its entire position of Old Tiziana ADSs for cancellation and Computershare, New Tiziana's transfer agent, will deliver New Tiziana Shares through the DTC settlement system, in each case with no action being required on the part of the persons holding those Old Tiziana ADSs.

If there are any holders of Old Tiziana ADSs that are evidenced by physical certificates registered on the books of the Depositary, the Depositary will send a notice to any such holders of certificated Old Tiziana ADSs regarding the mechanics of surrendering their Old Tiziana ADSs for cancellation for delivery of New Tiziana Shares. Holders of certificated Old Tiziana ADSs will need to follow the instructions set out in that notice to surrender their Old Tiziana ADSs for cancellation and to receive the New Tiziana Shares. If there are any holders of uncertificated Old Tiziana ADSs registered on the books of the Depositary, they will have New Tiziana Shares registered in their names and their uncertificated Old Tiziana ADSs will be cancelled. Those holders do not need to take any action.

In accordance with the terms of the Deposit Agreement, holders of Old Tiziana ADSs will be charged a fee of US\$0.05 for each Old Tiziana ADS (or a portion thereof) cancelled.

13.4 Mandates

All instructions in force at the Scheme Effective Date relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to New Tiziana in relation to the corresponding holding of New Tiziana Shares. However, the Old Tiziana ADS facility will not be replicated by New Tiziana.

13.5 Fractional entitlements

As part of the Proposals, New Tiziana intends to implement a share capital consolidation. This would be to ensure that the shares of New Tiziana to trade initially on NASDAQ at a price more readily comparable to its peers. The ratio of the Share Capital Consolidation will be two-for-one. It is intended that the Share Capital Consolidation will be implemented immediately after the Scheme becomes effective.

Fractional entitlements of New Tiziana Shares shall not be issued and to the extent Old Tiziana Shareholders are entitled to fractional New Tiziana Shares, those fractional entitlements will be aggregated by New Tiziana's transfer agent, Computershare, and sold as soon as practicable after the Scheme Effective Date at the then prevailing prices on the open market and the net proceeds of sale distributed *pro rata* to the Old Tiziana Shareholders entitled to them.

14. MEETINGS AND CONSENTS FOR IMPLEMENTATION OF THE SCHEME

The Scheme will require the approval of the Old Tiziana Shareholders at the Court Meeting, convened pursuant to an order of the High Court, and the passing by the Old Tiziana Shareholders of the Special Resolutions set out in the Notice of the Scheme General Meeting. Both of the Meetings have been convened for 27 September 2021. The Scheme also requires a separate sanction from the High Court.

It is expected that New Tiziana will agree to appear by counsel on the hearing of the claim form to sanction the Scheme and to undertake to be bound by the Scheme.

Notices of the Court Meeting and the Scheme General Meeting are contained in Parts VII and VIII of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast at such meetings will be determined by reference to the register of members of Old Tiziana at the Scheme Voting Record Time. All Old Tiziana Shareholders whose names appear on the register of members of Old Tiziana at the Scheme Voting Record Time, shall be entitled to attend remotely via the virtual meeting platform and speak and vote at the relevant Meeting in respect of the number of Old Tiziana Shares registered in their name at that time.

In light of the current uncertainty surrounding the COVID-19 pandemic and with a view to taking appropriate measures to safeguard the health of Old Tiziana Shareholders, Old Tiziana will hold the Meetings virtually in accordance with the provisions of the Old Tiziana Articles of Association.

The Old Tiziana Shareholders will be given the opportunity to participate and vote electronically in the Meetings through the virtual meeting platform, details of which are set out below.

14.1 Court Meeting

The Court Meeting has been convened for 11:00 a.m. on 27 September 2021 pursuant to an order of the High Court granted on 26 August 2021. At the Court Meeting, or at any adjournment thereof, the Old Tiziana Shareholders will (including as instructed by, or represented by, holders of Old Tiziana ADSs) consider and, if thought fit, approve the Scheme.

- 14.2 Voting at the Court Meeting will be by poll and not on a show of hands and each Scheme Shareholder entitled to attend and who is present remotely via the virtual meeting platform or by proxy will be entitled to one vote for each Scheme Share held. The statutory majority required to approve the Scheme at the Court Meeting is a simple majority in number of the Scheme Shareholders present and voting (either in person via the virtual meeting platform or by proxy) at the Court Meeting representing not less than 75 per cent. of the nominal value of the Scheme Shares voted (either in person via the virtual meeting platform or by proxy) by such Scheme Shareholders. **Due to the uncertainty in relation to the COVID-19 pandemic, Old Tiziana Shareholders will be able participate and vote on the poll in the Court Meeting through the virtual meeting platform.**

Old Tiziana Shareholders participating in the Court Meeting via the virtual meeting platform will be permitted to ask questions of the Chairman at the Court Meeting, or questions can be submitted in advance to info@tizianalifesciences.com.

Old Tiziana Shareholders have the right to raise any objections they may have to the Scheme at the Court Meetings or they can be submitted by email (to the email address shown above) in advance of the meeting.

To join the Court Meeting, type (or paste) the following web address into your web browser:

<https://mmitc.webex.com/mmitc/onstage/g.php?MTID=e90b3a70ecb4ecf5bf242c4027558359e>

You will be asked to enter a password to gain access to the Court Meeting. This password can be found on the top section of the Blue Form of Proxy. Please detach and keep this portion of the Blue Form of Proxy before returning it.

When the Court Meeting opens at the appointed time, you be able to see and hear the Chairman of the Court Meeting. The Chairman will open the Court Meeting and address any questions that have been submitted in advance. All attendees will remain muted by the host unless and until they are invited to speak by the Chairman.

The Chairman will then formally put the resolution to approve the Scheme to the Court Meeting, and you will have an option to submit an electronic poll card to record your vote. If you (a) have already submitted a Form of Proxy or appointed an electronic or CREST proxy; or (b) do not wish to vote, you do not need to submit an electronic poll card. Please ensure you have your email programme open when you click "submit" on the electronic poll card so that it can generate an automatic response email.

Once voting at the Court Meeting has concluded, the Chairman will formally close the Court Meeting and open the Scheme General Meeting. If you wish to participate in the Scheme General Meeting, please do not exit the virtual meeting platform.

In order that the High Court can be satisfied that the votes cast constitute a fair representation of the views of the Scheme Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Old Tiziana Shareholders are therefore urged to take the action referred to in paragraph 14 of this Part II.

It is also particularly important for you to be aware that if the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether they attended the Court Meeting and irrespective of the manner in which they voted.

14.3 The Scheme General Meeting

The Scheme General Meeting has been convened for 11:15 a.m. on 27 September 2021 (or as soon thereafter as the Court Meeting has been concluded). At the Scheme General Meeting or at any adjournment thereof, Old Tiziana Shareholders will consider and, if thought fit, pass the Resolutions set out in the notice of the Scheme General Meeting contained in Part IX of this document.

14.3.1 Special Resolutions

The Special Resolutions set out in the notice of the Scheme General Meeting are proposed in order to approve:

- (a) the Scheme;
- (b) the Old Tiziana Reduction of Capital;
- (c) the allotment of such New Ordinary Shares by the Directors pursuant to the Scheme; and
- (d) amendments to the Old Tiziana Articles of Association to deal with transitional matters arising from the Scheme.

The majority required for the passing of the Special Resolutions is not less than 75 per cent. of the votes cast (in person via the virtual meeting platform or by proxy) at the Scheme General Meeting.

14.3.2 Ordinary Resolution

The Ordinary Resolution set out in the notice of the Scheme General Meeting is proposed in order to approve the adoption by New Tiziana of the New Tiziana Share Scheme described in paragraph 7.6 of Part V of this document.

The majority required for the passing of such Ordinary Resolution is a simple majority of the votes cast (in person via the virtual meeting Platform or by proxy) at the Scheme General Meeting.

Voting at the Scheme General Meeting will be by poll and each Old Tiziana Shareholder will be entitled to one vote for each Old Tiziana Share held as at the Scheme Voting Record Time. In accordance with the Old Tiziana Articles of Association, Old Tiziana will hold the General Meeting virtually using a virtual meeting platform. Old Tiziana Shareholders will be able participate and vote electronically in the Scheme General Meeting through the virtual meeting platform.

Old Tiziana Shareholders participating in the Scheme General Meeting will be permitted to ask questions of the Chairman at the Scheme General Meeting, or questions can be submitted in advance to info@tizianalifesciences.com.

Old Tiziana Shareholders have the right to raise any objections they may have to the Special Resolutions and the Ordinary Resolution at the Scheme General Meeting or such objections can be submitted by email (to the email address shown above) in advance of the meeting.

If you participated in the Court Meeting via the virtual meeting platform and wish to participate in the Scheme General Meeting, please do not exit the virtual meeting platform. If you did not participate in the Court Meeting, but wish to participate in the Scheme General Meeting, please type (or paste) the following web address into your web browser:

<https://mmitc.webex.com/mmitc/onstage/g.php?MTID=e90b3a70ecb4ecf5bf242c4027558359e>

You will be asked to enter a password to gain access to the Scheme General Meeting. This password can be found on the top section of the White Form of Proxy. Please detach and keep this portion of the White Form of Proxy before returning it.

When the Scheme General Meeting opens at the appointed time, you be able to see and hear the Chairman of the Scheme General Meeting. The Chairman will open the Scheme General Meeting and address any questions that have been submitted in advance. All attendees will remain muted by the host unless and until they are invited to speak by the Chairman. The Chairman will then formally put the Special Resolutions and the Ordinary Resolution to the Scheme General Meeting, and you will have an option to submit an electronic poll card to

record your vote. If you have already submitted a Form of Proxy or appointed an electronic or CREST proxy, you do not need to submit an electronic poll card unless you wish to change your note.

Once voting at the Scheme General Meeting has concluded, the chairman will formally close the Scheme General Meeting.

14.4 Proxy Forms

For your convenience, the Form of Proxy is pre-paid (no stamp is required if posted within the UK) and addressed to Old Tiziana's Registrars, Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. No envelope is necessary but if you wish you may use an envelope and address it to Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL (no stamp required if posted within the UK), as soon as possible and, in any event, so as to be received no later than 11:00 a.m. on 23 September 2021 in the case of the Blue Form of Proxy and 11:15 a.m. on 23 September 2021 in the case of the White Form of Proxy. If the blue Form of Proxy for the Court Meeting is not returned by the relevant time, it may be emailed to post_proxy_deadline_court_votes@linkgroup.co.uk any time prior to the commencement of the Court Meeting. However, in the case of the Scheme General Meeting, unless the White Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person remotely via the virtual meeting platform at either the Court Meeting or the Scheme General Meeting, or at any adjournment thereof, if you so wish and are so entitled.

Holders of Old Tiziana ADSs will be contacted by the Depositary with guidelines on how to provide voting instructions to the Depositary with respect to the Old Tiziana ADSs. In order to vote, holders of Old Tiziana ADSs are required to follow the voting instructions and to meet the deadlines provided by the Depositary.

14.5 Sanction of the Scheme by the High Court and confirmation of the Old Tiziana Reduction of Capital

Under the Companies Act, the Scheme requires the sanction of the High Court and the confirmation by the High Court of the associated Old Tiziana Reduction of Capital. There will be a Court Hearing to sanction the Scheme and to confirm the Old Tiziana Reduction of Capital. The Court Hearing is likely to be conducted via Skype. If you are interested in attending the Court Hearing via Skype, you are directed to the Business and Property Courts Rolls Building Cause List at justice.gov.uk for details of how to do so. The time of the Court Hearing and information on how to attend will be updated on the Court's website after 4.30 p.m. on the business day before the Court Hearing.

The Scheme will become effective as soon as copies of the Court Order and the accompanying Statement of Capital have been duly delivered to the Registrar of Companies. This is expected to occur on 21 October 2021.

If the Scheme does become effective it will be binding on all Old Tiziana Shareholders, including those who do not vote to approve the Scheme and those who vote against the Scheme at the Court Meeting and/or at the Scheme General Meeting.

Unless the Scheme becomes effective by no later than 31 December 2021, or such later date imposed by the High Court and/or agreed by Old Tiziana and New Tiziana, the Scheme will not become effective.

On the Scheme Effective Date, share certificates in respect of Old Tiziana Shares will cease to be valid and should be destroyed. In addition, on the Scheme Effective Date, entitlements to Old Tiziana Shares held within the CREST system will be cancelled.

15. AUTHORITIES RELATING TO NEW TIZIANA'S SHARE CAPITAL

Prior to the Court Meeting, the holder of the New Tiziana Subscriber Share and the Board of New Tiziana are expected to pass certain resolutions in order to, among other things, authorise New Tiziana to carry out the actions required of it in relation to the Proposals, including approval of:

15.1.1 the issuance of the New Tiziana Shares to Old Tiziana Shareholders;

- 15.1.2 the issuance of preference shares in New Tiziana;
- 15.1.3 the issuance of New Tiziana Shares to Mr. Cerrone in discharge of Old Tiziana's obligations in respect of the GC Realisation Bonus;
- 15.1.4 the issuance of New Tiziana shares to the holders of Old Tiziana Warrants;
- 15.1.5 the issuance of New Tiziana shares to the holders of Old Tiziana Loan Notes;
- 15.1.6 the issuance of New Tiziana shares pursuant to the New Tiziana Share Scheme;
- 15.1.7 the taking of all actions in connection with the listing of New Tiziana Shares on NASDAQ (including, without limitation, filings under the US Exchange Act);
- 15.1.8 the appointment of a transfer agent and registrar for the New Tiziana Shares;
- 15.1.9 the appointment of directors and officers to the board of New Tiziana such that New Tiziana's board is identical to that of Old Tiziana;
- 15.1.10 the formation of committees of New Tiziana's board (and the appointment of members thereto) that are equivalent to the committees of Old Tiziana;
- 15.1.11 adopting the New Tiziana Bye-laws;
- 15.1.12 the adoption by New Tiziana of the New Tiziana Share Scheme (subject to the approval by Old Tiziana Shareholders at the Scheme General Meeting); and
- 15.1.13 approving the Share Capital Consolidation (subject to the effectiveness of the Scheme).

16. FURTHER INFORMATION

You should read the whole of this document.

Your attention is drawn, in particular, to the summary set out at the front of this document, to the letter from your Executive Chairman in Part I, to the Scheme set out in Part VI and to the notices of Meetings in Parts VIII and IX.

Copies of:

- 16.1.1 the Old Tiziana Articles;
- 16.1.2 the memorandum of association of New Tiziana and New Tiziana Bye-laws;
- 16.1.3 the annual report and accounts of Old Tiziana for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, including the audited consolidated accounts and the independent auditors' reports for each of those financial years;
- 16.1.4 the rules of the Old Tiziana Share Schemes and draft rules of the New Tiziana Share Scheme referred to in paragraph 7 of Part V of this document; and
- 16.1.5 this document,

are available in electronic form on the Tiziana Group's website at www.tizianalifesciences.com.

In the case of joint holders of Old Tiziana Shares, one copy of this document is being delivered to the first registered joint holder. Further copies of this document may be requested by joint holders other than the first registered joint holder by application in writing to Link Group.

17. ACTION TO BE TAKEN

Old Tiziana Shareholders will find accompanying this document:

17.1.1 a Blue Form of Proxy for use at the Court Meeting; and

17.1.2 a White Form of Proxy for use at the Scheme General Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the High Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Whether or not you plan to attend the Meetings remotely via the virtual meeting platform, you are strongly encouraged to sign and return your Forms of Proxy or to appoint a proxy electronically as referred to below, as soon as possible and in any event so as to be received by Old Tiziana's Registrars Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL:

Blue Forms of Proxy for the Court Meeting by 11:00 a.m. on 23 September 2021

White Forms of Proxy for the Scheme General Meeting by 11:15 a.m. on 23 September 2021

(or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting).

If you hold your Old Tiziana Shares in Uncertificated form (i.e. in CREST) you may vote using the CREST voting service in accordance with the procedures set out in the CREST manual (please also refer to the accompanying notes for the notice of the Scheme General Meeting set out at the end of Part IX of this document). Proxies submitted via CREST (under CREST participant ID RA10) must be received by Old Tiziana's Registrars, Link Group, not later than 11:00 a.m. on 23 September 2021 in the case of the Blue Form of Proxy for the Court Meeting and by 11:15 a.m. on 23 September 2021 in the case of the White Form of Proxy for the Scheme General Meeting (or in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting).

The return of the Forms of Proxy will not prevent you from attending either of the Meetings via the virtual meeting platform and voting in person via the virtual meeting platform if you wish. In each case, the forms and cards should be completed in accordance with the instructions printed on them.

If the blue Form of Proxy for the Court Meeting is not returned by the relevant time, it may be emailed to post_proxy_deadline_court_votes@linkgroup.co.uk any time prior to the commencement of the Court Meeting. However, in the case of the Scheme General Meeting, the White Form of Proxy will be invalid unless it is lodged so as to be received by 11:15 a.m. on 23 September 2021.

PART III

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ENGLISH AND BERMUDA COMPANY LAW AND CONSEQUENT IMPLICATIONS OF NEW TIZIANA BEING A BERMUDA-INCORPORATED COMPANY

As a result of the Scheme, Old Tiziana Shareholders will be entitled to receive New Tiziana Shares. New Tiziana is incorporated under the laws of Bermuda and Old Tiziana is incorporated under the laws of England and Wales. The following is a summary comparison of material differences between the rights of a New Tiziana Shareholder and an Old Tiziana Shareholder arising from the differences between the corporate laws of Bermuda and those of England and Wales, the governing instruments of the two companies, and the securities laws and regulations governing Old Tiziana and, upon completion of the Scheme, governing New Tiziana. The summary of New Tiziana's governing instruments is of those instruments as they are expected to be adopted on the Court making the Scheme Court Order. This summary is not a complete description of the laws of Bermuda or of England and Wales, the other rules or laws referred to in this summary, the New Tiziana memorandum of association, the New Tiziana Bye-laws or the Old Tiziana memorandum of association and the Articles of Association. It is expected that New Tiziana will qualify as a "foreign private issuer" under the SEC's rules. If, at some future date, New Tiziana no longer satisfies this definition, New Tiziana would become subject to additional US reporting, disclosure and corporate governance requirements.

Copies of the New Tiziana memorandum of association and New Tiziana Bye-laws in the forms to be effective immediately following the Scheme becoming effective are available in electronic form for inspection on the Tiziana Group's website at www.tizianalifesciences.com until the conclusion of the Scheme General Meeting. The descriptions of the New Tiziana memorandum of association and New Tiziana Bye-laws contained herein are qualified by reference to the actual documents.

Unless the context otherwise requires, references to "shareholder" or "shareholders" means the person(s) whose name(s) appears on a company's register of members or shareholders and who are the legal owners of the shares concerned.

Provisions currently applicable to Old Tiziana Shareholders

Provisions that will be applicable to New Tiziana Shareholders

Voting Rights

Under the Articles, a shareholder who is present in person or by proxy and entitled to vote at a shareholders' meeting is entitled to one vote for each ordinary share held. On a poll, each shareholder having the right to vote, including proxies for shareholders, is entitled to one vote for each ordinary share held.

Under the Articles, two shareholders present in person or by proxy and entitled to vote on the business to be transacted constitute a quorum for the purposes of a general meeting. Cumulative voting is not recognised under English law.

The Articles provide that resolutions put to a vote at a shareholders' meeting will be decided exclusively on a poll.

In general, and except as provided below, a shareholder who is present in person or by proxy and entitled to vote at a shareholders' meeting is entitled to one vote on a show of hands regardless of the number of shares he or she holds. On a poll, each shareholder having the right to vote, including proxies for shareholders, is entitled to one vote for each common share held.

At any general meeting, two or more shareholders present in person or by proxy throughout the meeting and representing in excess of one third of the total voting rights of all issued and outstanding shares constitute a quorum for the transaction of business.

The New Tiziana Bye-laws provide that resolutions put to a vote at a shareholders' meeting will be decided on a show of hands, unless a poll is demanded by:

- (1) the chairman of the meeting;*
- (2) at least three shareholders present in person or by proxy that have the right to vote on the resolution;*

- (3) a shareholder or shareholders present in person or by proxy holding not less than 10 per cent of the total voting rights of all shareholders having the right to vote at such meeting; or
- (4) any shareholder or shareholders present in person or by proxy holding shares conferring the right to vote, being shares on which the aggregate sum paid up on its or their shares is equal to at least 10 per cent of the total sum paid up on all the shares having those voting rights on the resolution.

Usually under English law, ordinary resolutions are, in the first instance, decided on a show of hands and must be approved by at least a majority of the votes cast by shareholders present in person or by proxy. If a poll is demanded, the resolution conducted on a poll must be approved by shareholders representing at least a majority of the total voting rights of shareholders present in person or by proxy who vote on the resolution. Special resolutions, if decided on a show of hands, require the affirmative vote of at least 75 per cent of the votes cast by shareholders present in person or by proxy. If a poll is demanded, a special resolution conducted on a poll must be approved by shareholders representing at least 75 per cent of the total voting rights of shareholders present in person or by proxy who vote on the resolution.

Resolutions are, in the first instance, decided on a show of hands and must be approved by the affirmative votes of a majority of the votes cast. On a show of hands, each shareholder present in person and each person holding a valid proxy at the meeting shall be entitled to one vote. In the case of an equality of votes, the resolution shall fail. If a poll is demanded, each person present in person or by proxy at the meeting is entitled to one vote per share for which they are the holder or for which they hold a proxy. On a poll, a resolution must be approved by the affirmative votes of a majority of the votes cast.

Under the Articles, proxies of shareholders are entitled to exercise all or any of its members rights to attend and to speak and to vote on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the Company.

Under the New Tiziana Bye-laws, proxies of shareholders are entitled to attend, demand or to join in demanding a poll, and vote at shareholders' meetings. Proxies of shareholders are also entitled to speak at shareholders' meetings.

Action by Written Consent

Under English law, shareholders of a public company such as Old Tiziana are not permitted to pass resolutions by written consent.

Under the New Tiziana Bye-laws, shareholders are not permitted to pass resolutions by written consent.

Shareholder Proposals and Shareholder Nominations of Directors

Under English law, shareholders may demand that a resolution be voted on at an annual general meeting if the demand is made: (1) by shareholders holding at least 5 per cent of the total voting power of shares having a right to vote on the resolution; or (2) by at least 100 shareholders holding shares on which there has been paid up an average sum per shareholder of at least £100. The only shareholders who count towards these thresholds are those having at the date of the requisition a right to vote at the annual general meeting to which the resolution relates. The shareholders must deposit

The Bermuda Companies Act provides that shareholders may, as set forth below and at their own expense (unless a company otherwise resolves), require a company to give notice of any resolution that the shareholders can properly propose at the next annual general meeting and/or to circulate a statement of not more than one thousand words prepared by the requesting shareholders in respect of any matter referred to in a proposed resolution or any business to be conducted at a general meeting. The number of shareholders necessary for such a requisition is

the demand at the Company's registered office at least six weeks before the annual general meeting to which it relates or, if later, at the time at which notice is given of the annual general meeting. In general, resolutions to appoint directors must be put to shareholders on the basis of one resolution for each nominated director. A resolution including more than one director may be presented to be voted upon at a general meeting only if the shareholders have first unanimously approved so doing.

either that number of shareholders representing at least 5 per cent of the total voting rights of all shareholders having a right to vote at the meeting to which the requisition relates or not less than 100 shareholders.

Under the New Tiziana Bye-laws, for nominations of directors or any other business to be properly brought before a general meeting by a shareholder pursuant to the New Tiziana Bye-laws, the shareholder must have given timely notice thereof in writing to the company secretary of New Tiziana and such other business must otherwise be a proper matter for shareholder action. In respect of an annual general meeting, notice is considered timely only if given to the company secretary of New Tiziana not less than 90 nor more than 120 days prior to the first anniversary of the date of the preceding year's annual general meeting of shareholders or, if no annual general meeting was held in the previous year or the date of the annual general meeting is more than 30 days before or more than 30 days after such anniversary date, not later than 10 days following the earlier of the date on which notice of the annual general meeting was given to shareholders or the date on which public disclosure of the date of the annual general meeting was made. In respect of a special general meeting special general meeting, notice is considered timely only if received not later than 10 days following the earlier of the date on which notice of the special general meeting was given to shareholders or the date on which public disclosure of the date of the special general meeting was made.

The New Tiziana Bye-laws also prescribe certain information that must be included in any notice given by a shareholder to bring business before a general meeting.

Sources and Payment of Dividends

Subject to the prior rights of holders of any preferred shares, an English company may pay dividends on its ordinary shares only out of its distributable profits, defined as accumulated, realised profits less accumulated, realised losses, and not out of share capital, which includes share premiums (being the excess of the consideration for the issue of shares over the aggregate nominal amount of such shares). Amounts credited to the share premium account, however, may be used to pay up unissued shares that may then be distributed to shareholders in proportion to their holdings. In addition, under English law, Old Tiziana will not be permitted to make a distribution if, at the time, the amount of its net assets is less than the aggregate of its issued

Bermuda law does not permit the declaration or payment of dividends or distributions of contributed surplus by a company if there are reasonable grounds for believing that a company is, or after the payment is made would be, unable to pay its liabilities as they become due, or the realisable value of such company's assets would, as a result of the payment, be less than its liabilities. The excess of the consideration paid on an issue of shares over the aggregate par value of such shares must (except in certain limited circumstances) be credited to a share premium account. Share premium may be utilised in certain limited circumstances, for example, to pay up unissued shares which may be distributed

and paid-up share capital and undistributable reserves or if the distribution would result in the amount of its net assets being less than that aggregate. The Board or Old Tiziana shareholders may, by ordinary resolution, declare final dividends, but no dividend may be declared by Old Tiziana Shareholders in excess of an amount recommended by the Board. The Board has the power under the Articles to pay interim dividends without the approval of shareholders to the extent the financial position of Old Tiziana justifies a dividend. A dividend may be paid in any currency or currencies decided by the Board.

to shareholders in proportion to their holdings as fully paid bonus shares, but is otherwise subject to limitation.

Holders of the common shares are entitled to receive such dividends as lawfully may be declared from time to time by the board of directors.

Rights of Purchase and Redemption

Under English law, a company may issue redeemable shares, subject to any conditions stated in its articles of association. The Articles permit the issuance of redeemable shares. A company may purchase its own shares, if: (a) in the case of an open-market purchase, authority to make the market purchase has been given by an ordinary resolution of its shareholders; or (b) in all other cases, the purchase has first been approved by a special resolution of its shareholders.

Under Bermuda law a company may issue redeemable preference shares which, if authorised by its bye-laws, are redeemable at the option of the company or, if authorised by its memorandum of association, are redeemable at the option of the holder. The bye-laws and memorandum of association of New Tiziana permit redemption at either the option of the holder or the company. No redemption may be made if, on the date the redemption is to be effected, there are reasonable grounds for believing that the company is, or after the redemption would be, unable to pay its liabilities as they become due.

With the consent of a holder of shares, a Bermuda company may repurchase its shares pursuant to the provisions of the Bermuda Companies Act. Repurchases may be effected only provided that:

- (a) in the case of a repurchase of shares, the company is authorized to do so in its memorandum of association or bye-laws;
- (b) the funds used for the repurchase are:
 - (A) the nominal or par value of the shares must only be paid from:
 - (i) the company's share capital account;
 - (ii) funds of the company otherwise available for payment of dividend or distributions; or
 - (iii) out of the proceeds of a fresh issue of shares made for the purpose of the share repurchase; and
 - (B) the premium, if any, payable on redemption, must only be paid from:

- (i) funds of the company otherwise available for payment of dividend or distributions; or
 - (ii) out of the company's share premium account before the redemption date;
- (c) board authorisation for a share repurchase must be given in accordance with the company's memorandum of association and/or bye-laws; and
- (d) no repurchase of shares may be made, if on the effective date, there are reasonable grounds for believing that the company is, or after the redemption/repurchase would be, unable to pay its liabilities as they become due.

Identical requirements to (a) through (b) apply in respect of a redemption of shares, with the exception that shares liable to be redeemed by the company must be authorized by the bye-laws, and shares liable to be redeemed by the holder must be authorized by its memorandum of association.

Neither a redemption nor a repurchase of shares will not reduce the amount of the company's authorised share capital; rather, only the issued share capital is reduced.

A company may redeem or repurchase shares only if the shares are fully paid and, in the case of public companies, only out of: (1) distributable profits; or (2) the proceeds of a new issue of shares made for the purpose of the repurchase or redemption.

Any repurchased shares by New Tiziana would either be cancelled or held as treasury shares in accordance with the Bermuda Companies Act.

Meetings of Shareholders

Under the Articles, all general meetings of shareholders will be held at the time and place determined by the directors, unless the directors fail to comply with a request of the shareholders (see below), in which case it will be held at a time and place determined by the shareholders.

Under the Bermuda Companies Act, and subject to the right of shareholders to call special general meetings, general meetings of shareholders will be held at such time and place as determined by the directors.

Under English law, a general meeting of shareholders may be called: (1) by the board of directors; or (2) on the requisition of shareholders holding at least five per cent of the paid-up capital of the company carrying voting rights at the general meeting.

