**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 UK Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities in the UK, or if you are resident in Ireland is duly authorised under the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos.1 3) or the Investment Intermediaries Act 1995 (as amended), or otherwise duly qualified in your jurisdiction.**

This document comprises an admission document in relation to AIM, a market operated by the London Stock Exchange plc ("AIM"), and the Enterprise Securities Market, a market operated by Euronext Dublin ("ESM"). It has been drawn up in accordance with the AIM Rules for Companies (the "AIM Rules") and the ESM Rules for Companies (the "ESM Rules") and has been issued in connection with the proposed issue and the proposed admission to trading of the Issued Share Capital to AIM and the ESM. It does not comprise a prospectus within the meaning of section 85 of FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA or for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland.

The Existing Ordinary Shares are admitted to trading on AIM and ESM. Application will be made to the London Stock Exchange and Euronext Dublin for the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM and ESM. **It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 30 July 2018.**

**AIM and ESM are both markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM and ESM securities are not admitted to the Official List of the Financial Conduct Authority or the Official List of Euronext Dublin (together, the "Official Lists"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The AIM Rules and the ESM Rules are less demanding than the rules applicable to companies where shares are listed on the premium/primary segments of the Official Lists and it is emphasised that no application is being made for admission of the Ordinary Shares to the Official Lists. Each AIM company is required pursuant to the AIM Rules for Companies to have a Nominated Adviser. The Nominated Adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document. Each ESM company is required pursuant to the ESM Rules for Companies to have an ESM Adviser. The ESM Adviser is required to make a declaration to Euronext Dublin on admission in the form set out in Schedule Two to the Rules for Enterprise Securities Market Advisers. Euronext Dublin has not itself examined or approved the contents of this document.**

The securities described in this document will not be dealt in on any other recognised investment exchanges and no applications have been made for the securities described in this document to be traded on such other exchanges or are currently expected to be made.

Prospective investors should read the whole of this document and should be aware that an investment in the Enlarged Group is subject to a number of risks. The attention of prospective investors is drawn in particular to Part 2 (Risk Factors) of this document, which sets out certain risk factors relating to any investment in Ordinary Shares. The whole of this document should be viewed in light of these risk factors.

The Company, whose registered office appears on page 4, the Existing Directors and the Proposed Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Existing Directors, the Proposed Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# Ovoca Gold plc

*(Incorporated and registered in Ireland under the Companies Act with registered number 105274)*

## Proposed acquisition of up to 59.9 per cent. of IVIX
## Change of name to Ovoca Bio plc
## Admission of the Enlarged Group to trading on AIM and ESM
## And
## Notice of Extraordinary General Meeting

## Davy
Nominated Adviser, ESM Adviser and Broker

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This document does not constitute or include an offer to any person to sell or to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares in any jurisdiction. This document is not for distribution in or into the United States of America, Canada, Australia or Japan or their respective territories or possessions. This document has not been approved or dis-approved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act, 1933, as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States of America or under the applicable securities laws of any province or territory of Canada, Australia, the Republic of South Africa or Japan and may not be offered or sold in the United States of America except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and, subject to certain exceptions, may not be offered or sold within any of Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of any of the United States of America, Canada, Australia, the Republic of South Africa or Japan or their respective territories or possessions. No person is authorised to give any information or to make any representation not contained in this document in connection with the issue or sale of the Ordinary Shares and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company. Neither the delivery of this document nor any offer, sale or delivery made in connection with the issue or sale of the Ordinary Shares shall, under any circumstance, constitute a representation that there has been no change or development likely to involve a change in the condition (financial or otherwise) of the Company or the Enlarged Group since the date hereof or create any implication that the information contained therein is correct as of any date subsequent to the date hereof or the date as of which that information is stated herein to be given.

Davy, which is authorised and regulated in Ireland by the Central Bank of Ireland, has been appointed as Nominated Adviser (pursuant to the AIM Rules), ESM Adviser (pursuant to the ESM Rules) and Broker to the Company. Davy is acting exclusively for the Company in connection with arrangements described in this document and is not acting for any other person and will not be responsible to any person for providing the protections afforded to customers of Davy or for advising any other person in connection with the arrangements described in this document. In accordance with the AIM Rules, AIM Rules for Nominated Advisors, ESM Rules and Rules for Enterprise Securities Market Advisers, Davy has confirmed to the London Stock Exchange and Euronext Dublin that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and the ESM Rules. Davy accepts no liability whatsoever for the accuracy of any information or opinions contained in this

document or for the omission of any material information, for which it is not responsible. Davy has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Davy for the accuracy of any information or opinions contained in this document or for the omission of any information from this document.

**Important Information**
Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Ordinary Shares.

The distribution or publication of this document and other information in connection with the Admission may be restricted by law in certain jurisdictions and persons into whose possession this document comes or any document or other information referred to herein are required to inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Any person in receipt of this document who is not a relevant person, or to whom distribution is not otherwise lawful, should return this document to Davy immediately and take no other action.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy any securities in any jurisdiction in which such offer or solicitation is unlawful.

**Forward-Looking Statements**
This document includes forward-looking statements. These forward looking statements include, but are not limited to, all statements other than statements of historical fact contained in this document, including, without limitation, those regarding the Enlarged Group's future financial position and results of operations, strategy, plans, objectives, goals and targets, and future developments in the market or markets in which the Enlarged Group participates or is seeking to participate.

In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "envisaged", "estimate", "expect", "forecast", "intend", "may", "plan", "potential", "predict", "project", "should", or "will" or the negative of such terms or other comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Enlarged Group's present and future business strategies and the environment in which the Enlarged Group will operate in the future. Important factors that could cause the Enlarged Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those specifically described in Part 2 of this document entitled "Risk Factors''. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Enlarged Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. Both the Directors and the Company expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements or risk factors contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based other than as required by the AIM Rules, the ESM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

# CONTENTS

# DIRECTORS, REGISTERED OFFICE AND ADVISERS

| | |
|---|---|
| **Existing Directors:** | Kirill Golovanov – *Chief Executive Officer*<br>Mikhail Mogutov –*Executive Chairman*<br>Kenneth Kuchling – *Non Executive Director*<br>Yuri Radchenko – *Non Executive Director*<br>Donald Schissel – *Non Executive Director*<br>Leonid Skoptsov – *Non Executive Director*<br>Timothy McCutcheon – *Non Executive Director* |
| **Proposed Board of Directors following Admission** | Kirill Golovanov – *Chief Executive Officer*<br>Mikhail Mogutov – *Executive Chairman*<br>Yuri Radchenko – *Non Executive Director*<br>Leonid Skoptsov – *Non Executive Director*<br>Timothy McCutcheon – *Non Executive Director*<br>Nikolay Myasoedov – *Non Executive Director*<br>Christopher Wiltshire – *Non Executive Director*<br>Romulo Colindres – *Non Executive Director* |
| **Registered Office:** | c/o OBH Partners<br>17 Pembroke Street Upper<br>Dublin 2<br>Ireland |
| **Nominated Adviser, ESM Adviser and Broker:** | Davy<br>Davy House<br>49 Dawson Street<br>Dublin 2<br>Ireland |
| **Legal advisers to the Company:** | OBH Partners<br>17 Pembroke Street Upper<br>Dublin 2<br>Ireland |
| **Legal advisers to the Nominated Adviser, ESM Adviser and Broker:** | DLA Piper<br>Leontievsky pereulok, 25<br>Moscow<br>Russia |
| **Reporting Accountant:** | Moore Stephens LLP<br>150 Aldersgate Street<br>London<br>EC1A 4AB<br>United Kingdom |
| **Auditors to the Company:** | Grant Thornton LLP<br>24-26 City Quay<br>Dublin 2<br>Ireland |
| **Registrar:** | Computershare Investor Services (Ireland) Limited<br>Heron House<br>Corrig Road<br>Sandyford Industrial Estate<br>Dublin 18<br>Ireland |
| **Principal Bank:** | Allied Irish Banks, p.l.c.<br>Bankcentre<br>Ballsbridge<br>Dublin 4<br>Ireland |
| **Website:** | www.ovocagold.com |
| **Website from Admission:** | www.ovocabio.com |

# EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|---|---|
| Publication of this Admission Document | 4 July 2018 |
| Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting | 12.30 p.m. on 25 July 2018 |
| Extraordinary General Meeting | 12.30 p.m. on 27 July 2018[(i)] |
| Expected time and date of cancellation of trading on AIM and ESM of the Existing Ordinary Shares | 7.00 a.m. on 30 July 2018 |
| Expected time and date of Admission and commencement of dealings in the Enlarged Group on AIM and ESM | 8.00 a.m. on 30 July 2018 |

*(i) Or if later, as soon as practicable after the Annual General Meeting convened for 12.00 p.m. on the same date and at the same place, shall have been concluded or adjourned.*

*Note: Each of the dates in the above timetable are subject to change without further notice at the discretion of the Company and Davy. All times are Dublin times unless otherwise stated.*

# PART 1

# LETTER FROM THE CHAIRMAN OF OVOCA

## Ovoca Gold plc

*(incorporated and registered in Ireland under the Companies Act with registered number 1015274)*

*Existing Directors:*

Kirill Golovanov
Mikhail Mogutov
Kenneth Kuchling
Yuri Radchenko
Donald Schissel
Leonid Skoptsov
Timothy McCutcheon

*Registered Office:*

c/o OBH Partners
17 Pembroke Street Upper
Dublin 2
Ireland

Dear Shareholder,

**Proposed acquisition of up to 59.9 per cent. of IVIX**
**Change of name to Ovoca Bio plc**
**Admission of the Enlarged Group to trading on AIM and ESM**
**And**
**Notice of Extraordinary General Meeting**

### 1. INTRODUCTION

In 2014 Ovoca suspended mining operations at its Stakhanovsky Licenced Area, located in Magadan in eastern Russia and, in the interim period, has considered its strategic options in relation to the licence and its gold exploration and mining activities more generally. The decision to halt further development of the Stakhanovsky Licenced Area followed a period of continued volatility in the gold markets which resulted in the Existing Directors re-assessing the commercial viability of proceeding with the development of the project.

Following the suspension of the Company's mining operations, the Existing Directors have been assessing possible options to most effectively use the Company's strong balance sheet in order to create value for its Shareholders.

In recent months, Ovoca has engaged with IVIX, a Russian company developing a drug candidate for the treatment of female sexual dysfunctions. Following satisfactory progression of these discussions, the Board has today announced that Silverstar, a subsidiary of the Company, has entered into the Transaction, which is a conditional transaction to acquire up to 59.9 per cent of the participation interests (shares) in the charter capital of IVIX for a cash consideration of up to (approximately) US$6.2 million (€5.3 million), to be satisfied from the existing cash resources of Ovoca.

Under the terms of the Transaction, Silverstar will acquire, subject to Shareholder approval, approximately 50.02 per cent of the participation interests (shares) in the charter capital of IVIX for an aggregate cash consideration of US$4.12 million (€3.54 million). Following completion of such acquisition, Silverstar also has the right to acquire a further newly issued participation interest to be issued by IVIX for US$2.04 million (€1.75 million) which would increase its overall participation interest (shareholding) in the charter capital of IVIX by 9.9 per cent, following which it would hold approximately 59.9 per cent of all participation interests in the charter capital of IVIX.

IVIX was incorporated in 2012 and since that time has sought to develop and subsequently commercialise a proprietary drug candidate, BP101 (known as Libicore), for the treatment of female sexual dysfunctions. Since incorporation, IVIX has received funds totalling approximately €6.0 million to finance the development of Libicore and for working capital purposes. To date, IVIX has completed Phase II clinical trials in Russia for Libicore. It now intends to complete the Russian Phase III clinical trial for Libicore in Q3 2019 and expects to have the results available by Q2 2019, following which it will seek approval for the marketing of Libicore in the Russian market. IVIX has also initiated discussions with the FDA for the potential approval of Libicore development dossier for the US market.

On completion of the Transaction, the senior management team of IVIX will be integrated into the Enlarged Group. The existing Chief Executive Officer of Ovoca, Kirill Golovanov, will serve as Chief Executive Officer of the Enlarged Group, with Dmitry Golikov continuing in his role as managing director of IVIX.

The nature of the Company's business will be transformed by the Transaction and, in order to reflect its new activities, it is proposed to change the Company's name to Ovoca Bio plc. Following Admission, the Enlarged Group will seek to dispose of its remaining mining assets. The Enlarged Group will also continue to hold 1,405,000 ordinary shares in Polymetal. The Enlarged Group may elect to sell some or all of its holding of such shares in order to fund its future working capital requirements.

The acquisition of the participation interests in IVIX presents, in the opinion of the Existing Directors, an attractive opportunity for the Company. The development of a promising drug candidate, backed by strong intellectual property, to target an attractive market segment is an opportunity that, the Existing Directors believe, has the potential to generate significant returns for Shareholders.

The Transaction constitutes a reverse takeover under the AIM Rules and ESM Rules, requiring the approval of a majority of all of the Shareholders entitled to vote at a general meeting. An Extraordinary General Meeting to approve the Resolutions has been convened to be held at The Radisson Blu St. Helen's Hotel, Stillorgan Road, Blackrock, Co. Dublin, Ireland at 12.30 p.m. (or, if later, as soon as practicable after the Annual General Meeting shall have been concluded or adjourned) on 27 July 2018, notice of which is set out at the end of this document.

The Company has received irrevocable undertakings to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting in respect of 42,818,609 Ordinary Shares, representing approximately 52.5 per cent. of the Issued Share Capital.

The purpose of this document is to explain the background to and reasons for the Transaction, and why the Existing Directors believe that the Transaction is in the best interests of the Company and the Shareholders as a whole and to recommend that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

You should read the whole of this document and your attention is drawn in particular to the Risk Factors set out in Part 2 of this document.

## 2. INFORMATION ON IVIX

***Background and history***

IVIX was incorporated in 2012 to develop and subsequently commercialize a promising drug candidate, BP101, for the treatment of female sexual dysfunctions.

Between 2012 and 2015 IVIX completed a preclinical pharmacology program for BP101, the results of which allowed IVIX to then proceed and initiate a first-in-human clinical study in early 2015.

In 2017 IVIX completed a Phase IIa proof-of-concept clinical study in 110 female patients with hypoactive sexual desire disorder (HSDD). The statistically and clinically significant results from that study demonstrated impressive efficacy and favourable safety profile in the target indication. To date, three clinical studies of BP101 have been completed, demonstrating BP101's promising potential for the treatment of female sexual dysfunctions, including decreased desire and arousal disorders, as well as the drug's safety for use.

These results have formed the basis for the upcoming Phase III confirmatory therapeutic clinical study in Russia. The Phase III clinical study will be undertaken with the intention of obtaining marketing authorization in Russia and Eurasian Economic Union (EEU) countries for Libicore. This step will be crucial for market access in and further commercialization of the BP101 in Russia and EEU countries.

In March 2016, IVIX had a pre-investigative new drug (IND) filing meeting with US Food and Drug Administration (FDA), where BP101 scientific and clinical data was discussed. Generally, the FDA positively assessed the data submitted by IVIX, but the Agency requested additional preclinical and clinical studies to confirm the safety of the drug and to study its toxic-kinetic profile. Additional Phase I clinical trial and toxic-kinetic research has been completed. Other preclinical studies will be completed in 2018.

The results of the BP101 development program are patent-protected by three patents in Russia and one in the USA with a validity period up to 2033. Additional patents are in national landing phases in key target pharmaceutical markets: Brazil, Canada, China, EU, Israel, India, South Korea, and Japan.

Since incorporation, IVIX has received funds totalling approximately €6.0 million to finance the development of Libicore and for working capital purposes. Prior to the proposed Transaction, Bioprocess Capital Ventures (through its trust manager Bioprocess Capital Partners LLC) owns 64.6 per cent of IVIX's issued share capital, with the founders of IVIX (through Bio Peptid LLC) holding 35.4 per cent.

As at 31 December 2017, IVIX had total assets of approximately €1.25 million and had a net loss of €0.8 million for the financial year ended 31 December 2017.

***Product candidate overview***

The product candidate of IVIX – Libicore – is a novel synthetic peptide, administrated through a nasal spray. The nasal spray delivers the drug to olfactory and trigeminal nerves in the nasal cavity where the drug accumulates in the olfactory bulb and then further in the brain. Clinical studies completed to date have demonstrated statistically significant efficacy in treatment of major forms of female sexual dysfunction. To demonstrate Libicore's applicability in clinic, IVIX has conducted three clinical trials to date. Two Phase I clinical trials were conducted to estimate the drug's safety and tolerability.

In a preclinical animal model, BP101 demonstrated statistically significant enhancement of sexual behaviour in rats with decreased libido due to low hormonal levels. The model consisted of rats with surgically removed ovaries, the main source of sex hormones. The rats were then injected with low doses of oestrogen and progesterone at five days interval to reproduce the natural oestrous cycle. In this model, the sexual activity of female rats directly depends on the level of sex hormones. BP101 was delivered intranasally to the rats injected with these minimal doses of hormones. Their behaviour was then compared to rats injected with a maximal (saturating) dose of sex hormones. To measure sexual behaviour, the females were then introduced to active males. Two parameters were measured – "proceptive" (courting) behaviour of females and "lordosis" - reflexive posture leading to arching of the back and raising of the head, facilitating copulation with males. The results of this test demonstrated that BP101 consistently enhanced the sexual behaviour of female rats. With a single dose, BP101 enhanced behaviour stronger than the saturating dose of sex hormones (high progesterone).

In an exploratory Phase IIa proof-of concept randomized, double-blind, placebo-controlled study in female patients with lack or loss of sexual desire, 110 premenopausal women were treated with either 2,54 mg of BP101 or a placebo in a 1:1 ratio. The drug administration regiment included daily intranasal puffs for 4 weeks with a subsequent off-treatment follow-up period for control of sustainability of the treatment effect and long-term safety. Study endpoints included change in different aspects of sexual relationship (measured via Female Sexual Function Index ("FSFI"[1])) and distress related with the lack of desire (measured via Female Sexual Distress Scale-revised ("FSDR-R"[2])), and also change in numbers of satisfying sexual events (SSEs) and number of orgasms (with an orgasm as a component of SSE), compared with baseline. The study demonstrated that treatment with BP101 significantly increased sexual desire and the number of SSEs and orgasms in premenopausal women compared with the placebo.

Safety data from all BP101 clinical trials showed a favourable safety profile and only mild-to-moderate adverse events related to the treatment, with slightly more prevalence of mild local irritation in the nose (route of administration), headache and irritability. There was no increase of safety problems on high doses of BP101, as well as no unacceptable adverse effects.

The drug is produced by contract manufacturing organisations (CMOs). IVIX does not have and does not intend to develop its own manufacturing facilities until significant revenues from sales are achieved. For drug manufacturing, IVIX has chosen CMOs with strong track records of quality assurance and regulatory compliance. In Russia, the drug is manufactured by Nativa LLC, a CMO which has numerous peptide drugs in its portfolio that have been successfully produced for the Russian market.

For the USA and EU clinical studies, two CMOs have been engaged to manufacture the drug. The active pharmaceutical ingredient, peptide BP101, is to be manufactured by Bachem AG. Bachem is one of the world's

[1] The FSFI is a questionnaire commonly used in the clinical and scientific practice for assessment of sexual function in women. The index enables to assess female sexual function taking into account its six main components: sexual desire, sensitivity and excitability, lubrication (vaginal moisture), orgasticity, satisfaction with sexual life, coital and/or post-coital discomfort/pain.

[2] The FSDS-R is a validated questionnaire commonly used in the clinical and scientific practice for assessment of a distress related to a sexual function in women.

leading independent manufacturers of peptide active pharmaceutical ingredients (APIs) and an established manufacturer of small molecule APIs. Each year, Bachem manufactures hundreds of batches of drug substance for projects in clinical trials and for products on the market. Bachem's manufacturing facilities are located in Switzerland and the United States and are regularly inspected by the FDA and local authorities.

Juniper Pharma Services, located in Nottingham, UK, will fulfil the second part of the drug manufacturing cycle for IVIX, namely production of the final drug product. Juniper Pharma Services have strong experience in the manufacturing of ready dosage forms for clinical trials, under a Medicines and Healthcare Products Regulatory Agency (MHRA) license.

The glass vials and nasal spray pump for the drug product are manufactured by SGD (France) and Aptar (Germany) respectively, both established firms in their respective areas with strong track records of product quality assurance.

***Intellectual property***
In conjunction with its patent attorney, Troutman Sanders LLP, IVIX has sought to manage its patent portfolio, prepare patent filings and prosecute its patents in accordance with its overall commercial strategy.

To date IVIX has been granted 4 patents; one in the USA and three in Russia as follows:

| Country | Filed | Serial no. | Issued | Patent no. |
|---|---|---|---|---|
| Russia | 03.28.2012 | 2012111965 | 02.20.2014 | 2507212 |
| Russia | 04.01.2016 | 2016112342 | 07.21.2017 | 2626002 |
| Russia | 04.01.2016 | 2016112341 | 05.29.2018 | 2655763 |
| United States | 09.25.2014 | 14/338,080 | 08.09.2016 | 9,409,947 |

IVIX is prosecuting its main patent (Russian patent no. 2507212), covering a list of active pharmaceutical ingredients, in nine more countries. The countries and corresponding application numbers are outlined below:

| Country | Filed | Serial no. |
|---|---|---|
| Brazil | 05.28.2013 | BR1120140238880 |
| India | 05.28.2013 | 8984/DELNP/2014 |
| China | 05.28.2013 | 201380028491.4 |
| Japan | 05.28.2013 | 2015-503152 |
| European PCT | 05.28.2013 | 13772776.4 |
| Canada | 05.28.2013 | 2,868,820 |
| Israel | 05.28.2013 | 234753 |
| South Korea | 05.28.2013 | 10-2014-7030301 |
| Japan | 05.28.2013 | 2018-030815 |

IVIX is working with Troutman Sanders LLP (and their local colleagues in other jurisdictions) to pursue these patent applications but there can be no guarantee that a patent will be granted on foot of such applications.

IVIX also has exclusive rights to the invention "Stimulator of Genital, Sexual and Reproductive Function" under patent No. 2404793 registered in Russia, under an exclusive licence obtained from Bio Peptid LLC, an outgoing member of IVIX that is transferring its shareholding to Ovoca pursuant to the Sale and Purchase Agreement.

***Market environment***
Female sexual dysfunction ("FSD") is estimated to affect a significant portion of the female population in US and EU countries. Examples of FSD may include hypoactive sexual desire disorder ("HSDD") and female sexual arousal disorder ("FSAD"). FSD prevalence has been assessed in a number of large population studies. In a

research paper published by Berman, J.R. et al,[3] FSD was estimated to be present in 30-50 per cent. of US women. According to the Women's International Study of Health and Sexuality, the prevalence of HSDD ranged from 6–13 per cent. in Europe, and the proportion of women with low desire associated with distress was significantly higher in younger women in comparison with older women[4].

*Current treatment options*
Current FSD treatment options mostly include non-specific treatment focused on addressing any identified underlying conditions or medication issues that are suspected of contributing to FSD. However, in many cases FSD is idiopathic – i.e. not caused by any other concomitant health or environment problems. In such cases, treatment strategies include patient education, psychotherapy and sexual therapy. Lifestyle changes such as stress management and sleep adjustments are also recommended.

Specific medical treatments in FSD patients are limited to various food supplements with unclear efficacy, and off-label hormonal and antidepressant therapy. There is currently one approved specific medical treatment – *Addyi* (flibanserin), produced by Sprout Pharmaceuticals.

Hormonal treatment options include topical (i.e. in transdermal patches, gels etc.) testosterone or estrogen therapies used off-label. A number of clinical trials in HSDD patients, mostly with testosterone-containing drugs, have taken place in recent years. The only hormonal treatment marketed for HSDD was the P&G drug Intrinsa, which was approved by the European Medicines Agency (EMA) for the treatment of HSDD in women who have had an oophorectomy (the surgical removal of an ovary or ovaries) and receiving hormone replacement therapy. Intrinsa was withdrawn from the EU market in 2010 due to commercial reasons. The safety profile of Intrinsa was typical for testosterone-containing drugs and included the following common side effects (seen in more than 1 patient in 10): hirsutism (increased hair growth, especially on the chin and upper lip) and reactions at the site of application of the patch (redness and itching).

Other off-label treatment approaches include the prescription of antidepressant medications, such as atypical antidepressant bupropion (Wellbutrin). This approach is more common in secondary HSDD due to selective serotonin reuptake inhibitors (SSRIs) intake. Bupropion, as well as other antidepressants, are not approved by the FDA and EMA for treatment of female sexual dysfunctions, and there is lack of evidence regarding their effectiveness. Side effects of antidepressant medications vary, depending on the individual mechanism of action and the individual characteristics of each drug, but common side effects include nausea, insomnia, dizziness, pharyngitis, abdominal pain, agitation, anxiety, tremor, palpitation, sweating, tinnitus, myalgia, anorexia, urinary frequency, rash, and nervousness.

Only one pharmaceutical treatment, Addyi (flibanserin, antidepressant with selective action at serotonin 5-HT receptors), is marketed in the US for HSDD. Flibanserin efficacy in large US-based clinical studies was statistically significant over placebo, but demonstrated concomitant safety problems, such as risk of severe hypotension and syncope when taken together with alcohol or even Addyi alone, or Central Nervous System (CNS) depression (e.g., somnolence, sedation) with Addyi alone. Other common side effects included dizziness, somnolence, nausea, fatigue, insomnia, and dry mouth. In October 2015, Valeant Pharmaceticals acquired Sprout Pharmaceuticals, the producer of Addyi, for an aggregate purchase price of $1.45 billion, which included cash plus contingent consideration. Subsequently, in December 2017, Valeant completed the sale of Sprout to a buyer affiliated with certain former shareholders of Sprout, in exchange for a 6% royalty on global sales of Addyi beginning June 2019. Valeant noted that the sale of Sprout provided it with the opportunity to divest a business that was not core to its objectives, while also allowing it to resolve an ongoing legal matter between it and former shareholders of Sprout relating to compliance with certain contractual terms of the 2015 acquisition agreement with respect to the use of certain diligent efforts by Valeant to develop and commercialize Addyi.

## 3. INFORMATION ON OVOCA

Ovoca Gold plc is a gold exploration and mine development company focused on gold and silver deposits located in Russia.

[3] Berman J.R. et al, *Female sexual dysfunction: incidence, pathophysiology, evaluation, and treatment options*, Urology, 54(3), 1999, pp385-391.
[4] Nappi RE, Martini E, Terreno E, et al. *Management of hypoactive sexual desire disorder in women: current and emerging therapies*. International Journal of Women's Health. 2010; 2:167-175)

***Background and History***
Ovoca was founded in 1985 in Ireland and since inception has been involved in natural resource development. Ovoca entered Russia in 2004 with the acquisition of Norplat Limited, a company operating in the Murmansk Region which owned the licenses for the Pellapakh molybdenum-copper-gold ore body and the Oleninskoye gold ore body.

In 2006, Ovoca acquired a majority interest in OAO Ajax, a Russian company that owned the Goltsovoye silver deposit in the Magadan region in eastern Russian. Goltsovoye was, at the time, a large, high grade silver deposit that had yet to be mined. Ovoca carried out confirmatory drilling to verify historical Soviet data, established a JORC Code resource, completed a feasibility study and secured project financing to build a mine. The global economic crisis which began in 2008 coincided with the financing, which was later withdrawn. As such, in January 2009 Ovoca agreed to sell Goltsovoye to Polymetal for an aggregate cash and share consideration of US$47.7 million.

In January 2010, Ovoca purchased 100% of the Nevsko-Pestrinskoye, Stakhanovsky and Rassoshinskaya gold exploration and development projects located in the Magadan region of Russia. Ovoca initially focussed the majority of its exploration activities on Olcha in the southern section of the Rassoshinskaya licence area, which was better developed in terms of geology. Following exploration activities undertaken in 2010 and 2011 and the resulting increase in the resource base of Olcha, Ovoca was granted a certificate of discovery in October 2011. In April 2012, Ovoca was then granted a 25 year exploitation license for Olcha, the final regulatory step required before exploitation of Olcha could commence. The next steps for Ovoca to exploit Olcha would be the development of mining operations which would require additional capital investment from the Company and the fulfilment of certain obligations under the terms of the Olcha exploitation licence.

Ovoca announced on December 2012 that it had entered into a conditional agreement to sell its 100 per cent. interest in its subsidiary Olymp, whose only asset was the mining and exploration license for the Olcha gold-silver deposit, to Polymetal. The consideration payable under the disposal was 775,000 Polymetal ordinary shares.

Ovoca subsequently focussed its efforts on the Stakhanovsky Licence. A resource estimate for Stakhanovsky, based on the sampling information available as at the end of 2012, was prepared by MIR Resources Limited in accordance with the JORC Code, and identified a total mineral resource of 4.4 Mt at an average gold grade of 2.3 g/t for an estimated gold content of 231,000 ounces in the Measured and Indicated resource category and 96,000 ounces in the Inferred resource category.

In 2014, after taking into account the continued volatility in the gold markets and the risks associated with the development of mining operations on the Stakhanovsky Licence, which would require additional capital investment from the Company and the fulfilment of certain obligations under the terms of the Stakhanovsky Licence, the Company suspended exploration activities on the area and initiated efforts to seek a joint venture partner to develop the licence or to potentially sell the Company's interest in the licence. The Company has so far been unable to find a joint venture partner or an acquirer for the Stakhanovsky Licence.

The Company currently has no plans to develop the Stakhanovsky Licenced Area and, in the first half of 2017, the Company disposed of its mining equipment at the site.

Ovoca is a strongly capitalized business. As at 31 December 2017, the Company had net assets of €22.4 million, which included cash and cash equivalents of €5.5 million and available for sale financial assets of €15.9 million. Ovoca has no current outstanding debt. In recent years, Ovoca's share price has continued to trade at what the Existing Directors believe to be a significant discount to its net asset value per Ordinary Share. At 31 December 2017, such discount was approximately 68 per cent.

***Current trading and prospects***
Since 31 December 2017, Ovoca has traded in line with management expectations. Mining and exploration operations remain suspended at the Company's licence areas in Russia. Ovoca intends to dispose of its remaining mining property and equipment, primarily comprising the mining site office in Magadan, in 2018. On 12 March 2018, Polymetal declared a final dividend for its 2017 financial year of US$0.30 per ordinary share, pursuant to which Ovoca received dividend income of approximately US$0.25 million on 25 May 2018 relating to its holding of 1,405,000 ordinary shares of Polymetal.

During the remainder of 2018, the Company will continue to rigorously pursue all available legal options to recover amounts due to it pursuant to the loans previously extended to Taymura LLC, including the pursuit of

the personal guarantees which were used to secure the loan. However, there can be no guarantee that the entire loan amount will be recovered by Ovoca. Further details are included in paragraph 17 of Part 6 of this document.

## 4. STRATEGY OF THE ENLARGED GROUP

The Enlarged Group's goal is to become a leader in the development and commercialisation of novel product candidates for the treatment of female sexual dysfunctions. The key elements of this strategy include:

***Complete the clinical development of the Enlarged Group's product candidates to approval***
The Enlarged Group is focused on completing the development of its clinical product candidate, Libicore. The Enlarged Group intends to complete the Russian Phase III clinical trial for Libicore in Q3 2019 and expects to have the results available by Q2 2019. Subject to the results of the Phase III trial, the Enlarged Group intends to submit applications for marketing approval for Libicore within Russia and Eurasian Economic Union countries in Q3 2019. The costs of completing the Russian Phase III clinical trial for Libicore are estimated to be US$3.5 million and will be capable of being satisfied from the cash resources of IVIX following the completion of the investment by Ovoca.

In the United States, IVIX has had a pre-IND meeting with the FDA to discuss requirements for conducting clinical trials in the United States in order to obtain marketing authorization. The Company received instructions from the FDA on the studies that will need to be conducted to obtain authorization to conduct a Phase IIb clinical trial in United States. The Enlarged Group intends to fulfil the FDA's requirements and to progress the clinical trials of Libicore in order to ultimately obtain marketing authorisation for Libicore from the FDA. Submission of the IND application to the FDA and obtaining approval for the Phase IIb clinical trial is expected to take place in 2019.

***Establish commercialisation partnerships with third parties***
The Enlarged Group intends to license commercialisation rights or collaborate with regional partners, global pharmaceutical companies or other qualified potential partners with the aim of promoting its current and future product candidates in an effective way with a targeted sales and marketing group.

***Continue to invest in and strengthen its intellectual property portfolio***
On Admission, the Enlarged Group will own a patent portfolio that provides broad effective protection of its technology and current product candidate. The Enlarged Group intends to continue to leverage this patent portfolio to develop and commercialise its product candidate and potential future product candidates. The Enlarged Group intends to continue to generate and file new patent applications and take other steps to expand and strengthen its intellectual property position. In addition, the Enlarged Group may also expand its intellectual property portfolio through in-licensing and acquisition.

## 5. PRINCIPAL TERMS OF THE TRANSACTION

The Company today announced that Silverstar has entered into the Transaction, which is a conditional transaction to acquire up to 59.9 per cent of the participation interests (shares) in the charter capital of IVIX for a cash consideration of up to (approximately) US$6.2 million (€5.3 million), to be satisfied from the existing cash resources of Ovoca.

Pursuant to the terms of the shareholders' agreement between Ovoca, IVIX and the other members of IVIX ("Participation Agreement"), Silverstar will acquire a newly issued participation interest representing approximately 22.6 per cent of the charter capital of IVIX for a cash consideration of US$1.86 million (€1.60 million). Pursuant to the terms of the sale and purchase agreement between Bio Peptid LLC, a current member of IVIX, and Ovoca ("Sale and Purchase Agreement"), Silverstar will then acquire an existing participation interest in IVIX from Bio Peptid LLC representing approximately 27.5% of IVIX's charter capital, for a cash consideration of US$2.26 million (€1.94 million). Following these two steps, Silverstar will own 50.02 per cent of all participation interests in the charter capital of IVIX which will become a subsidiary of the Enlarged Group.

Following such acquisitions, Ovoca also has the right to acquire a further participation interest to be issued by IVIX for US$2.04 million (€1.75 million) which would increase its overall participation interest (shareholding) in the charter capital of IVIX by 9.9 per cent. Should Ovoca exercise the option, it will hold an approximately 59.9 per cent interest in the charter capital of IVIX.

Further details of the Participation Agreement and Sale and Purchase Agreement are set out in paragraph 11 of Part 6 of this document.

The Transaction is conditional, inter alia, on the passing of the Resolutions, Admission and all of the conditions under the Sale and Purchase Agreement and the Participation Agreement being satisfied other than Admission.

## 6. EXISTING DIRECTORS AND PROPOSED DIRECTORS

The Board of Ovoca is currently comprised of Mikhail Mogutov as Executive Chairman, Kirill Golovanov as Chief Executive Officer, and Kenneth Kuchling, Yuri Radchenko, Donald Schissel, Leonid Skoptsov and Timothy McCutcheon as Non-executive Directors.

The following changes, each of which will take effect from Admission, will be made to the Board in connection with the Transaction:

- Romulo Colindres, Nikolay Myasoedov and Christopher Wiltshire will be appointed as Non-Executive Directors;
- Donald Schissel and Kenneth Kuchling will resign as Directors.

The biographical details of the Directors of the Enlarged Group upon Admission are set out below:

*Mikhail Mogutov (aged 61) –* ***Proposed Executive Chairman***
Mr. Mogutov joined the board of Ovoca in June 2006 and became Chairman in 2008. Mr Mogutov qualified as an Engineer-Physicist in 1979 from the Moscow physics-chemistry institute and in 1984 was awarded a PhD from the Institute of Molecular Genetics specialising in Molecular Biology. Mr Mogutov has led a number of businesses across a range of sectors including life science, chemical, heavy industries, financial services and natural resources. Mr Mogutov's recent experience in the life science sector including acting as chairman for Biomed-Mecnikov, a biotechnology company focused on the production of biopharmaceutical medicines based on recombinant proteins and Pharmapark, a biotechnology company focused on developing, manufacturing and promoting biopharmaceuticals in Russia. In 2006 Mr Mogutov founded Bioprocess Capital Partners LLP, a trust manager of the Bioprocess Capital Ventures which is focused on investing in innovative biotech projects. Mr Mogutov is fluent in Russian and English.

*Kirill Golovanov (aged 40) –* ***Proposed Chief Executive Officer***
Mr. Golovanov joined Ovoca as a corporate advisor in 2007 and moved to be the manager of the Company's Russia representative office in 2009. He was appointed as Chief Executive Officer of Ovoca in May 2012. During his time at Ovoca he played a major role in the development and subsequent sale of the Goltsovoye silver deposit and the Olcha gold deposit. He has extensive experience in the development of venture businesses in Russia, as well as working experience at leading Russian enterprises, such as Gazprombank and Vneshekonombank. Mr. Golovanov holds a JD, Moscow State Law Academy, Moscow, Russia and an MBA from Duke University's Fuqua School of Business, NC, USA. Mr Golovanov is fluent in Russian and English. He also holds a Russian qualification certificate corresponding to the position of a head, or a controller, or a specialist in an organisation which carries out securities management and manage investment funds, unit investment funds and non-governmental pension funds.

*Timothy McCutcheon (aged 45) –* ***Proposed Non-Executive Director***
Mr. McCutcheon joined the board of Ovoca as a Non-Executive Director in January 2009 and moved into the CEO position in December 2009 before stepping down in April 2012 and becoming again a Non-Executive Director. Prior to Ovoca, Mr. McCutcheon was a partner at DBM Capital Partners, an investment manager and corporate finance boutique specializing in natural resources. He also worked at several investment banks such as Bear Stearns, Aton Capital and Pioneer Investments as an award-winning equity analyst and as an investment banker. Currently, Mr. McCutcheon is president of Wealth Minerals Ltd, a TSX-V company developing lithium assets for clean energy applications. He also provides management and business development services to natural resource, technology and aerospace firms. Mr. McCutcheon holds a BA, cum laude, from Columbia College, New York and an MBA in Finance from Columbia Business School. Mr. McCutcheon is fluent in English and Russian.

*Leonid Skoptsov (aged 63)* – ***Proposed Non-Executive Director***
Mr. Skoptsov joined the board of Ovoca in June 2006 and served as the Company's chief executive officer from 2006 to 2009. Mr. Skoptsov was part of the Bioprocess Group team that owned and ran OAO "United Machinery Plants" (OMZ). He also played an active part in natural resource development prior to Ovoca. He was the Chairman of OAO Pervaya Gornorudnaya Companiya from 2001–2005, a zinc-lead asset developer. He was also the Chairman of OAO Volganeft from 2000 to 2004, a mid-tier oil producer in Russia which was sold to Russneft. He was part of the group that vended into Ovoca Gold plc 100% of OAO Ajax – Goltsovoye. Mr. Skoptsov holds a BA, cum laude, from Moscow State University, Moscow, Russia. He is fluent in Russian and English.

*Yuri Radchenko (aged 65)* – ***Proposed Non-Executive Director***
Mr. Radchenko joined the board of Ovoca in June 2006. Mr. Radchenko is a resident of the Magadan region in Russia and has a long history of natural resource development in the region. He was deeply involved in the development of the Julietta gold-silver mine by Bema Gold Corporation and he is currently the Chairman of Julietta's operating company. Additionally, he discovered the Lunnoye silver deposit, which is now one of OAO Polymetal's core assets. He was part of the group that vended into Ovoca Gold plc 100% of OAO Ajax – Goltsovoye. Mr. Radchenko holds a MS Geology, from the Kazakhstan Polytechnical Institute, Almaty, Kazakhstan.

*Romulo Colindres (aged 47)* – ***Proposed Non-Executive Director***
Mr Colindres is an experienced medical practitioner and pharmaceutical executive, having worked with GlaxoSmithKline plc ("GSK") in a number of senior roles since 2007. Mr Colindres is currently Vice President, Global Medical Affairs Lead for Zoster with GSK and has previously held roles with GSK in Panama, Brazil and Belgium during his career with the company. Prior to joining GSK, Mr Colindres was a physician in the United States and Brazil and previously held roles in public health in the United States and El Salvador. Mr Colindres holds an MBA from Duke University's Fuqua School of Business, NC, USA, an MD from University of North Carolina School of Medicine, Chapel Hill, NC, USA and a Masters of Public Health from University of North Carolina School of Public Health, Chapel Hill, NC, USA. He is fluent in Spanish and English.

*Nikolay Myasoyedov (aged 81)* – ***Proposed Non-Executive Director***
Mr Myasoyedov is an expert in the field of bioorganic chemistry and biotechnology. He is a full member of the Russian Academy of Sciences since 2003, serving on the Department of Physical and Chemical Biology. Mr Myasoyedov serves as Deputy Director for Research and the head of the Department of Chemistry of Physiologically Active Substances at the Institute of Molecular Genetics. He has more than 1,000 citations on work published after 1975. He is a co-author over 360 scientific papers, including 2 monographs, more than 150 copyright certificates and patents, as well as 4 foreign patents (USA, England, France, Sweden).

*Christopher Wiltshire (aged 57)* – ***Proposed Non-Executive Director***
Mr. Wiltshire is an experienced senior pharmaceutical and biotechnology executive with over 20 years of international experience. He currently serves as the CEO of Hematherix LLC, a company he founded in 2015 to develop a first-in-class, early stage recombinant blood protein. Between 2008 and 2015, he was the founder/owner of IPT Bioconsulting, which provided strategic advice to early and mid-stage biotechnology and pharmaceutical companies. Mr Wiltshire previously served in number of senior positions with Pfizer between 1998 and 2008, including as head of business transactions and investments within The Pfizer Incubator LLC. Prior to joining Pfizer, Mr Wiltshire worked with Eli Lilly and Company between 1993 and 1998. Mr Wiltshire holds an MA in Engineering from the University of Cambridge in the UK and an MBA from the Darden Graduate School, University of Virginia, US.

## 7. CORPORATE GOVERNANCE AND BOARD COMMITTEES

Following Admission, given the commitment to good governance practice, the Board intends to adhere to the QCA Corporate Governance Code which sets out a standard of minimum best practice for small and mid-sized quoted companies, particularly AIM companies.

On Admission, the Board will comprise two executive Directors and six non-executive Directors. The Board intends to meet regularly (at least quarterly) to discharge its responsibility to shareholders including to consider strategy, performance and the framework of internal controls, as well as review its own performance and composition.

The Enlarged Group will have the following committees on Admission:

***Audit committee***
The Board has established an audit committee with formally delegated duties and responsibilities. The audit committee will be chaired with effect from Admission by Tim McCutcheon with Leonid Skoptsov being the other member of the committee. The audit committee will meet at least three times a year and will be responsible for ensuring that the financial performance of the Enlarged Group is properly reported on and monitored, including by conducting reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies.

***Remuneration committee***
The remuneration committee will be chaired with effect from Admission by Mikhail Mogutov with Leonid Skoptsov being the other member of the committee. It is expected to meet not less than two times a year. Directors may attend meetings at the committee's invitation.

The remuneration committee has responsibility for determining, within agreed terms of reference, the Enlarged Group's policy on the remuneration of senior executives and specific remuneration packages for executive Directors, including pension rights and compensation payments. It is also responsible for selecting individuals to whom to make grants of awards under the Share Option Scheme (see paragraph 9 of this Part 1).

The remuneration of non-executive Directors is a matter for the Board. No Director may be involved in any discussions as to their own remuneration.

***Nomination committee***
The nomination committee will be chaired with effect from Admission by Mikhail Mogutov with Tim McCutcheon being the other member of the Committee. It is expected to meet not less than once a year. The nomination committee will assist the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It will also be responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise. The nomination committee will be responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, retirements and appointments of additional and replacement Directors and committee members and will make appropriate recommendations to the Board on such matters.

## 8. CHANGE OF NAME

Subject to the Shareholders' approval by way of a special resolution, it is proposed, pursuant to Resolution 2, that the name of the Company be changed to Ovoca Bio plc subject to the approval of the Registrar of Companies. If Resolution 2 to approve the change of name of the Company is passed at the Extraordinary General Meeting, the company's website address will be changed to www.ovocabio.com as soon as possible. Resolution 2 is conditional on Shareholder approval of the Transaction.

## 9. SHARE INCENTIVE SCHEMES

The Existing Directors and Proposed Directors believe that the success of the Enlarged Group depends, in part, on the future performance of the executive Directors and the senior management team. The Existing Directors and Proposed Directors also recognise the importance of ensuring that employees are incentivised and identify closely with the success of the Enlarged Group.

The Company operates a share option plan which was adopted on 20 July 2009 and which gives employees, directors and consultants of companies within the Group the opportunity to acquire shares in the Company. The Remuneration Committee will consider a timetable for proposed awards following Admission. Further details on the Share Option Scheme are set out in paragraph 10 of Part 6.

## 10. DIVIDEND POLICY

The Proposed Directors' objective is to grow the Enlarged Group's business. Future income generated by the Enlarged Group is likely to be re invested to implement its growth strategy. In view of this, it is unlikely that the

Board will recommend a dividend in the early years following Admission. However, the Board intends that the Company will recommend or declare dividends at some future date once they consider it commercially prudent for the Company to do so, bearing in mind the financial position and resources required for the Enlarged Group's development.

## 11. EXTRAORDINARY GENERAL MEETING

Set out at the end of this document is a notice convening the Extraordinary General Meeting to be held at The Radisson Blu St. Helen's Hotel, Stillorgan Road, Blackrock, Co. Dublin, Ireland at 12.30 p.m. (or, if later, as soon as practicable after the Annual General Meeting shall have been concluded or adjourned) on 27 July 2018. The full terms of the Resolutions are set out in that notice and are summarised below:

- Resolution 1, which will be proposed as an ordinary resolution, is to approve the Transaction for the purposes of Rule 14 of the AIM Rules for Companies and Rule 14 of the ESM Rules for Companies;

- Resolution 2, which will be proposed as a special resolution, is to approve, subject to the passing of resolution 1, and the approval of the Registrar of Companies, the change of the name of the Company to Ovoca Bio plc;

- Resolution 3, which will be proposed as a special resolution, is to approve, subject to the passing of resolution 1, the change of the main objects clause of the Company; and

- Resolution 4, which will be proposed as a special resolution, is to approve, subject to the passing of resolution 2, proposed changes to the Memorandum and Articles of Association of the Company.