Under the New Tiziana Bye-laws, a special general meeting may be called by New Tiziana's president, chairman or any two directors or any director and the secretary of the board. Under Bermuda law, a special general meeting must also be convened by the company on the requisition by the holders of at least 10 per cent of the paid-up voting share capital of a company as provided by the Bermuda Companies Act.

Under English law, the notice requirement is at least 14 clear days' notice.

Under the New Tiziana Bye-laws, notices of all general meetings must specify the place, the date and time of the meeting and the general nature of the business to be considered and, in the case of

notices of annual general meetings, that the elections of directors will take place thereat.

In addition, general meetings may be called upon at least 14 clear days' notice if (1) it is not an annual general meeting; (2) the company offers the facility for members to vote by electronic means accessible to all members who hold shares that carry rights to vote at general meetings; and (3) a special resolutions reducing the period of notice to not less than 14 days has been passed at the immediately preceding annual general meeting or at a general meeting held since that annual general meeting.

Notice must be provided at least 21 days prior to an annual general meeting to shareholders entitled to attend and vote thereat.

Notice must be provided at least 5 days prior to a special general meeting. However, under the Bermuda Companies Act, general meetings may be called on shorter notice if: (1) in the case of an annual general meeting, all the shareholders who are permitted to attend and vote agree to the shorter notice; or (2) in the case of a special general meeting, a majority of the shareholders holding at least 95 per cent by nominal value of the shares which can be voted at the meeting so agree.

"Clear days' notice" means calendar days and excludes: (1) the date when the notice is served or deemed to have been served and (2) the date of the meeting itself. The Articles provide that documents sent by first class mail are deemed received 24 hours after mailing, and, if sent by second class mail, 48 hours after mailing.

Appraisal Rights

While English law does not generally provide for appraisal rights, a shareholder may apply to a court and the court may specify terms for the acquisition that it considers appropriate as described under "Shareholders' Votes on Certain Transactions" below.

In the case of an amalgamation or merger, a shareholder may apply to the Bermuda Supreme Court for an appraisal of the fair value of such shareholder's shares if such shareholder is not satisfied that fair value has been offered for such shares. On appraisal by the Bermuda Supreme Court, the company is entitled to either pay such shareholder the court appraised value of such shares or to terminate the amalgamation or merger (as the case may be).

Where the holders of not less than ninety-five percent of the shares or any class of shares of a company give notice for the compulsory acquisition of the remaining shareholders, shareholders who are subject to such notice may apply to the Bermuda Supreme Court for an appraisal of the value of their shares.

Pre-emptive Rights

Under English law, the issuance for cash of: (1) equity securities, being those which, with respect to dividends or capital, carry a right to participate beyond a specified amount; or (2) rights to subscribe for or convert into equity securities, must be offered first to the existing equity shareholders in proportion to the respective nominal values of their holdings, unless a special resolution to the contrary has been passed by shareholders in a general meeting.

Under Bermuda law, unless otherwise provided in a company's bye-laws, shareholders of a company are not entitled to pre-emptive rights. The New Tiziana Bye-laws do not provide for pre-emptive rights for holders of shares similar to those contained in the Old Tiziana Articles.

Amendment of Governing Instruments

Under English law, shareholders have the power to amend any provisions of a company's articles of association, by special resolution.

Under the Bermuda Companies Act, a company's bye-laws may be amended only by both a resolution passed by the board of directors and a resolution passed by the shareholders. Under the New Tiziana Bye-laws, a resolution of the board of directors and a resolution of the shareholders is required to amend the New Tiziana Bye-laws, provided that amendments to bye-laws relating to election of directors, number of directors, classes of directors, term of office of directors, removal of directors and business combinations require a resolution passed by 66 2/3% of directors then in office and a resolution passed by 66 2/3% of the total voting rights of all issued and outstanding shares.

Under English law, the board of directors is not authorised to change the memorandum of association or the articles of association. See "Share Class Rights" below.

Bermuda law provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given. Under Bermuda law, the holders of an aggregate of not less than 20 per cent in par value of a company's issued share capital have the right to apply to the Bermuda courts for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment that alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda court. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering a company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their designees as such holders may appoint in writing for such purpose. No application may be made by the shareholders voting in favour of the amendment.

Amendments affecting the rights of the holders of any class of shares may, depending on the rights attached to the class and the nature of the amendments, also require approval by special resolution of the classes affected in separate class meetings. See "Share Class Rights" below.

Preference Shares

Subject to the rights of any existing shareholders, the Articles permit Old Tiziana to issue new shares with any rights granted to holders of such shares, including rights of priority over the Old Tiziana Shares.

Subject to the New Tiziana Bye-laws and Bermuda law, the board of directors has the power to issue any of New Tiziana's unissued shares as it determines, including the issuance of any shares or class of shares with preferred, deferred or other special rights.

Share Class Rights

The Articles provide that:

- (1) the rights of any class of shares may (unless the rights attached to the shares of the class otherwise provide) only be changed with the consent in writing of 75 per cent of the total nominal value of shares of that class or by a special resolution passed at a separate class meeting of the holders of the relevant class of shares;*
- (2) the quorum required for the separate class meetings is at least two people who hold, or act as proxies for, at least one-third of the total nominal value of the existing shares of the class, except that at any adjournment of a class meeting one shareholder constitutes a quorum, regardless of the number of shares that person holds; and*
- (3) every holder of shares of a class having a separate class meeting is entitled, on a poll, to one vote in respect of each share held.*

The New Tiziana Bye-laws provide that:

- (1) the rights of any class of shares may (unless the rights attached to the shares of the class otherwise provide) only be changed with the consent in writing of 75 per cent of the total issued shares of that class or by a resolution passed by the majority of votes cast at a separate class meeting of the holders of the relevant class of shares; and*
- (2) the quorum required for the separate class meetings is at least two people who hold, or act as proxies for, at least one-third of the issued shares of the class.*

Shareholders' Votes on Certain Transactions

The Companies Act provides for schemes of arrangement, which are arrangements or compromises between a company and any class of shareholders or creditors and used in certain types of reconstructions, amalgamations, capital reorganisations or takeovers. These arrangements require the approval of: (1) a majority in number of each class of shareholders or creditors representing at least 75 per cent in value of the capital held by or debt owed to that class present and voting in person or by proxy at special meetings convened by order of the Court; and (2) the Court.

Once approved, sanctioned and effective, all shareholders and creditors of the relevant class and the company are bound by the terms of the scheme, and a dissenting shareholder would have no rights comparable to appraisal rights provided under the corporate laws of most US states.

The Bermuda Companies Act permits an amalgamation or merger between two or more Bermuda companies, or between one or more Bermuda "exempted companies" and one or more foreign companies. Under Bermuda law, New Tiziana is an "exempted company".

The New Tiziana Bye-laws require that an amalgamation or merger (other than an amalgamation or merger with interested shareholders as described under "Business Combinations" in Part V) that has been approved by the New Tiziana Board must be approved by the affirmative votes of a majority of the votes cast by the company's shareholders in a general meeting. Where an amalgamation or merger has not been approved by New Tiziana Board, the approval of at least 66 2/3% of all issued voting shares is required to approve the amalgamation or merger.

As a Bermuda company, New Tiziana may enter into certain business transactions with significant shareholders, including asset sales, in which a significant shareholder receives, or could receive, a financial benefit that is greater than that received, or to be received, by other shareholders with prior approval from the board of directors but without obtaining prior approval from the company's shareholders, but subject to restrictions under the New Tiziana Bye-laws on business combinations with interested shareholders as described in Part V.

Additional limitations are described below under "Takeovers of Public Companies".

Rights of Inspection

Except when closed pursuant to the Companies Act, the register and index of names of shareholders of an English company may be inspected: (1) for free, by its shareholders; and (2) for a fee by any member of the public.

In both cases, the documents may be copied for a fee.

The shareholders of an English public company may also inspect, without charge: (1) minutes of meetings of the shareholders and obtain copies of the minutes for a fee; and (2) service contracts of the company's directors and obtain copies of the contracts for a fee. In addition, the published annual accounts of a public company are required to be available for shareholders at a general meeting and a copy of these accounts must be sent to every shareholder.

The shareholders of Old Tiziana do not have rights to inspect the accounting records of Old Tiziana or minutes of meetings of its Directors.

Members of the general public have the right to inspect New Tiziana's public documents available at the office of the Registrar of Companies in Bermuda, which will include its memorandum of association (including its objects and powers), any increase or reduction of its authorised capital. New Tiziana's register of members and register of directors and officers are also open to inspection by members of the public without charge at the registered office of New Tiziana. New Tiziana's shareholders have the additional right to inspect its bye-laws, minutes of general meetings and audited financial statements. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Standard of Conduct for Directors

Under English law, a director has fiduciary and certain statutory duties. The general statutory duties of directors are:

- (1) to act in accordance with their powers;
- (2) to promote the success of the company for the benefit of members as a whole;
- (3) to exercise independent judgement; and
- (4) to exercise reasonable care, skill and diligence.

In promoting the success of a company, the directors must have regard to the following factors:

- (1) the likely consequences of any decision in the long term;
- (2) the interests of employees;
- (3) the need to foster business relationships with suppliers, customers and others;
- (4) the impact of operations on the community and environment;
- (5) the desirability of maintaining high standards of business conduct; and

The Bermuda Companies Act imposes a duty on directors and officers of a Bermuda company:

- (1) to act honestly and in good faith, with a view to the best interests of such company; and
- (2) to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition, the Bermuda Companies Act imposes various duties on officers of a company with respect to certain matters of management and administration of such company. The Bermuda Companies Act provides that in any proceedings for negligence, default, breach of duty or breach of trust against any officer, if it appears to a court that such officer is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that, having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, such court may relieve him, either wholly or partly, from any liability on such terms as such court may think fit. This provision has been interpreted to apply only to

(6) the need to act fairly between members of the company.

See also “Liability of Directors and Officers” below.

A director of a company who has any direct or indirect interest in a contract or proposed contract with the Company must declare his interest at a Board meeting.

In the Articles the Board has the power to authorise matters where a Director has or can have a direct or indirect interest that conflicts or may conflict with that of the Company. No interested Director can count towards the quorum at the meeting considering the matter or have his vote counted when authorising the conflict. The Director’s duty to declare his interest in any contracts with the Company will remain.

actions brought by or on behalf of a company against such officers. The New Tiziana Bye-laws, however, provide that the company’s shareholders waive all claims or rights of action that such shareholders might have, individually or in the right of the company, against any of the directors or officers for any act or failure to act in the performance of the duties of such director or officer, provided that this waiver does not extend to any matter in respect of any fraud or dishonesty which may attach to such director or officer.

Under Bermuda law, a transaction entered into by New Tiziana, in which a director has an interest, will not be avoidable by the company, and such director will not be liable to the company for any profit realised pursuant to such transaction, provided the nature of the interest is duly disclosed to the board of directors. In addition, the New Tiziana Bye-laws allow a director to be taken into account in determining whether a quorum is present and to vote on a transaction in which the director has an interest following a declaration of the interest to the board of directors.

Retirement by rotation of the Board of Directors

The Articles provide that, at each annual general meeting any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. These retired directors will be eligible for re-election at that annual general meeting.

The New Tiziana Bye-laws provide that the number of directors will be determined by the board of directors subject to a minimum of 3. The directors will be divided into three classes: Class I, Class II and Class III, who shall initially serve for three-year, two-year and one-year terms, respectively. At each annual general meeting, successors to the class of directors whose term expires shall be elected for a three-year term.

Voting for Directors

Under English law, at any general meeting held for the purpose of electing directors at which a quorum is present, director nominees receiving a majority of votes cast at the meeting will be elected as directors, provided that every such appointment must be voted on individually by a single resolution unless otherwise agreed by a previous resolution which was passed unanimously. The shareholders may also by a majority of votes remove a director and appoint another person as a director in his place, provided that special notice of the resolution to remove the director should be given to Old Tiziana at least 28 days before the meeting at which it is moved.

Under the New Tiziana Bye-laws, at any general meeting held for the purpose of electing directors at which a quorum is present, the director nominees receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

Removal of Directors

Under the Companies Act, shareholders may remove a director without cause by ordinary resolution, irrespective of any provisions of the service contract the director has with the company, provided that special notice of the resolution to remove the director is given to Old Tiziana at least 28 days before the meeting at which it is moved.

Shareholders may only remove a director of New Tiziana for cause, which under New Tiziana's Bye-laws means a conviction for a criminal offence involving dishonesty or engaging in conduct which brings the director or the company into disrepute and which results in material financial detriment to the company. A resolution to remove a director for cause may be proposed at any special general meeting convened and held in accordance with the New Tiziana Bye-laws and requires the affirmative vote of not less than a majority of votes cast, provided that the notice of the meeting convened for the purpose of removing the director contains a statement of the intention so to do and is served on such director not less than 14 days before the meeting.

Vacancies on the Board of Directors

Old Tiziana Shareholders may by ordinary resolution appoint a person to be a director:

- (1) to fill a vacancy; or*
- (2) to become an additional director, subject to any maximum provided in Old Tiziana's Articles.*

Vacancies on the board of directors can be filled by the shareholders in a general meeting or the board of directors if the vacancy occurs as a result of, among other things, death, disability, disqualification, removal or resignation of a director, or an increase in the size of the board of directors. Shareholders have the right to fill a vacancy created by the removal of a director at the meeting at which the director is removed.

The Board has the power to appoint a director:

- (1) to fill a vacancy; or*
- (2) to become an additional director, subject to any maximum provided in Old Tiziana's Articles,*

to serve until the next annual general meeting of the Company, whereupon the director concerned is required to retire but will be eligible for election.

The Board currently consists of five members made up of 3 executive directors and 2 non-executive directors.

Liability of Directors and Officers

English law does not permit a company to exempt any director of the company from any liability arising from negligence, default, breach of duty or breach of trust against the company.

The New Tiziana Bye-laws provide that none of New Tiziana's officers or directors will be personally liable to New Tiziana or its shareholders for any action or failure to act to the fullest extent permitted by law.

However, a company may by ordinary resolution ratify a director's conduct amounting to negligence, default, breach of duty or breach of trust (note however a shareholder's right to bring an action against the company in certain circumstances as set out in "Shareholders' Suits" below). The

See also "Standard of Conduct for Directors" above.

director in question and any shareholders connected with him are not entitled to vote on the resolution. Shareholders can also ratify acts of directors by unanimous consent.

Indemnification of Directors, Officers and Auditors, and Insurance

English law does not permit a company to indemnify a director or officer of the company or of an associated company against any liability arising from negligence, default, breach of duty or breach of trust in relation to the company of which he is a director or officer. However, a company is permitted to make a loan to a director to provide him with funds to meet expenditure incurred or to be incurred in connection with:

- (1) defending any criminal or civil proceeding in which judgment is entered in favour of the director or officer or the director or officer is acquitted; or
- (2) proceedings in which the director or officer is held liable, but the court finds that he acted honestly and reasonably and that relief should be granted; or
- (3) proceedings in which the director is defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority.

In addition Old Tiziana may make provision for indemnities against liability incurred by members of the Board to persons other than Old Tiziana or an associated company provided such provisions do not provide any indemnity against:

- (1) liability of the director to pay any fine imposed in criminal proceedings or any penalty payable to a regulatory authority in respect of non-compliance with any requirement of a regulatory nature; or
- (2) any liability incurred by the director in defending criminal proceedings in which he is convicted, in defending civil proceedings brought by Old Tiziana or an associated company in which judgment is given against him, or in connection with an application for relief in which the court refuses to grant him relief.

In addition Old Tiziana may make provisions indemnifying a director of a company that is a trustee of an occupational pension scheme against liability incurred in connection with the company's activities as trustee of the scheme provided that the provision does not provide any indemnity against:

Pursuant to the New Tiziana Bye-laws, New Tiziana will indemnify its officers and directors to the fullest extent permitted by Bermuda law. Such indemnity will extend, without limitation, to any matter in which an officer or director of New Tiziana may be guilty of negligence, default, breach of duty or breach of trust in relation to New Tiziana or any of its subsidiaries, provided that this indemnity will not extend to any matter in respect of any fraud or dishonesty which may attach to such director or officer.

- (1) *any liability of the director to pay a fine imposed in criminal proceedings or a penalty payable to a regulatory authority in respect of non-compliance with any requirement of a regulatory nature; or*
- (2) *any liability incurred by the director in defending criminal proceedings in which he is convicted.*

The Articles provide that, to the extent permitted by the Companies Act, every director of Old Tiziana or a director of any associated company may be indemnified against liabilities he incurs in relation to Old Tiziana or any associated company and any person who is or was a director of an associated company that is a trustee of an occupational pension scheme may be indemnified in connection with that company's activities as an occupational pension scheme.

English law does not permit a company:

- (1) *to exempt an auditor from any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company occurring in the course of the audit of accounts; or*
- (2) *to provide directly or indirectly an indemnity for an auditor of the company or an associated company against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he is auditor occurring in the course of the audit of accounts.*

Old Tiziana may however indemnify an auditor against any liability incurred by him in defending civil or criminal proceedings in which judgment is given in his favour or he is acquitted or where relief is granted to him by the court in the case of honest and reasonable conduct.

In addition, Old Tiziana may enter into an agreement limiting the amount of liability owed to it by its auditor in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of accounts. Such an agreement must comply with the Companies Act and be approved by Old Tiziana's shareholders.

The Companies Act allows companies to purchase and maintain insurance for directors, officers and auditors against any liability arising from negligence, default, breach of duty or breach of trust against the company. Old Tiziana maintains directors' and officers' insurance.

The Bermuda Companies Act enables companies to purchase and maintain, and the New Tiziana Bye-laws permit New Tiziana to purchase and maintain, insurance for directors and officers against any liability arising from negligence, default, breach of duty or breach of trust against the company.

Shareholders' Suits

The Companies Act permits a shareholder whose name is on the register of members of the company to apply for a court order: (1) when the company's affairs are being or have been conducted in a manner unfairly prejudicial to the interests of all or some shareholders, including the shareholder making the claim; or (2) when any actual or proposed act or omission of the company is or would be so prejudicial. A court has wide discretion in granting relief, and may authorise civil proceedings to be brought in the name of the company by a shareholder on terms that the court directs.

English law also permits actions by shareholders on behalf of the company or on behalf of other shareholders in circumstances where there is an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by a director of the company.

Before such proceedings can be brought, the applicant is required to show a prima facie case against the defendant and the claim can only proceed with the court's permission.

Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. However, the Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in New Tiziana's name to remedy a wrong done to the company where the act complained of is alleged to be beyond New Tiziana's corporate power or is illegal or would result in the violation of the memorandum of association or New Tiziana Bye-laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of shareholders than actually approved it.

The winning party in such an action generally would be able to recover a portion of attorneys' fees incurred in connection with such action. The New Tiziana Bye-laws provide that all present and future shareholders waive all claims or rights of action that they might have, individually or in the right of the company, against any of the company's directors or officers for any action or failure to act in the performance of the duties of such director or officer, provided that such waiver does not extend to any matter in which such director or officer in respect of any fraud or dishonesty which may attach to such officer or director.

The New Tiziana Bye-laws provide that any dispute arising concerning the Bermuda Companies Act or out of or in connection with the New Tiziana Bye-laws shall subject to the exclusive jurisdiction of the Supreme Court of Bermuda.

Takeovers of Public Companies

A takeover of Old Tiziana would be regulated by the Takeover Code administered by the Panel, a body consisting of representatives of the City of London financial and professional institutions, which oversees the conduct of takeovers.

The Takeover Code provides that the person making an offer is obliged to comply with a strict takeover timetable and that he is also restricted in his ability to make announcements and, having made a relevant announcement, is obliged to adhere to the terms thereof.

All holders of the securities of the target company of the same class must be treated equally and, as such, special or favourable deals between the person making the offer and the shareholders of a target company are prohibited.

There is no equivalent to the Takeover Code in Bermuda. However, directors have fiduciary duties to act in the best interests of the company as a whole.

The New Tiziana Bye-laws adopt certain provisions equivalent to the Delaware General Corporation Law, including provisions dealing with business combinations with interested shareholders of the company.

The Takeover Code imposes a high degree of transparency by requiring, amongst others, the person making the offer, the target company and their respective "associates" to disclose publicly their dealings in relevant securities. If the person making the offer fails to complete an offer, he is prohibited from making another offer within twelve months.

The Takeover Code provides that when:

- (1) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, together with shares which any persons acting in concert with him are interested, represent 30 per cent or more of the voting rights of a company; or*
- (2) any person, together with persons acting in concert with him, is interested in shares which carry at least 30 per cent but not more than 50 per cent of the voting rights and that person, or any person acting in concert with him, acquires any additional shares,*

the person must generally make an offer for all of the classes of equity shares of the company, whether voting or non-voting, and also to holders of any class of transferable securities carrying voting rights, for cash, or accompanied by a cash alternative, at not less than the highest price paid by the persons or these persons for the relevant shares during the 12 months preceding the date of the offer.

Under English law, a director of a company has a statutory duty to act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of the members as a whole. Generally, anti-takeover measures are not actions that fall within this category. Under the Takeover Code, a company is prohibited from taking any action without the approval of its shareholders at a general meeting when:

- (1) a bona fide offer has been communicated to its board of directors; or*
- (2) its board of directors believes that a bona fide offer is imminent,*

if such action could effectively result in the offer being frustrated or the shareholders being denied an opportunity to decide on its merits.

The Companies Act provides: (1) that, where a takeover offer is made for the shares of a company incorporated under the Companies Acts; and (2) at any time before the end of the period within which the offer can be accepted, the offeror has acquired or unconditionally contracted to acquire at least 90 per cent in value of the shares to which the offer relates or 90 per cent in value of the shares of any

Bermuda law provides that, where an offer is made for shares of a company and, within four months of the offer, the holders of not less than 90 per cent of the shares which are the subject of the offer accept, the offeror may by notice require the non-tendering shareholders to transfer their shares on the terms of the offer. Dissenting

class to which the offer relates, the offeror may require shareholders who do not accept the offer to transfer their shares on the terms of the offer. A dissenting shareholder may object to the transfer or its proposed terms by applying to the court within six weeks of the date on which notice of the transfer was given. In the absence of fraud or oppression, the court is unlikely to order that the acquisition shall not take effect, but it may specify terms of the transfer that it finds appropriate. A minority shareholder is also entitled in these circumstances, in the alternative, to require the offeror to acquire his shares on the terms of the offer.

shareholders may apply to the court within one month of the notice, objecting to the transfer.

Disclosure of Interests

The Disclosure Guidance and Transparency Rules provide that where any person acquires a relevant interest in shares in an issuer so that the percentage of voting rights held by that person, directly or indirectly, reaches, exceeds or falls below 3 per cent (and each 1 per cent threshold thereafter up to 100 per cent) that person must notify the issuer of the percentage of voting rights they hold as soon as possible and at the latest within two trading days (DTR 5.1.2 and DTR 5.8.3).

There is no similar legislation in Bermuda that would require disclosure of material interests in a Bermuda company.

In addition, the Companies Act provides that a public company may, by notice in writing, require a person whom the company knows is, or has cause to believe to be, or to have been within the three preceding years, interested in the company's issued voting share capital to: (1) confirm whether this is or is not the case; and (2) if this is the case, to give further information that the company requires relating to his interest or any other interest in the company's shares of which he is aware.

Since New Tiziana Shares will be registered under section 12 of the US Exchange Act, as amended, beneficial owners of more than 5 per cent of any class of the company's shares that are registered under section 12 of the US Exchange Act must be reported along with specified information to the SEC by filing a Schedule 13G or 13D.

In addition, the New Tiziana Bye-laws provide that New Tiziana may, by notice in writing, require a person whom New Tiziana knows is, or has reasonable cause to believe to be, or to have been within the three preceding years, interested in New Tiziana's issued voting share capital to: (1) confirm whether this is or is not the case; and (2) if this is the case, to give further information that New Tiziana requires relating to his interest.

When the notice is served by a company on a person who is or was interested in shares of the company and that person fails to give the company any information required by the notice within the time specified in the notice, the company may apply to the court for an order directing that the shares in question be subject to restrictions prohibiting, among other things:

When the notice is served by New Tiziana on a person who is or was interested in New Tiziana Shares and that person fails to give New Tiziana any information required by the notice within 14 days, that person may be subject to certain restrictions prohibiting, among other things:

- (1) any transfer of the shares;
- (2) the exercise of voting rights;

- (1) any transfer of the shares;
- (2) the exercise of voting rights; and

- (3) the issue of further shares; and
- (4) other than in a liquidation, dividends and other payments.

- (3) other than in a winding-up, receive dividends and other payments (including bonus shares).

Insider Dealing and Market Abuse

Directors of Old Tiziana are subject to applicable UK legislation prohibiting insider dealing and market abuse, including UK MAR.

Directors of New Tiziana will not be subject to the UK legislation prohibiting insider dealing and market abuse. Directors and officers and certain shareholders of New Tiziana are governed by the rules promulgated under the US Exchange Act that prohibit insider trading and market abuse and, if New Tiziana loses its “foreign private issuer” status, will require directors and officers to forfeit to New Tiziana any “short swing” profits realised from purchases and sales, as determined under the US Exchange Act and the rules thereunder, of New Tiziana equity securities.

Shareholder Circulars, Notices and Reports to Shareholders

Old Tiziana is governed by the Companies Acts regulating notices of shareholder meetings, which generally provide that notice of a shareholder meeting must be accompanied by shareholder circular containing an explanation of the purpose of the meeting.

New Tiziana will not be subject to the requirements of the Companies Acts relating to the content of notices to shareholders. However, it will be subject to US securities rules and will be subject to the Bermuda Companies Act. Under the US Exchange Act proxy rules, which would apply if New Tiziana loses its “foreign private issuer” status, New Tiziana would have to comply with notice and disclosure requirements relating to the solicitation of proxies for stockholder meetings.

In addition, Old Tiziana sends Old Tiziana Shareholders a copy of its annual report and accounts or a summary thereof.

In addition, New Tiziana will send or make available to New Tiziana Shareholders a copy of its annual report and accounts or a summary thereof.

Reporting Requirements

Old Tiziana is required under the Listing Rules and the DTRs to notify the UK Listing Authority of:

- (1) any information relating to its business which is not public knowledge and may lead to a substantial movement in its share price (DTR 2.2.1);
- (2) notifications received by it from persons holding an interest in 3 per cent or more of any class of the Company’s share capital (DTR 5.8.12);
- (3) any changes in its board of directors (LR 9.6.11);
- (4) any purchase or redemption by it of its own equity securities (LR 9.6.4);

As a “foreign private issuer” in the United States, New Tiziana will be required to comply with US securities rules applicable to “foreign private issuers” relating to the periodic reporting of information regarding New Tiziana. These disclosures include annual reports on Form 20-F that must be filed with the SEC after the end of each fiscal year, and current reports on Form 6-K that must be furnished to the SEC promptly following specified events.

- (5) *interests of Directors in its shares or debentures (DTR 3.1.4); and*
- (6) *changes in its capital structure (LR 9.6.4).*

PART IV

RISK FACTORS

New Tiziana Shares are subject to a number of risks. Accordingly, Old Tiziana Shareholders and any prospective New Tiziana Shareholders should consider carefully all of the information set out in this document and all of the information incorporated by reference into this document, including, in particular, the risks described below, prior to making any decision relating to the New Tiziana Shares. Additional risks and uncertainties that are not currently known to Old Tiziana or New Tiziana, or that Old Tiziana or New Tiziana currently deem immaterial, may also have an adverse effect on the Tiziana Group's business.

The risks listed below do not necessarily comprise all those the Tiziana Group faces, but do comprise those regarded as material or significant in these circumstances. In addition, this document contains forward looking statements which involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Tiziana Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

1. Risks Related to the Development of Tiziana's Product Candidates

If the Tiziana Group encounters substantial delays in clinical trials of its product candidates, or fails to demonstrate the safety and therapeutic utility of its product candidates to the satisfaction of applicable regulatory authorities, the Tiziana Group may be unable to obtain required regulatory approvals, and therefore will be unable to commercialise its product candidates on a timely basis or at all.

Before obtaining marketing approval from regulatory authorities for the sale of the Tiziana Group's product candidates, the Tiziana Group must conduct extensive clinical trials to demonstrate the safety and utility of the product candidates. Clinical testing is expensive, time-consuming and uncertain as to outcome. The Tiziana Group cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all, as a failure of one or more clinical trials can occur at any stage of testing.

Events that may prevent successful or timely completion of clinical development include:

- delays in reaching a consensus with the US Food and Drug Administration ("FDA"), European Medicines Agency ("EMA"), or other regulatory authorities on trial design;
- delays in reaching agreement on acceptable terms with prospective contract research organisations ("CROs") and clinical trial sites;
- delays in execution of development due to financial instability of the Tiziana Group's CROs or contract manufacturing organisations ("CMOs");
- delays in opening clinical trial sites or obtaining required institutional review board or independent ethics committee approval at each clinical trial site;
- delays in recruiting suitable patients to participate in the Tiziana Group's future clinical trials;
- imposition of a clinical hold by regulatory authorities as a result of a serious adverse event or after an inspection of the Tiziana Group's clinical trial operations or clinical trial sites;
- failure by the Tiziana Group, any CROs or any other third parties to adhere to clinical trial requirements;
- failure to perform in accordance with good clinical practice ("GCP") or applicable regulatory guidelines;
- delays in the testing, validation, manufacturing and delivery of the Tiziana Group's product candidates to the clinical trial sites;
- delays in having patients complete participation in a clinical trial or return for post-treatment follow-up;

- clinical trial sites or patients dropping out of a clinical trial;
- selection of clinical endpoints that require prolonged periods of clinical observation or analysis of the resulting data;
- occurrence of serious adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- occurrence of serious adverse events in clinical trials of the same class of agents conducted by other sponsors; and
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols.

Any inability to successfully complete preclinical and clinical development, such as registrational trial or future pivotal trials failing to demonstrate therapeutic utility of its product candidates or revealing safety concerns or serious adverse events associated with the its product candidates, could result in additional costs or impair the Tiziana Group's ability to generate revenues from product sales, regulatory and commercialisation milestones and royalties. Specifically, the Tiziana Group may:

- be delayed in obtaining marketing approval for the Tiziana Group's product candidates, if at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labelling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements;
- be subject to changes in the way the product is administered;
- be required to perform additional clinical trials to support approval or be subject to additional post-marketing testing requirements;
- have regulatory authorities withdraw or suspend their approval of the product or impose restrictions on its distribution in the form of a modified risk evaluation and mitigation strategy ("**REMS**");
- be subject to the addition of labelling statements, such as warnings or contraindications; or
- be sued or experience damage to the Tiziana Group's reputation.

In addition, if the Tiziana Group makes manufacturing or formulation changes to its product candidates, the Tiziana Group may need to conduct additional studies to bridge the Tiziana Group's modified product candidates to earlier versions. Clinical trial delays also could shorten any periods during which the Tiziana Group may have the exclusive right to commercialise the Tiziana Group's product candidates or allow the Tiziana Group's competitors to bring products to market before the Tiziana Group do, which could impair the Tiziana Group's ability to successfully commercialise the Tiziana Group's product candidates and may harm the Tiziana Group's business, financial condition, results of operations and prospects.

1.2 *Success in preclinical studies or clinical trials may not be indicative of results in future clinical trials.*

Success in preclinical testing and early clinical trials does not ensure that later clinical trials will generate the same results or otherwise provide adequate data to demonstrate the effectiveness and safety of the Tiziana Group's product candidate. Frequently, product candidates that have shown promising results in early clinical trials have subsequently suffered significant setbacks in later clinical trials. To date, some of the Tiziana Group's clinical trials have involved small patient populations and because of the small sample size in such trials, the interim results of these clinical trials may be subject to substantial variability and may not be indicative of either future interim results or final results. In addition, the design of a clinical trial can determine whether its results will support approval of a product and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. In

addition, there is a high failure rate for drugs and biologic products proceeding through clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in preclinical testing and earlier-stage clinical trials. Moreover, data obtained from preclinical and clinical activities is subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, the Tiziana Group may experience regulatory delays or rejections as a result of many factors, including due to changes in regulatory policy during the period of the Tiziana Group's product candidate development. Any such delays could negatively impact the Tiziana Group's business, financial condition, results of operations and prospects.

1.3 *The Tiziana Group depends on enrolling patients in the Tiziana Group's clinical trials for its product candidates. If delays continue for a material period of time, they could materially adversely affect the Tiziana Group's R&D efforts and business, financial condition and results of operations.*

Identifying and qualifying patients to participate in clinical trials of the Tiziana Group's product candidates is critical to the Tiziana Group's success. The timing of the Tiziana Group's clinical trials depends on the Tiziana Group's ability to recruit patients to participate, and to see those patients through the completion of required follow-up periods. If, for any reason, patients are unwilling or unable to enrol in the Tiziana Group's clinical trials, then the timeline for recruiting patients, conducting studies and obtaining regulatory approvals for the Tiziana Group's product candidates may be delayed. These delays could result in increased costs, delays in advancing the Tiziana Group's product candidates, delays in testing the effectiveness of the Tiziana Group's product candidates or termination of clinical trials altogether. For example, the COVID-19 pandemic has delayed enrolment in the Tiziana Group's clinical trials, which were already delayed due to related government orders and site policies, and some patients may be unwilling or unable to travel to study sites, enrol in the Tiziana Group's trials or be unable to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services.

The Tiziana Group's current product candidates are being developed to treat oncology and immune diseases of high unmet medical need. However, the Tiziana Group may not be able to initiate or continue clinical trials if the Tiziana Group cannot enrol a sufficient number of eligible patients to participate in the required clinical trials. As a result, the Tiziana Group may not be able to identify, recruit and enrol a sufficient number of patients, or those with required or desired characteristics, to complete the Tiziana Group's clinical trials in a timely manner. In addition to COVID-19 related delays, patient enrolment can be affected by many other factors, including:

- size of the patient population and process for identifying patients;
- eligibility and exclusion criteria for the Tiziana Group's clinical trials;
- perceived risks and benefits of the Tiziana Group's product candidates;
- severity of the disease under investigation;
- proximity and availability of clinical trial sites for prospective patients;
- competition with other clinical trials for product candidates competing in the same therapeutic areas as the Tiziana Group's product candidates;
- ability to obtain and maintain patient consent;
- patient drop-outs prior to completion of clinical trials;
- patient referral practices of physicians; and
- ability to monitor patients adequately during and after treatment.

The Tiziana Group's ability to successfully initiate, enrol and complete clinical trials in any foreign country is subject to numerous risks unique to conducting business in foreign countries, including:

- difficulty in establishing or managing relationships with CROs and physicians;
- different standards for the conduct of clinical trials;

- absence in some countries of established groups with sufficient regulatory expertise for review of certain treatment protocols;
- inability to locate qualified local consultants, physicians and partners; and
- the potential burden of complying with a variety of foreign laws, medical standards and regulatory requirements, including the regulation of pharmaceutical and biotechnology products and treatment.

If the Tiziana Group has difficulty enrolling a sufficient number of patients or finding additional clinical trial sites to conduct the Tiziana Group's clinical trials as planned, the Tiziana Group may need to delay, limit or terminate ongoing or planned clinical trials, any of which could have an adverse effect on the Tiziana Group's business, financial condition, results of operations and prospects.

1.4 *The Tiziana Group's product candidates and the process for administering the Tiziana Group's product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit their commercial potential or result in significant negative consequences following any potential marketing approval.*

During the conduct of clinical trials, patients report changes in their health, including illnesses, injuries and discomforts, to their study doctor. Often, it is not possible to determine whether the product candidate being studied caused these conditions. Regulatory authorities may draw different conclusions or require additional testing to confirm these determinations. For Miliclib, the most frequent drug-related side effects reported across studies, at all doses tested, were gastrointestinal ("GI"), adverse events (nausea and diarrhoea, followed by less frequent vomiting), neurological effects (mainly tremor, then ataxia, dizziness and dysgeusia), skin disorders and asthenia, fatigue, headache and anorexia. For Foralumab, the most frequent drug-related side effects reported following intravenous administration were infusion related reactions ("IRR"), including fever, headaches, chills, nausea, vomiting diarrhoea and hypotension considered the result of cytokine release also known as cytokine release syndrome ("CRS"). Other adverse events included reactivation of Epstein-Barr virus (clinically silent); moderate lymphocytopenia, abnormalities in liver function tests. Since most of these changes are related to the infusion route of administration and dosage level, such systemic toxicities are not anticipated when administered orally or nasally due to what the Tiziana Group assumes will be minimal systemic absorption.

In addition, it is possible that as the Tiziana Group tests its product candidates in larger, longer and more extensive clinical programs, or as use of these product candidates becomes more widespread if they receive regulatory approval, patients will report illnesses, injuries, discomforts and other adverse events that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials. Many times, side effects are only detectable after investigational products are tested in large-scale, Phase 3 clinical trials or, in some cases, after they are made available to patients on a commercial scale after approval. If additional clinical experience indicates that the Tiziana Group's product candidates cause serious or life-threatening side effects, the development of the Tiziana Group's product candidates may fail or be delayed, or, if the product candidate has received regulatory approval, such approval may be revoked, which would harm the Tiziana Group's business, prospects, operating results and financial condition.

If the Tiziana Group is unable to demonstrate that such adverse events were caused by the administration process or related procedures, the FDA, EMA or other regulatory authorities could order the Tiziana Group to cease further development of, or deny approval of, the Tiziana Group's product candidates for any or all targeted indications. Even if the Tiziana Group were able to demonstrate that any serious adverse events are not product-related, such occurrences could affect patient recruitment or the ability of enrolled patients to complete the clinical trial. Moreover, if the Tiziana Group elects or is required to delay, suspend or terminate any clinical trial of any of the Tiziana Group's product candidates, the commercial prospects of such product candidate may be harmed and the Tiziana Group's ability to generate product revenues from such product candidate may be delayed or eliminated. Any of these occurrences may harm the Tiziana Group's ability to develop other product candidates, and may harm the Tiziana Group's business, financial condition and prospects.

Additionally, if the Tiziana Group or others later identify undesirable side effects caused by any of the Tiziana Group's product candidates, several potentially significant negative consequences could result, including:

- regulatory authorities may suspend or withdraw approvals of such product candidate;
- regulatory authorities may require additional warnings on the label;
- the Tiziana Group may be required to change the way a product candidate is administered or conduct additional clinical trials;
- the Tiziana Group could be sued and held liable for harm caused to patients; and
- the Tiziana Group's reputation may suffer.

Any of these events could prevent the Tiziana Group from achieving or maintaining market acceptance of its product candidates.

1.5 ***Any contamination in the Tiziana Group's manufacturing process, shortages of raw materials or failure of any of the Tiziana Group's key suppliers to deliver necessary components could result in delays in the Tiziana Group's clinical development or marketing schedules.***

Given the nature of biologics and new chemical entity manufacturing, there is a risk of contamination. Any contamination could adversely affect the Tiziana Group's ability to produce product candidates on schedule and could, therefore, harm the Tiziana Group's results of operations and cause reputational damage. In addition, some of the raw materials required in the Tiziana Group's manufacturing process are derived from biologic sources and are difficult to procure and may be subject to contamination or recall. A material shortage, contamination, recall or restriction on the use of biologically derived substances in the manufacture of the Tiziana Group's product candidates could adversely impact or disrupt the commercial manufacturing or the production of clinical material, which could adversely affect the Tiziana Group's development timelines and the Tiziana Group's business, financial condition, results of operations and prospects.

2. **Risks Related to the Tiziana Group's Financial Position and Need for Capital**

2.1 ***The Company has incurred net losses in every year since its inception. The Tiziana Group anticipates that it will continue to incur losses for the foreseeable future and may never achieve or maintain profitability.***

The Company is a clinical stage biotechnology company with a limited operating history. Since the Company's inception in May 2013, the Company has incurred significant net losses. The Company's net losses were \$26.2 million, \$9.3 million and \$8.0 million and \$8.6 million for the years ended 31 December 2020, 2019 and 2018, respectively. The Company has devoted substantially all of its efforts to research and development of its product candidates, including clinical development of its lead product candidates, Foralumab and Milciclib, as well as to building out the Company's management team and infrastructure. The Tiziana Group expects that it could be several years, if ever, before it has a commercialised product candidate. The Tiziana Group expects to continue to incur significant expenses and increasing operating losses for the foreseeable future. These net losses will adversely impact the Company's shareholders' equity and net assets and may fluctuate significantly from quarter to quarter and year to year.

The Tiziana Group anticipates that its expenses will increase substantially if, and as, the Tiziana Group:

- continues research and development of Foralumab, including the initiation of the Tiziana Group's orally administered Phase 2 trials in patients with Crohn's disease and progressive multiple sclerosis (MS);
- initiates a Phase 2b trial for Milciclib in combination with a tyrosine kinase inhibitor (sorafenib or regorafenib) in HCC patients;
- accelerates development and cGMP manufacturing of anti-IL6R mAb for treatment of COVID-19 and multiple myeloma and initiate clinical trials and preclinical studies for any additional product candidates that the Tiziana Group may pursue in the future;

- manufactures its product candidates in accordance with current GMPs for clinical trials or potential commercial sales;
- establishes a sales, marketing and distribution infrastructure to commercialise any product candidate for which it may obtain marketing approval;
- develops, maintains, expands and protects its intellectual property portfolio;
- identifies, assesses, and acquires or in-licenses other product candidates and technologies;
- secures, maintains or obtains freedom to operate for any in-licensed technologies and products;
- addresses any competing technological and market developments; and
- expands its operations in the United States and Europe.

The Tiziana Group may never succeed in any or all of these activities and, even if it does, the Tiziana Group may never generate revenues that are significant or large enough to achieve profitability. If the Tiziana Group does achieve profitability, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Tiziana Group's failure to become and remain profitable would decrease its value and could impair the Tiziana Group's ability to raise capital, maintain its R&D efforts, expand its business or continue its operations.

2.2 *The Tiziana Group needs substantial additional funding to complete the development of its product candidates, which may not be available on acceptable terms, if at all. Failure to obtain this necessary capital when needed may force the Tiziana Group to delay, limit or terminate certain of its product development, research operations or future commercialisation efforts, if any.*

The Company's operations have consumed substantial amounts of cash since inception, and the Tiziana Group expects its expenses to increase in connection with its ongoing activities, particularly as it continues the R&D of, initiates further clinical trials of and seeks marketing approval for, its product candidates. In addition, if the Tiziana Group obtains marketing approval for its product candidates, the Tiziana Group expects to incur significant expenses related to product sales, marketing, manufacturing and distribution. The Tiziana Group's future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of laboratory testing, manufacturing, preclinical and clinical development for the Tiziana Group's current and future product candidates;
- the costs, timing and outcome of regulatory review of the Tiziana Group's product candidates;
- the extent to which the Tiziana Group acquires or in-licenses and develops other product candidates and technologies;
- the Tiziana Group's ability to establish and maintain collaborations and license agreements on favourable terms, if at all;
- the costs, timing and outcome of potential future commercialisation activities, including manufacturing, marketing, sales and distribution for the Tiziana Group's product candidates for which the Tiziana Group receives marketing approval;
- the costs of developing, maintaining and enforcing the Tiziana Group's intellectual property rights and defending intellectual property-related claims; and
- the sales price and availability of adequate third-party coverage and reimbursement for the Tiziana Group's product candidates, if and when approved.

Developing product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and the Tiziana Group may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, the Tiziana Group's product candidates, if approved, may not achieve commercial success. The Tiziana Group's product revenues, if any, will be derived from or based on sales of product candidates that may not be commercially available for many years, if at all. To the extent that additional capital is raised through the issuance of

equity or equity-linked securities, the issuance of those securities could result in substantial dilution for our current shareholders and the terms of any future issuance may include liquidation or other preferences that adversely affect the rights of the Company's current shareholders. Debt financing, if available, may involve covenants restricting our operations or the New Tiziana Group's ability to incur additional debt. Any debt or additional equity financing that the New Tiziana Group raises may contain terms that are not favorable to it or its shareholders. If the New Tiziana Group raises additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish some rights to its technologies or product candidates or grant licenses on terms that are not favorable to the New Tiziana Group.

If the Tiziana Group is unable to obtain adequate funding on a timely basis, the C Tiziana Group may be required to significantly curtail, delay or discontinue its R&D programs of its product candidates or any future commercialisation efforts, be unable to expand its operations or be unable to otherwise capitalise on its business opportunities, as desired, which could harm the Tiziana Group's business and potentially cause a discontinuation of operations.

2.3 *The Tiziana Group's limited operating history and no history of commercializing pharmaceutical products may make it difficult to evaluate the success its business to date and to assess the prospects for its future viability.*

Since the Tiziana Group's inception, it has devoted substantially all of its resources to developing Foralumab and Milciclib, and its other product candidates, building its intellectual property portfolio and providing general and administrative support for these operations. Although the Tiziana Group's R&D efforts to date have resulted in a pipeline of product candidates, it has not yet demonstrated its ability to successfully complete Phase 3 or other pivotal clinical trials, obtain regulatory approvals, or commercialize any of its product candidates. In addition, given the Tiziana Group's limited operating history, it may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors in achieving its business objectives.

Additionally, the Tiziana Group is not profitable and has incurred losses in each year since its inception, and it expects that its financial condition and operating results may continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond the control of the Tiziana Group. Consequently, any predictions made about the future success or viability of the Tiziana Group may not be as accurate as they could be if it had a longer operating history.

3. Risks Related to the Trials, Manufacturing and Testing of its Products

3.1 *The Tiziana Group relies on third parties to conduct its preclinical studies and clinical trials and manufacture and test its products.*

The Tiziana Group relies upon third parties, including independent clinical investigators and third-party CROs, to conduct its preclinical studies and clinical trials and to monitor and manage data for its ongoing preclinical and clinical programs. There are a limited number of qualified third-party service providers that specialise or have the expertise required to achieve the Tiziana Group's business objectives, and so it may be challenging to find alternative investigators or CROs or do so on commercially reasonable terms. The Tiziana Group relies on these parties for execution of its preclinical studies and clinical trials. The Tiziana Group is responsible for ensuring that each of its preclinical studies and clinical trials is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and the Tiziana Group's reliance on these third parties does not relieve the Tiziana Group of the Tiziana Group's regulatory responsibilities; however, the Tiziana Group controls only certain aspects of their activities. Regulatory authorities enforce their GCP requirements through periodic inspections of trial sponsors, principal investigators and clinical trial sites. If any of the Tiziana Group's CROs fail to comply with applicable GCP requirements, the clinical data generated in the Tiziana Group's clinical trials may be deemed unreliable, and the FDA, EMA or other regulatory authorities may require the Tiziana Group to perform additional clinical trials before approving the Tiziana Group's marketing applications, which would delay the regulatory approval process. Repeating clinical trials or switching or engaging additional CROs involves

additional cost, creates a transition period and requires the Tiziana Group's management's time and focus, which could materially impact the Tiziana Group's ability to meet its desired clinical development timelines.

In addition, the Tiziana Group has engaged CMOs to manufacture Foralumab and Milciclib and to perform quality testing. Because the Tiziana Group collaborates with various organisations and academic institutions for the advancement of its platforms, the Tiziana Group must share its proprietary technology and confidential information, including trade secrets, with them. The Tiziana Group seeks to protect its proprietary technology, in part, by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with the Tiziana Group's collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose the Tiziana Group's confidential information. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by the Tiziana Group's competitors, are inadvertently incorporated into the technology of others or are disclosed or used in violation of these agreements. Given that the Tiziana Group's proprietary position is based, in part, on the Tiziana Group's know-how and trade secrets, a competitor's discovery of the Tiziana Group's proprietary technology and confidential information or other unauthorised use or disclosure of such technology or information would impair its competitive position and may have an adverse effect on the Tiziana Group's business, financial condition, results of operations and prospects.

In addition to the Tiziana Group's current CMOs, the Tiziana Group may rely on additional third parties to manufacture ingredients of the Tiziana Group's product candidates in the future and to perform quality testing, and reliance on these third parties entails risks to which the Tiziana Group would not be subject if it manufactured the product candidates ourselves, including:

- reduced control for certain aspects of manufacturing activities, including control over CMOs to maintain adequate quality control, quality assurance and qualified personnel;
- termination or nonrenewal of manufacturing and service agreements with third parties in a manner or at a time that is costly or damaging to the Tiziana Group; and
- disruptions to the operations of the Tiziana Group's third-party manufacturers and service providers caused by conditions unrelated to the Tiziana Group's business or operations, including the bankruptcy of the manufacturer or service provider.

Any of these events could lead to clinical trial delays or failure to obtain regulatory approval or impact the Tiziana Group's ability to successfully commercialise its product candidates. Some of these events could be the basis for FDA, EMA or other regulatory authority action, including injunction, recall, seizure or total or partial suspension of product manufacture.

4. Risks Related to Commercialisation of the Tiziana Group's Product Candidates

- 4.1 ***The Tiziana Group does not have a marketing and sales force. If the Tiziana Group cannot establish effective sales, marketing and distribution capabilities or enter into agreements with third parties to market, sell and distribute the Tiziana Group's product candidates that may be approved, the Tiziana Group may not be successful in commercialising the Tiziana Group's product candidates if and when approved, and the Tiziana Group may be unable to generate any product revenue.***

The Tiziana Group does not have a marketing or sales team for the marketing, sales and distribution of any of its product candidates. The Tiziana Group intends to build, on a territory-by-territory basis, marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. These efforts will require significant capital expenditures, management resources and time, and the Tiziana Group faces competition in its search for qualified personnel or third parties to assist with marketing, sales and distribution of its product candidates.

There are risks involved with both establishing the Tiziana Group's own sales, marketing and distribution capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which the Tiziana Group recruits a sales force and establishes marketing and/or distribution capabilities is delayed or does not occur for any reason, the Tiziana Group would have prematurely or unnecessarily incurred these commercialisation expenses. This may be costly, and the Company's investment would be lost if the Tiziana Group cannot retain or reposition the Tiziana Group's sales and marketing personnel.

Factors that may inhibit the Tiziana Group's efforts to commercialise its product candidates on its own include:

- the Tiziana Group's inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future product that the Tiziana Group may develop;
- the lack of complementary treatments to be offered by sales personnel, which may put the Tiziana Group at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organisation.

If the Tiziana Group enters into arrangements with third parties to perform sales, marketing and distribution services, the Tiziana Group's product revenue or the profitability to the Tiziana Group from these revenue streams is likely to be lower than if the Tiziana Group were to market and sell any product candidates that it develops itself. In addition, the Tiziana Group may not be successful in entering into arrangements with third parties to sell and market the Tiziana Group's product candidates or may be unable to do so on favourable terms. The Tiziana Group likely will have little control over such third parties and any of them may fail to devote the necessary resources and attention to sell and market the Tiziana Group's product candidates effectively. If the Tiziana Group does not establish sales and marketing capabilities successfully, either on its own or in collaboration with third parties, the Tiziana Group may not be successful in commercialising its product candidates.

4.2 *The Tiziana Group faces significant competition in an environment of rapid technological change and the possibility that the Tiziana Group's competitors may achieve regulatory approval before the Tiziana Group does, obtain more favourable regulatory approvals, or develop more advanced or effective therapies.*

The biotechnology and pharmaceutical industries are characterised by rapidly changing technologies, significant competition and a strong emphasis on intellectual property. The Tiziana Group faces substantial competition from many different sources, including large and specialty pharmaceutical and biotechnology companies, academic research institutions, government agencies and public and private research institutions.

New developments, including the development of other pharmaceutical technologies and methods of treating disease, occur in the pharmaceutical and life sciences industries at a rapid pace. Developments by competitors may render the Tiziana Group's product candidates obsolete or non-competitive. The Tiziana Group anticipates that it will face intense and increasing competition as new treatments enter the market and advanced technologies become available.

Many of the Tiziana Group's potential competitors, alone or with their strategic partners, have substantially greater financial, technical and other resources, such as larger R&D, clinical, sales and marketing and manufacturing organisations. These third parties also compete with the Tiziana Group in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the development of the Tiziana Group's products. In addition, mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of

competitors. The Tiziana Group's commercial opportunity could be reduced or eliminated if competitors develop and commercialise products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any product candidate that the Tiziana Group may develop. Competitors also may obtain FDA, EMA or other regulatory approval for their products more rapidly or earlier than the Tiziana Group may obtain its approval, which could result in the Tiziana Group's competitors establishing a strong market position before the Tiziana Group can enter the market. Additionally, technologies developed by the Tiziana Group's competitors may render the Tiziana Group's product candidates uneconomical or obsolete, and the Tiziana Group may not be successful in marketing the Tiziana Group's product candidates against competitors.

If the Tiziana Group's competitors obtain orphan drug exclusivity for products that constitute the same drug and treat the same indications as the Tiziana Group's product candidates, the Tiziana Group may not be able to have competing products approved by applicable regulatory authorities for a significant period of time. In addition, even if the Tiziana Group obtains orphan drug exclusivity for any of its products, such exclusivity may not protect it from competition. Regulatory authorities in the United States and the European Union may designate products for relatively small patient populations as orphan drugs, as further discussed under Part IX – Regulatory and Operating Environment. If a competitor receives orphan drug approval before the Tiziana Group does, it will be precluded from receiving marketing approval for its product for the applicable exclusivity period. If the Tiziana Group obtains orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product candidate from competition because different drugs can be approved for the same condition. Any such limitations on the Tiziana Group's ability to commercialise its products.

4.3 *The market opportunities for the Tiziana Group's product candidates may be smaller than the Tiziana Group anticipates.*

The Tiziana Group focusses its R&D efforts on treatments for cancer and autoimmune disease. The Tiziana Group's understanding of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with the Tiziana Group's product candidates, is based on estimates. These estimates may prove to be incorrect and new studies may reduce the estimated incidence or prevalence of these diseases. The number of patients in the United States, the European Union and elsewhere may turn out to be lower than expected, may not be otherwise amenable to treatment with the Tiziana Group's product candidates or patients may become increasingly difficult to identify and access, all of which would adversely affect the Tiziana Group's business, financial condition, results of operations and prospects.

Further, there are several factors that could contribute to making the actual number of patients who receive the Tiziana Group's potential products, if and when approved, less than the potentially addressable market, such as the lack of widespread availability of, and limited reimbursement for, new therapies in many underdeveloped markets.

4.4 *The future commercial success of the Tiziana Group's product candidates will depend upon the degree of each product candidates' market acceptance by physicians, patients, third-party payors and others in the medical community.*

The Tiziana Group has no product authorised for marketing; its product candidates are at varying stages of development, and the Tiziana Group may never have a product that is commercially successful. The commercial success of the Tiziana Group's product candidates will depend, in part, their acceptance by physicians, patients and third-party payors as medically necessary, cost-effective and safe. If these products do not achieve an adequate level of acceptance, the Tiziana Group may not generate significant product revenue and may not become profitable. Even if some product candidates achieve market acceptance, the market may not prove to be large enough to generate significant revenues. The degree of market acceptance of the Tiziana Group's product candidates, if approved for commercial sale, will depend on several factors, including:

- the effectiveness and safety of the Tiziana Group's product candidates as demonstrated in clinical trials;
- the potential and perceived advantages of the Tiziana Group's product candidates over alternative treatments;

- the availability and cost of treatment relative to alternative treatments;
- changes in the standard of care for the targeted indications for any product candidate;
- the willingness of physicians to prescribe, and the target patient population to try, new therapies;
- the prevalence and severity of any side effects;
- product labelling or product insert requirements of the FDA, EMA or other regulatory authorities, including any limitations or warnings contained in a product's approved labelling;
- the timing of market introduction of competitive products;
- sales, distribution and marketing support;
- publicity concerning the Tiziana Group's product candidates or competing products and treatments;
- potential product liability claims;
- any restrictions on the use of the Tiziana Group's products together with other medications; and
- favourable third-party payor coverage and adequate reimbursement.

Even if a potential product displays favourable clinical properties and safety profile in preclinical studies and clinical trials, market acceptance of the product will not be fully known until after it is launched.

4.5 *The insurance coverage and reimbursement status of newly approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for the Tiziana Group's approved product candidates could limit the Tiziana Group's ability to market those products.*

The Tiziana Group expects that coverage and adequate reimbursement by government and private payors will be essential for most patients to be able to afford the Tiziana Group's approved product candidates. Accordingly, sales of the Tiziana Group's product candidates will depend substantially, both domestically and abroad, on the extent to which the costs of the Tiziana Group's product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organisations, or will be reimbursed by government authorities, private health coverage insurers and other third-party payors. For a discussion of the insurance coverage and reimbursement situation for pharmaceutical products in the United States and Europe. Coverage and reimbursement by a third-party payor may depend upon several factors, including the third-party payor's determination that use of a product is:

- a covered benefit under the Tiziana Group's health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement for a product from third-party payors is a time-consuming and costly process that could require the Tiziana Group to provide to the payor supporting scientific, clinical and cost-effectiveness data. The Tiziana Group may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. If coverage and reimbursement are not available, or are available only at limited levels, the Company may not be able to successfully commercialise the Tiziana Group's product candidates. Even if coverage is provided, the approved reimbursement amount may not be adequate to realise a sufficient return on the Tiziana Group's investment.

5. Risks Related to the Tiziana Group's Intellectual Property

5.1 ***The Tiziana Group's rights to develop and commercialise the Tiziana Group's product candidates are subject to the terms and conditions of licenses granted to the Tiziana Group by others. If the Tiziana Group fail to comply with its obligations under its existing and any future intellectual property licenses with third parties, the Tiziana Group could lose license rights that are important to the business.***

The Tiziana Group is heavily reliant upon licenses and sublicenses from Nerviano, Lonza and Novimmune to certain patent rights and proprietary technology that are important or necessary to the development of the Tiziana Group's technology and product candidates, including the patents and know-how relating to manufacture. These and other licenses may not provide exclusive rights to use such intellectual property and technology or may not provide exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which the Tiziana Group may wish to develop or commercialise its technology and product candidates in the future. As a result, the Tiziana Group may not be able to prevent competitors from developing and commercialising competitive products, including in territories covered by the Tiziana Group's licenses.