## 12. IRREVOCABLE UNDERTAKINGS TO APPROVE THE PROPOSALS

Kirill Golovanov, Yuri Radchenko and Leonid Skoptsov, being the Existing Directors who hold Ordinary Shares, have given an irrevocable undertaking to the Company to vote in favour of the Resolutions (and to procure that such action is taken by the relevant registered holders) in respect of their beneficial holdings totalling 42,818,609 Ordinary Shares, representing approximately 52.5 per cent. of the Issued Share Capital.

## 13. TAXATION

Information regarding taxation is set out in paragraph 12 of Part 6 of this document. That information is intended only as a general guide to the current tax position under the relevant law. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

## 14. CREST

The Ordinary Shares are eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in Ordinary Shares may take place within the CREST system if the relevant Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

## 15. FURTHER INFORMATION

Your attention is drawn to Parts 2 to 6 of this document which provide additional information.

## 16. ACTION TO BE TAKEN

A form of proxy is enclosed for use by Shareholders in connection with the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, Shareholders are asked to complete, sign and return the form of proxy to the Registrars at Computershare Investor Services (Ireland),

Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 as soon as possible but in any event so as to arrive no later than 12.30 p.m. on 25 July 2018. The completion and return of a form of proxy will not preclude Shareholders from attending the Extraordinary General Meeting and voting in person should they wish to do so. Accordingly, whether or not you intend to attend the Extraordinary General Meeting, you are urged to complete and return the form of proxy as soon as possible.

## 17. RECOMMENDATION

**The Existing Directors consider the Transaction to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Existing Directors recommend that Shareholders vote in favour of the Resolutions as they have irrevocably undertaken to do so in respect of their own direct and beneficial shareholdings being in aggregate 42,818,609 Ordinary Shares representing approximately 52.5 per cent. of the Issued Share Capital.**

Yours faithfully

**Mikhail Mogutov**
Chairman

# PART 2

# RISK FACTORS

An investment in the Enlarged Group and/or Ordinary Shares is subject to a number of risks and uncertainties. Accordingly, in evaluating whether to make an investment in the Ordinary Shares potential investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Ordinary Shares, including (but not limited to) the risk factors described below, before making any investment decision with respect to the Ordinary Shares. The Existing Directors and the Proposed Directors believe the following risks to be the most significant for potential investors. However, the risk factors described below do not purport to be an exhaustive list and do not necessarily comprise all of the risks to which the Enlarged Group is exposed or all those associated with an investment in the Ordinary Shares. In particular, the Enlarged Group's performance is likely to be affected by changes in market and/or economic conditions and in legal, accounting, regulatory and tax requirements. The risk factors described below are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Existing Directors or the Proposed Directors, or which the Existing Directors and the Proposed Directors currently deem immaterial, may also have an adverse effect upon the Enlarged Group. If any of the following risks were to materialise, or any additional risks not presently known or currently deemed immaterial were to materialise, the Enlarged Group's business, financial condition, results, prospects and/or future operations may be materially adversely affected. In such case, the value of the Ordinary Shares may decline and an investor may lose all or part of his investment.

**General Risks**

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

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

**RISKS RELATING TO THE TRANSACTION**

***Conditions relating to the Transaction***
Completion of the Transaction is subject to the satisfaction of a number of conditions, including the approval of Resolutions 1 to 4 by the Shareholders at the Extraordinary General Meeting and Admission. If Shareholders do not approve Resolutions 1 to 4 at the Extraordinary General Meeting, the Transaction will not be completed.

***Liability for transaction costs***
Shareholders should be aware that the Company will be required to pay certain transaction fees and costs irrespective of whether the Transaction is approved at the Extraordinary General Meeting or otherwise completes. If the Transaction does not proceed for whatever reason, payment of these costs would reduce the Company's available cash reserves, which could have an adverse effect on its operations, financial condition or prospects.

***Due diligence***
The Company and its advisers have carried out legal, financial, commercial and other due diligence in respect of IVIX's assets. The Board believes that it has carried out sufficient investigations to confirm that IVIX has satisfactory title to its interests in its assets. However due to the limitations of these due diligence exercises, there is no assurance that, following completion of the Transaction, all potential risks and liabilities associated with the IVIX's assets will have been identified, uncovered or quantified.

## RISKS RELATING TO THE ENLARGED GROUP AND THE SECTOR IN WHICH IT OPERATES

***The integration of IVIX into the Group may give rise to challenges, and the Enlarged Group could suffer financial consequences while management is working on the integration process***

The Enlarged Group's success will depend upon the Proposed Directors' ability to integrate IVIX into the Group. The management team will be required to commit time towards achieving the integration of IVIX, and this may affect or impair its ability to run the business of the Enlarged Group effectively. Integration may prove more difficult than currently anticipated by the Existing Directors and Proposed Directors, or may take longer than expected, thereby posing a risk to the Enlarged Group's profitability, and the costs to achieve this integration may also be greater than expected, any of which could have a material adverse effect on the Enlarged Group's business, financial condition and/or results of operations.

***Dependence on key executives and personnel***

The successful operation of the Enlarged Group will depend partly upon the performance and expertise of its current and future key executives and personnel. The Group and IVIX each have a relatively small senior management team whose skills, knowledge, experience and performance are important to the success of the Enlarged Group. The loss of such individuals or the failure to train and attract other high calibre individuals could impact the successful operation of the Enlarged Group.

Remuneration packages of the Enlarged Group will be reviewed annually to help ensure that the right combination of base salary, short-term and long-term incentives are provided in order to attract, retain and reward key employees. The Enlarged Group will also operate a talent management programme to help engage all employees.

***The Enlarged Group faces significant competition from other biotechnology and pharmaceutical companies***

The biotechnology and pharmaceutical industries are very competitive. The Enlarged Group's competitors, include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources, such as larger research and development staff. The Enlarged Group's competitors may succeed in developing, acquiring or licensing drug product candidates that are earlier to market, more effective or less costly than any product candidate which the Enlarged Group is currently developing or which it may develop and this may have a material adverse impact on the Enlarged Group.

***The Enlarged Group may not be successful in its efforts to build a further pipeline of product candidates and develop marketable products***

The Enlarged Group is operating in the biopharmaceutical development sector and it progressing its current product candidate through various stages of clinical development. In addition, the Enlarged Group may continue to exploit other opportunities within the sector in order to expand its present development pipeline. Industry experience indicates that there may be a very high incidence of delay or failure to produce valuable scientific results in relation to the present development pipeline. Further to this, the Enlarged Group may not be successful in developing new products based on the scientific discoveries developed by the Enlarged Group. The ability of the Enlarged Group to develop new products relies on, inter alia, the recruitment of sufficiently qualified research and development partners with expertise in the biopharmaceutical sector. The Enlarged Group may not be able to develop its relationships and/or recruit research partners of a sufficient calibre to satisfy its growth rate and develop its future pipeline.

Additionally, product development timelines are at risk of delay as the timing of regulatory approvals are uncertain and it is not always possible to predict the rate of patient recruitment into clinical trials. There is therefore a risk that product development could take longer than presently expected by the Enlarged Group.

Furthermore, there can be no guarantee that the Enlarged Group will be able to, or that it will be commercially advantageous for the Enlarged Group to, develop its intellectual property through entering into licensing deals with emerging, mid-size and large pharmaceutical companies.

***Clinical trials are expensive, time consuming and difficult to design and implement and involve uncertain outcomes. Furthermore, results of earlier pre-clinical studies and clinical trials may not be predictive of results of future pre-clinical studies or clinical trials***

To obtain the requisite regulatory approvals to market and sell any of the Enlarged Group's product candidates, it must demonstrate, through extensive pre-clinical studies and clinical trials, that its product candidates are safe and effective in humans. Clinical testing is expensive and can take many years to complete and its outcome is

inherently uncertain. Failure can occur at any time during the clinical trial process and in addition regulatory authorities may require further studies at additional cost. Furthermore regulatory authorities such as the FDA and EMA may not agree on the same trial design for pivotal studies. The results of pre-clinical studies and earlier clinical trials may not be predictive of the results of later stage clinical trials. For example, the results generated to date in pre-clinical studies or Phase I or Phase II clinical trials for the Enlarged Group's product candidate does not ensure that later clinical trials will demonstrate similar results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through pre-clinical studies and initial clinical trials. The Enlarged Group may suffer setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier clinical trials. In addition, the Enlarged Group may experience delays in its ongoing or future pre-clinical studies or clinical trials and it does not know whether future pre-clinical studies or clinical trials will begin on time, need to be redesigned, enrol an adequate number of subjects or patients on time or be completed on schedule, if at all.

***The regulatory approval processes of the EMA, FDA and other comparable regulatory agencies may be lengthy, time-consuming and the outcome is unpredictable***

The Enlarged Group's future success is dependent upon its ability to develop successfully, obtain regulatory approval for and then successfully commercialise one or more of its product candidates.

There can be no assurance that any of the Enlarged Group's product candidates will be successful in clinical trials or receive regulatory approval. Applications for any of the Enlarged Group's product candidates could fail to receive regulatory approval for many reasons, including, but not limited to, the following:

- the EMA, FDA or any other comparable regulatory agency may disagree with the design or implementation of the Enlarged Group's clinical trials or the Enlarged Group's interpretation of data from non-clinical trials or clinical trials;
- the population studied in the clinical programme may not be sufficiently broad or representative to ensure that the clinical data can be relied on safely in the full population for which the Enlarged Group is seeking approval;
- the data collected from clinical trials of the Enlarged Group's product candidates may not be sufficient to support a finding that has statistical significance or clinical meaningfulness or support the submission of a new drug application or other submission, or to obtain regulatory approval in relevant jurisdictions, such as Europe and the US;
- the Enlarged Group may be unable to demonstrate to the EMA, FDA or any other comparable regulatory agency that a product candidate's risk benefit ratio for its proposed indication is acceptable;
- the EMA, FDA or any other comparable regulatory agency may fail to approve the manufacturing processes, test procedures and specifications or facilities of third party manufacturers with which the Enlarged Group contracts for clinical and commercial supplies; and
- the approval policies or regulations of the EMA, FDA or any other comparable regulatory agency may significantly change in a manner rendering the Enlarged Group's clinical data insufficient for approval.

Any of the Enlarged Group's current or future product candidates could take a significantly longer time to gain regulatory approval than expected or may never gain regulatory approval. This could delay or eliminate any potential product revenue by delaying or terminating the potential commercialisation of the Enlarged Group's product candidates.

The Enlarged Group intends to seek regulatory approvals to commercialise its product candidate in Russia, Europe and the United States. To obtain regulatory approval in other countries, the Enlarged Group must comply with numerous and varying regulatory requirements of such other jurisdictions, which may include (without limitation) safety, efficacy, chemistry, manufacturing and controls, clinical trials, commercial sales, pricing and distribution of its product candidates. Even if the Enlarged Group is successful in obtaining approval in one jurisdiction, there can be no guarantee that it will obtain approval in other jurisdictions. Failure to obtain marketing authorisations for its product candidates will result in the Enlarged Group being unable to market and sell such products. If the Enlarged Group fails to obtain approval in any jurisdiction, the geographic market for its product candidates could be limited.

***If serious adverse, undesirable or unacceptable side effects are identified during the development of the Enlarged Group's product candidates or following regulatory approval, if any, the Enlarged Group may need to abandon its development and/or commercialisation of such product candidates***

If the Enlarged Group's product candidates are associated with serious adverse, undesirable or unacceptable side effects, the Enlarged Group may need to abandon their development or limit their development to certain uses or sub populations in which such side effects are less prevalent, less severe or more acceptable from a

risk benefit perspective. It is relatively common in the biotechnology and pharmaceutical sector for compounds that initially showed promise in pre-clinical or early stage testing to later be found to cause side effects that restrict their use and prevent further development of the compound for larger indications. Occurrence of serious treatment related side effects could impede clinical trial enrolment, require the Enlarged Group to halt the relevant clinical trial and prevent receipt of regulatory approval from the EMA, FDA or any other comparable regulatory agency. They could also adversely affect physician or patient acceptance of the Enlarged Group's product candidates.

Additionally, if one or more of the Enlarged Group's product candidates receives regulatory approval, and the Enlarged Group or others later identify undesirable side effects caused by such product candidates, a number of potentially significant negative consequences could result, including, but not limited to:

- withdrawal by regulatory authorities of approvals of such product;
- seizure of the product by regulatory authorities;
- recall of the product;
- restrictions on its permissible uses and the marketing of the product, including, potentially, the complete withdrawal of the product from the market;
- requirement by regulatory authorities of additional warnings on the label;
- requirement that the Enlarged Group creates a medication guide outlining the risks of such side effects for distribution to patients;
- commitment to expensive additional safety studies prior to launch as a pre requisite of approval by regulatory authorities of such product;
- commitment to expensive post marketing studies as a pre requisite of approval by regulatory authorities of such product;
- initiation of legal action against the Enlarged Group claiming to hold it liable for harm caused to patients; and
- harm to the Enlarged Group's reputation and resulting harm to physician or patient acceptance of the Enlarged Group's products.

Any of these events could prevent the Enlarged Group from achieving or maintaining market acceptance of the particular product candidate, if approved, and could have a material adverse effect on the Enlarged Group's business, financial condition, and results of operations.

***The Enlarged Group's products may not gain market acceptance, in which case the Enlarged Group may not be able to generate product revenues***

Even if the EMA, FDA or any other comparable regulatory agency approves the marketing of any product candidates that the Enlarged Group develops, physicians, healthcare providers, patients or the medical community may not accept or use them. Efforts to educate the medical community and third party payors on the benefits of the Enlarged Group's product candidates may require significant resources and may not be successful. If any product candidate that the Enlarged Group develops, in each case if approved, do not achieve an adequate level of acceptance, the Enlarged Group may not generate significant product revenues or any profits from operations. The degree of market acceptance will depend on a variety of factors, including, but not limited to:

- whether clinicians and potential patients perceive the Enlarged Group's product candidates to have a better efficacy, safety and tolerability profile, ease of use, compared with the products marketed by the Enlarged Group's competitors and the prevailing standard of care;
- the timing of market introduction;
- the number of competing products;
- the Enlarged Group's ability to provide acceptable evidence of safety and efficacy;
- the prevalence and severity of any side effects and a continued acceptable safety profile following approval;
- relative convenience and ease of administration;
- cost-effectiveness;
- patient diagnostics and screening infrastructure in each market;
- marketing and distribution support;
- the availability of healthcare coverage, reimbursement and adequate payment from health maintenance organisations and other third party payors, both public and private; and
- competition from other therapies.

The Enlarged Group's estimates of the potential market opportunity for its product candidates are predicated on several key assumptions, such as industry knowledge and publications, third party research reports and other surveys. Although the Board believes that the Enlarged Group's internal assumptions are reasonable, these assumptions may prove to be inaccurate. If any of the assumptions proves to be inaccurate, then the actual market for the Enlarged Group's product candidates could be smaller than the Enlarged Group's estimates of the potential market opportunity. If that turns out to be the case, the Enlarged Group's product revenue may be limited and it may be unable to achieve or maintain profitability.

***Technological changes could overtake the candidates being developed by the Enlarged Group***
The biotechnology and pharmaceutical industries are subject to rapid technological change which could affect the success of the Enlarged Group's candidates or make them obsolete. Research and discoveries by others may result in medical insights or breakthroughs which render the Enlarged Group's candidates less competitive or even obsolete before they generate revenue. The Enlarged Group may be unable to successfully establish and protect its intellectual property which is significant to the Enlarged Group's competitive position. The Enlarged Group's success depends in part on its ability to obtain and maintain protection for its inventions and proprietary information, so that it can stop others from making, using or selling its inventions or proprietary rights. The Enlarged Group will own a portfolio of patent applications and be the authorised licensee of other patents and patent applications.

There is typically a delay between the time of filing of a patent application and the time its contents are made public officially and others may have filed patent applications for subject matter covered by the Enlarged Group's pending patent applications without the Enlarged Group being aware of those applications during such a delay. Some of these may have been filed before the Enlarged Group's own patent applications. Consequently, the Enlarged Group's patent applications may be subject to the earlier rights of others and the Enlarged Group's pending patent applications may not result in issued patents. Even if the Enlarged Group obtains patents, they may not be valid or enforceable against others. Moreover, even if the Enlarged Group receives patent protection for some or all of its candidates, those patents may not give the Enlarged Group an advantage over competitors with similar candidates.

To develop and maintain its competitive position, the Enlarged Group also relies on unpatented trade secrets and improvements, unpatented know how and continuing technological innovations, which it protects with security measures it considers to be reasonable, including confidentiality agreements with its collaborators, consultants and employees. The Enlarged Group may not have adequate remedies if these agreements are breached. The Enlarged Group's competitors may also independently develop any of this proprietary information.

If the Enlarged Group fails to obtain adequate access to, or protection for, the intellectual property required to protect its strategy, the Enlarged Group's competitors may be able to take advantage of the Enlarged Group's research and development efforts. The Enlarged Group's success will depend, in large part, on its ability to obtain and maintain patent or other proprietary intellectual property rights for its technologies in general. Legal standards relating to patents covering pharmaceutical or biotechnological inventions and the scope of claims made under these patents are continuously changing. The policy regarding the breadth of claims allowed in biotechnology and pharmaceutical patents is subject to changes as the law evolves, both through legislative changes and case law. The Enlarged Group's patent and intellectual property position is therefore highly uncertain and involves complex legal, commercial and factual issues.

***Protection of intellectual property***
The Enlarged Group's success and ability to compete effectively are in large part dependent upon exploitation of proprietary technologies and candidates that the Enlarged Group has developed internally or has in-licensed, the Enlarged Group's ability to protect and enforce its intellectual property rights so as to preserve its exclusive rights in respect of its technologies and candidates, and its ability to preserve the confidentiality of its know-how. The Enlarged Group relies primarily on exclusivity granted by patent laws and trade secrets/confidentiality to protect its intellectual property rights.

There can be no assurance that patents pending or future patent applications will be issued, nor that the lack of any such patents will not have a material adverse effect on the Enlarged Group's ability to develop and market its proposed candidates, or that, if issued, the Enlarged Group would have the resources to protect any such issued patent from infringement. Also, no assurance can be given that the Enlarged Group will develop technologies or candidates which are patentable or that patents will be sufficient in their scope to provide protection for the Enlarged Group's intellectual property rights against third parties. Nor can there be any assurance as to the ownership, validity or scope of any patents which have been, or may in the future be,

issued to the Enlarged Group or that claims with respect thereto would not be asserted by other parties. Furthermore, there are some areas of technology that are important for the Enlarged Group's business which cannot be patented due to the existence of prior disclosures or rights.

To date, the Enlarged Group has also relied on copyright, trademark and trade secret laws, as well as confidentiality procedures, non-compete and/or work for hire invention assignment agreements and licensing arrangements with its employees, consultants, contractors, customers and vendors, to establish and protect its rights to its technology and other developments and, to the best extent possible, control the access to and distribution of its technology, software, documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use its technology without authorisation. Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have been aware of. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

***The Enlarged Group may incur substantial costs as a result of disputes with a third party relating to the infringement and protection of intellectual property***

If the Enlarged Group's competitors file patent applications that claim technology also claimed by the Enlarged Group, the Enlarged Group may have to participate in interference or opposition proceedings to determine the ownership and validity of the invention patent. An adverse outcome could subject the Enlarged Group to significant liabilities and require the Enlarged Group either to cease using a technology or to pay licence fees. The Enlarged Group could incur substantial costs in any litigation or other proceedings relating to patent rights, even if it is resolved in the Enlarged Group's favour. Some of the Enlarged Group's competitors may be able to sustain the costs of complex litigation more effectively or for a longer time than the Enlarged Group can because of their substantially greater resources. In addition, uncertainties relating to any patent, pending patent or other intellectual property right could have a material adverse effect on the Enlarged Group's ability to market a product, enter into collaborations in respect of the affected candidates, or raise additional funds.

Policing unauthorised use of the Enlarged Group's patented technologies or rights or candidates for such technologies or rights otherwise protected under intellectual property law is difficult and expensive. There can be no assurance that the steps the Enlarged Group takes will prevent misappropriation of, or prevent an unauthorised third party from obtaining or using, the technologies and other intellectual property rights relating to its candidates which the Enlarged Group relies on. In addition, effective protection may be unavailable or limited in some jurisdictions. Any misappropriation of the Enlarged Group's proprietary technology, candidates and intellectual property could have a negative impact on the Enlarged Group's business and its operating results. Litigation may be necessary in the future to enforce or protect the Enlarged Group's rights or to determine the validity or scope of the proprietary rights of others. Litigation could cause the Enlarged Group to incur substantial costs and divert resources and management attention away from its daily business and there can be no guarantees as to the outcome of any such litigation.

***Regulatory environment***

The Enlarged Group will operate in a highly regulated environment. Whilst the Enlarged Group will take every effort to ensure that the Enlarged Group complies with all applicable regulations and reporting requirements in each country in which it operates, there can be no guarantee of this. Failure to comply with applicable regulations could result in the Enlarged Group being unable to successfully commercialise its products and/or result in legal action being taken against the Enlarged Group which could have a material adverse effect on the Enlarged Group.

***Uncertainty related to regulatory approvals***

The Enlarged Group will need to obtain various regulatory approvals and comply with extensive regulations regarding safety, quality, and efficacy standards in order to market its products. These regulations vary from country to country and the time required for regulatory review can be lengthy, expensive and uncertain. Whilst efforts have been, and will continue to be, made to ensure compliance with government standards, there is no guarantee that any product will be able to achieve the necessary regulatory approvals to promote that product in any of the target markets and any such regulatory approval may include significant restrictions for which the Enlarged Group's products can be used. In addition, the Company may be required to incur significant costs in obtaining or maintaining its regulatory approvals. Delays or failure in obtaining regulatory approval for products would be likely to have a serious adverse effect on the value of the Enlarged Group and have a consequent impact on its financial performance.

***The Company relies on third parties to supply and manufacture its product candidates, and it expects to rely on third parties to manufacture its products, if approved. The development of such product candidates and the commercialisation of any products, if approved, could be stopped or delayed if any such third party fails to provide the Company with sufficient quantities of product candidates or products or fails to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance.***

The Company does not currently have nor does it plan to acquire the infrastructure or capability internally to manufacture its product candidates for use in the conduct of its clinical studies or to manufacture its products, if approved. Instead, the Company relies on, and expects to continue to rely on third-party manufacturers. The Company does not control the manufacturing processes of the third parties it contracts with and is dependent on those third parties for the production of its product candidates in accordance with relevant regulations, which includes, among other things, quality control, quality assurance and the maintenance of records and documentation.

If the Company were to experience an unexpected loss of supply of or if any supplier were unable to meet its demand for any of its product candidates, it could experience delays in its research or planned clinical studies or commercialisation. The Company could be unable to find alternative suppliers of acceptable quality, in the appropriate volumes and at an acceptable cost. Moreover, the Company's suppliers are often subject to strict manufacturing requirements and rigorous testing requirements, which could limit or delay production. The long transition periods necessary to switch manufacturers and suppliers, if necessary, would significantly delay the Company's clinical studies and the commercialisation of its products, if approved, which would materially adversely affect the Company's business, results of operations or financial condition.