In some circumstances, the Tiziana Group may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that the Tiziana Group license from third parties. If the Tiziana Group's licensors fail to maintain such patents or patent applications, or lose rights to those patents or patent applications, the rights the Tiziana Group has licensed may be reduced or eliminated and the Tiziana Group's right to develop and commercialise any of the Tiziana Group's product candidates that are the subject of such licensed rights could be adversely affected. In addition to the foregoing, the risks associated with patent rights that the Tiziana Group licenses from third parties will also apply to patent rights the Tiziana Group may own in the future.

Licenses to additional third-party technology and materials that may be required for the Tiziana Group's development programs, including additional technology and materials owned by any of the Tiziana Group's current licensors, may not be available in the future or may not be available on commercially reasonable terms, or at all, which could have an adverse effect on the Tiziana Group's business and financial condition.

5.2 ***If the Tiziana Group is unable to obtain and maintain patent protection for its product candidates and its technology, or if the scope of its patent protection is not sufficiently broad, the Tiziana Group's competitors could develop and commercialise similar products and technology.***

The Tiziana Group's success depends, in large part, on its ability to seek, obtain and maintain patent protection in the United States and other countries with respect to its product candidates and to future innovation related to its manufacturing technology. The Tiziana Group's licensors have sought, and the Tiziana Group intends to seek, to protect the Tiziana Group's proprietary position by filing patent applications in the United States, the UK and elsewhere, related to certain technologies and the Tiziana Group's product candidates that are important to its business. The Tiziana Group's current patent portfolio contains a limited number of patent applications, all of which are in-licensed from third parties and relate to either composition of matter, formulation, method of use or process of manufacturing Foralumab, Milciclib and a fully human anti-interleukin-6 receptor, or IL-6r, mAb. However, the risks associated with patent rights generally apply to patent rights that the Tiziana Group in-licenses now or in the future, as well as patent rights that the Tiziana Group may own in the future. Moreover, the risks apply with respect to patent rights and other intellectual property applicable to the Tiziana Group's product candidates, as well as to any intellectual property rights that the Tiziana Group may acquire in the future related to future product candidates, if any.

The patent prosecution process is expensive, time-consuming, and complex, and the Tiziana Group may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the United States Patent and Trademark Office ("USPTO") and various government patent agencies outside of the United States over the lifetime of the Tiziana Group's licensed patents and/or applications and any patent rights the

Tiziana Group may own in the future. Failing to pay required fees could cause patent rights to expire. Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and the Tiziana Group's intellectual property rights in some countries outside the United States could be less extensive than those in the United States. The Tiziana Group may not be able to prevent third parties from practicing the Tiziana Group's inventions in all countries outside the United States, and competitors may use the Tiziana Group's technologies in jurisdictions where the Tiziana Group has not pursued and obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Tiziana Group has patent protection, but enforcement is not as strong as that in the United States. These products may compete with the Tiziana Group's product candidates, and the Tiziana Group's patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

In some cases, the work of certain academic researchers in the oncology and immunology fields has entered the public domain, which the Tiziana Group believes precludes its ability to obtain patent protection for certain inventions relating to such work.

Consequently, the Tiziana Group will not be able to assert any such patents to prevent others from using its technology for, and developing and marketing competing products to treat, these indications. It is also possible that the Tiziana Group will fail to identify patentable aspects of its R&D output before it is too late to obtain patent protection.

The Tiziana Group's existing license agreements impose, and the Tiziana Group expects that future license agreements will impose, various assignment restrictions, due diligence, development and commercialisation timelines, insurance, milestone payments, royalties, and other obligations. If the Tiziana Group fails to comply with its obligations under these agreements, the licensor can terminate the license, preventing the Tiziana Group from marketing product candidates covered by the license.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of any patent rights are highly uncertain. The Tiziana Group has filed a new patent application covering the composition of matter of Foralumab that remains pending and may not be granted. The Tiziana Group's licensed patent applications may not result in patents being issued which protect the Tiziana Group's technology or product candidates, effectively prevent others from commercialising competitive technologies and product candidates or otherwise provide any competitive advantage. In fact, patent applications may not issue as patents at all. Even assuming patents issue from patent applications in which the Tiziana Group has rights, changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of the Tiziana Group's patents or narrow the scope of the Tiziana Group's patent protection.

Other parties have developed technologies that may be related or competitive to the Tiziana Group's own and such parties may have filed or may file patent applications, or may have received or may receive patents, claiming inventions that may overlap or conflict with those claimed in the Tiziana Group's own patent applications or issued patents. The Tiziana Group may not be aware of all third-party intellectual property rights potentially relating to the Tiziana Group's current and future product candidates.

Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and in other jurisdictions are typically not published until 18 months after filing, or, in some cases, not at all. Therefore, the Tiziana Group cannot know with certainty whether the inventors of its licensed patents and applications were the first to make the inventions claimed in those patents or pending patent applications, or that they were the first to file for patent protection of such inventions. Similarly, should the Tiziana Group own any patents or patent applications in the future, the Tiziana Group may not be certain that it was the first to file for patent protection for the inventions claimed in such patents or patent applications. As a result, the issuance, scope, validity and commercial value of the Tiziana Group's patent rights cannot be predicted with any certainty.

The degree of patent protection the Tiziana Group requires to successfully compete in the marketplace may be unavailable or severely limited in some cases and may not adequately protect the Tiziana Group's rights or permit the Tiziana Group to gain or keep any competitive advantage. The Tiziana Group cannot provide any assurances that any of the Tiziana Group's licensed patents have, or that any of the Tiziana Group's pending licensed patent applications that mature into issued patents will include, claims with a scope sufficient to protect the Tiziana Group's product candidates or otherwise provide any competitive advantage. In addition, the laws of foreign countries may not protect the Tiziana Group's rights to the same extent as the laws of the United States. Furthermore, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialised. As a result, the Tiziana Group's licensed patent portfolio may not provide the Tiziana Group with adequate and continuing patent protection sufficient to exclude others from commercialising products similar to the Tiziana Group's product candidates, including "highly similar," or biosimilar, versions of such products. In addition, the intellectual property portfolio licensed to the Tiziana Group by Nerviano and Novimmune may be used by them or licensed to third parties, and such third parties may have certain enforcement rights. Thus, patents licensed to the Tiziana Group could be put at risk of being invalidated or interpreted narrowly in litigation filed by or against the Tiziana Group's licensors or another licensee or in administrative proceedings brought by or against the Tiziana Group's licensors or another licensee in response to such litigation or for other reasons.

Even if the Tiziana Group acquires patent protection that it expects will maintain some competitive advantage, third parties, including competitors, may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. In litigation, a competitor could claim that the Tiziana Group's patents, if issued, are not valid for several reasons. If a court agrees, the Tiziana Group would lose the Tiziana Group's rights to those challenged patents.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability and the Tiziana Group's licensed patents may be challenged in courts or patent offices in the United States and abroad. For example, the Tiziana Group may be subject to a third-party submission of prior art to the USPTO challenging the validity of one or more claims of the Tiziana Group's licensed patents. Such submissions may also be made prior to a patent's issuance, precluding the granting of a patent based on one of the Tiziana Group's pending licensed patent applications. The Tiziana Group may become involved in opposition, derivation, re-examination, inter partes review, post-grant review or interference proceedings challenging the patent rights of others from whom the Tiziana Group has obtained licenses to such rights. Competitors may claim that they invented the inventions claimed in the Tiziana Group's licensed issued patents or patent applications prior to the inventors of such patents or applications. A competitor who can establish an earlier filing or invention date may also claim that the Tiziana Group is infringing their patents and that the Tiziana Group therefore cannot practice the Tiziana Group's technology as claimed under the Tiziana Group's licensed patents, if issued. Competitors may also contest the Tiziana Group's licensed patents, if issued, by showing that the invention was not patent-eligible, was not novel, was obvious or that the patent claims failed any other requirement for patentability.

An adverse determination by former employees or consultants asserting ownership rights to the Tiziana Group's patents may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit its ability to stop others from using or commercialising similar technology and therapeutics, without payment to the Tiziana Group, or could limit the duration of the patent protection covering its technology and product candidates. Such challenges may also result in the Tiziana Group's inability to manufacture or commercialise its product candidates without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by the Tiziana Group's patents and patent applications is threatened, it could dissuade companies from collaborating with the Tiziana Group to license, develop or commercialise current or future product candidates.

Even if they are unchallenged, the Tiziana Group's licensed patents and pending patent applications, if issued, may not provide the Tiziana Group with any meaningful protection or prevent competitors from designing around the Tiziana Group's patent claims to circumvent its licensed patents by developing similar or alternative technologies or therapeutics in a non-infringing manner. For example, a third party may develop a competitive therapeutic that provides benefits similar to one or more of the Tiziana Group's product candidates but that uses a different antibody or molecular active ingredient that falls outside the scope of the Tiziana Group's patent protection. If the patent protection provided by the patents and patent applications the Tiziana Group holds or pursues with respect to its product candidates is not sufficiently broad to impede such competition, the Tiziana Group's ability to successfully commercialise its product candidates could be negatively affected, which would harm the Tiziana Group's business.

5.3 *The Tiziana Group's intellectual property licenses with third parties may be subject to disagreements over contract interpretation or terminated.*

The Tiziana Group depends on license agreements whereby it obtains rights in certain patents and patent applications owned by third parties. Further development and commercialisation of the Tiziana Group's product candidates will require the Tiziana Group to enter into license or collaboration agreements, which are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what the Tiziana Group believes to be the scope of its rights to the relevant intellectual property or technology, or increase what the Tiziana Group believes to be its financial or other obligations under the relevant agreement, either of which could have an adverse effect on the Tiziana Group's business, financial condition, results of operations and prospects.

If any of the Tiziana Group's licenses or material relationships or any in-licenses upon which the Tiziana Group's licenses are based are terminated or breached, the Tiziana Group may:

- lose the Tiziana Group's rights to develop and market the Tiziana Group's product candidates;
- lose patent protection for the Tiziana Group's product candidates;
- experience significant delays in the development or commercialisation of the Tiziana Group's product candidates;
- not be able to obtain any other licenses on acceptable terms, if at all; or
- incur liability for damages.

In addition, a third party may in the future bring claims that the Tiziana Group's performance under the Tiziana Group's license agreements, including the Tiziana Group's sponsoring of clinical trials, interferes with such third party's rights under its agreement with one of the Tiziana Group's licensors. If any such claim were successful, it may adversely affect the Tiziana Group's rights and ability to advance the Tiziana Group's product candidates as clinical candidates or subject the Tiziana Group to liability for monetary damages, any of which would have an adverse effect on the Tiziana Group's business, financial condition, results of operations and prospects.

These risks apply to any agreements that the Tiziana Group may enter into in the future for the Tiziana Group's current or any future product candidates. If the Tiziana Group experiences any of the foregoing, it could have a negative impact on the Tiziana Group's business, financial condition, results or operations and prospects.

The Tiziana Group's license agreements with Nerviano and Novimmune also require the Tiziana Group to meet development thresholds to maintain each license, including establishing a set timeline for developing and commercialising product candidates. Disputes may arise regarding intellectual property subject to a licensing agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the extent to which the Tiziana Group's technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;

- the sublicensing of patent and other rights pursuant to the Tiziana Group's collaborative development relationships;
- the Tiziana Group's diligence obligations under the license agreements and what activities satisfy those diligence obligations;
- the inventorship or ownership of inventions and know-how resulting from the joint creation or use of intellectual property by the Tiziana Group's licensors and the Company and the Tiziana Group's partners; and
- the priority of invention of patented technology.

If disputes over intellectual property that the Tiziana Group has licensed prevent or impair the Tiziana Group's ability to maintain the Tiziana Group's current licensing arrangements on acceptable terms, the Tiziana Group may be unable to successfully develop and commercialise the Tiziana Group's product candidates.

5.4 ***The Tiziana Group may not be able to protect its intellectual property rights.***

In addition to the protection afforded by patents, the Tiziana Group relies on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that the Tiziana Group elects not to patent, processes for which patents are difficult to enforce and any other elements of the Tiziana Group product candidate discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. Trade secrets can be difficult to protect and some courts inside and outside the United States are less willing or unwilling to protect trade secrets, and the Tiziana Group could lose its trade secrets protection. In addition, the Tiziana Group's trade secrets may otherwise become known or be independently discovered by competitors.

Competitors could purchase the Tiziana Group's product candidates and attempt to replicate some or all of the competitive advantages the Tiziana Group derives from the Tiziana Group's development efforts, wilfully infringe the Tiziana Group's intellectual property rights, design around the Tiziana Group's protected technology or develop their own competitive technologies that fall outside of the Tiziana Group's intellectual property rights. If the Tiziana Group is unable to successfully protect its intellectual property rights, the Tiziana Group may have to abandon development of its product candidates and the Tiziana Group's business, financial condition, results of operations and prospects could suffer and its competitive position could be adversely affected.

5.5 ***Third parties may initiate legal proceedings alleging that the Tiziana Group infringes their intellectual property rights.***

The biotechnology and pharmaceutical industries are characterised by extensive and complex litigation regarding patents and other intellectual property rights. The Tiziana Group may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to the Tiziana Group's product candidates and technology, alleging that the Tiziana Group's therapeutics, manufacturing methods, formulations or administration methods are covered by their patents. Given the vast number of patents in the Tiziana Group's field of technology, the Tiziana Group cannot be certain or guarantee that the Tiziana Group do not infringe existing patents or that the Tiziana Group will not infringe patents that may be granted in the future. Since this area is competitive and of strong interest to pharmaceutical and biotechnology companies, there will likely be additional patent applications filed and additional patents granted in the future, as well as additional R&D programs expected in the future. Furthermore, because patent applications can take many years to issue, may be confidential for 18 months or more after filing and can be revised before issuance, there may be applications now pending which may later result in issued patents that may be infringed by the manufacture, use, sale or importation of the Tiziana Group's product candidates and the Tiziana Group may not be aware of such patents. If a patent holder believes the manufacture, use, sale or importation of one of the Tiziana Group's product candidates infringes its patent, the patent holder may sue the Tiziana Group even if the Tiziana Group has licensed other patent protection for the Tiziana Group's technology. Moreover, the Tiziana Group may face patent infringement claims from non-practicing entities that have no relevant product revenue and against whom the Tiziana Group's licensed patent portfolio may therefore have no deterrent effect.

Patent litigations, with or without merit, are complex, unpredictable, generally expensive and time-consuming. Any such litigation could substantially increase the Tiziana Group's operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. If the Tiziana Group is found or believes there is a risk that it may be found to infringe a third party's patent or intellectual property rights, the Tiziana Group could be required or may choose to obtain a license from such third party to continue developing, manufacturing and marketing the Tiziana Group's product candidates and technology. However, the Tiziana Group may not be able to obtain any required license on commercially reasonable terms or at all. Even if the Tiziana Group were able to obtain a license, it could be non-exclusive, thereby giving the Tiziana Group's competitors and other third parties access to the same technologies licensed to the Tiziana Group, and it could require the Tiziana Group to make substantial licensing and royalty payments. The Tiziana Group could be forced, including by court order, to cease developing, manufacturing and commercialising the infringing technology or product candidate. In addition, the Tiziana Group could be found liable for monetary damages, including treble damages and attorneys' fees, if the Tiziana Group is found to have wilfully infringed a patent or other intellectual property right. A finding of infringement could prevent the Tiziana Group from manufacturing and commercialising the Tiziana Group's product candidates or force the Tiziana Group to cease some or all of the Tiziana Group's business operations, which could harm the Tiziana Group's business. Claims that the Tiziana Group has misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on the Tiziana Group's business, financial condition, results of operations and prospects.

6. Risks Related to Government Regulation

6.1 *The Tiziana Group cannot predict when, or if, the Tiziana Group will obtain regulatory approval to commercialise its product candidates that have completed clinical trials, and the approval may be for a narrower indication than the Tiziana Group seeks.*

The Tiziana Group cannot commercialise a product candidate that has completed the necessary clinical trials until the appropriate regulatory authorities have reviewed and approved the product candidate. Even if the Tiziana Group's product candidates meet the FDA's safety and effectiveness endpoints in clinical trials, the FDA may not complete their review processes in a timely manner, or the Tiziana Group may not be able to obtain regulatory approval. The FDA has substantial discretion in the review and approval process and may refuse to file the Tiziana Group's application for substantive review or may determine after review of the Tiziana Group's data that the Tiziana Group's application is insufficient to allow approval of the Tiziana Group's product candidates. The FDA may require that the Tiziana Group conduct additional preclinical studies, clinical trials or manufacturing validation studies and submit that data before it will reconsider the Tiziana Group's application. Additional delays may result if an FDA Advisory Committee or other regulatory authority recommends non-approval or restrictions on approval. In addition, the Tiziana Group may experience delays or rejections based upon additional government regulation from future legislation or administrative action, or changes in regulatory authority policy during the period of product development, clinical trials and the review process. In addition, the COVID-19 pandemic may affect the operations of the FDA and other health authorities, which could result in delays of reviews and approvals, including with respect to the Tiziana Group's product candidates.

The FDA, EMA or other regulatory authorities also may approve a product candidate for more limited indications than requested or may impose significant limitations in the form of narrow indications, warnings or a REMS. These regulatory authorities may require precautions or contraindications with respect to conditions of use or may grant approval subject to the performance of costly post-marketing clinical trials. In addition, the FDA, EMA or other regulatory authorities may not approve the labelling claims that are necessary or desirable for the successful commercialisation of the Tiziana Group's product candidates. Any of the foregoing scenarios could harm the commercial prospects for the Tiziana Group's product candidates and negatively impact the Tiziana Group's business, financial condition, results of operations and prospects.

Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval procedures vary among countries and

can involve additional product testing and validation and additional administrative review periods. Seeking regulatory approvals in all major markets could result in significant delays, difficulties and costs for the Tiziana Group and may require additional preclinical studies or clinical trials, which would be costly and time consuming. Satisfying these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays, and failing to receive regulatory approvals in other major markets would limit the market available to the Tiziana Group for its products.

6.2 *Delays in obtaining regulatory approval of the Tiziana Group's manufacturing process and facility or disruptions in the Tiziana Group's manufacturing process may delay or disrupt the Tiziana Group's product development and commercialisation efforts.*

The Tiziana Group does not currently operate manufacturing facilities for clinical or commercial production of its product candidates. Before the Tiziana Group can begin to commercially manufacture its product candidates, whether in a third-party facility or in its own facility, if and when established, the Tiziana Group must obtain regulatory approval from the FDA for the Tiziana Group's manufacturing process and facility. A manufacturing authorisation must also be obtained from the appropriate European Union regulatory authorities and from other applicable foreign regulatory authorities. In order to obtain approval, the Tiziana Group will need to ensure that its processes, methods and equipment are compliant with cGMP, and perform extensive audits of vendors, contract laboratories and suppliers. If any of the Tiziana Group's vendors, contract laboratories or suppliers are found to be non-compliant with cGMP, the Tiziana Group may experience delays or disruptions in manufacturing while the Tiziana Group works with these third parties to remedy the violation or while the Tiziana Group works to identify suitable replacement vendors. The cGMP requirements govern quality control of the manufacturing process and documentation policies and procedures. In complying with cGMP, the Tiziana Group will be obligated to expend time, money and effort in production, record keeping and quality assurance to confirm that the product meets applicable specifications and other requirements. If the Tiziana Group fails to comply with these requirements, the Tiziana Group would be subject to possible regulatory action and may not be permitted to sell any product candidate that the Tiziana Group may develop.

If the Tiziana Group or its third-party manufacturers fail to comply with applicable cGMP regulations, regulatory authorities can impose regulatory sanctions, which could include a refusal to approve a pending application for a new product candidate or suspension or revocation of a pre-existing approval. Such an occurrence may cause the Tiziana Group's business, financial condition, results of operations and prospects to be harmed.

Additionally, the Tiziana Group's products may be subject to significant disruption due to an interruption in the supply of the Tiziana Group's products from its third-party manufacturers to the Tiziana Group, including due to COVID-19 pandemic-related delays to the global supply chain or government measures imposed to address the spread of the virus, or regulatory requirements or actions (including recalls), adverse financial developments at or affecting the supplier, failure by the supplier to comply with cGMPs, contamination, business interruptions or labour shortages or disputes. The Tiziana Group does not currently have a backup manufacturer of its product candidate supply for clinical trials or commercial sale. An alternative manufacturer would need to be qualified through a supplement to its regulatory filing, which could result in further delays. The regulatory authorities also may require additional clinical trials if a new manufacturer is relied upon for commercial production. Switching manufacturers may involve substantial costs and could result in a delay in the Tiziana Group's desired clinical and commercial timelines.

6.3 *Even if the Tiziana Group obtains regulatory approval for a product candidate, the Tiziana Group's product candidates will remain subject to regulatory oversight.*

Even if the Tiziana Group obtains regulatory approval for its product candidates, they will be subject to ongoing regulatory requirements for manufacturing, labelling, packaging, storage, advertising, promotion, sampling, record-keeping and submission of safety and other post-market information. Any regulatory approvals that the Tiziana Group receives for its product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the quality, safety and clinical effectiveness of the product.

Any government investigation of alleged violations of law could require the Tiziana Group to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit the Tiziana Group's ability to commercialise its product candidates and adversely affect its business, financial condition, results of operations and prospects.

In addition, the FDA's policies, and those of the EMA and other regulatory authorities, may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of the Tiziana Group's product candidates. The Tiziana Group cannot predict the likelihood, nature or extent of government regulation that may arise from any future legislation or administrative action. If the Tiziana Group is slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if the Tiziana Group is not able to maintain regulatory compliance, the Tiziana Group may lose any marketing approval that it may have obtained and the Tiziana Group may not achieve or sustain profitability, which would negatively impact the Tiziana Group's business, financial condition, results of operations and prospects.

6.4 *The Tiziana Group's relationships with customers, physicians and third-party payors will be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws, health information privacy and security laws and other healthcare laws and regulations. If the Tiziana Group violates these laws and regulations, it may be required to pay a penalty or be suspended from participation in federal or state healthcare programs, which may adversely affect the Tiziana Group's business, financial condition and results of operations.*

If the Tiziana Group commercialises its products in the United States, its operations will be directly, or indirectly through the Company's prescribers, customers and purchasers, subject to various federal and state fraud, abuse and patient privacy laws and regulations that will impact, among other things, the Tiziana Group's proposed sales, marketing and educational programs. Efforts to ensure that the Tiziana Group's business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. The Tiziana Group's business activities could be challenged under these laws in part due to their breadth and the narrowness of the statutory exceptions and safe harbours available, the lack of robust interpretation by the regulatory authorities or the courts, and potential for a variety of interpretations, which could lead governmental authorities to conclude that the Tiziana Group's business practices are not in compliance. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements. If the Tiziana Group's operations are found to be in violation of any of these laws or any other governmental regulations that may apply to the Tiziana Group, the Tiziana Group may be subject to significant criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment, and exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if the Tiziana Group becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, reputational harm, and the Tiziana Group may be required to curtail or restructure its operations, any of which could adversely affect the Tiziana Group's ability to operate the Tiziana Group's business and the Tiziana Group's results of operations. Any action against the Tiziana Group for violation of these laws, even if the Tiziana Group successfully defends against it, could cause the Tiziana Group to incur significant legal expenses and divert the Company's management's attention from the operation of the Tiziana Group's business.

7. Risks Related to the Tiziana Group's Business Operations

7.1 *The Tiziana Group may not be successful in its efforts to identify or discover additional product candidates and may fail to capitalise on programs or product candidates that may be a greater commercial opportunity or for which there is a greater likelihood of success.*

The success of the Tiziana Group's business depends upon the Tiziana Group's ability to identify, develop and commercialise product candidates. Research programs to identify new product candidates require substantial technical, financial and human resources. Although a

substantial amount of the Tiziana Group's efforts will focus on the continued preclinical and clinical testing and potential approval of the Tiziana Group's product candidates, a key element of the Tiziana Group's long-term growth strategy is to develop and market additional products and product candidates. However, the Tiziana Group may fail to identify other potential product candidates for clinical development for several reasons. For example, the Tiziana Group's research may be unsuccessful in identifying potential product candidates or the Tiziana Group's potential product candidates may be shown to have harmful side effects, may be commercially impracticable to manufacture or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval.

Additionally, because the Tiziana Group has limited resources, the Tiziana Group may forego or delay pursuit of opportunities with certain programs or product candidates or for indications that later prove to have greater commercial potential. The Tiziana Group's spending on current and future R&D programs may not yield any commercially viable products. If the Tiziana Group does not accurately evaluate the commercial potential for a particular product candidate, the Tiziana Group may relinquish valuable rights to that product candidate through strategic collaboration, licensing or other arrangements in cases in which it would have been more advantageous for the Tiziana Group to retain sole development and commercialisation rights to such product candidate. Alternatively, the Tiziana Group may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

The Tiziana Group's long-term growth strategy to develop and market additional products and product candidates is heavily dependent on precise, accurate and reliable scientific data to identify, select and develop promising pharmaceutical product candidates and products. The Tiziana Group's business decisions may therefore be adversely influenced by improper or fraudulent scientific data sourced from third parties. Any irregularities in the scientific data used by the Tiziana Group to determine its focus in R&D of product candidates and products could have a material adverse effect on the Tiziana Group's business, prospects, financial condition and results of operations.

If any of these events occur, the Tiziana Group may be forced to abandon the Tiziana Group's development efforts with respect to a particular product candidate or fail to develop a potentially successful product candidate, which could have a negative impact on the Tiziana Group's business, financial condition, results of operations and prospects.

7.2 *COVID-19 has adversely affected the Tiziana Group's business, and any new pandemic, epidemic or outbreak of an infectious disease may further adversely affect its business.*

In December 2019, a novel strain of coronavirus, COVID-19, spread globally, substantially impacting the global economy and the Company's operations, including interrupting preclinical and clinical trial activities and disrupting the Company's supply chain. The spread of an infectious disease, including COVID-19, may also result in the inability of the Tiziana Group's suppliers to source or deliver components or raw materials necessary for its clinical supply on a timely basis or at all. In addition, hospitals may reduce staffing and reduce or postpone certain treatments in response to the spread of an infectious disease. Such events may result in a period of business disruption, and in reduced operations, or doctors and medical providers may be unwilling to participate in the Tiziana Group's clinical trials, any of which could materially affect the Tiziana Group's business, financial condition and results of operations. The extent to which COVID-19 impacts the Tiziana Group's business will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others. A significant pandemic as with COVID-19, or any other infectious disease, could result in a widespread health crisis that could adversely affect the economies and financial markets worldwide, resulting in an economic downturn that could impact the Tiziana Group's business, financial condition and results of operations.

7.3 *Product liability lawsuits against the Tiziana Group could cause it to incur substantial liabilities and could limit commercialisation of any product candidate that it may develop.*

The Tiziana Group faces an inherent risk of product liability exposure related to the testing of the Tiziana Group's current and future product candidates in clinical trials and may face an even greater risk if the Tiziana Group commercialises any product candidate that the Tiziana Group may develop. For example, the Tiziana Group may be sued if its current or future product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If the Tiziana Group cannot successfully defend itself against product liability claims, the Tiziana Group could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidate that the Tiziana Group may develop;
- loss of revenue;
- substantial monetary awards to trial participants or patients;
- significant time and costs to defend the related litigation;
- withdrawal of clinical trial participants;
- the inability to commercialise any product candidates that the Tiziana Group may develop; or
- injury to the Tiziana Group's reputation and significant negative media attention.

Although the Tiziana Group maintains product liability insurance coverage, such insurance may not be adequate to cover all liabilities that the Tiziana Group may incur. The Tiziana Group anticipates that it will need to increase its insurance coverage each time it commences a clinical trial and if it successfully commercialises any product candidate. Insurance coverage is increasingly expensive. The Tiziana Group may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

7.4 *Legal, political and economic uncertainty surrounding the UK's exit from the European Union may be a source of instability in international markets, create significant currency fluctuations, adversely affect the Tiziana Group's operations in the UK and pose additional risks to the Tiziana Group's business, revenue, financial condition, and results of operations.*

Following a national referendum and enactment of legislation by the UK government, the UK formally withdrew from the European Union on 31 January 2020 and entered into a transition period that ended on 31 December 2020. This process is unprecedented in European Union history and its effects are currently uncertain. Although the United Kingdom entered into a trade and cooperation agreement with the European Union on 24 December 2020 that provides for, among other things, the free movement of goods between the United Kingdom and the European Union, continued legal uncertainty and potentially divergent national laws and regulations in relation to financial laws and regulations, tax and free trade agreements, immigration laws, and employment laws may adversely affect economic or market conditions in the United Kingdom, Europe or globally, which could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the pound sterling or the euro, which could negatively affect the broader economic environment. Any of these factors could have a significant adverse effect on the Tiziana Group's business, financial condition, results of operations and prospects.

Further, the UK's withdrawal from the European Union has resulted in the relocation of the EMA from the UK to the Netherlands. This relocation has caused, and may continue to cause, disruption in the administrative and medical scientific links between the EMA and the UK Medicines and Healthcare products Regulatory Agency, including delays in granting clinical trial authorisation or marketing authorisation, disruption of importation and export of active substance and other components of new drug formulations, and disruption of the supply chain for clinical trial product and final authorised formulations. The cumulative effects of the

disruption to the regulatory framework may add considerably to the development lead time to marketing authorisation and commercialisation of products in the European Union and/or the UK.

8. Risks relating to the Proposals

There are risks that the Proposals will not be implemented on a timely basis or at all.

Implementation of the Proposals is conditional upon, among other things, sanction of the Scheme by the High Court. There are risks that the conditions of the Proposals will not be satisfied on a timely basis or at all. If such conditions are not satisfied, or, where applicable, waived, the Proposals will not be implemented and the benefits expected to result from the Proposals will not be achieved.

9. Risks relating to the New Tiziana Shares

9.1 *New Tiziana may lose its foreign private issuer status in the future, which would result in significant additional costs and expenses.*

New Tiziana will be a “foreign private issuer,” as defined in Rule 405 under the US Securities Act of 1933, as amended, or the US Securities Act, and therefore, it is not required to comply with all the periodic disclosure and current reporting requirements of the US Exchange Act, as amended, or the US Exchange Act, and related rules and regulations. In addition, as a foreign private issuer, New Tiziana is exempt from many of the corporate governance requirements that apply to domestic US issuers under applicable rules of NASDAQ. Under Rule 405, the determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second financial quarter and, accordingly, the next determination will be made with respect to New Tiziana on 30 June 2022.

In the future, New Tiziana will lose its foreign private issuer status if a majority of its shareholders and a majority of its directors or management are US citizens or residents. If New Tiziana loses its foreign private issuer status, it will have to mandatorily comply with US federal proxy requirements, and its officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the US Exchange Act. New Tiziana will be required to file periodic reports and registration statements on US domestic issuer forms containing financial statements prepared in accordance with US generally accepted accounting principles, or US GAAP, with the US Securities and Exchange Commission, or SEC, which are more detailed and extensive than the forms available to a foreign private issuer. In addition, if New Tiziana loses its status as a foreign private issuer it will become subject to the NASDAQ corporate governance requirements, which are more strenuous than the corporate governance requirements under Bermuda law and those applicable to companies with shares admitted to trading on the London Stock Exchange. As a result, the regulatory and compliance costs to New Tiziana may be significantly higher if it ceases to qualify as a foreign private issuer.

9.2 *New Tiziana is an “emerging growth company” under the JOBS Act of 2012, and it cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make New Tiziana Shares less attractive to investors.*

New Tiziana is an “emerging growth company,” as defined in the US Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. New Tiziana cannot predict if investors will find New Tiziana US Offering Shares less attractive because it may rely on these exemptions. If some investors find New Tiziana US Offering Shares less attractive as a result, there may be a less active trading market for New Tiziana US Offering Shares and the stock price may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the US Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Tiziana Group currently prepares its financial statements in accordance with IFRS as issued by the IASB, which do not have separate provisions for publicly traded and private companies. However, in the event the Tiziana Group converts to US GAAP while it is still an “emerging growth company”, it may be able to take advantage of the benefits of this extended transition period.

New Tiziana will remain an “emerging growth company” until the earliest to occur of any of the following: its revenue exceeds \$1.0 billion; the date it issues more than \$1.0 billion in non-convertible debt in a three year period; the market value of the New Tiziana Shares held by non-affiliates exceeds \$700 million as of the last business day of the Tiziana Group’s most recently completed second financial quarter; or the last day of its financial year containing the fifth anniversary of the date on New Tiziana Shares become publicly traded in the US.

9.3 *New Tiziana’s status as an “emerging growth company” under the JOBS Act of 2012 may make it more difficult to raise capital as and when needed.*

Because of the exemptions from various reporting requirements provided to New Tiziana as an “emerging growth company” and because it will have an extended transition period for complying with new or revised financial accounting standards, New Tiziana may be less attractive to investors and it may be difficult for it to raise additional capital as and when needed. Investors may be unable to compare New Tiziana’s business with other companies in its industry if they believe that its financial accounting is not as transparent as other companies in its industry. If New Tiziana is unable to raise additional capital as and when needed, its financial condition and results of operations may be materially and adversely affected.

9.4 *Certain of New Tiziana’s executive officers, directors and principal shareholders will continue to have control over New Tiziana after the Scheme Effective Date and may be able to exercise significant influence over matters subject to shareholder approval.*

One of New Tiziana’s directors, Gabriele Cerrone, together with his affiliates, beneficially owned approximately 34.07 per cent. of the Old Tiziana Shares as of 1 September 2021. Sales by Mr. Cerrone of a substantial number of shares, or the expectation that such sales may occur, could significantly reduce the market price of New Tiziana Shares. In aggregating this director’s beneficial ownership with all of New Tiziana’s executive officers and directors, together with their respective affiliates, they collectively beneficially owned approximately 34.29 per cent. of Old Tiziana Shares as of 1 September 2021. Mr Cerrone and his affiliates or associates are also not subject to the restrictions on business combinations with interested shareholders described in “Shareholders’ Votes on Certain Transactions” in Part III.

Accordingly, Mr. Cerrone, either alone or in combination with other executive officers and directors, together with their respective affiliates, if they act together, may be able to exercise influence over all matters requiring shareholder approval, including the election of directors and approval of corporate transactions, such as a merger or other sale of New Tiziana or its assets, for the foreseeable future. This concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of New Tiziana, which in turn could have a material adverse effect on the market value of New Tiziana Shares.

9.5 *A change in New Tiziana’s tax residence could have a negative effect on its future profitability.*

Although New Tiziana is incorporated and organised under the laws of Bermuda, a British Overseas Territory that is an island located off the coast of the United States, New Tiziana is a resident in the United Kingdom for tax purposes. It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of its affairs following a review by its directors or for any other reason, New Tiziana could become, or be regarded as having become, a resident in a jurisdiction other than the United Kingdom. Should New Tiziana cease to be tax resident in the United Kingdom, New Tiziana may have exposure related to unexpected tax liabilities, such as a

charge of United Kingdom capital gains tax on a deemed disposal at market value of its assets and of unexpected tax charges in other jurisdictions on its income. Similarly, if the tax residency of any of its subsidiaries were to change from their current jurisdiction for any of the reasons listed above, New Tiziana may be subject to a charge of local capital gains tax on the assets.

9.6 *New Tiziana is a Bermuda company and it may be difficult for shareholders to enforce judgments against it or certain of its directors or officers.*

New Tiziana is a Bermuda exempted company. As a result, the rights of holders of New Tiziana Shares will be governed by Bermuda law and New Tiziana's memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. Bermuda legislation regarding companies is largely based on English corporate law principles. However, there can be no assurance that Bermuda law will not change in the future or that it will serve to protect investors in a similar fashion afforded under corporate law principles in the UK or the US, which could adversely affect the rights of investors. Most of New Tiziana's directors are not residents of the US, and a substantial portion of New Tiziana's assets are located outside the US. As a result, it may be difficult for investors to effect service of process on those persons in the US or to enforce in the US judgments obtained in US courts against New Tiziana or those persons based on the civil liability provisions of the US securities laws. New Tiziana has been advised by its special Bermuda counsel that uncertainty exists as to whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the US, against New Tiziana or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against New Tiziana or its directors or officers under the securities laws of other jurisdictions.

Furthermore, New Tiziana has been advised by its special Bermuda counsel that Bermuda courts will not recognise or give effect to US federal securities laws that such Bermuda courts consider to be procedural in nature, are revenue or penal laws or the application of which would be inconsistent with public policy in Bermuda. Certain remedies available under the laws of US jurisdictions, including certain remedies under US federal securities laws, will not be recognised or given effect to in any action brought before a court of competent jurisdiction in Bermuda where the application of such remedies would be inconsistent with public policy in Bermuda. Further, no claim may be brought in Bermuda against New Tiziana or its directors and officers in the first instance for violations of US federal securities laws because those laws do not have the force of law in Bermuda. A Bermuda court may, however, impose civil liability on New Tiziana or its directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law. Shareholders of a Bermuda company may have a cause of action against New Tiziana or its directors for breach of any duty in the bye-laws or any shareholders' agreement owed personally by New Tiziana to the shareholder. Directors of a Bermuda company may be liable to the company for breach of their duties as directors to that company under the Bermuda Companies Act, and at common law. Such actions must, as a general rule, be brought by the company. Where the directors have carried on an act which is ultra vires or illegal, then the shareholder has the right, with leave of the court, to bring a derivative action to sue the directors on behalf of the company with any damages awarded going to the company itself. Shareholders are also able to take action against a company if the affairs of the company are being conducted in a manner which is oppressive or unfairly prejudicial to the shareholders or some number of them.

9.7 *New Tiziana's bye-laws restrict shareholders from bringing legal action against its officers and directors.*

New Tiziana's amended and restated bye-laws which are to become effective on the Scheme Effective Date (the New Tiziana Bye-laws) contain a broad waiver by its shareholders of any claim or right of action, both individually and on New Tiziana's behalf, against any of its officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against its officers and directors unless the act or failure to act involves fraud or dishonesty.

9.8 *New Tiziana has provisions in its bye-laws that may discourage a change of control.*

The New Tiziana Bye-laws contain provisions that could make it more difficult for a third party to acquire New Tiziana without the consent of its board of directors. These provisions include, among others:

- restrictions on the time period in which directors may be nominated;
- the ability of New Tiziana to issue, without shareholder consent, preference shares which may carry special voting rights;
- a “staggered” board divided into classes where not all directors may be replaced by shareholders in any given year;
- the inclusion in the New Tiziana Bye-laws of provisions substantially equivalent to those contained in the Delaware General Corporation Law, including limitations on business combinations with interested shareholders, as further set out in the New Tiziana Bye-laws;
- the New Tiziana Bye-laws do not permit cumulative voting in the election of directors; and
- the New Tiziana Bye-laws require shareholders wishing to propose a person for election as a director (other than persons proposed by its Board of Directors) to give advance written notice of nominations in a prescribed form for the election of directors.

These provisions could make it more difficult for a third party to acquire New Tiziana, even if the third party’s offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

9.9 *As New Tiziana is incorporated in Bermuda, the Takeover Code will not apply to it.*

Bermuda law does not contain any provisions similar to those contained in the Takeover Code applicable in the UK which are designed to regulate the way in which takeovers are conducted. It is therefore possible that an offeror may gain control of New Tiziana in circumstances where non-selling holders of New Tiziana Shares do not receive, or are not given the opportunity to receive, the benefit of any control premium paid to selling holder(s) of New Tiziana Shares.

9.10 *US Holders of New Tiziana Shares could be subject to material adverse tax consequences if New Tiziana is considered a Passive Foreign Investment Company, or PFIC, for US federal income tax purposes.*

A corporation is classified as a PFIC for any taxable year in which (i) at least 75 per cent. of its gross income is passive income or (ii) at least 50 per cent. of the average value of all its assets produces or are held for the production of passive income. For this purpose, passive income includes among other things, dividends, interest, certain rents and royalties, annuities, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

The Board believes that Old Tiziana was a PFIC for its taxable year ended December 31, 2020 but cannot provide any assurances regarding Old Tiziana or New Tiziana’s PFIC status for any past, current or future taxable years. However, because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that New Tiziana may be a PFIC for the current or any future taxable year or that the IRS may challenge its determination concerning its PFIC status for any past, current or future taxable years. . If New Tiziana is classified as a PFIC, US Holders of New Tiziana Shares could be subject to greater US income tax liability than might otherwise apply, imposition of US income tax in advance of when tax would otherwise apply and detailed tax filing requirements that would not otherwise apply. For further discussion, see paragraph 6.13 of Part V of this document. The PFIC rules are complex and a US Holder of New Tiziana Shares is urged to consult its own tax advisers regarding the possible application of the PFIC rules to it in its particular circumstances.

9.11 ***The Directors may pay but do not currently anticipate paying any dividends for the foreseeable future.***

Old Tiziana does not currently pay dividends. Any future determination to declare dividends will be made at the discretion of New Tiziana's board of directors, subject to compliance with applicable laws and covenants under the revolving credit facility, which may restrict or limit its ability to pay dividends, and will depend on its financial condition, operating results, capital requirements, general business conditions and other factors that the board of directors may deem relevant. The Directors may pay, but do not currently anticipate, paying any dividends for the foreseeable future. As a result, a return on an investment in New Tiziana Shares will only occur if the New Tiziana Share price appreciates.

PART V

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names appear on page 19 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors, each of whom has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. DIRECTORS' INTERESTS

- 2.1 On the Scheme becoming effective and prior to the implementation of the Share Capital Consolidation, assuming that no further Old Tiziana Shares have been purchased by them or issued to them after 1 September 2021 (being the Latest Practicable Date), the Directors will have the following beneficial interests in New Tiziana Shares by virtue of the effect of the Scheme on their Old Tiziana Shares.

Name	Number of Old Tiziana Shares	Percentage of Issued Share Capital of Old Tiziana	Number of New Tiziana Shares	Percentage of Issued Share Capital of New Tiziana
Gabriele Cerrone	66,304,893	34.07%	66,304,893	34.07%
Kunwar Shailubhai	405,000	0.21%	405,000	0.21%
Willy Simon	16,500	0.01%	16,500	0.01%
TOTAL	66,726,393	34.29%	66,726,393	34.29%

- 2.2 The interests of the Directors together represent approximately 34.29% of the issued share capital (excluding treasury shares) of Old Tiziana in existence as at 1 September 2021, the Latest Practicable Date.

3. DIRECTORS' SERVICE AGREEMENTS, APPOINTMENT LETTERS AND CONSULTING AGREEMENTS

3.1 Executive Directors

Each of the Executive Directors will continue to be employed by Old Tiziana. They will be appointed as Directors of New Tiziana and, on or around the Scheme Effective Date, each will enter into a letter of appointment under which Old Tiziana will acknowledge that the Executive Directors will be made available to New Tiziana to carry out their duties as directors of New Tiziana.

The overall level of remuneration of Executive Directors will remain unchanged.

3.2 Non-Executive Directors

The Non-Executive Directors have letters of appointment with Old Tiziana which set out the specific terms of engagement, details of which are set out below. Each Non-Executive Director will enter into a letter of appointment with New Tiziana (on or around the Scheme Effective Date) the terms of which (including the expiry date) will be substantially the same as the terms of appointment with Old Tiziana.

On the Scheme becoming effective, the Non-Executive Directors' appointments as directors of Old Tiziana will terminate and the Non-Executive Directors will from the Scheme Effective Date receive their fees from New Tiziana. The total fees payable to each of those Non-Executive Directors will not be varied as a result of the Scheme.

3.3 Details of Directors' service agreements, appointment letters and consulting agreements are set out below:

Gabriele Cerrone

Old Tiziana entered into a consultancy agreement with Gabriele Cerrone in June 2016, which was replaced by an agreement dated 9 October 2020. This agreement entitles Mr. Cerrone to receive a consultancy fee of £240,000 per year. Mr. Cerrone is also eligible to receive an annual bonus of up to 50 per cent. of his base salary, such bonus amount to be determined at the discretion of the Board.

Additionally, Mr Cerrone is also eligible to receive a realisation bonus in the event that, there is either: (i) a sale, in one or a series of transactions, of all or substantially all of the assets (calculated on the basis of book values) of the Old Tiziana Group (or a licence of the same on an exclusive or non-exclusive basis), where the Enterprise Value equals or exceeds £300,000,000; or (ii) there is either a change of control where the Enterprise Value equals or exceeds £300,000,000, Mr. Cerrone will be entitled to receive a realisation bonus in the amount equal to the Enterprise Value multiplied by three and a half (3.5) per cent. The Enterprise Value means: (i) in the case of a change of control resulting in consideration payable to the Old Tiziana Group (for example, on a sale of its assets or licensing transaction), the total cash and non-cash consideration received by the Old Tiziana Group; or (ii) in the case of a change of control resulting in consideration payable to the shareholders of the ordinary shares in the issued share capital of the Old Tiziana Group from time to time, the total cash and non-cash consideration payable to Shareholders. In the event of any demerger or spin out of any asset or assets to a new entity, Old Tiziana is required to ensure that an appropriate and commensurate realisation bonus obligation passes to any acquiring entity.

Mr. Cerrone accrued a bonus of 4,763,995 Ordinary Shares on the closing of the Old Tiziana's registered direct offering of ADSs on the NASDAQ Global Market on August 2020, the bonus was performance based and the target set in June 2016 (the "**GC Realisation Bonus**"). On 30 October 2020 Mr. Cerrone and Old Tiziana entered into a supplemental agreement ("**Supplemental Agreement**") pursuant to which Old Tiziana agreed to procure that upon completion of the Scheme New Tiziana will issue Mr Cerrone 4,763,995 New Tiziana Shares in discharge of Old Tiziana's obligations in respect of the GC Realisation Bonus, save that on implementation of the Share Capital Consolidation an equitable adjustment will be made to the number of New Tiziana Shares issued to Mr. Cerrone pursuant to the Supplemental Agreement.

Dr. Kunwar Shailubhai

Old Tiziana entered into an employment agreement with Dr. Kunwar Shailubhai in May 2017. This agreement entitles Dr. Shailubhai to receive an initial annual base salary of \$600,000 per year. Dr. Shailubhai is eligible to receive an annual bonus of up to 35 per cent. of his base salary, such bonus amount to be determined in the Old Tiziana's sole discretion. Dr. Shailubhai is also entitled to the same fringe benefits as the Company provides to its other executives from time to time and is eligible to receive employee share incentives. The vesting of any unvested employee share incentives held by Dr. Shailubhai will accelerate in the event his employment is terminated without cause (as such term is defined in his employment agreement), or if he resigns for good reason (as such term is defined in his employment agreement) and, in each case, such termination is upon the consummation of or within 12 months following a change of control of Old Tiziana. If Dr. Shailubhai's employment with Old Tiziana is terminated without cause, or if he resigns for good reason, Dr. Shailubhai will also be entitled to receive severance equal to continuation of his base salary as then currently in effect for 12 months following his date of termination and will be eligible for reimbursement for medical coverage premiums for up to the same period. Dr. Shailubhai, his spouse and eligible dependents are entitled to stay on Old Tiziana's health insurance plans for a period of 12 months following his termination for any reason. Dr. Shailubhai's severance benefits are conditioned on, among other things, his execution of the Company's standard separation agreement and a general release of claims in Old Tiziana's favor.

The agreement provides that Dr. Shailubhai's employment with Old Tiziana is at-will. If required by Old Tiziana, the agreement further provides that Dr. Shailubhai will resign from his position on Old Tiziana's board of directors effective as of the date of his termination for any reason. The agreement further contains a six-month non-competition covenant and a 12-month non-solicitation covenant by Dr. Shailubhai.

Thomas Adams

Old Tiziana entered into an employment agreement with Thomas Adams in February 2021. This agreement entitles Mr. Adams to receive an initial annual base salary of \$450,000 per year. Mr. Adams is eligible to receive an annual bonus as determined by the Board. Mr. Adams is also entitled to the same fringe benefits as the Company provides to its other executives from time to time and is eligible to receive employee share incentives. If Mr. Adams' employment with Old Tiziana is terminated without cause, Mr. Adams will be entitled to receive severance equal to continuation of his base salary as then currently in effect for 6 months following his date of termination.

The agreement provides that Mr. Adams' employment with Old Tiziana is at-will. The agreement further contains a six-month non-solicit covenant and a 12-month non-disparagement covenant by Mr. Adams.

Willy Simon

Willy Simon entered into a Director's non-executive letter of appointment dated 26 January 2016 with Old Tiziana in respect of his appointment as a Director of Old Tiziana.

Under the terms of the appointment letter, Mr. Simon is entitled to a fee of £38,000 per annum. Fees will accrue on a daily basis and will be payable in equal monthly instalments in arrears on the last Business Day of each month (or as otherwise agreed).

The appointment as a non-executive director of Old Tiziana, is (subject to limited exceptions) terminable by either party on six months' written notice, under which he is not entitled to any pension, benefits or bonuses.

John Brancaccio

John Brancaccio entered into a Director's non-executive letter of appointment dated 15 July 2020 with Old Tiziana in respect of his appointment as a Director of Old Tiziana.

Under the terms of the appointment letter, Mr. Brancaccio is entitled to a fee of £38,000 per annum. Fees will accrue on a daily basis and will be payable in equal monthly instalments in arrears on the last Business Day of each month (or as otherwise agreed).

The appointment as a non-executive director of Old Tiziana, is (subject to limited exceptions) terminable by either party on three months' written notice, under which he is not entitled to any pension, benefits or bonuses.

4. AMENDMENTS TO OLD TIZIANA'S ARTICLES OF ASSOCIATION

One of the special resolutions to approve the Scheme relates to the approval of certain changes to Old Tiziana's Articles of Association. These changes are set out in full in the notice of the Scheme General Meeting in Part IX of this document.

In some cases, Old Tiziana Shares may need to be allotted before the Scheme Record Time but the timing of their allotment could mean that they are not classified as Scheme Shares and are therefore outside the scope of the Scheme. In addition, any Old Tiziana Shares issued on the exercise of options, awards or warrants under the Old Tiziana Share Plans or the Old Tiziana Warrants or Old Tiziana Loan Notes, or otherwise, may be issued after the Scheme Record Time which would also put them outside the scope of the Scheme. Accordingly, it is proposed that Old Tiziana's Articles of Association be amended in such a way as to ensure that: (i) any Old Tiziana Shares which are issued before the Scheme Record Time are allotted subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; (ii) any Old Tiziana Shares which are allotted after the Scheme Record Time will be immediately transferred to New Tiziana in exchange for the issue or transfer to the relevant allottees of one New Tiziana Share for every Old Tiziana Share

transferred. Old Tiziana's Articles of Association will also provide that if any Old Tiziana Shares are allotted to any person within (ii) above following any variation in the share capital of either Old Tiziana or New Tiziana after the Scheme Effective Date or such other event as the New Tiziana Directors consider fair and reasonable, the number of New Tiziana Shares to be issued or transferred to that person will be adjusted in an appropriate manner, provided Old Tiziana's auditors have confirmed the adjustment is fair and reasonable.

These measures will avoid any person other than New Tiziana being left with Old Tiziana Shares after dealings in such shares have ceased on the London Stock Exchange and will further ensure that Old Tiziana will remain a wholly-owned subsidiary of New Tiziana despite issues of Old Tiziana Shares.

5. SUMMARY OF THE NEW TIZIANA BYE-LAWS

5.1 The New Tiziana memorandum of association provides that the objects for which New Tiziana is formed and incorporated are unrestricted and that New Tiziana has the capacity, rights, powers and privileges of a natural person.

5.2 The New Tiziana Bye-laws will be amended and restated upon the Scheme Effective Time in place of those originally adopted on 20 March 2020 effective upon the Scheme Effective Time.

5.3 The following paragraphs summarise some of the key provisions in the New Tiziana Bye-laws:

(a) *Share capital*

The share capital of New Tiziana comprises common shares of par value \$0.0005 each and preference shares of par value \$0.001 each. Subject to a resolution of shareholders to the contrary and any special rights previously conferred on the holders of any existing shares or class of shares, the Board is authorised to issue any unissued shares on such terms and conditions as it may determine.

(b) *Transfer of registered shares*

Shares that are listed or admitted to trading on an appointed stock exchange (which includes NASDAQ) may be transferred in accordance with the rules and regulations of such exchange.

(c) *Alteration of capital*

New Tiziana may if authorised by a resolution of its shareholders increase, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Bermuda Companies Act.

New Tiziana may, if authorized by a resolution of the Board, consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; and subdivide its shares, or any of them, in each case in any manner permitted by the Act.

(d) *Power of New Tiziana to investigate interests in shares and failure to disclose interests in shares*

New Tiziana may give notice to a person, where it knows or has reasonable cause to believe such person to be, or in the previous three years to have been, interested in New Tiziana's shares, requiring such person to confirm or deny such interest and to give such further information as may be requested in accordance with the New Tiziana Bye-laws. Where a person is required to disclose an interest in a share (a "default share") and has not done so within 14 days after the date of service of the relevant notice by New Tiziana, unless the Board in its absolute discretion decides otherwise, the relevant shareholder shall not be entitled to be present or vote on any question in person or by proxy at any general meeting of the Company or separate general meeting of the holders of any class of shares of New Tiziana or count in the quorum. Where the default shares represent at least 0.25 per cent in nominal value of the issued shares of the same class, the Board may also direct that:

(i) *New Tiziana may withhold any dividend (or any part thereof) payable in respect of the default shares;*

(j) *Forfeiture of shares*

If, on the payment due date, the whole or any part of any call remains unpaid, the Board may give a notice (the Payment Notice) to the holder requiring him to pay the amount due, together with accrued interest. If the requirements in the Payment Notice are not complied with, any share in respect of which it was given may be forfeited by a Board resolution. Every share which is forfeited or surrendered becomes the property of New Tiziana. The Board may dispose of the forfeited or surrendered share upon such terms as the Board thinks fit.

A person whose shares have been forfeited or surrendered ceases to be a shareholder in respect of the forfeited or surrendered share. The person will remain liable to pay to New Tiziana all moneys payable by him in respect of that share at the time of forfeiture or surrender, together with interest.

(k) *Indemnity and insurance*

Each director may be indemnified out of the assets of New Tiziana against all liabilities, loss, damage or expense incurred by him in the conduct of New Tiziana's business or in the discharge of his duties. Under Bermuda law, any provision indemnifying directors for fraud or dishonesty is void.

(l) *Business combinations*

The New Tiziana Bye-laws adopt certain provisions of the Delaware General Corporation Law, including provisions dealing with business combinations with interested shareholders of the company as described below.

Any "business combinations," including mergers, amalgamations, consolidations, sales and leases of assets, issuances of securities and similar transactions, by New Tiziana or a New Tiziana subsidiary with an "interested shareholder" who (or whose affiliates or associates as defined in the New Tiziana Bye-laws) owns 15 per cent or more of New Tiziana's issued and outstanding voting shares, for three years after the person or entity becomes an interested shareholder (other than Mr Cerrone and his affiliates or associates) must be approved by the Board of New Tiziana and at least 66 2/3% of all of New Tiziana's issued and outstanding shares, unless:

- 1) prior to the time that the shareholder became an interested shareholder, the board of directors approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder; or*
- 2) after completion of the transaction in which the shareholder became an interested shareholder, the interested shareholder holds at least 85 per cent. of the voting shares of the Company not including:*
 - a) shares held by directors or officers; and*
 - b) shares granted under certain employee benefit plans.*

(m) *Voting rights*

In general shareholders have one vote for each common share held by them and are entitled to vote at all meetings of shareholders and, in the case of a poll, every shareholder present in person or by proxy has one vote for every common share of which he is the holder.

(n) *Class rights*

Subject to the Bermuda Companies Act, all or any of the special rights for the time being attached to any class of shares may, unless otherwise provided in the rights attached to the terms of issue of the shares of that class, be altered or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a resolution passed by the holders of a majority of the votes cast at a separate general meeting of the holders of such shares voting in person or by proxy at which special meeting the quorum shall be two persons present in person or by proxy throughout the meeting holding at least one-third in nominal value of the issued shares of the class.

(o) *Appointment and removal of directors*

The New Tiziana Bye-laws provide that the number of directors will be determined by the board of directors subject to a minimum of 3. The directors will be divided into three classes: Class I, Class II and Class III, who shall initially serve for three-year, two-year and one-year terms, respectively. At each annual general meeting, successors to the class of directors whose term expires shall be elected for a three-year term.

Only persons who are proposed or nominated in accordance with the New Tiziana Bye-laws will be eligible for election as directors. Any shareholder or the Board may propose any person for election as a director.

Where any person other than a director retiring at the meeting or a person proposed for re-election or election as a director by the Board, is to be proposed for election as a director, notice must be given to New Tiziana of the intention to propose him and of his willingness to serve as a director.

Persons validly proposed for re-election or election as a director pursuant to the New Tiziana Bye-laws receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

At any general meeting, the shareholders may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

A director's office shall be vacated if, amongst other things, he is prohibited by law from being a director, becomes bankrupt, becomes of unsound mind or resigns his office by notice to the company.

Shareholders may remove a director from office for cause only at a general meeting.

(p) *Management of New Tiziana by the Board*

The business of New Tiziana is managed by the Board, which may exercise all such powers as are not required to be exercised by New Tiziana in general meeting subject always to the New Tiziana Bye-laws and the provisions of the Bermuda Companies Act.

Subject to the provisions of the New Tiziana Bye-laws, a resolution put to the vote at a meeting of the Board will be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution will fail.

The Board may delegate any of its powers (including the power to sub-delegate) to a committee which may consist partly or entirely of non-directors of New Tiziana provided that every such committee conforms to such directions as the Board imposes on them and provided further that the meetings and proceedings of any such committee are governed by the provisions of the New Tiziana Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board.

The Board may delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit.

The Board may appoint one or more directors of New Tiziana to the office of managing director or chief executive officer of New Tiziana, who will, subject to the control of the Board, supervise and administer all of the general business and affairs of New Tiziana.

The quorum necessary for the transaction of business at a meeting of the Board is two.

Unanimous written resolutions of directors are valid as though passed at a meeting of the Board.