***Tax Risks***

Any change in the Enlarged Group's tax status or in taxation legislation in Ireland or in other territories could affect the Enlarged Group's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in shares are based on current law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of each investor.

The nature and amount of tax which the Enlarged Group expects to pay and the reliefs expected to be available to the Enlarged Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Enlarged Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Enlarged Group.

**RISKS RELATING TO THE ORDINARY SHARES OF THE ENLARGED GROUP**

***Fluctuations in the price of Ordinary Shares***

The market price of the Ordinary Shares may be subject to fluctuations in response to many factors, including variations in the operating results of the Enlarged Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, regulatory or legislative changes in the Company's sector and other events and factors outside of the Enlarged Group's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than or lose all their original investment.

***Liquidity of the Ordinary Shares***

The price of the Ordinary Shares may be volatile, influenced by many factors, some of which are beyond the control of the Company, including the performance of the overall stock market, other Shareholders buying or selling large numbers of Ordinary Shares, changes in legislation or regulations and general economic conditions. Therefore, a return on an investment in the Ordinary Shares cannot be guaranteed.

Admission to AIM and ESM should not be taken as implying that there will be a liquid market for the Ordinary Shares. It may be more difficult for an investor to realise their investment in the Enlarged Group than in a company whose shares are quoted on the Official Lists.

***Suitability of Ordinary Shares as an investment***
The Ordinary Shares may not be suitable for all the recipients of this document. Before making any investment, prospective investors are advised to consult, in the case of persons resident in Ireland, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act 1995 (as amended) or the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) and, if you are resident in the United Kingdom, an organisation or firm authorised or exempted pursuant to the FSMA and in the case of a resident in any other jurisdiction an appropriately authorised or exempted adviser for that jurisdiction, before making any investment decision. As the Board believe the Company is unlikely to pay dividends in the foreseeable future, if ever, the Ordinary Share(s) are not suitable for investors requiring income.

***Additional capital and dilution***
While the Enlarged Group currently has no need for additional funding, it is possible that the Enlarged Group will raise extra capital in the future to finance the development of new and novel products or enhancements to existing products, to develop fully the Enlarged Group's business, or to respond to new competitive pressures and carry out strategic mergers and acquisitions. If the Enlarged Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Enlarged Group other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. The costs and timing implications of a pro rata issue of equity securities are likely to lead to further issues of equity being done on a non-pre-emptive basis. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares.

***Dividends***
Payments of dividends by the Enlarged Group to Shareholders will depend on a number of factors, including its financial condition and results of operations, contractual restrictions, and other factors considered relevant by the Board. All final dividends to be distributed by the Enlarged Group must be recommended by the Board and approved by Shareholders. Moreover, under Irish law, the Enlarged Group may pay dividends on its Ordinary Shares only out of profits available for distribution in accordance with the Act and under its articles of association. The Enlarged Group currently intends to retain all of its future earnings, if any, to finance the growth and development of its business. See paragraph 10 of Part 1 for further details.

***Realisation of investment***
Potential investors should be aware that the value of the Ordinary Shares and income from these Ordinary Shares can go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise.

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

***A disposal of Ordinary Shares by major Shareholders could adversely impact the market price of Ordinary Shares***
Sales of a substantial number of Ordinary Shares in the market, or the perception that these sales might occur, could adversely impact the market price of the Ordinary Shares.

***Forward Looking Statements***
This document contains forward looking statements that involve risks and uncertainties. The Enlarged Group's results could differ materially from those anticipated in the forward looking statements as a result of many factors, including the risks faced by the Enlarged Group, which are described below and elsewhere in the document. Additional risks and uncertainties not currently known to the Existing Directors and/or Proposed Directors may also have an adverse effect on the Enlarged Group's business.

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

***Market information***

The market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group's net assets.

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

# PART 3

## FINANCIAL INFORMATION OF THE COMPANY

In accordance with Rule 28 of the AIM Rules for Companies and the ESM Rules for Companies, this document does not contain historical financial information on the Company which would be required by Section 20 of Annex 1 of the Prospectus Rules.

The audited accounts of the Company for the financial years ended 31 December 2015, 2016 and 2017 are incorporated by reference into this Part 3 and are available via the Company's website (www.ovocagold.com).

Shareholders or other recipients of this document may request a copy of the information incorporated by reference from the Company, through submitting a written request to the Company at the below address or by telephoning at the below number between 9.00 a.m. and 5.00 p.m. Monday to Friday (except Irish public holidays):

Ovoca Gold Plc
c/o OBH Partners
17 Pembroke Street Upper
Dublin 2
Ireland

Telephone: +353 (0)1 775 5600

A hard copy of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless requested.

# PART 4

# FINANCIAL INFORMATION OF IVIX

The Existing Directors and Proposed Directors
Ovoca Gold plc
c/o OBH Partners
17 Pembroke Street Upper
Dublin 2
Ireland

J&E Davy
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49 Dawson Street
Dublin 2
Ireland

MOORE STEPHENS

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F +44 (0)20 7248 3408
DX 15 London/Chancery Lane

www.moorestephens.co.uk

Dear Sirs

We report on the financial information of IVIX LLC ("IVIX") as set out below. This financial information has been prepared for inclusion in the admission document dated 4 July 2018 (the "Admission Document") of Ovoca Gold Plc ("Ovoca" or the "Company") on the basis of the accounting policies set out in notes 3 and 4. This report is required by Schedule Two of the AIM Rules for Companies and Schedule Two of the ESM Rules for Companies and is given for the purpose of complying with such requirements and for no other purpose.

**Responsibilities**
The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies or paragraph (a) of Schedule Two of the ESM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies and Schedule Two of the ESM Rules for Companies, consenting to its inclusion in the Admission Document.

**Basis of opinion**
We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

**Opinion on financial information**
In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of IVIX as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**Declaration**

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies and paragraph (a) of Schedule Two of the ESM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies and Schedule Two of the ESM Rules for Companies.

Yours faithfully

Moore Stephens LLP
*Chartered Accountants*

## STATEMENTS OF FINANCIAL POSITION
## As at 31 December 2015, 2016 and 2017

| | Note | 2015 € | 2016 € | 2017 € |
|---|---|---|---|---|
| **ASSETS** | | | | |
| *Non-current assets:* | | | | |
| Property, plant and equipment | 5 | 249 | - | - |
| Intangible assets | 6 | 1,033,112 | 1,261,447 | 1,095,237 |
| | | 1,033,361 | 1,261,447 | 1,095,237 |
| *Current assets:* | | | | |
| Inventories | 7 | 150,775 | 65,937 | 55,357 |
| Prepayments and other receivables | 8 | 64,483 | 85,794 | 98,863 |
| Cash and cash equivalents | 9 | 61,220 | 1,498,964 | 5,825 |
| | | 276,478 | 1,650,695 | 160,045 |
| **TOTAL ASSETS** | | **1,309,839** | **2,912,142** | **1,255,282** |
| **EQUITY & LIABILITIES** | | | | |
| Members' contributions | 10 | 3,565,581 | 4,564,402 | 4,564,402 |
| Translation reserve | | (1,222,489) | (807,981) | (935,262) |
| Accumulated losses | | (1,190,104) | (1,666,159) | (2,467,571) |
| | | **1,152,988** | **2,090,262** | **1,161,569** |
| *Non-current liabilities:* | | | | |
| Trade and other payables | 11 | 16,344 | 19,403 | 16,846 |
| | | 16,344 | 19,403 | 16,846 |
| *Current liabilities:* | | | | |
| Trade and other payables | 12 | 11,058 | 25,938 | 73,411 |
| Deferred income | 13 | 126,539 | 773,673 | - |
| Provisions | 14 | 2,910 | 2,866 | 3,456 |
| | | 140,507 | 802,477 | 76,867 |
| | | **156,851** | **821,880** | **93,713** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,309,839** | **2,912,142** | **1,255,282** |

**STATEMENTS OF COMPREHENSIVE INCOME**
**For the years ended 31 December 2015, 2016 and 2017**

| | Note | 2015 € | 2016 € | 2017 € |
|---|---|---|---|---|
| **Government grant income** | 13 | **175,715** | **508,831** | **826,352** |
| Research and development costs | | (474,857) | (768,952) | (1,205,378) |
| General and administrative expenses | 15 | (131,112) | (247,141) | (435,930) |
| **Loss from operations** | | **(430,254)** | **(507,262)** | **(814,956)** |
| Finance income | | 10,284 | 37,499 | 20,622 |
| Finance costs | 11 | (1,792) | (1,557) | (1,674) |
| Foreign exchange loss | | (12,058) | (4,735) | (5,404) |
| **Loss before taxation** | | **(433,820)** | **(476,055)** | **(801,412)** |
| Taxation | 16 | - | - | - |
| **Net loss for the year** | | **(433,820)** | **(476,055)** | **(801,412)** |
| **Other comprehensive (loss) / income** | | | | |
| Currency translation differences | | (261,616) | 414,508 | (127,281) |
| **Total comprehensive loss** | | **(695,436)** | **(61,547)** | **(928,693)** |

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
## For the years ended 31 December 2015, 2016 and 2017

| | Members' Contribution € | Translation Reserve € | Accumulated Losses € | Total € |
|---|---|---|---|---|
| **Balance as at 1 January 2015** | **3,008,590** | **(960,873)** | **(756,284)** | **1,291,433** |
| Contributions | 556,991 | - | - | 556,991 |
| Loss for the year | - | - | (433,820) | (433,820) |
| Translation difference | - | (261,616) | - | (261,616) |
| **Balance as at 31 December 2015** | **3,565,581** | **(1,222,489)** | **(1,190,104)** | **1,152,988** |
| Contributions | 998,821 | - | - | 998,821 |
| Loss for the year | - | - | (476,055) | (476,055) |
| Translation difference | - | 414,508 | - | 414,508 |
| **Balance as at 31 December 2016** | **4,564,402** | **(807,981)** | **(1,666,159)** | **2,090,262** |
| Loss for the year | - | - | (801,412) | (801,412) |
| Other comprehensive income | - | (127,281) | - | (127,281) |
| **Balance as at 31 December 2017** | **4,564,402** | **(935,262)** | **(2,467,571)** | **1,161,569** |

**STATEMENTS OF CASH FLOWS**
**For the years ended 31 December 2015, 2016 and 2017**

| | Note | 2015 € | 2016 € | 2017 € |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| **Loss before taxation** | | **(433,820)** | **(476,055)** | **(801,412)** |
| *Adjustments for:* | | | | |
| Materials written-off | 7 | - | - | 90,431 |
| Depreciation and amortisation | 5,6 | 70,824 | 65,550 | 75,609 |
| Interest income | | (10,284) | (37,499) | (20,622) |
| Provisions accrued | 14 | 6,078 | 7,994 | 8,875 |
| Unwinding of discount | 11 | 1,792 | 1,557 | 1,674 |
| Foreign exchange rate loss | | 12,058 | 4,735 | 5,404 |
| Creditors written-off | | - | - | (31) |
| VAT written-off | | - | - | 7 |
| Payments of corporate income tax | | (290) | - | - |
| *Adjustments for changes in working capital:* | | | | |
| (Increase)/decrease in inventories | | (122,281) | 97,103 | (84,850) |
| (Increase)/decrease in trade and other receivables | | (5,558) | (21,311) | (20,987) |
| (Decrease)/increase in trade and other payables | | (1,965) | 17,939 | (707,697) |
| **Net cash used in operating activities** | | **(483,446)** | **(339,987)** | **(1,453,599)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Purchase of intangible assets | 6 | (65,259) | (40,472) | (6,910) |
| Interest received | | 10,284 | 37,499 | 20,622 |
| **Net cash (used in)/from investing activities** | | **(54,975)** | **(2,973)** | **13,712** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from members' contributions | 10 | 168,785 | 998,821 | - |
| **Net cash from financing activities** | | **168,785** | **998,821** | **-** |
| Effect of exchange rate changes | | 395,206 | 781,883 | (53,252) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **25,570** | **1,437,744** | **(1,493,139)** |
| Cash and cash equivalents at beginning of the financial year | 9 | 35,650 | 61,220 | 1,498,964 |
| **CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR** | 9 | **61,220** | **1,498,964** | **5,825** |

## NOTES TO THE FINANCIAL INFORMATION
## For the years ended 31 December 2015, 2016 and 2017

### 1. REPORTING ENTITY AND DESCRIPTION OF BUSINESS

IVIX is a Russian limited liability company incorporated on 3 July 2012 and constituted as an общество с ограниченной ответственностью ("ООО"). IVIX's official name in Russian is Общество с ограниченной ответственностью «Айвикс».

IVIX's registered office and main place of business is 6 Stoloviy Pereulok, Moscow, Russia.

The financial information of IVIX as at and for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 comprise IVIX itself as IVIX has no investments in any subsidiaries, joint venture or associated companies.

IVIX is a biotechnology company which is responsible for the development and commercialisation of a drug, called Libicore (based on a peptide BP101). The intended use of Libicore is the effective and safe treatment of female sexual and reproductive dysfunctions. It is being developed based on research originally carried out by The Institute of Molecular Genetics in Moscow. It works by restoring or enhancing the activity of brain centres that participate in the regulation of the female sexual function.

IVIX is currently carrying out Phase 2 clinical trials under permission from the Russian Ministry of Health. Management expects Libicore to be ready for commercial sale by 2024.

#### GOING CONCERN

IVIX's net losses are approximately € 434,000 for the year ended 31 December 2015 and were € 476,000 and € 801,000 for the years ended 31 December 2016 and 2017 respectively. Management expects losses to continue until 2019 as IVIX continues its programme of clinical trials for Libicore. There is no certainty that IVIX will ever become profitable as a result of these expenditures.

Furthermore, IVIX's largest shareholder is a venture fund which comes to the end of its planned life in December 2018. If its life is not prolonged the fund will be obliged to sell or otherwise liquidate its investment.

These facts cast some doubt on IVIX's ability to continue trading and consequently, Management has considered whether or not it is appropriate to prepare financial information on a going concern basis.

In doing so, Management has considered both the potential of IVIX to become profitable and its requirements for funding in the short and medium term.

The ability to become profitable depends primarily on the following factors:

- the completion of Phase 2 and Phase 3 clinical trials demonstrating that Libicore has clear benefits and acceptable risks;
- obtaining regulatory approval in one or more major markets; and
- obtaining confirmation that there is sufficient demand for Libicore to make the product a commercial success.

Whilst Management cannot be certain Libicore will obtain regulatory approval, nothing in clinical trials to date indicates that this will not be the case. Management's research indicates that if Libicore obtains approval potential demand will be significant.

Because the outcome and timing of the planned and anticipated clinical trials is highly uncertain, Management cannot reasonably estimate the actual amounts of capital necessary to successfully complete the development and commercialisation of the product candidate (Libicore). However, Management has identified and reached preliminary agreement with a potential new investor and believes it highly likely that the proposed transaction will take place. The investor, Ovoca Gold Plc ("Ovoca"), has provided an undertaking that it will finance or arrange finance for IVIX in the period to the end of 2019. This investment, if it proceeds, will provide sufficient resources to fund IVIX's activities for a period of at least two years from the last reporting date.

Management anticipates that funding of IVIX's development programme beyond 2019 will be achieved by additional investment from as yet unidentified sources and possible commercial partnerships.

Management cannot be certain what will occur beyond the end of 2019. If IVIX fails to raise sufficient additional financing, on acceptable terms, IVIX may not be able to continue operations and the development of Libicore.

Despite this, Management is confident of IVIX's ability to continue operations in the period to the end of 2019 and will adjust the speed at which clinical trials are carried out to match inward cash flows. Consequently, Management believes that it is appropriate to produce these financial information on a going concern basis.

## 2. BASIS OF PREPARATION

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs).

### a) Basis of measurement

The financial information has been prepared on the historical cost basis except that certain assets and liabilities are measured at fair value.

### b) Functional and presentation currency

IVIX's functional currency is the Russian Ruble (RUB), as the majority of its operations are denominated in Russian Rubles. The financial information is presented in Euro ("EUR" or "€"), which is the presentation currency.

Translation of financial information from the functional currency into the presentation currency is performed as follow:

- Assets and liabilities are translated at the exchange rate at the relevant reporting date;
- Items of revenue and expense are translated at the average exchange rate for the respective month, the annual amount in USD comprises of 12 monthly figures;
- Equity is translated at the exchange rate at the date of the relevant transactions;
- The resulting translation differences are recognised directly into other comprehensive income and are presented as a component of equity under the heading "Currency Translation Difference".

The principal rates of exchange used for translating Russian Ruble balances to Euros were as follows:

| | |
|---|---|
| As of 31 December 2015 | €1 = RUB 79.6972 |
| As of 31 December 2016 | €1 = RUB 63.8111 |
| As of 31 December 2017 | €1 = RUB 69.3612 |

The average rates of exchange used for income and expense items were as follows:

| | |
|---|---|
| For the year ended 31 December 2015 | €1 = RUB 67.7767 |
| For the year ended 31 December 2016 | €1 = RUB 74.2310 |
| For the year ended 31 December 2017 | €1 = RUB 65.9014 |

### c) Use of estimates and judgements

The preparation of the financial information in conformity with IFRSs requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about the critical judgements and estimates that have the most significant effect on the amounts recognised in the financial information is set out below:

### Going concern

The financial information has been prepared on a going concern basis. In reaching the conclusion that IVIX will continue in business for the foreseeable future and that it is therefore appropriate to prepare

the financial information on a going concern basis, Management has taken a wide variety of factors into account. A more detailed discussion of the factors considered by Management and the reasons why Management considers it appropriate to prepare financial information on a going concern basis is set out in Note 1.

**Members' contributions and net assets attributable to members**

IVIX is constituted as an OOO. Such companies have no share capital. Instead their charter documents stipulate the level of contribution to be made by each member. When in deficit IVIX has no right to call on members for additional contributions over and above those indicated in the charter. The charter also states the participatory interest of each member arising from the contribution made by them which may, or may not be in proportion to the contributions made. Each member is entitled to a share of the net assets of IVIX in proportion to the relevant participatory interest. Each participant has the right to withdraw from IVIX by giving written notice. On receipt of notice of withdrawal IVIX is obliged to pay such withdrawing participant's share of the net assets (calculated under Russian Accounting Standards as at the time of withdrawal) no later than twelve months after the end of the accounting year in which the withdrawal was notified.

As a consequence, in the opinion of Management, IVIX has no equity but instead, whilst IVIX has positive net assets, an obligation to members equivalent to its net assets. The obligation to members is treated as a liability and for the purpose of this financial information has been estimated at an amount equal to the net assets of IVIX under IFRS. If IVIX were to have negative net assets (excluding liabilities participants) this would create negative equity.

**Impairment review of licenses and patents**

As explained in Note 3 (a), Management conducts an impairment review of licenses and patents at each reporting date. In conducting this review Management exercises judgement when assessing likely outcomes of clinical trials and in making judgements about the ultimate commercial viability of the product IVIX is developing. Although Management bases all such judgements on the extensive professional expertise contained within IVIX and valuations conducted by independent advisors, there can be no certainty about future events.

**Treatment of research and development costs**

As explained in Note 3 (b), IVIX currently expenses all research and development costs. In reaching the decision that it is not yet appropriate to capitalise development costs associated with Libicore, Management has made the judgement that Libicore does not yet meet the criteria for capitalisation and that these criteria will not be met before Phase 3 clinical testing is completed, a regulatory filing has been made in a major market and approval is considered highly probable.

**Government grants**

In deciding on the most appropriate treatment of government grants Management has made judgements about the nature of the grants and IVIX's compliance with the terms on which the grants were made. Management made these judgements based on its understanding of the terms of the grant. Management has also taken comfort from the successful completion of inspection visits to test disbursement of funds made by representatives of the grant making body.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in this financial information unless otherwise indicated.

### a) Licenses and patents

Licenses and patents acquired by IVIX are measured on initial recognition at cost. Where the purchase terms include deferred payment, cost is the cash price equivalent. The difference between this amount and total payments is recognised as a finance cost over the period of the credit.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Licenses and patents are amortised on a straight-line basis over the period for which they are valid or twenty years, whichever is the shorter.

At each reporting date licenses and patents are assessed for signs of impairment. If there is an indication that the asset is impaired it is written down to its realisable value which is the lower of its value in use and market value.

As IVIX is currently in a pre-sales phase amortisation of licenses and patents is charged to research and development expenses.

**b) Research and development**

IVIX incurs research and development costs on a single product, Libicore. All research and development costs for Libicore incurred by IVIX to date have been expensed as, in the opinion of Management, the product does not yet meet the requirements necessary to commence capitalisation of development expenditure. Expenditure on the development of Libicore will be capitalised once all of the following criteria are met:

- Phase 3 clinical trials have demonstrated that Libicore has clear benefits and acceptable risks, a regulatory filing has been made in a major market and approval is considered highly probable;
- IVIX has realistic and feasible plans to sell Libicore; and
- It is likely that the sale of Libicore will generate a profit for IVIX.

**c) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. The grants received by IVIX are intended to defray the cost of expense item. They are recognised so as to match income against the associated costs. Grants received in advance of expenditure are treated as deferred income.

**d) Inventories**

IVIX utilises medical inventories whilst conducting clinical tests and other research and development activities. It has limited inventories for other purposes. Generally IVIX's inventories cannot be used for alternative purpose or sold if surplus to requirements. Inventories are therefore carried at cost on a weighted average cost basis and fully written off if they become obsolete or surplus to requirements.

**e) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

## 4. APPLICATION OF NEW AND REVISED IFRS

### 4.1 Amendments to IFRSs that are mandatorily effective during 2015, 2016 and 2017

In the years 2015, 2016 and 2017 a number of amendments to IFRSs issued by the International Accounting Standard Board (IASB) became mandatorily effective. In preparing these financial information, IVIX has applied all relevant amendments to IFRS from the earliest year presented 2015.

**Amendments to IAS 19 Defined Benefit plans: Employee Contributions**. The application of these amendments has had no impact on the disclosures or amounts recognised in the IVIX's financial information as it does not have a pension scheme.

**Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities Applying the Consolidation Exception**. The application of these amendments has had no impact on the disclosures or amounts recognised in the IVIX's financial statements as it is not an investment entity.

**Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations**. The application of these amendments has had no impact on the disclosures or amounts recognised in the IVIX's financial information as it has no joint operations.

**Amendments to IAS 1 Disclosure Initiative**. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. The application of this amendment has not had any impact on the financial performance or the financial position of IVIX. The amendments also provide examples of systematic ordering or grouping of notes. The application of these amendments have not had any impact on the financial performance or the financial position of IVIX. In addition, the amendments clarify introduce amendments regarding the recognition of comprehensive income of associates and joint ventures. The application of these amendments has had no impact on the disclosures or amounts recognised in the IVIX's financial information as it has no associates or joint ventures.

**Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation.** These amendments place restrictions on the use of revenue-based amortisation and depreciation. As IVIX uses the straight line method, this amendment has had no impact on the disclosures or amounts recognised in the IVIX's financial information.

**Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants**. The application of these amendments has had no impact on the disclosures or amounts recognised in IVIX's financial information as it has no agricultural operations.

**Amendments to IAS 7 Disclosure Initiative**. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The application of this amendment has not had any impact on the financial performance or the financial position of IVIX.

**Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses.** The application of these amendments has had no impact on the disclosures or amounts recognised in IVIX's financial information as IVIX is not subject to profit tax.

**Annual Improvements to IFRSs 2010- 2012, 2011-2013, 2012-2014 and 2014-2016 Cycles.** The application of the amendments has had no impact on the disclosures or amounts recognised in IVIX's financial information.

### 4.2 New and revised IFRSs in issue but not yet effective

IVIX has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 9 Financial Instruments*;
- IFRS 15 Revenue from Contracts with Customers (and the related Clarifications)*;
- IFRS 16 Leases**;

- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions*;
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***;
- Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration*;
- Amendments to IAS 40 – Transfers of Investment Property*;
- Annual Improvements to IFRSs 2014-2016 Cycle.

* Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
** Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
***Effective for annual periods beginning on or after a date to be determined. Earlier application is permitted.

Management has assessed the potential impact on its financial information of each of the above revisions and changes to IFRSs and has concluded that the only revisions with the potential to have a material impact on IVIX's financial information are the planned revisions to IFRS9.

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

The key requirements of IFRS 9 are:

- **Classification and measurement of financial assets**. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- **Classification and measurement of financial liabilities**. With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- **Impairment.** In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model, as opposed to an incurred credit loss model under IAS 39. The ECL model requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. ECL allowances represent credit losses that reflect an unbiased and probability-weighted amount, which is determined by evaluating a

range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

ECL allowances will be measured at amounts equal to either:

- 12-month ECL or
- lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition.

Under ELC methodology financial instruments are divided into three stages:

Stage 1 comprises all non-impaired financial instruments, which have not experienced a SICR since initial recognition. Entities are required to recognise 12 month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly since initial recognition, entities are required to compare the risk of default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

Stage 2 comprises non-impaired financial instruments, which have experienced a significant increase in credit risk (SICR). Entities are required to recognise lifetime expected credit losses for the stage 2 financial instruments. In subsequent reporting periods, a financial instrument is reclassified to the stage 1 if the credit quality has improved and there is no SICR at the reporting date. In this case, entities are required to recognise 12 month ECL again.

Stage 3 comprises of impaired financial instruments. Entities are required to recognise lifetime ECL for the stage 3 financial instruments. A credit loss will be the present value of the difference between the contractual cash flows under the contract and the cash flows an entity expects to receive. Interest income on such financial assets is calculated based on the carrying amount of the asset net of its allowance for impairment.

In subsequent reporting periods, a financial instrument is reclassified to the stage 2 if the credit quality has improved at the reporting date.

As a result of the implementation of IFRS 9, impaired loans recognised under IAS 39 will be recognised in stage 3, while the loans without individual signs of impairment under IAS 39 will be in stage 1 or stage 2.

Definition of credit-impaired loans that are included into the stage 3 has not changed compared to definition of impaired loans used for IAS 39 purpose.

Although IFRS9 has the potential to result in material change, based on an analysis of IVIX's financial assets and financial liabilities as at 31 December 2017 and circumstances that existed at that date, Management expects the actual impact to be insignificant.

## 5. PROPERTY, PLANT AND EQUIPMENT

| | Machinery and office equipment |
|---|---|
| **Cost** | **€** |
| **Balance as at 1 January 2015** | **604** |
| Acquisitions/Disposals | - |
| Effect of translation to presentation currency | (86) |
| **Balance as at 31 December 2015** | **518** |
| | |
| Acquisitions/Disposals | - |
| Effect of translation to presentation currency | 129 |
| **Balance as at 31 December 2016** | **647** |
| | |
| Acquisitions/Disposals | - |
| Effect of translation to presentation currency | - |
| **Balance as at 31 December 2017** | **647** |
| | |
| **Depreciation** | |
| **Balance as at 1 January 2015** | **(24)** |
| Disposals | - |
| Depreciation charge | (293) |
| Effect of translation to presentation currency | 48 |
| **Balance as at 31 December 2015** | **(269)** |
| | |
| Disposals | - |
| Depreciation charge | (267) |
| Effect of translation to presentation currency | (111) |
| **Balance as at 31 December 2016** | **(647)** |
| | |
| Disposals | - |
| Depreciation charge | - |
| Effect of translation to presentation currency | - |
| **Balance as at 31 December 2017** | (647) |
| | |
| **Carrying amounts** | |
| As at 1 January 2015 | 580 |
| As at 31 December 2015 | 249 |
| As at 31 December 2016 | - |
| As at 31 December 2017 | - |

## 6. INTANGIBLE ASSETS

| | Licenses | Patents | Patent applications | Total |
|---|---|---|---|---|
| **Cost** | **€** | **€** | **€** | **€** |
| **Balance as 1 January 2015** | **37,351** | **1,220,833** | **10,620** | **1,268,804** |
| Additions | - | - | 65,259 | 65,259 |
| Effect of translation to presentation currency | (5,310) | (173,544) | (11,271) | (190,124) |
| **Balance at 31 December 2015** | **32,042** | **1,047,289** | **64,609** | **1,143,940** |
| Additions | - | 40,472 | - | 40,472 |
| Reclassifications | - | 3,974 | (3,974) | - |
| Effect of translation to presentation currency | 7,977 | 267,985 | 15,436 | 291,398 |
| **Balance at 31 December 2016** | **40,019** | **1,359,720** | **76,071** | **1,475,810** |
| Additions | - | - | 6,910 | 6,910 |
| Reclassifications | - | 3,817 | (3,817) | - |
| Effect of translation to presentation currency | (3,202) | (108,990) | (6,242) | (118,434) |
| **Balance at 31 December 2017** | **36,817** | **1,254,547** | **72,922** | **1,364,286** |
| **Amortisation** | | | | |
| **Balance at 1 January 2015** | (3,012) | (56,260) | - | (59,272) |
| Amortisation charge | (2,431) | (68,101) | - | (70,531) |
| Effect of translation to presentation currency | 792 | 18,184 | - | 18,975 |
| **Balance at 31 December 2015** | **(4,651)** | **(106,177)** | **-** | **(110,828)** |
| Amortisation charge | (2,219) | (63,064) | - | (65,283) |
| Effect of translation to presentation currency | (1,521) | (36,731) | - | (38,252) |
| **Balance at 31 December 2016** | **(8,391)** | **(205,972)** | **-** | **(214,363)** |
| Amortisation charge | (2,500) | (73,110) | - | (75,610) |
| Effect of translation to presentation currency | 796 | 20,128 | - | 20,924 |
| **Balance at 31 December 2017** | **(10,095)** | **(258,954)** | **-** | **(269,049)** |
| **Carrying amounts** | | | | |
| Balance at 1 January 2015 | 34,339 | 1,164,573 | 10,620 | 1,209,532 |
| Balance at 31 December 2015 | 27,391 | 941,112 | 64,609 | 1,033,112 |
| Balance at 31 December 2016 | 31,628 | 1,153,749 | 76,071 | 1,261,447 |
| Balance at 31 December 2017 | 26,722 | 995,593 | 72,922 | 1,095,237 |

Management conducted a review of the impairment of intangible assets as at 31 December 2017 supported by independent valuations conducting as at 30 September 2017. As a result of this review Management concluded that no impairment adjustment was required.

The licenses, patents and patent applications consist of the following assets:

| | 2015 € | 2016 € | 2017 € |
|---|---|---|---|
| **Patents in Russia** | | | |
| No. 2507212 - " Method for Producing a Recombinant Peptide and Resultant Peptide" | 941,112 | 1,103,074 | 948,265 |
| No. 2626002 - “New Group of Peptides for Treatment of Female Sexual Dysfunctions” | - | - | 3,548 |
| **Patent in USA** | | | |
| No. US 9,409,947 "Method for Producing a Recombinant Peptide and Resultant Peptide” | - | 50,674 | 43,780 |
| **License in Russia** | | | |
| Licence for use of Patent No. 2404793 - "Stimulator of Genital, Sexual and Reproductive Function” | 27,391 | 31,628 | 26,722 |
| **Patent applications** | 64,609 | 76,071 | 72,922 |
| **Total carrying amount** | **1,033,112** | **1,261,447** | **1,095,237** |

The remaining amortisation years for licenses and patents are as follows:

| | 2015 No. of years | 2016 No. of years | 2017 No. of years |
|---|---|---|---|
| **Patents in Russia** | | | |
| No. 2507212 - " Method for Producing a Recombinant Peptide and Resultant Peptide" | 16 | 15 | 14 |
| No. 2626002 - “New Group of Peptides for Treatment of Female Sexual Dysfunctions” | n/a | n/a | 18 |
| **Patent in USA** | | | |
| No. US 9,409,947 "Method for Producing a Recombinant Peptide and Resultant Peptide” | n/a | 16 | 15 |
| **License in Russia** | | | |
| Licence for use of Patent No. 2404793 - "Stimulator of Genital, Sexual and Reproductive Function” | 12 | 11 | 10 |

## 7. INVENTORIES

| | 2015 € | 2016 € | 2017 € |
|---|---|---|---|
| Raw materials (items used in clinical trials) | 149,016 | 65,455 | 41,712 |
| Other inventory | 1,759 | 482 | 13,645 |
| | **150,775** | **65,937** | **55,357** |

Inventory costs of €97,257 (2016 – €18,327, 2015 – €888) were charged to the statement of comprehensive income during the year. In 2017, €90,431 of raw material was written off as obsolete.

## 8. PREPAYMENTS AND OTHER RECEIVABLES

| | 2015 € | 2016 € | 2017 € |
|---|---|---|---|
| Prepayments | 35,730 | 42,554 | 26,824 |
| Prepayments to related party | 16,085 | 17,268 | 15,238 |
| VAT receivable | 12,668 | 21,722 | 56,565 |
| Other receivables | - | 4,250 | 236 |
| | **64,483** | **85,794** | **98,863** |

As at 31 December 2017 €121 or RUB 8,348 of the prepayments were denominated in currencies other than Russian Ruble (primarily in Euro as of 31 December 2017) (2016: € 37,787 or RUB 2,441,230 were denominated in GBP, 2015: €16,783 or RUB 1,337,577 were denominated in USD).

## 9. CASH AND CASH EQUIVALENTS

| | 2015 € | 2016 € | 2017 € |
|---|---|---|---|
| Cash in bank current account in RUB | 61,082 | 1,497,751 | 5,024 |
| Cash in hand in RUB | 138 | 1,213 | 801 |
| | **61,220** | **1,498,964** | **5,825** |

## 10. MEMBERS' CONTRIBUTIONS

In accordance with its charter documents the statutory capital of IVIX is RUB 235,466,000 or €4,564,402 as of 31 December 2017 and 31 December 2016 (as of 31 December 2015 – RUB 158,636,000 or €3,565,581). All amounts were fully paid during the year in which they were subscribed.

## 11. NON-CURRENT LIABILITIES

IVIX purchased, on deferred payment terms, a licence for use of Patent No. 2404793 - "Stimulator of Genital, Sexual and Reproductive Function" (see Note 6) from BioPeptid, LLC, one of IVIX's members. Monthly payments amount to RUB 15,000 (€ 201 at the exchange rate prevailing on 31 December 2017) and the payment period is up to 4 June 2029.

In accordance with IVIX's accounting policy for licenses, the license was initially recognised as an intangible asset at the cash price equivalent and a liability recognised for the same amount. The difference between this amount and total payments due is being amortised over the period of the credit terms. The resultant annual charge is recognised as a finance cost.

Movements on the outstanding balance were as follows:

| | 2015 € | 2016 € | 2017 € |
|---|---|---|---|
| Opening balance | 22,541 | 18,602 | 22,224 |
| Paid in period | (2,656) | (2,425) | (2,731) |
| Unwinding of discount | 1,792 | 1,557 | 1,674 |
| Currency adjustment | (3,075) | 4,489 | (1,726) |
| **Closing balance** | **18,602** | **22,224** | **19,441** |

The closing balance is comprised as follows:

| | | | |
|---|---|---|---|
| Undiscounted value of future payments | 30,327 | 35,057 | 29,656 |
| Unamortised discount | 11,725 | 12,832 | 10.216 |
| **Outstanding liability** | **18,602** | **22,224** | **19,441** |
| Less current portion | 2,259 | 2,821 | 2,595 |
| **Long term liability** | **16,344** | **19,403** | **16,846** |

## 12. TRADE AND OTHER PAYABLES

| | 2015 € | 2016 € | 2017 € |
|---|---|---|---|
| Accounts payable to related party | 2,259 | 2,821 | 14,489 |
| Other accounts payable | 2,341 | 19,583 | 18,091 |
| Other tax payables | 1,040 | 1,822 | 6,382 |
| Wages and salaries | 5,419 | 1,712 | 34,449 |
| | **11,058** | **25,938** | **73,411** |

## 13. DEFERRED INCOME AND GOVERNMENT GRANT INCOME

On 26 May 2015 IVIX and the Skolkovo Foundation, a Russian Federation government agency, concluded a grant agreement. Under the agreement, the Skolkovo Foundation agreed to finance IVIX's research and development costs to a total of RUB 99,049,395 (equivalent to € 1,436,054). The grant was to be disbursed in two stages.

In 2015, IVIX received the first payment from the Skolkovo Foundation amounting to RUB 21,994,212 (equivalent to € 348,715). The first stage was fully completed in October 2016. The Skolkovo Foundation carried out an inspection of IVIX's expenditure financed by the first stage of the grant and confirmed compliance with the terms of the grant.

In 2016, IVIX received the second stage grant amounting to RUB 77,055,183 (equivalent to €960,860). The second stage was completed during 2017. The Skolkovo Foundation carried out an inspection of IVIX's expenditure financed by the second stage of the grant and confirmed compliance with the terms of the grant.

Set out below is a reconciliation of the grant amounts received and details of recognised income and deferred income:

| | 2015 € | 2016 € | 2017 € |
|---|---|---|---|
| Balance of grant received at the beginning of the year | - | 126,539 | 773,673 |
| Amount of grant received | 348,715 | 960,800 | - |
| Recognised income (under percentage of completion method) | (175,715) | (508,831) | (826,352) |
| Foreign currency translation differences | (46,461) | 195,165 | 52,679 |
| **Remaining grant amount to be recognised as deferred revenue at the end of the year** | **126,539** | **773,673** | **-** |

## 14. PROVISIONS

| | 2015<br>€ | 2016<br>€ | 2017<br>€ |
|---|---|---|---|
| Balance at the beginning of the year | 3,578 | 2,910 | 2,866 |
| Accrued | 6,078 | 7,994 | 8,875 |
| Released | (6,266) | (8,654) | (8,013) |
| Foreign currency translation difference | (480) | 616 | (272) |
| **Balances at the end of the year** | **2,910** | **2,866** | **3,456** |

A provision was recognised by IVIX for future holiday payments to employees for earned holidays earned but not used at the year end. It is expected that the provision at 31 December 2017 will be utilised in the first half of 2018. In Management's opinion actual holiday payments will not exceed the provision recognised as of 31 December 2017.

## 15. GENERAL AND ADMINISTRATIVE EXPENSES

| | 2015<br>€ | 2016<br>€ | 2017<br>€ |
|---|---|---|---|
| Materials, maintenance and utilities | 2,321 | 87,582 | 133,176 |
| Legal, audit and consulting expenses | 29,706 | 25,040 | 93,500 |
| Wages and salaries | 57,911 | 61,112 | 84,482 |
| Representative expenses | 864 | 10,313 | 23,036 |
| Social taxes | 5,593 | 23,880 | 18,923 |
| Rent expenses | 9,868 | 9,010 | 10,460 |
| Provision for unused holidays | 6,078 | 7,994 | 8,875 |
| Bank costs | 1,805 | 3,302 | 5,614 |
| Postage expenses | 712 | 1,393 | 2,714 |
| Telephone expenses | 1,722 | 2,475 | 1,963 |
| Others | 14,532 | 15,041 | 53,187 |
| | **131,112** | **247,141** | **435,930** |

IVIX pays social tax to the Russian Federation. These payments are calculated as a percentage of salary expense and are expensed as they are incurred.

In 2017, due to the special tax status of IVIX as a Skolkovo resident, IVIX paid social taxes at reduced rates.

IVIX's social contributions are expensed in the year to which they relate.

## 16. TAXATION

Enterprises in the Russian Federation are generally subject to federal profit tax at a rate of 2.0% on taxable profit and a regional profit tax (at 18.0% for Moscow).

IVIX obtained the status of a resident of the Skolkovo Foundation on 30 October 2013. Due to this status IVIX is eligible to claim an annual exemption from profit taxation. IVIX's ability to claim an exemption will expire in October 2023 or when accumulated revenue generated by IVIX exceeds 1 billion Russian Rubles (€14.4 million using the exchange rate prevailing on 31 December 2017), whichever is the earlier.

IVIX has recognised no current or deferred tax charge during 2015, 2016 or 2017 as IVIX is not subject to profit tax for any of these years. Consequently, a tax reconciliation has not been included in the financial information.

## 17. COMMITMENTS AND CONTINGENCIES

As disclosed more fully in Note 11, IVIX purchased a licence for a patent that requires it to make monthly payments of RUB 15,000 (€ 201 at the exchange rate prevailing on 31 December 2017) in the period to 4 June 2029.

## 18. RELATED PARTY TRANSACTIONS

IVIX's immediate parent company is Bioprocess Capital Ventures (a Russian Federation venture capital fund), which owns 64.55% of IVIX's net assets. The remaining 35.45% is owned by BioPeptid, LLC (incorporated in Russia).

Bioprocess Capital Partners LLC, as trust manager of Bioprocess Capital Ventures, is considered by the directors of IVIX to be the ultimate controlling party of IVIX.

Transactions with related parties were as follows:

| Nature of transaction | Related party | 2015 € | 2016 € | 2017 € |
|---|---|---|---|---|
| Short term employee benefits | Key management | 85,508 | 115,011 | 173,179 |
| Payment for license | Individuals with significant influence | - | - | 698 |
| Payment for license | Member of IVIX | 6,875 | 2,425 | 3,970 |
| | | **92,383** | **117,436** | **177,847** |

In addition, personnel from one of IVIX's members have, throughout all three years, executed certain finance and control functions with IVIX on a payment-free basis.

Balances with related parties at the reporting date were as follows:

| Nature of balance | Related party | 2015 € | 2016 € | 2017 € |
|---|---|---|---|---|
| *Current assets* | | | | |
| Prepayments | Member of IVIX | 16,085 | 17,268 | 15,238 |
| *Current liabilities* | | | | |
| Trade and other payables | Key management | 4,295 | 750 | - |
| Trade and other payables | Member of IVIX | 2,259 | 2,821 | 14,489 |
| *Non-current liabilities* | | | | |
| Trade and other payables | Member of IVIX | 16,344 | 19,403 | 16,846 |
| | | **22,898** | **22,974** | **31,335** |

There were no other significant transactions or balances with related parties.

## 19. EVENTS AFTER THE REPORTING DATE

In January 2018 IVIX received an unsecured short-term loan of RUB 2.5m (€36,000 using the exchange rate prevailing on 31 December 2017) at an interest rate of 7.5% per annum from its member - LLC "Management Company Bioprocess Capital Partners".

## 20. RISK MANAGEMENT

IVIX's CEO is responsible for risk management within IVIX, including the management of financial risks.

Financial risks are risks arising from financial instruments to which IVIX is exposed during or at the end of the reporting period. Financial risk comprises currency risk and liquidity risk. The primary objectives of the CEO is to ensure IVIX is not exposed to any risks considered to be excessive by the Directors.

**Foreign exchange risk**

IVIX undertakes minimal transactions denominated in foreign currencies and rarely has foreign currency balances; consequently, exposures to exchange rate fluctuations are not significant. IVIX had no monetary assets or liabilities denominated in foreign currencies at 31 December 2017 or 31 December 2015. At 31 December 2016 IVIX had liabilities of €32 and no foreign currency assets.

Given the insignificance of foreign currency balances no sensitivity analysis is presented.

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

IVIX's liquidity position is monitored on a monthly basis by the CEO and is reviewed quarterly by the Board of Directors. A summary table with maturity of financial assets and liabilities presented below is used by the CEO to manage liquidity risks and is derived from managerial reports at company level.

The amounts disclosed in the below tables are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

**31 December 2015**

| | Carrying amount | Minimal future payments | Less 1 month | 1-3 months | 3 months to 1 year | 1-5 years | 5+ years |
|---|---|---|---|---|---|---|---|
| Long-term royalty payments | 16,344 | 37,877 | 235 | 470 | 2,116 | 11,283 | 23,773 |
| Accounts payable to related party | 2,259 | 2,259 | - | - | 2,259 | - | - |
| Other accounts payable | 2,340 | 2,340 | - | - | 2,340 | - | - |
| Other tax payables | 1,040 | 1,040 | 1,040 | | - | - | - |
| Wages and salaries | 5,419 | 5,419 | 5,419 | - | - | - | - |
| | **27,402** | **48,935** | **6,694** | **470** | **6,715** | **11,283** | **23,773** |

**31 December 2016**

| | Carrying amount | Minimal future payments | Less 1 month | 1-3 months | 3 months to 1 year | 1-5 years | 5+ years |
|---|---|---|---|---|---|---|---|
| Long-term royalty payments | 19,403 | 35,057 | 235 | 470 | 2,116 | 11,283 | 20,952 |
| Accounts payable to related party | 2,821 | 2,821 | - | - | 2,821 | - | - |
| Other accounts payable | 19,583 | 19,583 | - | - | 19,583 | - | - |
| Other tax payables | 1,822 | 1,822 | 1,822 | | - | - | - |
| Wages and salaries | 1,712 | 1,712 | 1,712 | - | - | - | - |
| | **45,341** | **60,995** | **3,769** | **470** | **24,520** | **11,283** | **20,952** |

**31 December 2017**

| | Carrying amount | Minimal future payments | Less 1 month | 1-3 months | 3 months to 1 year | 1-5 years | 5+ years |
|---|---|---|---|---|---|---|---|
| Long-term royalty payments | 16,846 | 29,656 | 216 | 433 | 1,946 | 10,380 | 16,681 |
| Accounts payable to related party | 14,489 | 14,489 | - | - | 14,489 | - | - |
| Other accounts payable | 18,091 | 18,091 | - | - | 18,091 | - | - |
| Other Tax Payables | 6,382 | 6,382 | 6,382 | | - | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Wages and salaries | 34,449 | 34,449 | 9,732 | 24,717 | - | - | - |
| | **90,257** | **103,067** | **16,330** | **25,150** | **34,526** | **10,380** | **16,681** |

**Credit risk management**

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to IVIX. As IVIX is currently in a pre-sales phase it has no customers and no exposure to credit risk on associated receivables. IVIX is exposed to credit risk in respect of advances to suppliers, VAT recoverable and bank balances.

IVIX assesses its risk exposure to be limited as it has no large individual exposures and many of the counterparties involved are either government entities or reputable banks. Since the risk is not considered significant it does not have a formal credit management policy.

## 21. CAPITAL MANAGEMENT

As explained in Note 1, IVIX has no equity. Management considers liabilities to members, consisting of members' contributions less the translation reserve and accumulated losses, to be long term in nature and constitute its capital base.

IVIX does not have a formal capital management policy but Management closely monitors capital in order to ensure that IVIX has sufficient resources to continue its research and development programme.