A director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company must declare the nature of such interest as required by the Bermuda Companies Act.

Following such a declaration, unless disqualified by the chairman of the relevant Board meeting, the director will be entitled to vote in respect of such contracts or proposed contracts or arrangement and may be counted in the quorum for such meeting.

The amount of any fees to be paid to directors is to be determined by the Board.

(q) *Distributions on liquidation to shareholders*

The holders of the common shares (subject to the other provisions of the New Tiziana Bye-laws) are, on a return of capital on a winding-up of New Tiziana, entitled to the surplus assets of the Company in proportion to the number of shares held by them respectively after payment of the Company's creditors and any other share in the Company by its terms ranking prior to the common shares.

(r) *Changes to the Bye-laws*

No bye-law may be rescinded, altered or amended and no new bye-law shall be made until the same has been approved by a resolution of the Board and by a resolution of shareholders. In addition, certain bye-laws governing the power to issue shares, forfeiture of shares, fractional shares, share certificates, the register of members, and the term of office of directors may not be rescinded, altered or amended and no new bye-law may be made which would have the effect of rescinding, altering or amending the provisions of such bye-laws without the affirmative vote of not less than 66 2/3% of Directors then in office and a resolution approved by the affirmative vote of not less than 66 2/3% of the total voting rights of all issued and outstanding shares.

6. TAXATION

The following section is a summary guide only to certain aspects of tax in the UK, Bermuda and the US. This is not a complete analysis of the potential tax effects of the Proposals nor will it relate to the tax position of any specific New Tiziana Shareholder in any jurisdiction. This summary does not purport to be a legal opinion. Shareholders are advised to consult their own tax advisers as to the effects of the Proposals.

This summary assumes the Proposals have been effected in full, and that New Tiziana will be treated as tax resident solely in the UK.

6.1 UK taxation

The following summary is intended as a general guide only and relates only to certain limited aspects of the UK tax consequences of the Scheme for Shareholders and of holding and disposing of New Tiziana Shares. It is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The summary applies only to Shareholders who are resident and, if individuals, domiciled in the UK for taxation purposes, who hold their Old Tiziana Shares and New Tiziana Shares as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of their Old Tiziana Shares and their New Tiziana Shares, who have not (and are not deemed to have) acquired their Old Tiziana Shares and their New Tiziana Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Tiziana Group. In addition, these comments may not apply to certain classes of New Tiziana Shareholders such as dealers in securities, collective investment schemes and insurance companies.

Although New Tiziana is incorporated in and organised under the laws of Bermuda, the directors intend that the affairs of New Tiziana should be managed and conducted so that it will be resident in the UK for tax purposes. No guarantee can be given that New Tiziana will be respected as UK resident for tax purposes. The following information is based on New Tiziana being tax resident in the UK (including for double tax treaty purposes) and upon the law and practice currently in force in the UK.

If you are in any doubt about your tax position, you should consult your own professional adviser without delay.

6.2 UK tax consequences of the cancellation of Old Tiziana Shares and issue of New Tiziana Shares

For the purposes of UK capital gains tax and corporation tax on chargeable gains, or CGT, the cancellation of the Old Tiziana Shares and the issue of New Tiziana Shares should be treated as a scheme of reconstruction. UK resident Shareholders who do not hold (either alone or together with connected persons) more than 5 per cent of, or of any class of, shares in or

debentures of Old Tiziana should obtain rollover relief in respect of the cancellation of Old Tiziana Shares and the issue to them of the New Tiziana Shares. This means that the New Tiziana Shares issued to a Shareholder should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as their Old Tiziana Shares from which they are derived.

Shareholders who hold (alone, or together with connected persons) more than 5 per cent of, or of any class of, shares in or debentures of Old Tiziana will be eligible for the above treatment only if the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of a liability to capital gains tax or corporation tax. If these conditions are not met, then such an Old Tiziana Shareholder will be treated as receiving New Tiziana Shares in consideration for the cancellation of his Old Tiziana Shares and as having made a disposal of his Old Tiziana Shares which may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. Clearance has been sought from HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 that the Scheme will be effected for *bona fide* commercial reasons and will not form part of such a scheme of arrangement. It is expected that section 138 clearance will be received from HMRC.

UK stamp duty and stamp duty reserve tax, or SDRT, consequences of the Scheme

It is expected that no stamp duty or SDRT will be payable by Shareholders as a result of the cancellation of Old Tiziana Shares and issue of New Tiziana Shares under the Scheme.

6.3 UK tax consequences of disposing of New Tiziana Shares in the future

A disposal of New Tiziana Shares by a UK tax resident New Tiziana Shareholder may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A disposal of New Tiziana Shares by a New Tiziana Shareholder who is not resident in the UK for tax purposes but who carries on (whether solely or in partnership) a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the New Tiziana Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes. In addition, a New Tiziana Shareholder who is not resident in the UK for tax purposes may, depending on their circumstances, be liable for non-resident capital gains tax on their disposal of New Tiziana Shares if New Tiziana directly or indirectly derives 75 per cent or more of its qualifying asset value from UK land at such time.

A New Tiziana Shareholder who is an individual and who is temporarily non-resident in the UK for a period of five complete tax years or less may, under anti-avoidance legislation, still be liable to UK taxation on their return to the UK on a chargeable gain realised on the disposal or part disposal of New Tiziana Shares during the period when he is non-resident.

For corporate shareholders only, indexation allowance is not available in respect of disposals of New Tiziana Shares acquired (or deemed to be acquired) on or after 1 January 2018. However, in respect of New Tiziana Shares treated as acquired before 1 January 2018 indexation allowance is only available up to 31 December 2017.

6.4 UK taxation of dividends

Dividends paid on the New Tiziana Shares

Individual New Tiziana Shareholders

A New Tiziana Shareholder who is an individual resident in the UK for tax purposes will be entitled to a tax free dividend allowance of £2,000 per tax year. The allowance exempts the first £2,000 of a taxpayer's dividend income but does not reduce total taxable income. Dividend income in excess of the tax free allowance will be regarded as the top slice of the individual's income and will be taxable at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers. Dividends paid on shares within an ISA are exempt from tax.

Corporate New Tiziana Shareholders

Distributions received by a New Tiziana Shareholder within the charge to UK corporation tax are subject to the dividend exemption rules in Part 9A Corporation Tax Act 2009. Under the dividend exemption rules, any such New Tiziana Shareholder should generally not be subject to corporation tax on dividends paid by New Tiziana.

6.5 Transactions in securities

Clearance has been sought from HMRC under section 748 of the Corporation Tax Act 2010 and section 701 of the Income Tax Act 2007 that Shareholders should not suffer a counter-acting tax assessment under the “transactions in securities” rules under section 733 of the Corporation Tax Act 2010 in relation to corporation taxpayers and the provisions of Chapter I, Part 13 of the Income Tax Act 2007 in relation to income taxpayers by reference to the Scheme. It is expected that clearance will be received from HMRC.

6.6 UK stamp duty and SDRT on transfers of New Tiziana Shares

In practice, UK stamp duty should generally not need to be paid on an instrument transferring New Tiziana Shares which are held in certificated form, provided that such transfer instruments are executed and retained outside of the UK. In addition, no UK stamp duty reserve tax is due on transfers of New Tiziana Shares in uncertificated form outside of the CREST system.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the New Tiziana Shares will not be registered in a register kept in the UK by or on behalf of New Tiziana. New Tiziana has confirmed it does not intend to keep such a register in the UK.

If you are in any doubt about your tax position, you should consult your own professional adviser without delay.

6.7 Bermuda taxation

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by New Tiziana or by its shareholders in respect of its shares. New Tiziana has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035, be applicable to New Tiziana or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by it in respect of real property owned or leased by it in Bermuda.

6.8 US federal income taxation

The following is a general summary of certain material US federal income tax considerations relevant to the exchange of Old Tiziana Shares for New Tiziana Shares pursuant to the Scheme and the ownership of New Tiziana Shares. This summary is based upon provisions of the US Internal Revenue Code of 1986, as amended (the Code), the US Treasury regulations promulgated thereunder (including proposed and temporary regulations), published administrative rulings, current administrative interpretations and official pronouncements of the IRS, and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. Such change could materially and adversely affect the tax consequences described below. No assurance can be given that the Internal Revenue Service (IRS) will not assert, or that a court will not sustain, a position contrary to any of the tax consequences described below. This discussion does not purport to be a comprehensive description of all of the US federal income tax consequences that may be relevant with respect to the exchange of Old Tiziana Shares for New Tiziana Shares pursuant to the Scheme and the ownership of New Tiziana Shares.

This summary does not address all aspects of the US federal income taxation that may be important to a particular holder in light of its investment or tax circumstances or to holders subject to special tax rules, such as: banks; financial institutions; insurance companies; partnerships or entities classified as partnerships for US federal income tax purposes or persons holding common shares through such entities; dealers in stocks, securities, or

currencies; traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; tax-exempt organisations; real estate investment trusts; regulated investment companies; qualified retirement plans, individual retirement accounts, and other tax-deferred accounts; expatriates of the US; persons required for US federal income tax purposes to conform the timing of income accruals to their financial statements under Section 451 of the Code; persons subject to the alternative minimum tax; persons holding common shares as part of a straddle, hedge, conversion transaction, or other integrated transaction; persons who acquired common shares pursuant to the exercise of any employee share option or otherwise as compensation for services; persons actually or constructively holding 5 per cent. or more of our shares (by vote or value); and US Holders (as defined below) whose functional currency is other than the US dollar. It addresses only US Holders (as defined below) that exchange Old Tiziana Shares pursuant to the Scheme, hold their shares as capital assets and use the US dollar as their functional currency.

Old Tiziana and New Tiziana urge you to consult your own tax advisers regarding your particular circumstances and the US federal income, estate and gift tax consequences to you of the Proposals and of owning and disposing of New Tiziana Shares, as well as any tax consequences arising under the laws of any state, local, or foreign or other tax jurisdiction and the possible effects of changes in US federal or other tax laws.

For purposes of this discussion, the term “US Holder” means a beneficial owner of our common shares that is any of the following:

- a US citizen or resident of the US (as determined for US federal income tax purposes);
- a corporation or other entity taxable as a corporation for US federal income tax purposes, created or organised in or under the laws of the US or of any political subdivision of the US;
- an estate, the income of which is subject to US federal income taxation regardless of its source; or
- a trust if a US court can exercise primary supervision over the trust’s administration and one or more US persons have the authority to control all substantial decisions of the trust, or the trust elects under US Treasury regulations to be treated as a US person.

The US federal tax consequences to a partner in a partnership generally will depend on the status of the partner and the activities of the partnership. US Holders that are partnerships are urged to consult their own tax advisers about the tax consequences to their partners of receiving New Tiziana Shares in connection with the Scheme and owning and disposing of New Tiziana Shares.

As described above under “—UK Taxation,” although New Tiziana is incorporated and organised under the laws of Bermuda, the directors intend that the affairs of New Tiziana should be managed and conducted so that it will be resident in the UK for tax purposes. As described below, certain of the tax conclusions below are dependent upon that tax residency. It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs following a review by the directors or for any other reason, New Tiziana could become, or be regarded as having become, a resident in a jurisdiction other than the United Kingdom. A change in New Tiziana’s tax residency could have an effect on its cash flow and on certain tax consequences described below.

6.9 Share Exchange in the Scheme

Old Tiziana and New Tiziana intend for the Scheme to qualify as a “reorganization” for US federal income tax purposes under section 368(a) of the Code. The proper US federal income treatment of the Scheme is not certain, however, and neither Old Tiziana nor New Tiziana has sought a ruling from US tax authorities or an opinion from US tax counsel on the proper treatment of the Scheme. Although the discussion in this section assumes that the Scheme qualifies as a reorganisation, each US Holder should consult its own tax adviser about the proper US federal, state and local income tax treatment of the Scheme.

Assuming that the Scheme qualifies as a reorganization, except with respect to fractional shares (discussed below), a US Holder will recognise no gain or loss on exchange of Old Tiziana Shares for New Tiziana Shares. A US Holder's basis in New Tiziana Shares will equal its aggregate adjusted tax basis in the Old Tiziana Shares exchanged (including any fractional shares deemed received and exchanged for cash), and its holding period in the New Tiziana Shares (including any fractional shares deemed received and exchanged for cash) will include the period it held the Old Tiziana Shares. If a US Holder acquired different blocks of Old Tiziana Shares at different times or at different prices, the US Holder's basis and holding period in the New Tiziana Shares will be determined separately for each block of shares.

A US holder who receives cash instead of a fractional share of New Tiziana Shares generally will be treated as having received such fractional share pursuant to the merger and then as having received cash in exchange for such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received instead of the fractional share and the tax basis allocated to such fractional share of New Tiziana Shares. Such gain or loss generally will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for the fractional share (including the holding period for the shares of Old Tiziana Shares surrendered therefor) is greater than one year.

A US Holder may be required to attach to its tax return for the year in which it receives New Tiziana Shares a statement regarding application of the reorganisation requirements (including information about the Old Tiziana Shares it exchanged and the New Tiziana Shares it received) and to maintain certain records regarding the Scheme.

If the Scheme does not qualify as a reorganisation, a US Holder receiving New Tiziana Shares in exchange for Old Tiziana Shares would recognise a capital gain or loss equal to the difference between (x) the fair market value of the New Tiziana Shares as of the effective date of the exchange and (y) its adjusted tax basis in the Old Tiziana Shares exchanged. Any gain would be long-term gain if the US Holder held the Old Tiziana Shares for more than one year. Any loss would be long-term loss if the US Holder held the Old Tiziana Shares for more than one year. Deductions for capital losses are subject to limitations. Any gain or loss generally would be treated as arising from US sources. The holder would have a tax basis in the New Tiziana Shares equal to their fair market value as of the effective date of the exchange and a holding period beginning on the day following the exchange date.

6.10 Distributions

Subject to the discussion in “—Passive Foreign Investment Company” below, if you actually or constructively receive a distribution on New Tiziana shares, other than certain *pro rata* distributions of the common shares or rights with respect to the common shares, you must include the distribution in gross income as a taxable dividend on the date of your receipt of the distribution, but only to the extent the distribution is paid from New Tiziana's current or accumulated earnings and profits, as calculated under US federal income tax principles. The amount of any non-US taxes withheld from a distribution, if any, would also be required to be included in gross income by you, however as discussed above under “Bermuda Taxation” and “UK Taxation—4 UK taxation of dividends”, New Tiziana does not expect to be required to withhold taxes on any such distributions. Dividends paid by New Tiziana are not expected to be eligible for the dividends received deduction allowed to corporations with respect to dividends received from certain domestic corporations. Dividends paid by New Tiziana may or may not be eligible for preferential rates applicable to qualified dividend income, as described below.

Subject to applicable limitations, dividends paid to a non-corporate US Holder will constitute “qualified dividend income”, or QDI, subject to tax at capital gains rates (generally 20 per cent.) provided that (i) the ordinary shares are readily tradable on an established securities market in the US or New Tiziana is eligible for benefits of a comprehensive income tax treaty with the US, (ii) New Tiziana is not a PFIC (as discussed below) with respect to such US Holder, for either its taxable year in which the dividend was paid or the preceding taxable year and (iii) certain holding period and other requirements are met. New Tiziana expects to be eligible for benefits under the US-UK treaty, which does qualify as a comprehensive income tax treaty with the US for these purposes. Furthermore, New Tiziana expects its common shares will be readily tradable on an established securities market in the US as a result of being listed on The NASDAQ Global Market. To the extent a distribution exceeds New

Tiziana's current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of your adjusted tax basis in the common shares, and thereafter as capital gain. Preferential tax rates for long-term capital gain may be applicable to non-corporate US Holders.

New Tiziana does not intend to calculate its earnings and profits under US federal income tax principles. Therefore, you should expect that a distribution will be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Subject to certain conditions and limitations, any foreign taxes paid on or withheld from distributions from New Tiziana and not refundable to you may be credited against your US federal income tax liability or, upon election, may alternatively be deducted from your taxable income. This election is made on a year-by-year basis and applies to all foreign taxes paid by you or withheld from you that year. Dividends received with respect to the common shares should generally be treated as foreign source income. For purpose of the US foreign tax credit limitation, dividends received with respect to the common shares should generally constitute "passive category income" for most US Holders. However, New Tiziana does not expect to be required to withhold taxes on distributions as discussed above under "Bermuda Taxation" and "UK Taxation—4 UK taxation of dividends." The rules governing foreign tax credits are complex and each US Holder is urged to consult its independent tax advisers regarding the availability of foreign tax credits under its particular circumstances.

The gross amount of any dividend paid in foreign currency will be included in the gross income of a US Holder in an amount equal to the US dollar value of the foreign currency calculated by reference to the exchange rate in effect on the date the dividend distribution is received by the depository, regardless of whether the payment is in fact converted into US dollars. If the foreign currency is converted into US dollars on the date of receipt by a depository, a US Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend. If the foreign currency received is not converted into US dollars on the date of receipt, a US Holder will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the foreign currency will be treated as ordinary income or loss, and will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution, less the sum of any encumbrance assumed by the US Holder.

6.11 Dispositions

Subject to the discussion in "—Passive Foreign Investment Company" below, you will recognize taxable gain or loss realized on the sale or other taxable disposition of common shares equal to the difference between the US dollar value of (i) the amount realized on the disposition (i.e., the amount of cash plus the fair market value of any property received), and (ii) your adjusted tax basis in the common shares. Any such gain or loss will be long-term capital gain or loss if New Tiziana Shares have been held for more than one year. Certain non-corporate US Holders (including individuals) may be eligible for preferential rates of US federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code. Any gain or loss recognized is not expected to give rise to foreign source income for US foreign tax credit purposes.

A US Holder that receives foreign currency on the sale or other disposition of common shares will realize an amount equal to the US dollar value of the foreign currency calculated by reference to the exchange rate in effect on the date of sale or other disposition (or, in the case of cash basis and electing accrual basis taxpayers, the US dollar value of the foreign currency on the settlement date) provided that the common shares are treated as being "traded on an established securities market". An accrual basis US Holder that does not elect to determine the amount realized using the exchange rate in effect on the settlement date will recognize foreign currency gain or loss equal to the difference between the US dollar value of the amount received based on the exchange rate in effect on the date of the sale or other disposition and the settlement date. A US Holder will have a tax basis in the currency received equal to the US dollar value of the foreign currency calculated by reference to the exchange rate in effect on the settlement date. If a US Holder receives foreign currency upon

a sale or exchange of common shares, gain or loss, if any, recognized on the subsequent sale, conversion or disposition of such foreign currency will be ordinary income or loss, and will generally be income or loss from sources within the United States for foreign tax credit limitation purposes and will not be eligible for the reduced tax rate applicable to long-term capital gains. However, if such foreign currency is converted into US dollars on the date received by the US Holder, a cash basis or electing accrual US Holder should not recognize any gain or loss on such conversion. If an accrual basis US Holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

6.12 Medicare Tax

US Holders that are individuals, trusts or estate whose income exceeds certain thresholds will be subject to an additional 3.8 per cent. tax on the net investment income (which includes taxable dividends and net capital gains).

6.13 Passive Foreign Investment Company

Special US federal income tax rules apply to US persons owning shares of a “passive foreign investment company,” or PFIC. A foreign corporation generally will be classified as a PFIC for US federal income tax purposes in any taxable year in which, after applying relevant look through rules with respect to the income and assets of subsidiaries, either:

- at least 75 per cent. of its gross income is “passive income”; or
- on average at least 50 per cent. of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income.

For this purpose, passive income includes, among other things, dividends, interest, certain rents and royalties, annuities, certain gains from the sale of stock and securities, and certain gains from commodities transactions. In determining whether a foreign corporation is a PFIC, a *pro rata* portion of the income and assets of each corporation in which it owns, directly or indirectly, at least 25 per cent. interest (by value) is taken into account.

The Board believes that Old Tiziana was a PFIC for its taxable year ended December 31, 2020 but cannot provide any assurances regarding Old Tiziana or New Tiziana’s PFIC status for any past, current or future taxable years. However, because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that New Tiziana may be a PFIC for the current or any future taxable year or that the IRS may challenge its determination concerning its PFIC status.

If New Tiziana is treated as a PFIC for any year during which you hold New Tiziana Shares, US Holders may be subject to adverse tax consequences upon a sale, exchange or other disposition (including certain pledges) of the common shares, or upon the receipt of certain “excess distributions” from New Tiziana. In this event, unless a US Holder elects to be taxed annually on a mark to market basis with respect to the common shares, as described below, any gain realised on a sale or other disposition of the common shares and certain “excess distributions” (generally distributions in excess of 125 per cent. of the average distribution over the shorter of a three-year period or the US Holder’s holding period for the common shares) would be treated as realised rateably over the US Holder’s holding period for the common shares, and amounts allocated to prior years during which New Tiziana was a PFIC would be taxed at the highest tax rate in effect for each such year. An additional interest charge may apply to the portion of the US federal income tax liability on such gains or distributions treated under the PFIC rules as having been deferred by the US Holder. Amounts allocated to the taxable year in which the sale or “excess distribution” occurs and to any year before New Tiziana became a PFIC would be taxed as ordinary income in the taxable year in which the sale or “excess distribution” occurs. The tax liability for amounts allocated to years prior to the year in which the sale or “excess distribution” occurs cannot be offset by any net operating losses for such years, and gains (but not losses) realised on the sale of the common shares cannot be treated as capital gains, even if the common shares have been held as capital assets.

In addition, notwithstanding any election you may make, dividends that you receive from New Tiziana will not be eligible for the preferential tax rates applicable to QDI (as discussed above in “—Distributions”) if New Tiziana is a PFIC either in the taxable year of the distribution or the preceding taxable year, but will instead be taxable at rates applicable to ordinary income.

If New Tiziana is a PFIC for any taxable year during which you hold common shares, it will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold common shares. You may terminate this deemed PFIC status by electing to recognise gain as if the common shares had been sold on the last day of the last taxable year for which New Tiziana was a PFIC.

If New Tiziana is treated as a PFIC, and you elect to treat it as “qualified electing fund”, you generally will not be subject to the PFIC rules discussed above. However, this option will generally not be available to US Holders because New Tiziana currently does not intend to prepare or provide the information necessary for US Holders to make such election.

If New Tiziana is treated as a PFIC, the foregoing PFIC rules can also be avoided by a US Holder that makes a “mark to market” election. US Holders may make a mark-to-market election only if the common shares are marketable stock. The common shares will be “marketable stock” as long as they remain listed on The NASDAQ Global Market and are regularly traded. Shares are “regularly traded” for any calendar year during which it is traded (other than in de minimis quantities) on at least fifteen days during each calendar quarter. There can be no assurances, however, that the common shares will be treated, or continue to be treated, as regularly traded. If you make a mark-to-market election, you generally will not be subject to the PFIC rules discussed above. Rather, you will be required to recognise ordinary income for any increase in the fair market value of the common shares for each taxable year that New Tiziana is a PFIC. You will also be allowed to deduct as an ordinary loss any decrease in the fair market value to the extent of net marked-to-market gain previously included in prior years. Your adjusted tax basis in the common shares will be adjusted to reflect the amount included or deducted. The mark-to-market election will be effective for the taxable year for which the election is made and all subsequent taxable years, unless the common shares cease to be marketable stock or the IRS consents to the revocation of the election.

If New Tiziana is a PFIC in any year with respect to you, you will generally be required to file IRS Form 8621. In the event a US Holder does not file IRS Form 8621, the statute of limitations on the assessment and collection of US federal income taxes of such US Holder for the related tax year may not close before the date which is three years after the date on which such report is filed. US Holders should consult their own tax advisers regarding the application of the PFIC rules to the common shares, the availability and advisability of making an election to avoid the adverse tax consequences of the PFIC rules should New Tiziana be considered a PFIC for any taxable year and the application of the recently enacted legislation to their particular situation.

6.14 Taxation of Non-US Holders

Subject to the discussion in “—Information Reporting and Backup Withholding” below, as a Non-US Holder, you generally will not be subject to US federal income tax on distributions received on common shares, unless the distributions are effectively connected with a trade or business that you conduct in the US and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the US. In such cases, you will be subject to tax on such distributions in the same manner as a US Holder.

Subject to the discussion in “—Information Reporting and Backup Withholding” below, as a Non-US Holder, you generally will not be subject to US federal income tax on any gain recognized on a sale or other taxable disposition of common shares, unless (i) the gain is effectively connected with a trade or business that you conduct in the US and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the US, or (ii) you are an individual and are present in the US for at least 183 days in the taxable year of the disposition, and certain other conditions are met. If you meet the test in clause (i) above, you generally will be subject to tax on any gain that is effectively connected with your conduct of a trade or business in the US in the same manner as a US Holder. If you meet the test in clause (ii) above, you generally will be subject to tax at a 30 per cent. (or

lower treaty) rate on the amount by which your US source capital gain exceeds your US source capital loss. In addition, if you are a corporate Non-US Holder, under certain circumstances, you may be subject to an additional “branch profits tax” at a 30 per cent. rate or such lower rate as may be specified by an applicable income tax treaty.

6.15 Information Reporting and Backup Withholding

Information reporting requirements will apply to distributions on common shares or proceeds from the disposition of common shares paid within the US (and, in certain cases, outside the US) to a US Holder unless such US Holder is an exempt recipient, such as a corporation. Furthermore, backup withholding may apply to such amounts unless such US Holder (i) is an exempt recipient that, if required, establishes its right to an exemption, or (ii) provides its taxpayer identification number, certifies that it is not currently subject to backup withholding, and complies with other applicable requirements. A US Holder may avoid backup withholding if it furnishes a properly completed IRS Form W-9 and is able to make the required certifications.

Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against your US federal income tax liability. Furthermore, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

A US Holder that is an individual and holds certain foreign financial assets must file new IRS Form 8938 to report the ownership of such assets if the total value of those assets exceeds the applicable threshold amounts. The threshold varies depending on whether the individual lives in the United States or files a joint income tax return with a spouse. For example, an unmarried US Holder living in the United States is required to file IRS Form 8938 if the total value of all specified foreign financial assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year. US Holders in other situations have the same or a greater threshold. In general, specified foreign financial assets include debt or equity interests (that are not regularly traded on an established securities market) issued by foreign financial institutions, and any interest in a foreign entity that is not a financial institution (such as the Company), including any stock or security, and any financial instrument or contract held for investment that has an issuer or counterparty that is not a US person. Treasury Regulations also would require certain domestic entities that are formed, or availed of, for purposes of holding, directly or indirectly, specified foreign financial assets to file IRS Form 8938. In addition, certain non-resident alien individuals may be required to file IRS Form 8938, notwithstanding the availability of any special treatment under an income tax treaty.

Taxpayers who fail to make the required disclosure with respect to any taxable year are subject to a penalty of \$10,000 for such taxable year, which may be increased up to \$50,000 for a continuing failure to file the form after being notified by the IRS. In addition, the failure to file IRS Form 8938 will extend the statute of limitations for a taxpayer’s entire related income tax return (and not just the portion of the return that relates to the omission) until at least three years after the date on which the IRS Form 8938 is filed.

All US Holders are urged to consult with their own tax advisors with respect to whether our common shares are foreign financial assets that (if the applicable threshold were met) would be subject to this rule.

Payments to Non-US Holders of distributions on, or proceeds from the disposition of, common shares are generally exempt from information reporting and backup withholding. However, a Non-US Holder may be required to establish that exemption by providing certification of non-US status on an appropriate IRS Form W-8.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR HOLDER. EACH SHAREHOLDER SHOULD CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF PARTICIPATING IN THE SCHEME AND HOLDING NEW TIZIANA SHARES UNDER THE SHAREHOLDER’S OWN CIRCUMSTANCES.

7. TIZIANA GROUP EMPLOYEE SHARE SCHEMES

7.1 Old Tiziana Share Schemes

Old Tiziana has operated share option schemes since its initial public offering in 2014 as its Remuneration Committee considers that share ownership and the award of share options are key components in the overall remuneration package for executive directors and senior management. It is the Old Tiziana Remuneration Committee's objective that all executive directors and members of senior management should by direct share ownership and/or by grant of share options have a material interest in the successful performance of the company.

As of 1 September 2021, a total of 21,773,678 options are outstanding over Old Tiziana Shares under the terms of two options plans, The Tiziana Life Sciences plc 2014 Share Option Plan (the "**2014 Plan**") and The Tiziana Life Sciences plc 2016 Share Option Plan (the "**2016 Plan**").

The principal provisions of the Old Tiziana Share Schemes are set out below.

7.2 The 2014 Plan

Grant of Old Tiziana Options and Exercise Price

Old Tiziana may grant options to acquire Old Tiziana Shares ("**Old Tiziana Options**") to any Director, employee or consultant it chooses during (i) the period of 42 days immediately following a closed period (as defined in UK MAR) or (ii) any period which the Directors deem to be exceptional circumstances.

An Old Tiziana Option must be granted using an option certificate (an "**Option Certificate**") executed as a deed in a form approved by the Board.

The price per share ("**Exercise Price**") of an Old Tiziana Option shall be specified in each Option Certificate, although may not be less than the nominal value of an Old Tiziana Share.