Since IVIX is not yet generating revenue, its capital base will be depleted if expenditure exceeds income from grants and gifts. When anticipated reductions in the IVIX's capital base threaten the ability of IVIX to continue its research and development programme, Management seeks additional contributions from existing or new members. IVIX raised RUB 76,830,000 of additional members' contributions during 2016 and Management anticipates that it will raise a further RUB 143,950,000 of contributions from members during 2018.

If IVIX is faced by a short-term lack of capital, Management may take out short term borrowing in order to enable IVIX to continue its research and development programme until additional capital is raised.

The capital of IVIX was as follows:

| | 2015<br>€ | 2016<br>€ | 2017<br>€ |
|---|---|---|---|
| Total capital at the year end | **1,152,988** | **2,090,262** | **1,161,569** |

IVIX is not subject to any externally imposed capital requirements.

There have been no changes in what IVIX considers to be capital or its objectives and policies for management of capital in the period from 1 January 2015 to 31 December 2017.

## 22. FINANCIAL INSTRUMENTS

| | 2015<br>€ | 2016<br>€ | 2017<br>€ |
|---|---|---|---|
| *Assets* | | | |
| - carried at amortised cost | **61,220** | **1,498,964** | **5,825** |
| *Liabilities* | | | |
| - carried at amortised cost | **27,402** | **45,341** | **90,257** |

Financial assets comprise cash on hand and held at bank.

Financial liabilities comprise trade and other payables.

## 23. NATURE OF FINANCIAL INFORMATION

The financial information presented above does not constitute statutory financial information of IVIX.

# PART 5

## UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out below is the unaudited pro forma statement of net assets of the Enlarged Group. It has been prepared on the basis of the notes below to illustrate the effect of the acquisition of IVIX on the net assets of Ovoca as if the acquisition had taken place on 31 December 2017. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, will not represent the actual financial position of the Enlarged Group as if the acquisition had taken place on 31 December 2017, or the date of Admission.

| | *Ovoca 31 Dec 2017 (Note 1) €'000 Audited* | *IVIX 31 Dec 2017 (Note 2) €'000 Audited* | *Adjustments (Note 3) €'000 Unaudited* | *Pro forma net assets €'000 Unaudited* |
|---|---|---|---|---|
| ***Non-current assets*** | | | | |
| Property, plant and equipment | 988 | - | - | 988 |
| Available for sale financial assets | 15,868 | - | - | 15,868 |
| Intangible assets | - | 1,095 | 2,008 | 3,103 |
| | **16,856** | **1,095** | **2,008** | **19,959** |
| ***Current assets*** | | | | |
| Inventories | 4 | 55 | - | 59 |
| Trade and other receivables | 40 | 99 | - | 139 |
| Cash and cash equivalents | 5,549 | 6 | (2,202) | 3,353 |
| | **5,593** | **160** | **(2,202)** | **3,551** |
| **Total assets** | **22,449** | **1,255** | **(194)** | **23,510** |
| ***Current liabilities*** | | | | |
| Trade and other payables | 46 | 73 | - | 119 |
| Provisions | - | 4 | - | 4 |
| | **46** | **77** | | **123** |
| ***Non-current liabilities*** | | | | |
| Trade and other payables | - | 17 | - | 17 |
| | **-** | **17** | **-** | **17** |
| **Total liabilities** | **46** | **94** | | **140** |
| **Net assets** | **22,403** | **1,161** | **(194)** | **23,370** |

**Notes:**

1. The net assets of Ovoca have been extracted without adjustment from the financial information of Ovoca as referred to in Part 3 of this document. No account has been taken of the activities of Ovoca subsequent to 31 December 2017.

2. The net assets of IVIX have been extracted without adjustment from the financial information of IVIX set out in Part 4 of this document. No account has been taken of the activities of IVIX subsequent to 31 December 2017.

3. a) The pro forma statement of net assets does not reflect the fair value adjustments to the acquired assets and liabilities as the fair value measurement of these items will only be performed subsequent to completion of the acquisition. For the purposes of the pro forma statement of net assets, the excess purchase consideration over the carrying amount of the net assets acquired has been attributed to goodwill. When finalised, following the completion of the acquisition, the fair value adjustments may be material.

   b) For the purposes of the unaudited pro forma net asset statement, €365k of transaction costs are expected to be incurred in relation to the transaction by Ovoca. No tax benefit has been assumed for these transaction costs. The remaining decrease in cash (€1.84 million) reflects the acquisition of Biopeptid's shareholding in IVIX by Ovoca.

# PART 6

# ADDITIONAL INFORMATION

## 1. RESPONSIBILITY

The Company (whose registered office appears below) and the Existing Directors and Proposed Directors (whose names and functions appear on page 4 of this document) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and of the Existing Directors and Proposed 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 does not omit anything likely to affect the import of such information.

## 2. THE COMPANY

2.1. The Company was incorporated in Ireland on 15 January 1985 as a public limited company under the Companies Act with the name Ovoca Gold Exploration public limited company and with registered number 105274. The Company changed its name to Ovoca Gold plc on 2 November 2005. The liability of the Shareholders is limited. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder. The Company will, subject to the passing of the Resolutions, change its name on Admission to Ovoca Bio plc.

2.2. The Company's registered office is at c/o OBH Partners, 17 Pembroke Street Upper, Dublin 2, Ireland and its telephone number is +353 1 775 5600. The Company is domiciled in Ireland.

2.3. The Company's corporate website, at which the information required by Rule 26 of the ESM Rules and AIM Rules can be found, is www.ovocagold.com. This will change to www.ovocabio.com on Admission.

2.4. The financial year end of the Company is 31 December.

2.5. As at the Latest Practicable Date, the Company employed 6 full time equivalent employees. Following Admission, the Enlarged Group will employ a total of 10 full time equivalent employees.

## 3. CORPORATE STRUCTURE

The Company is the holding company of the Group and has the following significant subsidiary undertakings.

| *Company Name* | *Principal Activity* | *% of issued share capital held directly or indirectly by the Company* | *Country of incorporation* |
|---|---|---|---|
| CJSC Bulun | Mineral Exploration | 100% | Russia |
| Magsel Limited | Mineral Exploration | 100% | Russia |
| Comtrans | Support Company | 100% | Russia |
| Ovoca Mining Limited | Dormant | 100% | Cyprus |
| Silver Star Limited | Investment | 100% | Bermuda |
| Ovoca Gold (Russia) Limited | Support Company | 100% | Ireland |

Following Admission, the below companies will also be significant subsidiary undertakings of the Company:

| *Company Name* | *Principal Activity* | *% of issued share capital held directly or indirectly by the Company* | *Country of incorporation* |
|---|---|---|---|
| IVIX LLC | Drug Development | 50% | Russia |

## 4. SHARE CAPITAL

4.1. The issued share capital of the Company as at the close of business on 2 July 2018 (being the latest practicable date prior to the publication of this document), and as expected to be on Admission, is as follows:

| | *Nominal Value per share* | *Authorised Number* | *Issued and paid up number* | *Nominal value aggregate* |
|---|---|---|---|---|
| *As at the Latest Practicable Date and on Admission* | | | | |
| Ordinary Shares | €0.125 | 120,000,000 | 81,563,806 | €10,195,476 |

4.2. As at the Latest Practicable Date, the Company had 6,895,000 Ordinary Shares held in treasury that were previously purchased by the Company, but not cancelled, in issue. These Ordinary Shares are not included in the figures shown in paragraph 4.1 above.

4.3. The Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue

4.4. No share or loan capital of the Company has been proposed to be issued fully or partly paid, either for cash or discounts and no other special terms have been granted by the Company in connection with the sale or issue of any share or loan capital of the Company.

4.5. No commissions, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.

4.6. There are no acquisition rights or obligations in relation to the authorised but unissued shares in the capital of the Company or an undertaking to increase the capital of the Company.

4.7. Save as disclosed in paragraph 10 of this Part 6, no share capital of the Company is under option or subject to a conditional or unconditional agreement to grant an option thereover.

**History of Share Capital of the Company**
Between 1 January 2015 (being the first day covered by the historical information of the Company incorporated by reference into this document) and the Latest Practicable Date, there have been the following changes in the authorised and issued share capital of the Company:

(i) on 28 April 2015 Ovoca purchased 5,800,000 of its own ordinary shares of a nominal value €0.125 each in the issued share capital of the Company at a price of GBP 6.8p with the intention to hold said shares as treasury stock.

## 5. MEMORANDUM AND ARTICLES OF ASSOCIATION

The following is a summary of the Memorandum and the Articles. Any Shareholder requiring further detail than that provided in the summary is advised to consult the Memorandum and the Articles, which are available at www.ovocagold.com.

**Memorandum of Association**
The Memorandum provides that the Company's objects are, among other things, to carry on business as a holding company.

The objects of the Company are set out in full in the Memorandum.

**Articles of Association**
The Articles of the Company contain (among others) provisions to the following effect:

*Allotment of Shares*
Subject to the provisions of the Companies Act and of any resolution of the Company in general meeting, the shares shall be at the disposal of the Directors, and they may allot, grant options over or otherwise dispose of

them to such persons, on such terms and conditions and at such times as they may consider to be in the best interest of the Company and its shareholders, but so that no share shall be issued at discount and so that, in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than one-quarter of the nominal amount of the share and the whole of any premium thereon.

Without prejudice to the generality of the powers conferred on the Directors by the preceding paragraph, the Directors may from time to time grant options to subscribe for the unissued shares in the capital of the Company to persons in the service or employment of the Group (including directors holding executive offices), on such terms and subject to such conditions as the members of the Company in general meeting may from time to time approve.

The Company may issue share warrants to bearer in respect of any fully paid-up shares of the Company, stating that the bearer of the warrant is entitled to the shares specified therein. Such warrants shall be issued upon such terms and subject to such conditions as may be resolved by the Directors. A share warrant shall entitle the bearer thereof to the shares therein specified, and the shares may be transferred by delivery of the warrant.

*Variation of Rights*
If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares in that class, or with the sanction of a special resolution passed at a separate general meeting of holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings shall apply except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of that class. If at any adjourned meeting of such holders a quorum as defined above is not present within thirty minutes of the time appointed for the adjourned meeting those members who are present in person or by proxy shall be a quorum. Any holders of shares of that class present in person or by proxy may demand or poll.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

*Disclosure of Interests*
If in their absolute discretion the Directors consider it to be in the interests of the Company to do so, they may, at any time and from time to time, by notice require any holder of a share, or any other person appearing to be interested or to have been interested in such share, to disclose to the Company in writing within such period as may be specified in such notice (which shall not be less than 14 days from the date of issue of such notice) such information as the Directors shall require relating to the ownership of or any interest in such share and as lies within the knowledge of such holder or other person (supported if the Directors so require by a statutory declaration and/or by independent evidence) including (without prejudice to the generality of the foregoing) any information which the Company is entitled to seek pursuant to section 1062 of the Companies Act.

*Transfer of Shares*
Subject to such of the restrictions of the Articles as may be applicable, the shares of any member may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve.

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof.

The Directors in their absolute discretion and without assigning any reason may decline to register any transfer of a share which is not fully paid. The Directors may also decline to register the transfer of any share where such transfer, in their opinion, may imperil or prejudicially affect the status of the Company in the State or which may give rise to any loss of or diminution in value of any of the rights or property of the Company.

The Directors may decline to recognise any instrument of transfer unless: (a) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and (b) the instrument of transfer is in respect of one class of share only.

*Alteration of Capital*

The Company may by ordinary resolution:

- increase its share capital;
- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- subdivide its existing shares, or any of them, into shares of smaller amount than fixed by the memorandum of association subject, nevertheless, to section 83(1) (d) of the Companies Act;
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

*Reduction of Capital*
The Company may, by special resolution, reduce its share capital, any capital redemption reserve fund or any share premium account or any undenominated capital in any manner and with and subject to any incident authorised, and consent required, by law.

*Purchase of own shares*
Subject to the provisions of the Companies Act and to any rights conferred on the holders of any claim of shares, the Company may purchase all or any of its own shares of any claim including any redeemable shares.

*General Meetings*
The Company shall in each year hold a general meeting as its annual general meeting in addiction to any other meeting in that year, and shall specify the meeting as such in the notice calling it. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next.

All general meetings other than annual general meetings shall be called extraordinary general meetings.
The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meeting shall also be convened on such requisition, or in default, may be convened by such requisitions, as provided by the Companies Act.

Subject to the provisions of the Companies Act, an annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 clear days' notice in writing at the least and a meeting of the Company (other than annual general meeting or meeting for the passing of special resolution) shall be called by 14 clear days' notice in writing at the least.

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote shall be a quorum.

If within half-an-hour from the time appointed for a general meeting (or such longer interval as the Chairman may think fit to allow) a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the chairman at the meeting may determine.

All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the Company's statutory financial statements and the reports of the Directors and auditors, the election of directors in the place of those retiring, the re-appointment of the retiring auditors and the fixing of the remuneration of the auditors.

Every member entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on his behalf subject to such requirements and restrictions as the Directors may from time to time specify.

*Voting Rights*
The holders of Ordinary Shares have the right to receive notice of and attend and vote at all general meetings of the Company.

Subject to any special rights or restrictions as to voting for the time being attached by or in accordance with the Articles to any class of shares, on a show of hands every member present in person and every proxy shall have one vote, but so that no one member shall, on a show of hands, have more than one vote in respect of the aggregate number of shares of which he is the holder. On a poll every member who is present in person or by proxy shall have vote for each share of which he is the holder.

*Default in payment of calls*
If at any time the Directors shall determine that a member has failed to pay all moneys then payable by him in respect of his shares, such member shall not be entitled to vote at any general meeting or separate meeting of the holders of any class of shares in the Company, either in person or by proxy, or to exercise any privilege as a member in respect of any share held by him.

*Restriction of voting and other rights*
(a) If at any time the Directors shall determine that a Specified Event (as defined in paragraph (g)) shall have occurred in relation to any share or shares, they may in their absolute discretion serve a notice to such effect on the Holder or Holders thereof. Upon the expiry of 14 days from the service of any such notice (in these Articles referred to as a 'Restriction Notice") and for so long as such Restriction Notice shall remain in force:

(i) no holder or holders of the share or shares specified in such Restriction Notice (in the Articles referred to as 'Specified Shares") shall be entitled in respect of the Specified Shares to attend or vote either personally or by proxy at any general meeting of the Company or at any separate general meeting of the holders of the class of shares concerned or to exercise any other right conferred by membership in relation to any such meeting; and

(ii) the Directors shall, where the Specified Shares represent not less than 0.01 per cent of the class of shares concerned, be entitled:

A. where the Specified Event concerned is the event described in subparagraph (g), to refuse to register any transfer (other than an Approved Transfer as defined in paragraph (h)) of the Specified Shares or any renunciation of any allotment of new shares or debentures made in respect of the Specified Shares; and/or

B. except in a winding up of the Company, to withhold payment of any sum (including shares issuable in lieu of dividends) payable, whether by way of dividend, capital or otherwise, in respect of the Specified Shares, and the Company shall not have any obligation to pay interest on any sum so withheld.

(b) A Restriction Notice shall be cancelled by the Directors as soon as reasonably practicable, but in any event not later than 7 days, after the holder or holders concerned or any other relevant person shall have remedied the default by virtue of which the Specified Event shall have occurred. A Restriction Notice shall automatically cease to have effect in respect of any share comprised in an Approved Transfer upon registration thereof.

(c) The Directors shall cause a notation to be made in the register against the name of any holder or holders in respect of whom a Restriction Notice shall have been served indicating the number of Specified Shares specified in such Restriction Notice and shall cause such notation to be deleted upon cancellation or cesser of such Restriction Notice.

(d) Every determination of the Directors and every notice served by them pursuant to the provisions of this paragraph shall be conclusive as against the holder or holders of any share and the validity of any notice served by the Directors in pursuance of this paragraph shall not be questioned by any person.

(e) If, while any Restriction Notice shall remain in force in respect of any Specified Shares, any further shares shall be issued in respect thereof pursuant to a capitalisation issue under the Articles, the Restriction Notice shall be deemed also to apply likewise to such holder or holders in respect of such further shares which shall as from the date of issue thereof form part of the Specified Shares for all purposes of this paragraph.

(f) On the cancellation of any Restriction Notice, the Company shall pay to the holder (or, in the case of joint holders, the first named holder) on the register in respect of the Specified Shares as of the record date for any such sum all sums the payment of which shall have been withheld pursuant to the provisions of the Articles.

(g) For the purpose of the Articles, a "Specified Event" shall be deemed to have occurred in relation to any share if:

(i) the holder or any of the holders shall fail to pay any call or instalment of a call in respect of such share in the manner and at the time appointed for payment thereof;

(ii) the holder or any of the holders or any other person shall fail to comply, to the satisfaction of the Directors and within the period prescribed by such notice, in relation to such share with the terms of any disclosure notice given to him under Article 10(b) of the Articles ("Disclosure Notice"); or

(iii) the holder or any of the holders or any other person shall fail to comply, to the satisfaction of the Directors and within the period prescribed by such notice, in relation to such share with the terms of any notice given to him pursuant to section 1062 of the Companies Act.

(h) For the purposes of the Articles:

(i) an "Approved Transfer" is a transfer of shares which:

A. is made pursuant to acceptance of a general offer made by or on behalf of the offeror to all holders (or all such holders other than the offeror and nominees or subsidiaries of the offeror) of shares of any class; or

B. the Directors are satisfied has been made pursuant to a bona fide sale of the whole of the beneficial interest in the shares comprised in the transfer to a person unconnected with the Holder or with any other person appearing to be interested (within the meaning of Article 10(b) of the Articles) in such shares (and for this purpose it shall be assumed that no such sale has occurred where the relevant share transfer form presented for stamping has been stamped at a reduced rate of stamp duty by virtue of the transferor or transferee having claimed to be entitled to such reduced rate on the basis that no beneficial interest passes by the transfer; or

C. is made pursuant to any bona fide sale on any stock exchange, unlisted securities market or over-the-counter market on which shares of that class are, for the time being, normally traded.

(ii) reference to a person having failed to comply with the terms of a Disclosure Notice given to him under Article 10(b) of the Articles or a notice given to him pursuant to section 1062 of the Companies Act includes reference:

A. to his having failed or refused to give all or any part of the information required by the notice; or

B. to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

*Directors*

(a) Numbers

The number of Directors shall not be less than two. The Company may by ordinary resolution from time to time vary the minimum number and likewise may by ordinary resolution fix and from time to time vary the maximum number of Directors.

(b) Qualification

A Director shall not require a share qualification.

(c) Remuneration

The remuneration of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled to rank in such division for proportion of the remuneration related to the period during which he has held office.

If any Director shall be called upon to perform extra services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, the Company may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a meeting of the Directors and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

A Director is expressly permitted (for the purpose of Section 228(1)(d) of the Companies Act) to use the Company's property subject to such conditions as may be or have been approved by the Board or pursuant to any delegation by the Board in accordance with the Articles or as permitted by their terms of employment or appointment.

(d) Delegation

The Directors may delegate any of their powers, authorities and discretions (with the power to sub-delegate) for such time, on such terms and subject to such conditions as they deem fit to any committee consisting of one or more Directors.

The Directors may from time to time and at any time by power to attorney appoint any company, firm or person or body or persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection of persons dealing with any such attorney as the Directors may think fit. The Directors may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

(e) Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, assets, and uncalled capital or any part thereof and, subject to Section 1021 of the Companies Act, to issue debentures, debenture stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(f) Retirement

At every annual general meeting of the Company one-third of the Directors (other than the managing director and any Director holding an executive office with the Company) or, if their number is not three or a multiple of three, then the number nearest one-third shall retire from office. A Director retiring at a meeting shall retain office until the close or adjournment of the meeting.

The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day, those retire shall (unless they otherwise agree among themselves) be determined by lot.

A retiring Director shall be eligible for re-election.

The Company, at the meeting at which a Director retires in manner aforesaid, may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office, or unless a resolution for re-election of such Director has been put to the meeting and lost.

The Company may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is so to go out of office.

(g) Eligibility for Appointment

No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless not less than 7 days before the day appointed for the meeting there shall have been left at the office notice in writing signed by a member duly qualified to

attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by that person of his willingness to be elected.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addiction to the existing Directors, but so that the total number of Directors shall not any time exceed number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

(h) Directors' Interests

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with section 231 of the Companies Act.

Save as otherwise provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution from which he is debarred from voting.

A Director may hold and be remunerated in respect of any other office or place of profit under the Company or any other company in which the Company may be interested (other than the office of auditor of the Company or any subsidiary thereof) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine, and no Director or intending Director shall be disqualified by his office from contracting or being interested, directly or indirectly, in any contract or arrangement with the Company or any such other company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any Director so contracting or being so interested be liable to account to the Company for any profits and advantages accruing to him from any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his form shall be entitled to remuneration for professional services as if he were not a Director, but nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely;-

(i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub- underwriting thereof;

(iv) any proposal concerning any other Company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent, or more of the issued shares of any class of the equity share capital of such a company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant companies (any such interest being deemed for the purpose of the Articles to be a material interest in all circumstances); and

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Revenue Commissioners for taxation purposes.

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment of the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the provisions of this paragraph) shall be entitled to vote be counted in the quorum in respect of each resolution except that concerning his own appointment.

If any question shall arise at any meeting as to the materiality of Director's interest or as to the entitlement of any Director to vote and if such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned have not been fairly disclosed.

The Company may by ordinary resolution suspend or relax the provisions of the Articles relating to the above matters to any extent or ratify any transaction not duly authorised by reason of a contravention of this paragraph. Nothing in the Companies Act shall restrict a Director from entering into any commitment which has been approved by the Board or has been approved pursuant to such authority as may be delegated by the Board or is otherwise in accordance with the Articles.

(i) Voting at Directors' Meetings

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they may think fit. The quorum necessary for the transaction of the business of the Directors shall be two or such higher number as may be fixed by the Directors. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a casting vote.

Each Director present and voting shall have one vote and shall in addition to his own vote be entitled to one vote in respect of each other Director not present at the meeting who shall have authorised him in respect of such meeting to vote for such other Director in his absence. Any such authority may relate generally to all meetings of the Directors or to any specified meeting or meetings and must be in writing or by cable or radiogram or telegram or telex message, which must be delivered to the secretary for filling prior to or must be produced at the first meeting at which a vote is to be cast pursuant thereto.

(j) Indemnity

Every Director, managing director, agent, auditor, secretary and another officer for time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in relation to his acts while acting in such office, in which judgement is given in his favour or in which he is acquitted or in connection with any application under sections 233 and 234 of the Companies Act in which relief is granted to him by the court.

*Dividends*
The Company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the Directors.

The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Companies Act which apply to the Company.

The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may lawfully determine. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it prudent not to divide.