Lapse of Old Tiziana Options

Old Tiziana Options (and any rights arising under them) may not be transferred or assigned, or have any charge or other security interest created over them. An Old Tiziana Option shall lapse if the relevant holder attempts to do any of those things. However, the transfer of an Old Tiziana Option to a holder's personal representatives on the death of the holder will not cause an Old Tiziana Option to lapse.

Takeovers

If any person (the "**Offeror**"): (i) makes an offer to acquire the whole of the issued share capital of Old Tiziana which is made on a condition such that, if it is satisfied, the Offeror will have control of Old Tiziana; or (ii) makes an offer to acquire all the Old Tiziana Shares in Old Tiziana; or (iii) negotiates a share sale and purchase agreement with the shareholders of Old Tiziana which contemplates that the Offeror will obtain control of Old Tiziana upon completion (the "**Controller**"), then any Old Tiziana Option may be exercised within three months after the time when the Controller has obtained control of Old Tiziana. Upon the Controller obtaining control of Old Tiziana, the Board shall engage with the buyer to offer an Old Tiziana Option exchange. Where the Board is unable to make such arrangements with the Buyer within thirty days of the change of control, the Old Tiziana Option holders will have three months to exercise their Old Tiziana Options.

Variation of Share Capital

If there is any variation of the share capital of Old Tiziana (whether that variation is a capitalization issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise), which affects (or may affect) the value of Old Tiziana Options to Old Tiziana Option holders, the Board may adjust the number and description of Old Tiziana Shares subject to each Old Tiziana Option and/or the Exercise Price of each Old Tiziana Option in a manner which the Board, in its reasonable opinion, considers to be fair and appropriate.

7.3 **The 2016 Plan**

Old Tiziana may grant an Old Tiziana Option to any Director or employee it chooses during (i) the period of 42 days immediately following a closed period (as defined in UK MAR) or (ii) any period which the Board deems to be exceptional circumstances. An Old Tiziana Option must be granted using an option certificate (an “**Option Certificate**”) executed as a deed in a form approved by the Board.

The Exercise Price of an Old Tiziana Option shall be specified in each Option Certificate, although may not be less than the nominal value of an Old Tiziana Share.

Overall Limits on Grants

No Old Tiziana Option shall be granted if that grant would result in the total number of Dilutive Shares exceeding 10 per cent. of the issued share capital of Old Tiziana.

Lapse of Old Tiziana Options

Old Tiziana Options (and any rights arising under them) may not be transferred or assigned, or have any charge or other security interest created over them. An Old Tiziana Option shall lapse if the relevant Old Tiziana Option holder attempts to do any of those things. However, the transfer of an Old Tiziana Option to an Old Tiziana Option holder’s personal representatives on the death of the Old Tiziana Option holder will not cause an Old Tiziana Option to lapse.

Takeovers

If any person (the “**Offeror**”): (i) makes an offer to acquire the whole of the issued share capital of Old Tiziana which is made on a condition such that, if it is satisfied, the Offeror will have control of Old Tiziana; or (ii) makes an offer to acquire all the Old Tiziana Shares in Old Tiziana; or (iii) negotiates a share sale and purchase agreement with the shareholders of Old Tiziana which contemplates that the Offeror will obtain control of Old Tiziana upon completion, then any Old Tiziana Option may be exercised within a reasonable period to be specified by the Board for that purpose and ending immediately before the Offeror obtains control of Old Tiziana as a result of the offer or the share sale and purchase agreement.

If any person obtains control of Old Tiziana (the “**Controller**”), then any Old Tiziana Option may be exercised within six weeks after the time when the Controller has obtained control of Old Tiziana.

Variation of Share Capital

- 7.4 If there is any variation of the share capital of Old Tiziana (whether that variation is a capitalization issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise), which affects (or may affect) the value of Old Tiziana Options to Old Tiziana Option holders, the Board may adjust the number and description of Old Tiziana Shares subject to each Old Tiziana Option and/or the Exercise Price of each Old Tiziana Option in a manner which the Board, in its reasonable opinion, considers to be fair and appropriate.

Non-Employee Sub-Plan

Under the Non-Employee Sub-Plan, options may be granted to advisers, consultants and non-executive Directors on terms comparable to those described above.

US Sub-Plan

The US Sub-Plan permits the grant of options to employees, Directors and consultants who are US residents and US taxpayers, including potentially tax efficient Incentive Stock Options (as defined in Section 422 of the United States Internal Revenue Code of 1986, as amended).

7.5 **Conversion of Old Tiziana Options**

In connection with the Scheme, New Tiziana will assume the 2014 Plan and the 2016 Plan and will assume all then outstanding Old Tiziana Options and convert them to be in respect of New Tiziana Shares (“**Converted New Tiziana Options**”). The conversion of Old Tiziana Options into Converted New Tiziana Options will be on a 1:1 basis and the per share exercise

price of each Converted New Tiziana Option will be the same as the per share exercise price of the corresponding Old Tiziana Option immediately prior to the closing of the Scheme, save that on implementation of the Share Capital Consolidation an equitable adjustment will be made to the number of Converted New Tiziana Options and the per share exercise price of each Converted New Tiziana Option. From and after the closing of the Scheme, no new options or awards will be granted under the 2014 Plan or the 2016 Plan.

7.6 **New Tiziana Share Scheme**

The following is a summary of certain material provisions of the New Tiziana Share Scheme which will be adopted by New Tiziana conditional upon the Old Tiziana Shareholders approving its adoption by New Tiziana at the Scheme General Meeting, and subject to the Scheme becoming effective. The New Tiziana Share Scheme will operate over common shares in New Tiziana. This paragraph 7.6 is intended to be only a summary of the material terms of the New Tiziana Share Scheme and does not purport to include all terms and conditions of the New Tiziana Share Scheme. In the event of any contradiction or distinction between this summary and the New Tiziana Share Scheme, the terms of the New Tiziana Share Scheme shall control.

Purpose

The purpose of the New Tiziana Share Scheme is to assist New Tiziana and its subsidiaries in attracting and retaining valued employees, consultants and non-employee directors by offering them a greater stake in New Tiziana's success and a closer identity with New Tiziana, and to encourage ownership of New Tiziana's common shares by such employees, consultants and non-employee directors. A grant of rights with respect to, or that is valued by reference to, New Tiziana's common shares is referred to in this paragraph 7.6 as an "**Award**," and a person that receives an Award under the New Tiziana Share Scheme is referred to as a "**participant**."

Eligibility

Any employee, director or consultant of New Tiziana or any of its subsidiaries is eligible to receive Awards under the New Tiziana Share Scheme. For purposes of this paragraph 7.6, "**subsidiary**" shall mean any corporation, partnership, joint venture, company or other business entity of which 50% or more of the issued and outstanding voting power as beneficially owned by New Tiziana.

Administration

The New Tiziana Share Scheme will be administered by the Compensation Committee of New Tiziana's board of directors (the "**Compensation Committee**"). Awards granted to non-employee members of the board of directors will be administered by the full board of directors. The Compensation Committee will have full and final authority in its discretion to: (i) select the employees, non-employee directors and consultants who will receive Awards, provided that Awards to non-employee directors will be subject to approval by the full board of directors; (ii) determine the type or types of Awards to be granted to each participant; (iii) determine the number of shares to which an Award will relate, the terms and conditions of any Award (including, but not limited to, restrictions as to vesting, performance goals relating to an Award, transferability or forfeiture, exercisability or settlement of an Award, waivers or accelerations thereof and waivers of or modifications to performance goals relating to an Award) and all other matters to be determined in connection with an Award; (iv) determine the exercise price or purchase price (if any) of an Award; (v) determine whether, to what extent, and under what circumstances an Award may be cancelled, forfeited, or surrendered; (vi) determine whether (and, if necessary, certify that) performance goals to which an Award is subject are satisfied; (vii) determine whether participants will be permitted to defer the settlement of certain Awards; (viii) correct any defect or supply any omission or reconcile any inconsistency in the New Tiziana Share Scheme and Award agreements thereunder, and to adopt, amend and rescind such rules, regulations, guidelines, forms of agreements and instruments as, in its opinion, may be necessary or advisable; (ix) construe and interpret the New Tiziana Share Scheme and Award agreements thereunder, and (x) make all other determinations as it may deem necessary or advisable for the administration of the New Tiziana Share Scheme and Award agreements. The Compensation Committee may delegate some or all of its powers to any

executive officers of New Tiziana or any other person, other than its authority to grant awards to certain individuals (such as board members and executive officers). Notwithstanding anything in the New Tiziana Share Scheme to the contrary, Awards granted to non-employee Directors shall be administered by the full board of directors, and any authority reserved under the New Tiziana Share Scheme for the Compensation Committee with regard to Awards granted to non-employee Directors shall be exercised by the full Board.

Shares Available Under the New Tiziana Share Scheme

Subject to adjustment as provided in the New Tiziana Share Scheme, the maximum number of shares that may be issued pursuant to Awards under the New Tiziana Share Scheme is 15,000,000 shares (the "Cap"). The Cap will be increased by the number of shares corresponding (as determined by the Compensation Committee) to the securities underlying the portion of an award granted under the 2016 Plan that is cancelled, terminated or forfeited or lapses, in any case, on or after the effective date of the New Tiziana Share Scheme. No more than 15,000,000 shares issued under the New Tiziana Share Scheme may be issued pursuant to the exercise of incentive stock options. The shares issued under the New Tiziana Share Scheme may, at the election of the board of directors, be (i) authorized but previously unissued shares or (ii) shares previously issued and outstanding and repurchased by New Tiziana which have been cancelled or are held in trust by New Tiziana. Shares issued under awards granted in assumption, substitution or exchange for previously granted awards of a company that is acquired by New Tiziana or any subsidiary shall not count against the Cap. In addition, if permitted by the rules of the stock exchange on which the shares of New Tiziana are listed or quoted, shares under a shareholder approved plan of an acquired company (adjusted to reflect the transaction) may be used for Awards under the New Tiziana Share Scheme and will not count against the Cap. No non-employee director may be granted Awards in any one calendar year covering a number of shares that have a fair market value on the grant date in excess of (i) \$1,000,000 in the first calendar year of such non-employee director's initial service as a non-employee director or (ii) \$750,000 in any other calendar year of such non-employee director's service. If any shares subject to an Award under the New Tiziana Share Scheme are forfeited or such Award otherwise terminates for any reason whatsoever without an actual distribution of shares to the participant, any shares counted against the number of shares available for issuance pursuant to the New Tiziana Share Scheme with respect to such Award shall, to the extent of any such forfeiture or termination, be added back to the Cap and shall again be available for Awards under the New Tiziana Share Scheme; provided, however, that (i) such treatment shall not apply for substitute Awards and (ii) the Committee may adopt procedures for the counting of shares relating to any Award to ensure appropriate counting, avoid double counting, provide for adjustments in any case in which the number of shares actually distributed differs from the number of shares previously counted in connection with such Award, and if necessary, to comply with applicable law or regulations. Shares tendered in payment of the exercise price or withholding taxes with respect to an Award shall not become, or again be, available for Awards under the New Tiziana Share Scheme.

Awards

Under the New Tiziana Share Scheme Awards may be in the form of options, share appreciation rights ("**SARs**"), restricted stock, restricted stock units ("**RSUs**"), performance stock, performance stock units ("**PSUs**"), and other share-based awards. Each Award will be evidenced by an Award agreement containing the terms and conditions applicable to such Award.

Performance Goals

In the discretion of the Compensation Committee, the vesting, earning or settlement of any Award may be conditioned upon the achievement of specified performance goals that are substantially uncertain to be met during the applicable performance period at the time such goals are established.

Types of Awards

Options. An option gives a participant the right to purchase a specified number of shares from New Tiziana. The price at which shares may be purchased upon exercise may not be less than the fair market value of one share on the grant date, or, in the case of an “incentive stock option” (as defined in Section 422 of the Code) granted to a more than ten percent shareholder, less than 110% of the fair market value of a share on the grant date. Options may have a term of up to ten years, or, in the case of an incentive stock option granted to a more than ten percent shareholder, five years.

Share Appreciation Rights. A grant of a SAR entitles a participant to receive, upon exercise of the SAR, the excess of (i) the fair market value of one share on the date of exercise, over (ii) the grant price of the SAR as determined by the Compensation Committee. No payment from the participant is required upon the exercise of a SAR. The grant price of any SAR may not be less than 100% of the fair market value of a share on the grant date, and the term of any SAR may not be greater than 10 years. Unless otherwise provided in an Award agreement, all SARs will be settled in shares.

Restricted Stock. An Award of restricted stock is a grant of a specified number of shares, which shares are subject to forfeiture upon the occurrence of certain events during a specified restriction period. Generally, during the restriction period, the participant will have all of the rights of a shareholder with respect to the restricted stock, including the right to vote the shares of restricted stock and to receive dividends. However, dividends may, at the discretion of the Compensation Committee, be paid currently or subject to the same restrictions as the underlying stock (and the Compensation Committee may withhold cash dividends paid on restricted stock until the applicable restrictions have lapsed), provided that, dividends paid on unvested restricted stock that is subject to performance goals will not be paid or released until the applicable performance goals have been achieved.

Restricted Stock Units. An Award of RSUs is a grant of the right to receive a payment in shares or cash, or a combination thereof, equal to the fair market value of a specified number of shares on the applicable settlement date. RSUs are solely a device for determining amounts to be paid to a participant, do not constitute shares, and will not be treated as a trust fund of any kind. Prior to the settlement of an award and the receipt of shares, the participant will have no rights as a shareholder with respect to any such shares. Notwithstanding the previous sentence, the Compensation Committee may provide in an Award agreement that amounts equal to dividends declared during the restriction period on the shares covered by the Award will be credited to the participant’s account and settled in shares at the same time as the RSUs to which such dividend equivalents relate. Awards of RSUs will be settled in shares, unless otherwise provided in an Award agreement. Unless otherwise provided in an Award Agreement, subject to the Participant’s continued employment or other service with us from the grant date through the expiration of the restriction period, the vested portion of an Award of RSUs will be settled within 60 days after the expiration of the restriction period.

Performance Stock. An Award of performance stock generally is the same as an Award of restricted stock, as described above, but vesting is conditional on the achievement of one or more performance goals during a performance period.

Performance Stock Units. An Award of PSUs generally is the same as an Award of restricted stock units, as described above, but vesting and settlement are conditional on the achievement of one or more performance goals during a performance period.

Other Share-Based Awards. The Compensation Committee may grant, subject to applicable law, any other type of Award under the New Tiziana Share Scheme that is payable in, or valued in whole or in part by reference to, shares, and that is deemed by the Compensation Committee to be consistent with the purposes of the New Tiziana Share Scheme, including, without limitation, fully vested shares and dividend equivalents.

Termination of Employment of Service

Unless otherwise provided in an Award agreement or as otherwise provided below in the section titled “Change in Control and Other Corporate Transactions,” (i) upon a participant’s termination of employment or service for any reason other than for cause, the unvested portion of such participant’s Awards will cease to vest and will be forfeited with no compensation due

to the participant and the vested portion of such participant's options and SARs will remain exercisable for a period set forth in the applicable Award agreement (but not after its stated term has expired) or (ii) upon a participant's termination of employment or service for cause, all vested and unvested Awards shall be immediately forfeited with no compensation due to the participant.

Change in Control

Unless otherwise provided in an Award agreement, a change in control will not, in and of itself, accelerate the vesting, settlement, or exercisability of outstanding Awards. Notwithstanding the foregoing and unless otherwise provided in an Award agreement, if (i) the successor company (or its direct or indirect parent) does not agree to assume an outstanding Award or does not agree to substitute or replace such Award, in either case, with an award involving the ordinary or common equity securities of such successor company (or its direct or indirect parent) on terms and conditions necessary to preserve the rights of the applicable participant with respect to such Award, (ii) the securities of New Tiziana or the successor company (or its direct or indirect parent) will not be publicly traded on a US securities exchange immediately following such change in control or (iii) the change in control is not approved by a majority of the board of directors immediately prior to such change in control, then the Compensation Committee, in its sole discretion, may take one or more of the following actions with respect to all, some or any such Awards: (a) accelerate the vesting and, if applicable, exercisability of Awards such that the Awards become fully vested and, if applicable, exercisable (effective immediately prior to such change in control); (b) with respect to any Awards that do not constitute "non-qualified deferred compensation" within the meaning of Section 409A of the Code, accelerate the settlement of such Awards upon such change in control; (c) with respect to Awards that constitute "non-qualified deferred compensation" within the meaning of Section 409A of the Code, terminate all such Awards and settle all such Awards for a cash payment equal to the fair market value of the shares underlying such Awards less the amount the participant is required to pay for such shares, if any, provided that (I) such change in control satisfies the requirements of Treasury Regulation Section 1.409A-3(i)(5)(v), (vi) or (vii) and (II) all other arrangements that would be aggregated with such Awards under Section 409A of the Code are terminated and liquidated within 30 days before or 12 months after such change in control; (d) cancel any of the shares underlying the portion of the option or SAR being cancelled over the exercise price or grant price, as the case may be, of such portion, provided that any option or SAR with a per share exercise price or grant price, as the case may be, that equals or exceeds the fair market value of one share on the date of the change in control will be cancelled with no payment due the participant; and (e) take such other actions as the Compensation Committee deems appropriate (to the extent permitted by Section 409A of the Code). If any action is taken with respect to any Award under items (a) through (e) and such Award is subject to performance goals, such performance goals shall be deemed satisfied based on the actual level of achievement of the applicable performance goals through the date of the change in control or, if determined by the Compensation Committee in its sole discretion prior to such change in control, using the applicable target level of achievement rather than such actual level of achievement.

Unless provided otherwise in an Award agreement, in the event that Awards are assumed in connection with a change in control or substituted with new awards, and a participant's employment or other service with New Tiziana and its subsidiaries is terminated by New Tiziana or one of its subsidiaries without cause or due to disability or as the result of the participant's death, in any case, within 24 months following a change in control, then generally (i) the unvested portion of such participant's Awards will vest in full (with any applicable performance goals being deemed to have been achieved at target or, if greater, actual levels of performance), (ii) Awards of options and SARs will remain exercisable by the participant or the participant's beneficiary or legal representative, as the case may be, for a period of one year following such termination (but not beyond the stated term of the option or SAR), (iii) all RSUs and PSUs will be settled within 30 days after such termination and (iv) all other share-based awards will be settled within 30 days after such termination.

Adjustments upon Changes in Capitalization

In the event of a share dividend, recapitalization, consolidation, sub-division, forward share split, reverse share split, reorganization, spin-off, extraordinary cash distribution, or other similar corporate transaction or event, in any case, that occurs on or after the date the New Tiziana Share Scheme is approved by the board of directors, the Compensation Committee will make equitable adjustments in (i) the number and (if applicable) kind of shares which may thereafter be issued in connection with Awards, (ii) the number and (if applicable) kind of shares issuable in respect of outstanding Awards, (iii) the Cap and share limitations (discussed above), and (iv) the exercise or grant price relating to any Award. In addition, if deemed appropriate, the Compensation Committee may also make provision for a cash payment with respect to any outstanding Award.

Recoupment and Share Ownership

Any Award granted under the New Tiziana Share Scheme (and all shares acquired thereunder) will be subject to mandatory repayment and clawback pursuant to the terms of New Tiziana's corporate governance guidelines, and as may be otherwise required by any federal or state laws or the rules of any applicable securities exchange. Additional recoupment and clawback policies may be provided in the participant's Award agreement. All Awards granted under the New Tiziana Share Scheme (and all shares acquired thereunder) will be subject to the holding periods set forth in New Tiziana's share ownership guidelines, as in effect from time to time.

Restrictions on Transfer

Generally, the New Tiziana Share Scheme prohibits participants from pledging, encumbering, assigning or transferring any Award, right or interest under the New Tiziana Share Scheme, except for assignments or transfers that occur by way of the laws of descent and distribution. Awards and rights under the New Tiziana Share Scheme will be exercisable during the life of a participant only by the participant or his legal guardian. However, the Compensation Committee may permit non-qualified options, SARs, performance stock and restricted stock to be transferred without consideration to certain immediate family members of the participant, to trusts for the benefit of the participant and such family members and to partnerships in which the participant and such family members are the only partners.

Non-US Participants

Without amending the New Tiziana Share Scheme, Awards may be granted to participants who are foreign nationals or are employed or providing services outside the US or both, on such terms and conditions different from those specified in the New Tiziana Share Scheme as may, in the judgment of the Compensation Committee, be necessary or desirable to further the purpose of the New Tiziana Share Scheme. Moreover, the Compensation Committee may approve such supplements to, or amendments, restatements or alternative versions of, the New Tiziana Share Scheme as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the New Tiziana Share Scheme as in effect for any other purpose.

Amendment and Termination

The board of directors (or, if such power has been delegated to the Compensation Committee, the Compensation Committee) may amend, alter, suspend, discontinue or terminate the New Tiziana Share Scheme without the consent of New Tiziana's shareholders or participants, except that the board of directors (or Compensation Committee, if applicable) must obtain shareholder approval for actions that would: (i) increase the number of shares subject to the New Tiziana Share Scheme; (ii) decrease the price at which Awards may be granted; or (iii) require shareholder approval under any applicable federal, state or foreign law or regulation or the rules of any stock exchange or automated quotation system on which shares are then listed or quoted. However, without prior written consent of an affected participant, no amendment, alteration, suspension, discontinuation or termination of the New Tiziana Share Scheme may materially and adversely affect the rights of a participant under any outstanding Award unless such action is required by law or regulation, or the rules of any applicable

securities exchange. No underwater Option or underwater SAR may be repriced, replaced or regranted through cancellation or purchased for cash without the approval of New Tiziana's shareholders.

Unless earlier terminated, the New Tiziana Share Scheme will terminate with respect to the grant of new Awards on the earlier of the 10-year anniversary of the date the New Tiziana Share Scheme was first approved by New Tiziana's shareholders or the 10-year anniversary of the date the New Tiziana Share Scheme was approved by the board of directors.

8. COSTS AND EXPENSES REGARDING ISSUE OF DOCUMENTATION

All costs and expenses relating to the issue of this document and to the negotiation, preparation and implementation of the Scheme will be borne by the Tiziana Group.

PART VI
THE SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

CR-2021-001452

between
Tiziana Life Sciences plc
and
the Scheme Shareholders (as hereinafter defined)

Preliminary

(A) In this scheme of arrangement, references to Clauses are references to clauses of this scheme of arrangement and the following expressions shall, unless inconsistent with the subject or context, bear the following meanings:

ADS	an American depositary share;
Business Day	means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in the City of London;
Companies Act	means the UK Companies Act 2006 (as amended);
Court	means the High Court of Justice in England and Wales;
Court Hearing	means the hearing of the claim form to sanction the Scheme and confirm the Old Tiziana Reduction of Capital;
Court Meeting	means the meeting of Old Tiziana Ordinary Shareholders convened by order of the Court pursuant to sections 895 to 899 of the Companies Act, notice of which is set out on pages 118 to 120 of this document, or any adjournment thereof;
CREST	means the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Regulations	means the Uncertificated Securities Regulations 2001 (51 2001 No. 3755), as amended from time to time including by the Uncertificated Securities (Amendment) Regulations 2013 (51 2013 No. 632);
Computershare	Computershare Trust Company, N.A.;
Deposit Agreement	the deposit agreement dated as of 19 November 2018, among Old Tiziana, the Depositary and all holders of Old Tiziana American Depositary Receipts, evidencing Old Tiziana ADSs, issued thereunder, containing the terms applicable to the Old Tiziana ADSs, as amended from time to time;
Depositary	JPMorgan Chase Bank, N.A.;
DTC	the Depository Trust Company;
Euroclear	means Euroclear UK & Ireland Limited, the operator of CREST;

General Meeting	means the general meeting of Old Tiziana convened for 11.15 a.m. on 27 September 2021 or if later, as soon as possible after the conclusion or adjournment of the Court Meeting;
Holder	means a registered holder and includes any person entitled by transmission;
New Ordinary Shares	means ordinary shares of 3 pence each in the capital of Old Tiziana to be issued to New Tiziana;
New Tiziana	Tiziana Life Sciences Ltd, an exempted company limited by shares incorporated in Bermuda (registration number 55408) whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda;
New Tiziana Shares	means the common shares of par value \$0.0005 each in the capital of New Tiziana;
Old Tiziana	means Tiziana Life Sciences plc, a company incorporated in England and Wales with registered number 03508592;
Old Tiziana ADS	an ADS representing two (2) Old Tiziana Shares;
Old Tiziana Articles	means the articles of association of Old Tiziana as at the date of this Scheme;
Old Tiziana Ordinary Shares	means ordinary shares of 3 pence each in the capital of Old Tiziana in issue prior to the Scheme Effective Date;
Old Tiziana Reduction of Capital	the reduction of capital in Old Tiziana through the cancellation of the Scheme Shares pursuant to sections 641 to 653 of the Companies Act;
Overseas Shareholders	means a Scheme Shareholder who is a citizen, resident or national of any jurisdiction outside the United Kingdom;
Scheme	means this scheme of arrangement in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court;
Scheme Effective Date	means the date on which the Scheme becomes effective in accordance with Clause 6.1;
Scheme Record Time	means close of business on the Business Day immediately preceding the Scheme Effective Date;
Scheme Shareholder	means a holder of Scheme Shares;
Scheme Shares	means: <ul style="list-style-type: none"> a) all Old Tiziana Ordinary Shares in issue at the date of the Scheme and which remain in issue at the Scheme Record Time; b) all (if any) additional Old Tiziana Ordinary Shares in issue at the Voting Record Time and which remain in issue at the Scheme Record Time; and c) all (if any) further Old Tiziana Ordinary Shares issued on or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be bound or shall have agreed in writing by such time to be bound by the Scheme and which remain in issue at the Scheme Record Time, <p>in each case, excluding any Old Tiziana Ordinary Shares held by New Tiziana;</p>

Statement of Capital	means the statement of capital approved by the Court showing the information required by section 649 of the Companies Act with respect to Old Tiziana's share capital as altered by the Old Tiziana Reduction of Capital; and
Voting Record Time	6:00 p.m. on 23 September 2021 or, if the Court Meeting is adjourned, 6:00 p.m. on the day which is two days before such adjourned meeting.

- (B) The share capital of Old Tiziana as at the date of this Scheme is £5,838,368.67 divided into 194,612,289 ordinary shares of 3 pence each, all of which are in issue and fully paid up, there being no treasury shares.
- (C) Options, awards, warrants and loan notes in respect of 23,186,928 Old Tiziana Shares have been granted pursuant to the Old Tiziana Share Plans, the Old Tiziana Warrants and the Old Tiziana Loan Notes and remain unexercised at the Latest Practicable Date.
- (D) New Tiziana was incorporated and registered in Bermuda on 20 March 2020 with registered number 55408 under the name Tiziana Life Sciences Ltd. The share capital of New Tiziana at the date of this Scheme is divided into common shares of par value \$0.0005 and preference shares of par value \$0.001.
- (E) New Tiziana has agreed to appear by Counsel on the hearing of the claim form to sanction the Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.

The Scheme

1. Cancellation of Scheme Shares

- 1.1 The share capital of Old Tiziana shall be reduced by cancelling and extinguishing the Scheme Shares.
- 1.2 Old Tiziana shall be re-registered as a private company pursuant to section 651 of the Companies Act and the Old Tiziana Articles shall be amended accordingly.
- 1.3 Forthwith and contingently upon the cancellation of the Scheme Shares referred to in Clause 1.1 taking effect, Old Tiziana shall apply the credit arising in its books of account as a result of such cancellation in paying up in full at par such number of New Ordinary Shares of three pence each as shall be of an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled pursuant to Clause 1.1 above, and shall allot and issue the same, credited as fully paid, to New Tiziana and/or its nominee(s).
- 1.4 Old Tiziana shall make appropriate entries in its register of members to reflect the cancellation of the Scheme Shares under this Clause 1 and the issue of the New Ordinary Shares under this Clause 1.

2. New Shares

- 2.1 In consideration of the cancellation of the Scheme Shares and the issue of the New Ordinary Shares to New Tiziana pursuant to Clause 1.3 of this Scheme, New Tiziana shall (subject to the provisions of Clause 2.2) allot and issue (credited as fully paid) New Tiziana Shares to the Scheme Shareholders on the following basis:
 - one **New Tiziana Share** for each **Scheme Share** held at the Scheme Record Time.
- 2.2 The provisions of Clause 2.1 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholders, New Tiziana is advised that the allotment and issue of New Tiziana Shares pursuant to this Clause would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require New Tiziana to obtain any governmental or other consent or effect any registration, filing or other formality, then New Tiziana may in its sole discretion determine that:

- 2.2.1 New Tiziana Shares shall not be allotted and issued to such Overseas Shareholder under this Clause but shall instead be allotted and issued to a nominee appointed by New Tiziana, as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Scheme Effective Date, be sold on behalf of such Overseas Shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commissions) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3. None of Old Tiziana, New Tiziana, any nominee referred to in this Clause 2.2.1 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale; or
- 2.2.2 such New Tiziana Shares shall be sold, in which event the New Tiziana Shares shall be allotted and issued to such holder and New Tiziana shall appoint a person to act pursuant to this Clause 2.2.2 and such person shall be authorised on behalf of such holder to procure that any shares in respect of which New Tiziana has made such determination shall, as soon as practicable following the Scheme Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable comprised therein) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3. To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give instructions and do all such things which he may consider necessary or expedient in connection with such sale. None of Old Tiziana, New Tiziana, any appointee referred to in this Clause 2.2.2 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale.

3. Certificates and payment

- 3.1 As soon as practicable and, in any event, no later than 14 days after the Scheme Effective Date, New Tiziana shall allot and issue all the New Tiziana Shares which it is required to allot and issue pursuant to Clause 2.1.
- 3.2 As soon as practicable and, in any event, no later than 14 days after the Scheme Effective Date, Computershare will mail a statement by first class mail to each Scheme Shareholder providing evidence of ownership of the New Tiziana Shares such Scheme Shareholder holds. Such Scheme Shareholders wishing to deposit their New Tiziana Shares electronically with DTC will need to contact their brokers to arrange for deposit of those shares following receipt of their statement providing evidence of ownership. Temporary documents of title will not be issued and transfer of New Tiziana Shares by such Scheme Shareholders will not be permitted until they receive their statement providing evidence of ownership and effect such transfer in accordance with the directions on such statement.
- 3.3 Share certificates will be issued for New Tiziana Shares unless a shareholder requests one from New Tiziana.
- 3.4 As soon as practicable following the sale of any relevant New Tiziana Shares pursuant to Clause 2.2, New Tiziana shall procure that the nominee or appointee, as the case may be, shall account for the cash payable by despatching to the persons respectively entitled thereto cheques by post.
- 3.5 All cheques required to be sent pursuant to Clause 3.4 shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Old Tiziana at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Old Tiziana prior to the Scheme Record Time.

- 3.6 None of Old Tiziana, New Tiziana, or any agent of them shall be responsible for any loss or delay in transmission of cheques or condition imposed by law.
- 3.7 The preceding sub-clauses of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
- 3.8 All cheques shall be made payable to the holder of the Scheme Shares concerned (except, in the case of joint holders, Old Tiziana reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of Old Tiziana) and the encashment of any such cheque shall be a complete discharge of New Tiziana for the moneys represented thereby.

4. Certificates representing Scheme Shares

With effect from and including the Scheme Effective Date:

- 4.1 all certificates representing the Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein, and every holder thereof shall be bound at the request of Old Tiziana to deliver up such certificate(s) to Old Tiziana or as it may direct, or to destroy them; and
- 4.2 in respect of those holders of Scheme Shares holding Scheme Shares in uncertificated form, Euroclear UK & Ireland Limited shall be instructed to cancel such holders' entitlements to such Scheme Shares.

Mandates

Each mandate in force on the Scheme Effective Date relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications from Old Tiziana shall, unless and until varied or revoked, be deemed from and including the Scheme Effective Date to be a valid and effective mandate or instruction to New Tiziana in relation to the corresponding New Tiziana Shares to be allotted and issued pursuant to the Scheme. However, the Old Tiziana American Depositary Shares (ADS) facility will not be replicated by New Tiziana.

5. Scheme Effective Date

- 6.1 The Scheme shall become effective as soon as a copy of the Court order of the Court sanctioning the Scheme under section 899 of the Companies Act and confirming the Old Tiziana Reduction of Capital under the Scheme pursuant to section 648 of the Companies Act, together with the Statement of Capital, have been duly delivered to the Registrar of Companies.
- 6.2 Unless the Scheme shall have become effective on or before 31 December 2021 or such later date, if any, as Old Tiziana and New Tiziana may agree and the Court may allow, it shall lapse.

6. Modification

Old Tiziana and New Tiziana may jointly consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Court may think fit to approve or impose.

7. Costs

Old Tiziana is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

9. American Depositary Shares

- 9.1 In connection with the cancellation of the Scheme Shares and the issue of the New Ordinary Shares to New Tiziana, the ADS facility which is currently in place in the US in respect of the Old Tiziana Shares will be terminated. The Old Tiziana ADS facility will not be replicated by New Tiziana.

- 9.2 Upon the Scheme becoming Effective, the existing Old Tiziana Shares underlying each Old Tiziana ADS will be cancelled and New Tiziana Shares issued in exchange will be registered in the name of the Depositary. Persons registered as holding Old Tiziana ADSs at the effective date set by the Depositary will be entitled to receive one New Tiziana Share for every one underlying Old Tiziana Share.
- 9.3 Holders of Old Tiziana ADSs at the effective date set by the Depositary will own the same proportion of New Tiziana Shares immediately after the Scheme Effective Date as they held in the ordinary share capital of Old Tiziana by virtue of their Old Tiziana ADSs immediately prior to the Scheme Effective Date.
- 9.4 To the extent Old Tiziana ADSs are held through DTC, the Depositary will arrange for DTC to surrender its entire position of Old Tiziana ADSs for cancellation and the Computershare, New Tiziana's transfer agent, will deliver New Tiziana Shares through the DTC settlement system, in each case with no action being required on the part of the persons holding Old Tiziana ADSs.
- 9.5 If there are any holders of Old Tiziana ADSs that are evidenced by physical certificates registered on the books of the Depositary, the Depositary will send a notice to any such holders of certificated Old Tiziana ADSs regarding the mechanics of surrendering their Old Tiziana ADSs for cancellation for delivery of New Tiziana Shares. Holders of certificated Old Tiziana ADSs will need to follow the instructions set out in that notice to surrender their Old Tiziana ADSs for cancellation and to receive the New Tiziana Shares. If there are any holders of uncertificated Old Tiziana ADSs registered on the books of the Depositary, they will have New Tiziana Shares registered in their names and their uncertificated Old Tiziana ADSs will be cancelled. Those holders do not need to take any action.
- 9.6 In accordance with the terms of the Deposit Agreement, holders of Old Tiziana ADSs will be charged a fee of US\$0.05 for each Old Tiziana ADS (or a portion thereof) cancelled.

PART VII

DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

ADS	an American depository share;
Bermuda Companies Act	the Companies Act 1981 of Bermuda (as amended);
Blue Form of Proxy	the form of proxy sent to Old Tiziana Shareholders for use in connection with the Court Meeting which accompanies this document;
Business Day	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in the City of London;
Certificated or in Certificated form	not in uncertificated form (that is, not in CREST);
Companies Act or Act	the UK Companies Act 2006 (as amended);
Court or High Court	the High Court of Justice of England and Wales;
Court Hearing	the hearing of the claim form to sanction the Scheme and confirm the Old Tiziana Reduction of Capital;
Court Meeting	the meeting of Old Tiziana Ordinary Shareholders convened by order of the Court pursuant to sections 895 to 899 of the Companies Act, notice of which is set out on pages 118-120 of this document, or any adjournment thereof;
Court Order	the order of the High Court sanctioning the Scheme under Part 26 of the Act and confirming the Old Tiziana Reduction of Capital under section 648 of the Act;
CREST	the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Manual	the CREST manual referred to in agreements entered into by Euroclear;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time including by the Uncertificated Securities (Amendment) Regulations 2013 (SI 2013 No. 632);
Computershare	Computershare Trust Company, N.A.;
Deposit Agreement	the deposit agreement dated as of 19 November 2018, among Old Tiziana, the Depository and all holders of Old Tiziana American Depositary Receipts, evidencing Old Tiziana ADSs, issued thereunder, containing the terms applicable to the Old Tiziana ADSs, as amended from time to time;
Depository	JPMorgan Chase Bank, N.A, as depository for the Old Tiziana ADSs;
Directors or Board	the director(s) of Old Tiziana, as set out in paragraph 3.1 of Part V of this document or the directors of New Tiziana from time to time, as the context may require;
Disclosure Guidance and Transparency Rules or DTRs	the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of FSMA as amended from time to time;

DTC	the Depository Trust Company;
Euroclear	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738, the operator of CREST;
Executive Directors	Gabriele Cerrone, Kunwar Shailubhai and Thomas Adams;
Explanatory Statement	Part II of this document, which has been prepared in accordance with section 897 of the Companies Act;
FCA	the Financial Conduct Authority of the United Kingdom;
Form(s) of Proxy	the Blue Form of Proxy and the White Form of Proxy;
FSMA	the Financial Services and Markets Act 2000 (as amended);
Link Group	a trading name of Link Market Services Limited;
holder	a registered holder, including any person entitled by transmission;
Listing Rules	the listing rules and regulations made by the FCA pursuant to Part 6 of FSMA, and contained in the FCA's publication of the same name;
London Stock Exchange	London Stock Exchange plc (or any successor body thereto);
Main Market	the main market of the London Stock Exchange;
Meetings or Shareholder Meetings	the Court Meeting and the Scheme General Meeting and "Meeting" or "Shareholder Meeting" shall be construed accordingly;
New Tiziana	Tiziana Life Sciences Ltd an exempted company limited by shares incorporated under the laws of Bermuda with registration number 55408;
New Tiziana Bye-laws	the bye-laws of New Tiziana as of the Scheme Effective Date;
New Tiziana Director(s)	the directors of New Tiziana as set out in paragraph 3 of Part V of this document;
New Tiziana Group	(i) prior to the Scheme Effective Time, New Tiziana; and (ii) after the Scheme Effective Time, New Tiziana and its subsidiary undertakings;
New Tiziana Shareholder	a holder of New Tiziana Shares;
New Tiziana Share Scheme	Tiziana Life Sciences Ltd 2021 Equity Incentive Plan;
New Tiziana Shares	the common shares of par value \$0.0005 each in the capital of New Tiziana;
New Tiziana Subscriber Share	the one common share with a par value of \$1.00 in the capital of New Tiziana;
New Ordinary Shares	the ordinary shares in Old Tiziana of 3 pence each to be issued to New Tiziana;
Non-Executive Directors	Willy Simon and John Brancaccio;
Old Tiziana or the Company	Tiziana Life Sciences plc, a public limited company incorporated in England and Wales with registered number 03508592;
Old Tiziana ADS	an ADS representing two (2) Old Tiziana Shares;
Old Tiziana Articles	the articles of association of Old Tiziana;
Old Tiziana Loan Notes	outstanding convertible loan notes in respect of Old Tiziana Shares;

Old Tiziana Reduction of Capital	the reduction of Old Tiziana’s share capital associated with the cancellation and extinguishing of the Scheme Shares provided for by Clause 1.1 of the Scheme under section 641 of the Companies Act);
Old Tiziana’s Registrars	Link Group of PXS, 10 th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL;
Old Tiziana Shareholder or Shareholder	a holder for the time being of Old Tiziana Shares (other than New Tiziana);
Old Tiziana Shares	the ordinary shares of 3 pence each in the share capital of Old Tiziana;
Old Tiziana Share Schemes	the 2014 Plan and the 2016 Plan;
Old Tiziana Warrants	outstanding warrants to subscribe for Old Tiziana Shares;
Ordinary Resolution	the ordinary resolution set out in the notice at Part IX of this document, to be proposed and passed at the Scheme General Meeting in connection with the adoption by New Tiziana of the New Tiziana Share Scheme described in paragraph 7 of Part V of this document;
Overseas Shareholders	Old Tiziana Shareholders who are resident in, ordinarily resident in, or citizens or nationals of, jurisdictions outside the United Kingdom or Bermuda;
Proposals	collectively, the Scheme and the Share Scheme Proposals;
Registrar of Companies relevant system	the Registrar of Companies in England and Wales; has the meaning given to it in the CREST Regulations;
Remuneration Committee	the Remuneration Committee of Old Tiziana or, following the Scheme becoming effective, of New Tiziana;
Resolutions	the Ordinary Resolutions and the Special Resolutions;
RIS	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
Scheme	the scheme of arrangement under Part 26 of the Companies Act between Old Tiziana and holders of Scheme Shares including any modification, addition or condition approved by the High Court, details of which are set out in this document;
Scheme Effective Date	the date on which the Scheme becomes effective in accordance with its terms;
Scheme Effective Time	the time at which the Scheme becomes effective on the Scheme Effective Date;
Scheme General Meeting	the general meeting of Old Tiziana to be held by a virtual meeting platform 11:15 a.m. on 27 September 2021 (or as soon as possible after the conclusion or adjournment of the Court Meeting) and any adjournment of that meeting;
Scheme Record Time	close of business on the Business Day immediately preceding the Scheme Effective Date;
Scheme Shareholder	a holder of Scheme Shares;
Scheme Shares	all Old Tiziana Shares which are: <ul style="list-style-type: none"> (a) in issue at the date of this Scheme; (b) issued after the date of this Scheme but prior to the Scheme Voting Record Time; and

	(c) issued on or after the Scheme Voting Record Time and before the Scheme Record Time, either on terms that the original and any subsequent holders of such Old Tiziana Shares are to be bound by this Scheme and/or in respect of which their holders are, or have agreed in writing to be, bound by the Scheme,
	save for any Old Tiziana Shares held, legally or beneficially, by New Tiziana;
Scheme Voting Record Time	6:00 p.m. on 23 September 2021 or, if the Court Meeting or Scheme General Meeting is adjourned, 6:00 p.m. on the day which is two days before the date of such adjourned meeting;
SEC	the US Securities and Exchange Commission;
Share Capital Consolidation	the consolidation of New Tiziana Shares as described in this document, being the consolidation immediately after the Scheme becomes effective of two New Tiziana Shares issued pursuant to the Scheme into one New Tiziana Share;
Share Scheme Proposals	the adoption by New Tiziana of the New Tiziana Share Scheme in accordance with the Ordinary Resolution to approve the adoption by New Tiziana of the New Tiziana Share Scheme to be proposed at the Scheme General Meeting, as set out in the notice at Part IX of this document;
Special Resolutions	the special resolutions which are set out in the notices at Part IX of this document, to be proposed and passed at the Scheme General Meeting in connection with, <i>inter alia</i> , the implementation of the Scheme and sanctioning the Old Tiziana Reduction of Capital;
Statement of Capital	the statement of capital approved by the High Court and showing with respect to Old Tiziana's share capital, as altered by the Court Order, the information required by section 649 of the Companies Act;
subsidiary or subsidiary undertaking	has the meaning given in the Companies Act;
Tiziana Group	(i) prior to the Scheme Effective Time, Old Tiziana and its subsidiary undertakings; and (ii) with effect from the Scheme Effective Time, the New Tiziana Group;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purpose of Part VI of FSMA and in the exercise of its functions;
UK Market Abuse Regulation	the Market Abuse Regulation (EU No. 596/2014) as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
Uncertificated or in Uncertificated form	in relation to a share or security, a share or other security title to which is recorded on the relevant register as in uncertificated form, being held in uncertificated form in CREST and title to which by virtue of CREST Regulations may be transferred by means of CREST;
US, USA or United States	the United States of America, its territories and possessions, and states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
US Exchange Act	the US Securities Exchange Act of 1934 (as amended);

US Securities Act

the US Securities Act of 1933 (as amended);

US Shareholders

Old Tiziana Shareholders with registered addresses in the United States; and

White Form of Proxy

the form of proxy sent to Old Tiziana Shareholders for use in connection with the Scheme General Meeting which accompanies this document.

PART VIII

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)
COURT JUDGE BURTON

CR-2021-001452

IN THE MATTER OF TIZIANA LIFE SCIENCES PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an Order dated 26 August 2021 made in the above matters, the High Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of the ordinary shares of 3 pence each save for any shares held by New Tiziana (hereinafter called the “**Old Tiziana Shares**”) in the capital of Tiziana Life Sciences plc (registered in England and Wales with registered number 03508592) (hereinafter called “**Old Tiziana**” or the “**Company**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between Old Tiziana and the holders of Old Tiziana Shares expressed to be subject to that Scheme of Arrangement and that such meeting shall be held virtually, using a virtual meeting platform, on 27 September 2021 at 11:00 a.m. at which time all holders of Old Tiziana Shares are requested to attend. The Court Meeting will be deemed to be held at 9th Floor, 107 Cheapside, London EC2V 6DN, being where the Chairman of the Court Meeting is located at the time of the Court Meeting.

A copy of the Scheme and a copy of the statement required to be furnished pursuant to section 897 of the Companies Act 2006 (the “**Explanatory Statement**”) are incorporated in the document of which this notice forms part.

In light of the current uncertainty surrounding the COVID-19 pandemic and with a view to taking appropriate measures to safeguard the health of Old Tiziana Shareholders, Old Tiziana will be holding the Court Meeting as a virtual meeting. Therefore, Old Tiziana Shareholders will be able to participate and vote in the Court Meeting electronically via a virtual meeting platform.

Voting on the resolution to approve the Scheme will be taken by a poll and each member voting at the virtual meeting or by proxy will be entitled to one vote for each Old Tiziana Share held at the Scheme Voting Record Time (each as defined in the Scheme referred to below).

To join the Court Meeting at the appointed time, type (or paste) the following web address into your web browser:

<https://mmitc.webex.com/mmitc/onstage/g.php?MTID=e90b3a70ecb4ecf5bf242c4027558359e>

You will be asked to enter a password to gain access to the Court Meeting. This password can be found on the top section of the Blue Form of Proxy. Please detach and keep this portion of the Blue Form of Proxy before returning it.

When the Court Meeting opens at the appointed time, you be able to see and hear the Chairman of the Court Meeting. The Chairman will open the Court Meeting and address any questions that have been submitted in advance. All attendees will remain muted by the host unless and until they are invited to speak by the Chairman of the Court Meeting.

The Chairman will then formally put the resolution to approve the Scheme to the Court Meeting, and you will have an option to submit an electronic poll card to record your vote. If you (a) have already submitted a Form of Proxy or appointed an electronic or CREST proxy; or (b) do not wish to vote, you do not need to download and submit a poll card.

Once voting at the Court Meeting has concluded, the Chairman will formally close the Court Meeting.

Appointment of proxy

A Blue Form of Proxy for use at the Court Meeting accompanies this notice. Completion of the Blue Form of Proxy will not prevent a Scheme Shareholder from attending and voting remotely via the virtual meeting platform at the Court Meeting (or any adjournment thereof) in person, if he wishes to do so.

It is requested that the Blue Form of Proxy (together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of attorney) be lodged with the Registrars of the Company, Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 11:00 a.m. on 23 September 2021, but if forms are not so lodged they may be emailed to post_proxy_deadline_court_votes@linkgroup.co.uk any time prior to the commencement of the Court Meeting.

In the case of joint holders of a share, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the Blue Form of Proxy to allow Scheme Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Shareholders who return the Blue Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Link Group on 0371 664 0321 (or on +44 (0) 371 664 0321 if calling from outside the UK) for further Blue Forms of Proxy or photocopy the Form of Proxy as required. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. Such holders should also read the section entitled “Multiple proxy voting instructions” set out on page 16 of the Scheme Document.

To be valid, completed Forms of Proxy and any original (certified true copies) of any power of attorney or other authorities under which the Forms of Proxy are signed must be returned so as to arrive at the offices of Old Tiziana’s Registrars Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by not later than 11:00 a.m. London time on 23 September 2021 or, if the meeting is adjourned, by not later than 48 hours before the time of the adjourned meeting. Forms of Proxy returned by fax will not be accepted. For your convenience the Form of Proxy is pre-paid (no stamp required if posted within the UK) and addressed to Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. No envelope is required but if you wish you may use an envelope and address it to Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

To be entitled to attend and vote at the meeting remotely via the virtual meeting platform (and for the purpose of the determination by Old Tiziana of the votes they may cast), Scheme Shareholders must be registered in the register of members at the Scheme Voting Record Time (as defined in the Scheme of Arrangement). Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting. Changes to entries in the relevant register of members after 6:00 p.m. on 23 September 2021 or, in the event that the Court Meeting is adjourned, less than 48 hours before the time of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting.

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a

right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in this notice does not apply to Nominated Persons. The rights described therein can only be exercised by members of the Company.

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

By the said Order, the High Court has appointed Gabriele Cerrone or, failing him, any other director of Old Tiziana to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the High Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the High Court.

NOTE FOR CREST MEMBERS

Scheme Shareholders who hold their shares in Old Tiziana through CREST (“**CREST Member**”) and who wish to appoint a proxy or proxies by utilising the proxy voting service may do so for the Court Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it related to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Company’s agent (ID “RA10”) by the latest time(s) for receipt of proxy appointments specified in above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

Old Tiziana may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Dated 3 September 2021

DECHERT LLP
160 Queen Victoria Street
London EC4V 4QQ
Solicitors for the Company

PART IX
NOTICE OF SCHEME GENERAL MEETING

Tiziana PLC
(the “Company”)

(Registered in England and Wales Registered No. 03508592)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of the Company shall be held via a virtual meeting platform and deemed to be held at 9th Floor, Cheapside, London EC2V 6ND, being where the Chairman of the meeting is located at the time of the meeting on 27 September 2021 at 11:15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this Notice forms part (“**Scheme Document**”) convened for 11:00 a.m. on the same day and at the same place) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, of which 1 and 2 will be proposed as special resolutions and 3 will be proposed as an ordinary resolution:

SPECIAL RESOLUTIONS

1. **THAT** for the purpose of giving effect to the scheme of arrangement dated 3 September 2021 (the “**Scheme**”) between the Company and the holders of the Scheme Shares (as defined in the said Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman of the meeting, in its original form or subject to any modification, addition or condition approved or imposed by the High Court and agreed to by the Company and New Tiziana (registered in Bermuda under number 55408):
 - (a) the Scheme be approved and the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
 - (b) the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares (as defined in the Scheme);
 - (c) subject to and conditional upon the reduction of capital referred to in paragraph 1(b) above taking effect and notwithstanding anything to the contrary in the articles of association of the Company:
 - (i) the reserve arising in the books of account of the Company as a result of the reduction of share capital referred to in paragraph 1(b) above be capitalised and applied in paying up in full at par such number of new ordinary shares of 3 pence each (the “**New Ordinary Shares**”) as have an aggregate nominal value equal to the Scheme Shares cancelled in accordance with paragraph 1(b) above and shall be allotted and issued, credited as fully paid, to New Tiziana and/or New Tiziana’s nominee in accordance with the Scheme;
 - (ii) conditional upon the Scheme becoming Effective (as defined in the Scheme), the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 551 of the Companies Act 2006, to allot the New Ordinary Shares provided that: (1) the maximum aggregate nominal amount of relevant securities that may be allotted under this authority shall be the aggregate nominal amount of the said New Ordinary Shares referred to in paragraph (c)(i) above; (2) this authority shall expire five years after the passing of this resolution (unless previously revoked, varied or renewed); and (3) this authority shall be in addition, and without prejudice to, any other subsisting authority under the said section 551 previously granted and in force on the date on which this resolution is passed.

2. **THAT**, with effect from the passing of this resolution, the Articles of Association of the Company be altered by the addition of the following new Article 139.

“Scheme of Arrangement

- 139.1 In this Article 139, the “Scheme” means the scheme of arrangement dated 3 September 2021 between the Company and the holders of its Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Tiziana Life Sciences Ltd. (“**New Tiziana**”) and (save as defined in this Article 139) expressions defined in the Scheme shall have the same meanings in this Article.
- 139.2 Notwithstanding any other provision of these Articles, if the Company allots and issues any Ordinary Shares (other than to New Tiziana and/or its nominee or nominees) after the adoption of this Article and before 6:00 p.m. on the day before the date on which the Court confirms the Old Tiziana Reduction of Capital, such shares shall be allotted and issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holders of such shares shall be bound by the Scheme accordingly.
- 139.3 Subject to the implementation of the Scheme, if any Ordinary Shares are issued and allotted to any person (a “**New Member**”) (other than under the Scheme or to New Tiziana) on or after the Scheme Record Time (the “**Post-Scheme Shares**”), they shall be immediately transferred by the New Member to New Tiziana (or as it may direct) in consideration of and conditional upon the allotment and issue or transfer by New Tiziana to the New Member of a number of New Tiziana Shares (the “**Consideration Shares**”) for each Post-Scheme Share as that New Member would have been entitled to under the Scheme for those Post-Scheme Shares had they been Scheme Shares, provided that if the Company is advised that the allotment and/or issue or transfer of New Tiziana Shares pursuant to this Article would or may infringe the laws of a jurisdiction outside the United Kingdom or would or may require New Tiziana to comply with any governmental or other consent or any registration, filing or other formality with which New Tiziana is unable to comply or compliance with which New Tiziana regards as unduly onerous, the Company may, in its sole discretion, determine that such New Tiziana Shares shall be sold, in which event the Company shall appoint a person to act pursuant to this Article and such person shall be authorised on behalf of such holder to procure that any shares in respect of which the Company has made such determination shall, as soon as practicable following the allotment, issue or transfer of such shares, be sold.
- 139.4 The number of Consideration Shares to be allotted and issued or transferred, to a New Member pursuant to Article 139.3 may be adjusted by the directors, in such manner as the directors may determine, on any reorganisation of or material alteration to the share capital of either the Company or New Tiziana (including, without limitation, any subdivision and/or consolidation) or any other return of value to holders of New Tiziana Shares, provided always that fractions of a New Tiziana Share shall be disregarded and shall be aggregated and sold for the benefit of New Tiziana.
- 139.5 To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to New Tiziana and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in New Tiziana or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as New Tiziana may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of New Tiziana) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by New Tiziana. The attorney shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any

subsequent holder) in favour of New Tiziana and the company may give a good receipt for the consideration for the Post-Scheme Shares and may register New Tiziana as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares.”

ORDINARY RESOLUTION

- 3 **THAT**, subject to and conditional upon the Scheme becoming Effective, the New Tiziana Share Option Scheme, adopted by New Tiziana, the main features of which are summarised in paragraph 7 of Part V of the Scheme Document, be approved and the New Tiziana Directors be authorised to do all such acts and things as they may consider necessary or desirable to carry the plan into effect.

By order of the Board

3 September 2021

Gabriele Cerrone

Chairman

Registered office

3rd Floor
11-12 St. James Square
London
SW1Y 4LB

Notes

1. In light of the uncertainty surrounding the COVID-19 pandemic and in order to protect the health and safety of the Company's shareholders and directors, Old Tiziana will hold the Scheme General Meeting virtually via the virtual meeting platform.
2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not also be a member of the Company. If more than one valid proxy form is delivered to the Company in respect of the same shares for use at the meeting, the form executed last will be treated as the only valid appointment. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in the "Notes for CREST Members" below) will not prevent a member attending the meeting and voting in person via the virtual meeting platform if he wishes to do so.
3. A pre-paid White Form of Proxy is enclosed, which members are invited to complete and return. To be valid the White Form of Proxy (together with any power of attorney or authority, if any, under which it is signed or a notarially certified copy of such authority) must be received by the Company's Registrars Link Group at PXS, 10th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL by post by not later than 11:15 a.m. on 23 September 2021 (or 48 hours preceding the date and time for any adjourned meeting).
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in this notice does not apply to Nominated Persons. The rights described therein can only be exercised by members of the Company.
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6:00 p.m. on 23 September 2021 (or in the case of adjournment 6:00 p.m. on the date two days preceding the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after such time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
6. As at 1 September 2021 (being the latest practicable date prior to publication of this document) the total number of the Company's ordinary shares in issue is 194,612,289. As at 1 September 2021 (being the latest practicable date prior to publication of this document) the Company did not hold any Old Tiziana Shares in treasury and therefore the total number of ordinary shares with voting rights in the Company is 194,612,289.
7. In the case of joint shareholders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
9. The "Vote Withheld" option is provided to enable you to abstain on the specified resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "for" and "against" the specified resolution.
10. If you have any further questions about this document, the Court Meeting, the Scheme General Meeting or the Proposals or are in any doubt as to how to complete the Form of Proxy, please contact Link Group on 0371 664 0321. Calls are charged at the

standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

11. You may not use any electronic address provided either in this notice or in any related documents (including the Forms of Proxy for use at the Court Meeting and the Scheme General Meeting) to communicate with the Company for any purposes other than those expressly stated.
12. A copy of this notice and other information required by section 311A of the Companies Act 2006, can be found at <http://www.Tiziana.com/>
13. All shareholders and their proxies will have the opportunity to ask questions at the meeting. It would be helpful if you could state your name before you ask your question, Questions may not be answered at the meeting if they are deemed not to be in the interests of the Company, would involve the disclosure of confidential information or would not be to the good order of the meeting. The Chairman may also nominate a Company representative to answer a specific question after the meeting or refer the response to the Company's website.

Copies of:

- (A) the Old Tiziana Articles in their present form;
- (B) memorandum of association of New Tiziana and the New Tiziana Bye-laws;
- (C) the rules of the Old Tiziana Share Schemes and draft rules of the New Tiziana Share Scheme referred to in paragraph 7 of Part V of the Scheme Document; and
- (D) the Scheme Document (of which this notice forms part),

as well as certain other documents listed at paragraph 16 of Part II of the Scheme Document can be inspected on the Tiziana Group's website at www.tizianalifesciences.com from the date of this notice to the close of business on the date of the Scheme General Meeting.

NOTE FOR CREST MEMBERS

Electronic proxy appointment through CREST

Scheme Shareholders who hold their shares in Old Tiziana through CREST (“**CREST Member**”) and who wish to appoint a proxy or proxies by utilising the proxy voting service may do so for the Court Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it related to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Company’s agent (ID “RA10”) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

Old Tiziana may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