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stocks of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution,

and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all the parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

*Distribution on winding up*
If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall thank fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## 6. EXISTING DIRECTORS AND PROPOSED DIRECTORS' AND OTHER INTERESTS

6.1. The table below sets out the interests of the Existing Directors and Proposed Directors in the share capital of the Company as at the Latest Practicable Date:

| | *As at the Latest Practicable Date* | | *Following Admission* | |
|---|---|---|---|---|
| *Existing Director* | *Number of Ordinary Shares* | *Percentage of issued share capital* | *Number of Ordinary Shares* | *Percentage of issued share capital* |
| Kirill Golovanov | 19,506,203 | 23.9% | 19,506,203 | 23.9% |
| Leonid Skoptsov | 11,656,203 | 14.3% | 11,656,203 | 14.3% |
| Yuri Radchenko | 11,656,202 | 14.3% | 11,656,202 | 14.3% |
| Mikhail Mogutov | - | - | - | - |
| Timothy McCutcheon | - | - | - | - |
| Donald Schissel | - | - | - | - |
| Kenneth Kuchling | - | - | - | - |
| *Proposed Directors (who are not Existing Directors)* | | | | |
| Romulo Colindres | - | - | - | - |
| Nikolay Myasoedov | - | - | - | - |
| Christopher Wiltshire | - | - | - | - |

6.2. Immediately following Admission, the Proposed Directors will not hold any options in the capital of the Company.

6.3. No Existing Director or Proposed Director or member of an Existing Director or Proposed Director's family has a related financial product (as defined in the ESM Rules and the AIM Rules) referenced to the Company's share capital.

6.4. There are no outstanding loans or guarantees which have been granted or provided to or for the benefit of any Existing Director or Proposed Director by the Company or any of its subsidiaries.

6.5. Save for service agreements and letters of appointment referred to in paragraph 9 of this Part 6 there are no agreements, arrangements or understandings (including compensation agreements) between any of the Existing Directors and Proposed Directors of the Company connected with or dependent upon Admission.

6.6. Save as otherwise disclosed in this document, no Existing Director or Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company or any other member of the Group during the current or immediately preceding financial year, or during any earlier financial year which remains in any respect outstanding or unperformed.

6.7. As at close of business on the Latest Practicable Date and save as disclosed in paragraph 8 of this Part 6, the Existing Directors and Proposed Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises at the date of this document, or could immediately following Admission exercise, control over the Company.

6.8. Save as disclosed in paragraph 8 of this Part 6, there are no arrangements the operation of which may, at a date subsequent to the Latest Practicable Date, result in a change of control of the Company.

## 7. ADDITIONAL INFORMATION ON THE DIRECTORS

7.1. Other than directorships of companies within the Enlarged Group, the Existing Directors and Proposed Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

| *Existing Director* | *Current Directorships* | *Previous Directorships* |
|---|---|---|
| Kirill Golovanov | - | - |
| Leonid Skoptsov | - | Northern Pacific Coal Company CJSC |
| | | Neftegazgeologia OJSC |
| | | Beringpromcoal LLC |
| | | Port of Coal LLC |
| Yuri Radchenko | Dukat Mining and Geological Company OJSC | - |
| Mikhail Mogutov | Tartis-Starenie LLC | Panorama LLC |
| | Onk-tartis LLC | |
| | Promogen-mat LLC | |
| | Inkuron LLC | |
| | Teramab LLC | |
| | Permskaya Chemical Company LLC | |
| | Women Microcredit Net LLC | |
| | Biomed Mechnikov OJSC | |
| | IVIX LLC | |
| | Nativa LLC | |
| | Bioprocess-Holding LLC | |
| | Biofarminvest LLC | |
| | Kvartal K, 13 OJSC | |
| | Archimedes CJSC | |
| | Rotonda LLC | |
| | Classic LLC | |
| | Bigpearl Ltd | |
| | Progress LLC | |

| | | |
|---|---|---|
| | Biopark LLC | |
| Timothy McCutcheon | Ashanti Gold Corp. | Global Minerals Ltd |
| | VKM Capital Ltd | Abzu Gold Ltd |
| | Wealth Minerals Ltd | |
| Donald Schissel | Stellar Mining | MVB Minerals |
| | Santiago Metals | |
| Kenneth Kuchling | - | Comstock Metals |
| | | |
| *Proposed Directors (who are not Existing Directors)* | | |
| Romulo Colindres | - | - |
| Nikolay Myasoedov | Bio Peptid LLC | - |
| | Peptogen JSC | |
| Christopher Wiltshire | Hematherix LLC | IPT Bioconsulting LLC |

7.2. Biofarminvest LLC is wholly-owned by Mikhail Mogutov. Biofarminvest holds a 53.6 per cent. participation interest in Bioprocess Capital Partners, which serves as trust manager to Bioprocess Capital Ventures ("BCV"), a closed-end fund that currently holds a 64.55 per cent interest in IVIX. Mr. Mogutov holds a 1.1 per cent. participation interest in BCV and none of the other limited partners in BCV are an associate of Mr. Mogutov. Mr. Mogutov is not able to exercise control or influence over IVIX, BCV or the investment committee of BCV and the Transaction is not deemed to constitute a related party transaction for the purposes of the AIM Rules and ESM Rules.

7.3. None of the Existing Directors nor any of the Proposed Directors has:

a) any unspent convictions in relation to indictable offences;

b) ever had any bankruptcy order made against him or entered into any individual voluntary arrangement with his creditors;

c) ever been a director of a company which, while he was a director or within twelve months after he ceased to be a director, has been placed in receivership, creditors' voluntary liquidation or administration or been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or with any class of its creditors;

d) ever been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement or has had a receiver appointed to any partnership asset;

e) received any public criticism and/or sanction by any statutory or regulatory authority (including recognised professional bodies); or

f) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

## 8. SIGNIFICANT SHAREHOLDERS

8.1. As at the close of the business on the Latest Practicable Date and in so far as is known to the Company, the following persons are, directly or indirectly, interested in 3 per cent. or more of the Issued Share Capital and will be interested in 3 per cent. or more of the Issued Share Capital following Admission:

| *Shareholder* | *Ordinary Shares held at the Latest Practicable Date* | *Percentage of issued share capital at the Latest Practicable Date* | *Ordinary Shares held following Admission* | *Percentage of issued share capital on Admission* |
|---|---|---|---|---|
| Euroclear Nominees Limited | 18,828,414 | 23.1% | 18,828,414 | 23.1% |
| Pickco Trading Co Limited | 7,928,531 | 9.7% | 7,928,531 | 9.7% |
| BBHISL Nominees Limited | 7,611,143 | 9.3% | 7,611,143 | 9.3% |
| Davycrest Nominees | 5,684,782 | 7.0% | 5,684,782 | 7.0% |
| Citibank Nominees (Ireland) DAC | 4,616,685 | 5.7% | 4,616,685 | 5.7% |
| Chase Nominees Limited | 3,231,200 | 4.0% | 3,231,200 | 4.0% |

8.2. None of the Company's significant shareholders listed above has voting rights which are different from the voting rights of other holders of Ordinary Shares.

8.3. Save as disclosed in section 8.1 above, the Company is not aware of any person who will, immediately following Admission, directly or indirectly, jointly or severally, exercise control over the Enlarged Group.

## 9. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

The Company has entered into the following agreements with each of the Proposed Directors in relation to their respective appointments:

### 9.1. Executive Directors: employment contracts

a) On 3 May 2012 Ovoca entered into an employment contract (as amended by an agreement entered into on 3 July 2018) ("**KG Employment Contract**") with Kirill Golovanov to record the terms of his executive directorship, whereby Mr. Golovanov agreed to act in accordance with the instructions of the Board and to devote his whole time, attention and skill to the business of Ovoca and every Subsidiary and Associated Company of Ovoca ("**Group**") and to use his best endeavours to promote the interests, business and welfare of the Group.

Mr. Golovanov is entitled to receive an annual fee of US$200,000 under the KG Employment Contract. This fee shall be paid in equal monthly instalments by the Group. Additionally it was agreed that Ovoca would pay subscriptions for health insurance and travel insurance for Mr. Golovanov. Ovoca has agreed to reimburse Mr. Golovanov for all proper and reasonable expenses incurred by him in the performance of his duties.

It was agreed that if Mr. Golovanov is absent from work due to incapacity and such incapacity has been notified to Ovoca and certified by his doctor Ovoca shall pay Mr. Golovanov all fees and remunerations which have to be paid to Mr. Golovanov under his services agreements with the other Group companies.

It was agreed that the KG Employment Contract may be terminated immediately by Ovoca on written notice if at any time Mr. Golovanov:

- is guilty of any material breach or non-observance of any of the provisions of the KG Employment Contract and (if capable of remedy) fails to remedy the same within 5 Business Days of being requested to do so by the Board;
- is guilty of fraud or wilful dishonestly, misconduct or wilful neglect in the discharge of his duties under the KG Employment Contract or in connection with or affecting the business of any Group company;
- is adjudicated bankrupt or makes any arrangement or composition with his creditors;
- becomes of unsound mind (as certified by a medical examiner nominated by Ovoca);

- is convicted of any criminal offence other than an offence which in the reasonable opinion of the Board does not affect his position as an employee of Ovoca;
- is guilty of any conduct likely to bring himself, Ovoca or any Group company into disrepute; or
- persistently refuses or fails to properly discharge any of the duties properly assigned or delegated to him under the KG Employment Contract and fails the same within five Business Days of being requested in writing to do so by the Board.

It was agreed that Mr. Golovanov would be given performance targets by the Board which would be reviewed on an ongoing basis. If on such review Mr. Golovanov has not achieved his targets Ovoca will be entitled to terminate the employment subject to five months' written notice to Mr. Golovanov. If not previously terminated, the KG Employment Contract automatically terminates by reason of the retirement of Mr. Golovanov at the end of the month of his seventieth birthday without compensation. Upon termination of the KG Employment Contract for whatever reason Mr. Golovanov will immediately at the request of Ovoca resign without claim for compensation from all other appointments or offices which he holds as nominee or representative of Ovoca or any Group company. The KG Employment Contract may be terminated by either party on giving five months written notice to the other party. Ovoca is entitled to pay salary in lieu of the notice period, in which case Mr. Golovanov's employment shall terminate with immediate effect.

The KG Employment Contract is governed by Irish Law.

b) On 30 April 2009 Ovoca entered into an employment contract (as amended by an agreement entered into on 1 January 2010 and further amended by an agreement dated 3 July 2018) ("MM Employment Contract") with Mikhail Mogutov to record the terms of his executive directorship, whereby Mr. Mogutov agreed to act in accordance with the instructions of the Board and to devote his whole time, attention and skill to the business of Ovoca and every Subsidiary and Associated Company of Ovoca ("Group") and to use his best endeavours to promote the interests, business and welfare of the Group.

Mr. Mogutov is entitled to receive an annual fee of US$120,000 under the MM Employment Contract. This fee shall be paid in equal monthly instalments by the Group. Additionally it was agreed that Ovoca would pay subscriptions for health insurance, travel insurance and permanent health insurance for Mr. Mogutov. Ovoca has agreed to reimburse Mr. Mogutov for all proper and reasonable expenses incurred by him in the performance of his duties including costs of using his own personal car on company business.

It was agreed that if Mr. Mogutov is absent from work due to incapacity and such incapacity has been notified to Ovoca and certified by his doctor Ovoca shall pay to Mr. Mogutov all fees and remunerations which have to be paid to Mr. Mogutov under his services agreements with the other Group companies.

It was agreed that the MM Employment Contract may be terminated immediately by Ovoca on written notice if at any time Mr. Mogutov:

- is guilty of any material breach or non-observance of any of the provisions of the MM Employment Contract and (if capable of remedy) fails to remedy the same within 5 Business Days of being requested to do so by the Board;
- is guilty of dishonesty, misconduct or wilful neglect in the discharge of his duties under the MM Employment Contract or in connection with or affecting the business of any Group company;
- is adjudicated bankrupt or makes any arrangement or composition with his creditors;
- becomes of unsound mind;
- is convicted of any criminal offence other than an offence which in the reasonable opinion of the Board does not affect his position as an employee of Ovoca;
- is guilty of any conduct likely to bring himself, Ovoca or any Group company into disrepute; or
- refuses or fails to properly discharge any of the duties properly assigned or delegated to him under the MM Employment Contract and fails the same within five Business Days.

It was agreed that Mr. Mogutov would be given performance targets by the Board which would be reviewed on an ongoing basis. If on such review Mr. Mogutov has not achieved his targets Ovoca will be entitled to terminate his employment on five months' written notice to Mr. Mogutov. If not previously terminated, the MM Employment Contract automatically terminates by reason of the retirement of Mr.

Mogutov at the end of the month of his seventieth birthday without compensation. Upon termination of the MM Employment Contract for whatever reason Mr. Mogutov will immediately at the request of Ovoca resign without claim for compensation from all other appointments or offices which he holds as nominee or representative of Ovoca or any Group company. The MM Employment Contract may also be terminated by either party on giving five months written notice to the other party. Ovoca is entitled to pay salary in lieu of the notice period, in which case Mr. Mogutov's employment shall terminate with immediate effect.

The MM Employment Contract is governed by Irish Law.

**9.2. Non- Executive Directors: letters of appointment**

a) On 3 July 2018 Leonid Skoptsov entered into a new letter of appointment ("LS Letter of Appointment"), with the Company in respect of his non-executive directorship of the Company and setting out the main terms of his appointment as a director of the Company. Mr. Skoptsov acknowledged that the LS Letter of Appointment is a contract for services and is not a contract of employment.

The Company agreed to pay Mr. Skoptsov a monthly fee of US$1,500. Such fee to be paid by the Company, any subsidiary of the Company or any affiliate of the Company as the Board shall determine from time to time and agreed to reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.

The term of Mr. Skoptsov's employment is for a further period of three years subject to renewal. Mr Skoptsov may resign as a director of the Company on giving one month's written notice to the Company.

It was agreed that the Company may terminate Mr. Skoptsov's appointment with immediate effect if at any time Mr. Skoptsov has:

- committed a material breach of his obligations under the LS Letter of Appointment;
- committed any serious or repeated breach or non-observance of any of his obligations to the Company;
- been found guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring Mr. Skoptsov or the Company into disrepute or is materially adverse to the Company's interests;
- been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
- been declared bankrupt or have made an arrangement with or for the benefit of Mr. Skoptsov's creditors;
- been disqualified from acting as a director; or
- not complied with the Company's anti-corruption and bribery policy and procedures.

Mr. Skoptsov agreed that as a non-executive director he will have the same general legal responsibilities to the Company as any other director.

Mr. Skoptsov and the Company agreed that the LS Letter of Appointment and any document referred to in it would constitute the entire terms and conditions of Mr. Skoptsov's appointment and that it would supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between Mr. Skoptsov and the Company, whether written or oral, relating to its subject matter.

The LS Letter of Appointment is governed by Irish Law.

b) On 3 July 2018 Timothy McCutcheon entered into a new letter of appointment ("TMcC Letter of Appointment"), with the Company in respect of his non-executive directorship of the Company and setting out the main terms of his appointment as a director of the Company. Mr. McCutcheon acknowledged that the TMcC Letter of Appointment is a contract for services and is not a contract of employment.

The Company agreed to pay Mr. McCutcheon a monthly fee of US$1,500. Such fee to be paid by the Company, any subsidiary of the Company or any affiliate of the Company as the Board shall determine from time to time and agreed to reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.

The term of Mr. McCutcheon's employment is for a further period of three years subject to renewal. Mr McCutcheon may resign as a director of the Company on giving one month's written notice to the Company.

It was agreed that the Company may terminate Mr. McCutcheon's appointment with immediate effect if at any time Mr. McCutcheon has:

- committed a material breach of his obligations under the TMcC Letter of Appointment;
- committed any serious or repeated breach or non-observance of any of his obligations to the Company;
- been found guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring Mr. McCutcheon or the Company into disrepute or is materially adverse to the Company's interests;
- been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
- been declared bankrupt or have made an arrangement with or for the benefit of Mr. McCutcheon's creditors;
- been disqualified from acting as a director; or
- not complied with the Company's anti-corruption and bribery policy and procedures.

Mr. McCutcheon agreed that as a non-executive director he will have the same general legal responsibilities to the Company as any other director.

Mr. McCutcheon and the Company agreed that the TMcC Letter of Appointment and any document referred to in it would constitute the entire terms and conditions of Mr. McCutcheon's appointment and that it would supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between Mr. McCutcheon and the Company, whether written or oral, relating to its subject matter.

The TMcC Letter of Appointment is governed by Irish Law.

c) On 3 July 2018 Yuri Radchenko entered into a new letter of appointment ("YR Letter of Appointment"), with the Company in respect of his non-executive directorship of the Company and setting out the main terms of his appointment as a director of the Company. Mr. Radchenko acknowledged that the YR Letter of Appointment is a contract for services and is not a contract of employment.

The Company agreed to pay Mr. Radchenko a monthly fee of US$1,500. Such fee to be paid by the Company, any subsidiary of the Company or any affiliate of the Company as the Board shall determine from time to time and agreed to reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.

The term of Mr. Radchenko's employment is for a further period of three years subject to renewal. Mr Radchenko may resign as a director of the Company on giving one month's written notice to the Company.

It was agreed that the Company may terminate Mr. Radchenko's appointment with immediate effect if at any time Mr. Radchenko has:

- committed a material breach of his obligations under the YR Letter of Appointment;
- committed any serious or repeated breach or non-observance of any of his obligations to the Company;

- been found guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring Mr. Radchenko or the Company into disrepute or is materially adverse to the Company's interests;
- been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
- been declared bankrupt or have made an arrangement with or for the benefit of Mr. Radchenko's creditors;
- been disqualified from acting as a director; or
- not complied with the Company's anti-corruption and bribery policy and procedures.

Mr. Radchenko agreed that as a non-executive director he will have the same general legal responsibilities to the Company as any other director.

Mr. Radchenko and the Company agreed that the YR Letter of Appointment and any document referred to in it would constitute the entire terms and conditions of Mr. Radchenko's appointment and that it would supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between Mr. Radchenko and the Company, whether written or oral, relating to its subject matter.

The YR Letter of Appointment is governed by Irish Law.

d) On 3 July 2018 Christopher Wiltshire accepted an appointment, by way of letter of appointment ("CW Letter of Appointment"), with the Company appointing him as a non-executive director of the Company and setting out the main terms of his appointment as a director of the Company, subject to completion of the Transaction. Mr. Wiltshire acknowledged that the CW Letter of Appointment is a contract for services and is not a contract of employment.

The Company agreed to pay Mr. Wiltshire a monthly fee of US$1,500. Such fee to be paid by the Company, any subsidiary of the Company or any affiliate of the Company as the Board shall determine from time to time and agreed to reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.

The term of Mr. Wiltshire's employment is for an initial period of three years subject to renewal. Mr Wiltshire may resign as a director of the Company on giving one month's written notice to the Company.

It was agreed that the Company may terminate Mr. Wiltshire's appointment with immediate effect if at any time Mr. Wiltshire has:

- committed a material breach of his obligations under the CW Letter of Appointment;
- committed any serious or repeated breach or non-observance of any of his obligations to the Company;
- been found guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring Mr. Wiltshire or the Company into disrepute or is materially adverse to the Company's interests;
- been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
- been declared bankrupt or have made an arrangement with or for the benefit of Mr. Wiltshire's creditors;
- been disqualified from acting as a director; or
- not complied with the Company's anti-corruption and bribery policy and procedures.

Mr. Wiltshire agreed that as a non-executive director he will have the same general legal responsibilities to the Company as any other director.

The CW Letter of Appointment is governed by Irish Law.

e) On 3 July 2018 Nikolay Myasoedov accepted an appointment, by way of letter of appointment ("NM Letter of Appointment"), with the Company appointing him as a non-executive director of the Company

and setting out the main terms of his appointment as a director of the Company, subject to completion of the Transaction. Mr. Myasoedov acknowledged that the NM Letter of Appointment is a contract for services and is not a contract of employment.

The Company agreed to pay Mr. Myasoedov a monthly fee of US$1,500. Such fee to be paid by the Company, any subsidiary of the Company or any affiliate of the Company as the Board shall determine from time to time and agreed to reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.

The term of Mr. Myasoedov's employment is for an initial period of three years subject to renewal. Mr Myasoedov may resign as a director of the Company on giving one month's written notice to the Company.

It was agreed that the Company may terminate Mr. Myasoedov's appointment with immediate effect if at any time Mr. Myasoedov has:

- committed a material breach of his obligations under the NM Letter of Appointment;
- committed any serious or repeated breach or non-observance of any of his obligations to the Company;
- been found guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring Mr. Myasoedov or the Company into disrepute or is materially adverse to the Company's interests;
- been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
- been declared bankrupt or have made an arrangement with or for the benefit of Mr. Myasoedov's creditors;
- been disqualified from acting as a director; or
- not complied with the Company's anti-corruption and bribery policy and procedures.

Mr. Myasoedov agreed that as a non-executive director he will have the same general legal responsibilities to the Company as any other director.

The NM Letter of Appointment is governed by Irish Law.

f) On 3 July 2018 Romulo Colindres accepted an appointment, by way of letter of appointment ("RC Letter of Appointment"), with the Company appointing him as a non-executive director of the Company and setting out the main terms of his appointment as a director of the Company, subject to completion of the Transaction. Mr. Colindres acknowledged that the RC Letter of Appointment is a contract for services and is not a contract of employment.

The Company agreed to pay Mr. Colindres a monthly fee of US$1,500. Such fee to be paid by the Company, any subsidiary of the Company or any affiliate of the Company as the Board shall determine from time to time and agreed to reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.

The term of Mr. Colindres' employment is for an initial period of three years subject to renewal. Mr Colindres may resign as a director of the Company on giving one month's written notice to the Company.

It was agreed that the Company may terminate Mr. Colindres' appointment with immediate effect if at any time Mr. Colindres has:

- committed a material breach of his obligations under the RC Letter of Appointment;
- committed any serious or repeated breach or non-observance of any of his obligations to the Company;
- been found guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring Mr. Colindres or the Company into disrepute or is materially adverse to the Company's interests;

- been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
- been declared bankrupt or have made an arrangement with or for the benefit of Mr. Colindres' creditors;
- been disqualified from acting as a director; or
- not complied with the Company's anti-corruption and bribery policy and procedures.

Mr. Colindres agreed that as a non-executive director he will have the same general legal responsibilities to the Company as any other director.

The RC Letter of Appointment is governed by Irish Law.

## 10. SHARE OPTION SCHEMES

### 10.1. Share Option Scheme

(a) Overview

The Company operates a share option scheme which was adopted on 20 July 2009 and which gives employees, directors and consultants of companies within the Group ("Eligible Persons") the opportunity to acquire shares in the Company. The grant of the option is entirely at the discretion of the Board and is not a standard employment benefit. The total number of Ordinary Shares over which options may be granted shall not exceed 15% of the number of Ordinary Shares in issue from time to time. The maximum market value of Ordinary Shares subject to option which may be granted to any individual optionholder shall not exceed in aggregate 4% of the number of Ordinary Shares in issue from time to time.

(b) Commencement and Termination of the Share Option Scheme

The Scheme Option Scheme became effective on 20 July 2009 and will terminate upon the close of business on the tenth anniversary of this date. Options which remain unexercised at that date will continue to have force and effect in accordance with the provisions of their respective option certificates and the Share Option Scheme rules.

(c) Exercise of the Options

Options granted under the Share Option Scheme will remain outstanding for a maximum term of seven years from the date the option was granted (the "Expiration Date"). The options are personal to the optionholder and are non-assignable and can be exercised in respect of some or all of the vested option shares. The Board is entitled, at its sole discretion, to allow optionholders to exercise options before the relevant vesting period (if any) has expired.

(d) Lapse of Option

On the earlier of the Expiration Date or, subject to the remaining paragraphs in this subsection, the date on which the optionholder ceases to be an Eligible Person, the option will lapse and will cease to be exercisable.

If an optionholder ceases to be an Eligible Person by reason of death, options held in respect of unvested option shares will lapse and cease to be exercisable. Options held in respect of vested option shares will remain exercisable by the optionholder's legal personal representatives for a specified period of time.

If an optionholder ceases to be an Eligible Person other than for cause, options held in respect of unvested option shares will lapse after the period of 90 days from the date of such cessation unless exercised during that period and will cease to be exercisable. The Board is also entitled, at its sole discretion, to allow an exercisable option to remain exercisable as if employment has not ceased where employment was terminated other than for cause. If an optionholder ceases to be an Eligible Person for cause, options held in respect of unvested option shares will lapse and will cease to be exercisable.

(e) Exit Event

Where an offer is made to acquire the whole or a specified proportion of the issued share capital of the Company, the Board shall be entitled at its discretion to request optionholders to exercise unexercised options

with respect to vested option shares during a period and subject to any other conditions or limitations as specified by the Board. If an optionholder fails to exercise any option requested to be exercised by him by the Board within 30 days of such request being made, such option shall be deemed to have lapsed forthwith. As an alternative, the person making the offer may assume all outstanding options and convert such options into options over shares in the capital of the offeror or the Board may with the agreement of the offeror cancel such outstanding option in consideration of the grant of a new option to the optionholder over shares in the offeror or otherwise.

In the event of a liquidation, dissolution or winding-up of the Company (other than a members' voluntary winding up) all options shall ipso facto cease to be exercisable. If the Company passes a resolution for voluntary winding up, all options may be exercised within six months of the passing of the resolution and thereafter all options shall lapse.

If a court of competent jurisdiction sanctions a compromise or arrangement pursuant to section 201 of the Companies Act, 1963 (which has since been incorporated into Chapter 1 of Part 9 of the Companies Act, 2014), all exercisable options may be exercised immediately prior to and conditional upon the court sanctioning such compromise or arrangement, or within six months of the court sanctioning such compromise or arrangement and thereafter all unexercised options shall lapse.

(f) Variation

In the event of any variation in the share capital of the Company by way of capitalisation or rights issue or any consolidation, subdivision or reduction or otherwise, the number of Ordinary Shares subject to any option and the option price for each of those Ordinary Shares shall be adjusted in such manner as the Auditors confirm to be fair and reasonable.

(g) Alteration

The Company may at any time by resolution of the Board vary, amend or revoke any of the provisions of the Share Option Scheme in such manner as may be thought fit provided that:

(i) the purpose of the scheme shall not be altered;

(ii) except with the sanction of the Company in general meeting, no alteration shall be made to the provisions of the scheme which would have the effect of overriding any of the limitations specified in the scheme or reducing the minimum option price; and

(iii) no such variation, amendment or revocation shall increase the amount payable by any Participant or otherwise impose more onerous obligations on any Participant in respect of the exercise of an Option which has already been granted.

(h) Miscellaneous

The Company must keep available such number of authorised but unissued shares as shall be necessary to satisfy the exercise of all options which have neither lapsed nor been fully exercised.

The Directors intend to grant options pursuant to the Share Option Scheme in the future.

## 11. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts that have been entered into by the Company and its subsidiaries in the two years immediately preceding the date of this Document and which are, or may be, material to Group, or are all of the contracts which have been entered into by the Company and its subsidiaries and contain any provisions under which any member of the Group has any entitlement which is material to the Group:

### 11.1. Participation Agreement

On 3 July 2018, Silver Star, Bioprocess and Bio Peptid entered into a legally binding participation agreement on the procedure for the exercise of their corporate rights in order to govern their relationship as members of IVIX (the "Participation Agreement") together with an amendment agreement to record that the Participation Agreement shall take effect on the passing of the Resolutions.

At the time of signing the Participation Agreement, Bioprocess and Bio Peptid will be the sole members of the IVIX. Bioprocess owns a participation interest in the charter capital of IVIX ("Participation Interest") of 64.552844% with nominal value of 152,000,000 rubles and Bio Peptid owns a Participation Interest of 35.447156% with nominal value of 83,466,000 rubles. Upon the signing of the Participation Agreement Silver Star plans to become a member of IVIX by making a monetary contribution to the charter capital of IVIX.

The main terms of the Participation Agreement are as follows:

- **Contributions**

Until an application is made by Silver Star to become a member of IVIX ("Member 3") and it makes a contribution to the charter capital of IVIX in an amount in rubles equivalent to US$1,860,000, as a result of which Silver Star will acquire a Participation Interest of 22.57% (with a nominal value of 68,635,769.34 rubles) ("Contribution 1 Statement"), Bioprocess and Bio Peptid shall not make any decisions;

a) on which the LLC Law or Civil Code require a number of votes other than a simple majority of Member votes;
b) on the disposal (as well as transactions related to the possibility of disposal) by IVIX of exclusive rights in any intellectual property, (collectively "Special Matters of Competence of Members"); or
c) on any alteration of the charter capital of IVIX.

Within 10 Business Days of receipt of the Contribution 1 Statement, Bioprocess and Bio Peptid shall hold a General Meeting to approve new charter of IVIX reflecting the terms of the Participation Agreement, and to arrange registration in USRLE of such new charter ("New Articles of Association").

Within 10 Business Days after registration of the New Articles of Association in USRLE, Bioprocess and Bio Peptid shall hold another General Meeting and vote to approve Silver Star becoming a member of IVIX, the increase of the charter capital of IVIX to reflect the contribution of Silver Star and changes to the New Articles of Association to reflect the increase of the charter capital of IVIX.

Within 10 Business Days of the receipt of an application of Silver Star to make an additional contribution to the charter capital of IVIX of an amount in rubles equivalent to US$2,040,000, as a result of which it will acquire an additional Participation Interest in the amount of 19.85%, with a nominal value of 75,314,037.70 rubles ("Contribution 2 Statement"), the members shall hold a further General Meeting to approve the increase of the charter capital of IVIX to reflect the additional contribution of Silver Star as provided in the Contribution 2 Statement and changes to the New Articles of Association reflecting the increase of the charter capital of IVIX.

- **Management**

IVIX shall be managed by the general meeting of the members of IVIX ("General Meeting"), the Board of IVIX ("the Board") and the Chief Executive Officer of IVIX ("General Director") as elected by the Board. The General Director shall act on behalf of IVIX without a power of attorney, shall represent its interests and conduct transactions, issue powers of attorney on behalf of IVIX and shall exercise other rights not reserved for the General Meeting or the Board.

The General Meeting is to resolve on all matters by a simple majority of votes other than the Special Matters of Competence of Members which are to be resolved by the General Meeting by a majority of at least two thirds of the total number of votes held by members (unless a higher number of votes of members are required by LLC Law).

The Board is to resolve on all matters by a simple majority of votes of all members of the Board, unless the LLC Law envisions otherwise. The chairman of the Board has no casting vote.

After the registration of Silver Star in USRLE as a member of IVIX, those members that collectively hold not less than 16.67% votes of the total number of votes of such members may offer one candidate as a member of the Board for each 16.67% votes of the total number of votes held by them, and all members shall vote to elect such a candidate to the Board.

- **Rights**

Each of the members and IVIX has a pre-emptive right to buy another member's Participation Interest if the latter member has an intention to sell its Participation Interest to a third party at a price equal to the price offered to such third party as stipulated in article 21 of the LLC Law. Russian law also provides that, in addition to such pre-emptive rights, the charter of IVIX may require the consent of the members and IVIX for a sale to a third party. Under the Participation Agreement the charter of IVIX will not require the consent of IVIX or its members to sell a Participation Interest to a third party.

The transfer of a Participation Interest to heirs and legal successors of a member is permitted only with the consent of all other members.

The members may not encumber the Participation Interests held by them without the consent of a General Meeting, and the vote of the member intending to encumber its Participation Interest shall not be taken into account when determining the results of the voting.

The members shall not withdraw from IVIX by selling their Participation Interest to IVIX.

- **Option**

Pursuant to article 429.2 of the Civil Code, each Member ("Seller") grants to every other member by way of an irrevocable offer contained in article 6 of the Participation Agreement ("Offer") a call option in respect of the Seller's Participation Interest. The buying member ("Buyer") has a right to accept the Offer only if one of the following conditions is fulfilled:

1) there is a breach by the Seller of any of its obligations under the Participation Agreement provided that the Seller receives a notice from any other members of such breach within 10 Business Days after such breach is identified by such other members; or

2) there is a deadlock, being a situation where:

   (a) the members fail to resolve on a matter during two consecutive General Meetings due to lack of quorum as a result of members holding collectively 50% or less of the total number of votes failing to attend; or

   (b) the members fail to resolve any of the Special Matters of Competence of Members during two consecutive General Meetings due to members holding collectively 50% or less of the total number of votes voting "against" the proposed decision, provided that the remaining members voted "for" the decision,

caused by the Seller, and the Buyer individually, or collectively with all other Buyers, owns more than 50% of the Participation Interests, and a notice of the deadlock is given to all members and IVIX by any Buyer within 10 Business Days after the deadlock .

- **Warranties**

Each party provides standard warranties to the other parties (within the meaning of article 431.2 of the Civil Code), in particular in relation to signing capacity, internal and governmental approvals, enforceability of the terms of the Participation Agreement against them, etc.

- **Duration**

The Agreement is intended to take effect upon its notarisation following the passing of the Resolutions and shall remain in effect until the earlier of:

- the date when IVIX shall be deemed liquidated; or
- the date when one of the members acquires 100% of the Participation Interests; or
- the date when each of the members ceases to own any Participation Interest; or
- the date when the members sign an agreement to terminate the Participation Agreement.

- **Assignment**

No member may assign its rights and obligations under the Participation Agreement in full or in part without the prior written consent of all other members.

A member can only sell its Participation Interest to a third party if all rights and obligations of such member under the Participation Agreement are simultaneously assigned to the buyer of such Participation Interest or a part thereof pursuant to clause 392.3 of the Civil Code, as a result of which the buyer of the Participation Interest becomes a party to the Participation Agreement instead of the assigning member.

- **Governing Law and Jurisdiction**

The Participation Agreement is governed by the substantive law of the Russian Federation and shall be construed in accordance with it. Any dispute, controversy or claim arising from the Participation Agreement or in connection with it, including those pertaining to its violation, change, termination or invalidity shall be resolved by the Commercial (Arbitrazh) court of Moscow.

**11.2. Sale and Purchase Agreement**

Silver Star has also negotiated a sale and purchase agreement ("SPA") with Bio Peptide whereby Bio Peptid agrees to transfer its Participation Interest to Silver Star in consideration of US$2,260,000 under the terms and conditions set out in the SPA.

Bio Peptid's Participation Interest, and all rights and obligations attached to it, shall transfer to Silver Star as of the date of registration of Silver Star as the owner of the Participation Interest in the USRLE.

The parties to the SPA agree to exclude the application of Article 488(5) of the Civil Code, and there will be no pledge over the Participation Interest securing the obligations of Silver Star under the SPA.

The SPA is governed by and construed in accordance with Russian law. All disputes, controversy or claims arising out of the SPA or in connection with it shall be resolved by the Commercial (Arbitrazh) court of Moscow.

The SPA is in the agreed form and it is intended that the parties will sign it as soon as possible after the approval and registration of Silver Star's interest in IVIX as detailed at paragraph 11.1 above.

## 12. TAXATION

**12.1. Introduction**

The information in this section, which is intended as a general guide only, is based on current legislation and Revenue practice in Ireland and the United Kingdom regarding the ownership and disposition of Ordinary Shares. The following should be regarded as a summary and should not be construed as constituting advice. Prospective shareholders are strongly advised to take their own independent tax advice.

On issue, the Ordinary Shares will not be treated as either "listed" or "quoted" securities for tax purposes. Provided that the Company remains one which does not have any of its shares quoted on a recognised stock exchange (which for these purposes does not include AIM and ESM) and assuming that the Company remains a trading company or the holding company of a trading group for UK tax purposes, the Ordinary Shares should continue to be treated as unquoted securities qualifying for certain reliefs from UK taxation. These reliefs, summarised below, are only available to UK resident taxpayers.

The following information is based upon the laws and practice currently in force in Ireland and the UK and may not apply to persons who do not hold their Ordinary Shares as investments.

**12.2. Capital Gains Tax ("CGT")**

*United Kingdom*

Shareholders who are resident for tax purposes in the United Kingdom may be liable to UK taxation on chargeable gains on a disposal of Ordinary Shares, depending upon their individual circumstances and subject to any available exemption or relief.

A Shareholder who is not resident for tax purposes in the United Kingdom will not be liable to UK taxation on chargeable gains unless the Shareholder carries on a trade, profession or vocation in the UK through a branch or agency and the Ordinary Shares disposed of are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for the purposes of such branch or agency. Such Shareholders may also be subject to tax under any law to which they are subject outside the United Kingdom.

United Kingdom resident individual Shareholders, depending upon their individual circumstances and any available reliefs, may be subject to capital gains tax at the prevailing rate on any disposals Ordinary Shares. For individuals whose total taxable income and gains after all allowable deductions (including losses, the income tax personal allowance and the capital gains tax annual exempt amount) is less than the upper limit of the basic rate income tax band (£34,500 for 2018-19), the rate of capital gains tax will be 10 per cent. For gains (and any parts of gains) above that limit, the rate will be 20 per cent. For trustees and personal representatives, the rate will be 20 per cent. for gains above the applicable capital gains tax annual exempt amount.

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax, but may not create or increase a loss.

*Irish resident and/or ordinarily resident Shareholders*

#### *12.2.1. Disposals*

The Ordinary Shares constitute chargeable assets for Irish capital gains tax purposes and, accordingly, Shareholders who are resident or ordinarily resident in Ireland, depending on their circumstances, may be liable to Irish tax on capital gains on a disposal of Ordinary Shares. The Irish capital gains tax rate is currently 33%. As it is not expected that the shares will derive the greater part of their value directly or indirectly from land or buildings within Ireland, minerals within Ireland or exploration/exploitation rights within the Continental Shelf the Shareholders of the Company who are neither resident or ordinarily resident in Ireland should not be subject to Irish tax on capital gains arising on the disposal of the Ordinary Shares. An Irish resident individual, who is a shareholder who ceases to be an Irish resident for a period of less than five years and who disposes of Ordinary Shares during that period, may be liable, on a return to Ireland, to capital gains tax on any gain realised.

Capital gains tax (currently 33%) may apply on gains realised on the disposal of shares in the Company by an Irish company shareholder. Substantial shareholding exemptions may apply to Shareholders who own more than 5% in the shares of the Company.

#### *12.2.2. Irish Capital Acquisitions Tax*

Capital acquisitions tax (CAT) covers both gift tax and inheritance tax. Irish CAT may be chargeable on an inheritance from, or on a gift by, the owner of the shares. A CAT liability arises where the disponer or beneficiary is resident or ordinarily resident (unless not domiciled, in which case must be resident for 5 consecutive years immediately preceding the year of assessment and resident/ordinarily resident in that year) in Ireland, or where the subject matter of the gift or inheritance is Irish property.

For CAT purposes, a transfer of assets at less than full market value may be treated as a gift and a rate of 33 per cent. applies to gifts where the donor reserves or retains some benefit. Certain exemptions apply to gifts and inheritances depending on the relationship between the donor and the recipient.

### 12.3. Income Tax

#### *12.3.1. Taxation of Dividends*

*UK resident individual Shareholders*

Under current UK tax rules, specific rates of tax apply to dividend income. As of 1 April 2016 the notional dividend tax credit system was abolished. Instead, there is a nil rate of tax (the “nil rate band”) for the first £5,000 of dividend income received by an individual Shareholder who is resident for tax purposes in the UK in any tax year. It was announced in the Spring Budget 2017 that the nil rate band

will reduce to £2,000 from 6 April 2018. Dividend income in excess of the nil rate band (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates: 7.5 per cent. (to the extent that it falls below the threshold for higher rate income tax); 32.5 per cent. (to the extent that it falls above the threshold for higher rate income tax and is within the higher rate band); and 38.1 per cent. (to the extent that it is within the additional rate). For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

Trustees don't qualify for the £2,000 nil rate band. This means trustees pay tax on all dividends depending on the tax band they fall within.

*Accumulation or discretionary trusts*

In relation to accumulation or discretionary trusts, the first £1,000 is taxed at the standard rate. If the settlor has more than one trust, this £1,000 is divided by the number of trusts they have. However, if the settlor has set up 5 or more trusts, the standard rate band for each trust is £200. The tax rates are set out below:

- Trust dividend income up to the standard rate band limit (usually £1,000) – 7.5 per cent.
- Trust dividend income over the standard rate band limit (usually £1,000) – 38.1 per cent.

*Interest in possession trusts and personal representatives*

The trustees or personal representatives are responsible for paying income tax on dividends at 7.5%. Sometimes trustees 'mandate' income to the beneficiary. This means it goes to them directly instead of being passed through the trustees. If this happens, the trustees have no tax liability and the beneficiary needs to include this on their own return and pay tax on it.

*UK resident corporate Shareholders*

Shareholders that are within the charge to corporation tax will be subject to corporation tax on dividends paid by the Company on the Ordinary Shares, unless (subject to special rules for such Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each Shareholder's position will depend on its own particular circumstances, although it would normally be expected that the dividends paid by the Company on the Ordinary Shares would fall within an exempt class. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules.

*Irish Resident Shareholders*

Irish resident and/or ordinarily resident Shareholders who are individuals will be subject to income tax, pay related social insurance (PRSI) and universal social charge on the gross amount of any dividend paid. Any withholding tax deducted will be available as a credit against the individual's income tax liability. A Shareholder may claim to have the withholding tax refunded to him to the extent it exceeds his income tax liability. An Irish resident Shareholder, which is a company, will, prima facie, be subject to Irish corporation tax at a rate of 25% on dividends received from the Company. An election may be made to have the dividends taxed at 12.5% where they are paid from trading profits. A Company, which is a close company, as defined under Irish legislation, may be subject to a corporation tax surcharge on such dividend income to the extent that it is not distributed within the appropriate time frame.

Shareholders who are Irish approved pension funds or Irish approved charities are generally exempt from tax on their dividend income and will not have tax withheld at source by the paying Company from dividends received provided the appropriate declaration is validly made.

**12.4. Stamp Duty**

Transfers or sales of ordinary shares in an Irish incorporated and tax resident company would generally be subject to ad valorem stamp duty. This is generally payable by the purchaser. The Irish rate of stamp duty on shares is currently 1 percent of the consideration paid for the Ordinary Shares (or the market value of the Ordinary Shares, if higher).

However, with effect from 5 June 2017, transfers or sales of Ordinary Shares in the Company should not be subject to Irish stamp duty as a transfer or sale of shares in an Irish incorporated company, while quoted on the ESM of Euronext Dublin, is exempt from Irish stamp duty. This is the case regardless of whether the instrument in question is executed in Ireland or not. If the Ordinary Shares cease to be admitted to trading on the ESM, for example if the Ordinary Shares are subsequently listed on the Official List of Euronext Dublin and are admitted to trading on the main market of Euronext Dublin and cease to be quoted on the ESM, Irish stamp duty would then be payable on subsequent transfers or sales.

## 13. MANDATORY BIDS, SQUEEZE-OUT AND BUY-OUT RULES

### 13.1. Mandatory Bids

Following Admission, the Company will be a public limited company incorporated in Ireland and its Ordinary Shares will be admitted to trading on ESM and AIM. As a result, the Company will be subject to the provisions of the Irish Takeover Rules. The Irish Takeover Rules regulate acquisitions of the Company's securities.

Rule 5 of the Irish Takeover Rule prohibits the acquisitions of securities or rights over securities in a company, such as the Company, in respect of which the Irish Takeover Panel has jurisdiction to supervise, if the aggregate voting rights carried by the resulting holding of securities the subject of such rights would amount to 30 per cent. or more of the voting rights of that company. If a person holds securities or rights over securities which in aggregate carry 30 per cent. or more of the voting rights, that person is also prohibited from acquiring securities carrying 0.05 per cent. or more of the voting rights, or rights over securities, in a 12 month period. Acquisitions by and holdings of concert parties must be aggregated. The prohibition does not apply to purchases of securities or rights over securities by a single holder of securities (including persons regarded as such by under the Irish Takeover Rules) who already holds securities, or rights over securities, which represent in excess of 50 per cent. of the voting rights.

Rule 9 of the Irish Takeover Rule provides that where a person acquires securities which, when taken together with securities held by concert parties, amount to 30 per cent. of more of the voting rights of a company, that person is required under Rule 9 to make a general offer – a ''mandatory offer'' – to the holders of each class of transferable, voting securities of the Company to acquire their securities. The obligation to make a Rule 9 mandatory offer is also imposed on a person (or persons acting in concert) who holds securities conferring 30 per cent. or more of the voting rights in a company and which increases that stake by 0.05 per cent. or more in any 12 month period. Again, a single holder of securities (including persons regarded as such under the Irish Takeover Rules) who holds securities conferring in excess of 50 per cent. of the voting rights in a company may purchase additional securities without incurring an obligation to make a Rule 9 mandatory offer. There have been no mandatory takeover bids nor any public takeover bids by third parties in respect of the share capital of the Company in the last financial year or in the current financial year to date.

### 13.2. Squeeze-out and buy-out rule

Under the Companies Act, if an offeror were to acquire 80 per cent of the issued share capital of a company within four months of making a general offer to shareholders, it could then compulsorily acquire the remaining 20 per cent. In order to effect the compulsory acquisition, the offeror would send a notice to outstanding shareholders telling them that it would compulsorily acquire their shares. Unless determined otherwise by the High Court of Ireland, the offeror would execute a transfer of the outstanding shares in its favour after the expiry of one month. Consideration for the transfer would be paid to the company, which would hold the consideration on trust for the outstanding shareholders.

Where an offeror already owned more than 20 per cent of an offeree at the time that the offeror made an offer for the balance of the shares, compulsory acquisition rights would only apply if the offeror acquired at least 80 per cent of the remaining shares that also represented at least 75 per cent in number of the holders of those shares.

The Companies Act also give minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all of the issued share capital, and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 80 per cent of the issued share capital, any holder of shares to

which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those shares. The offeror would be required to give any shareholders notice of their right to be bought out within one month of that right arising.

**13.3. Substantial Acquisition Rules**

The Substantial Acquisition Rules are designed to restrict the speed at which a person may increase a holding of voting securities (or rights over such securities) of a company which is subject to the Irish Takeover Rules, including the Company. The Substantial Acquisition Rules prohibit the acquisition by any person (or persons acting in concert with that person) of shares or rights in shares carrying 10 per cent. or more of the voting rights in a company within a period of 7 calendar days if that acquisition would take that person's holding of voting rights to 15 per cent. or more but less than 30 per cent. of the voting rights in that Company.

**13.4. Merger Control Legislation**

Under merger control legislation in Ireland, any undertaking (or undertakings) proposing to acquire direct or indirect control of the Company through the acquisition of Ordinary Shares or otherwise must, subject to various exceptions and if certain financial thresholds are met or exceeded, provide advance notice of such acquisitions to the Competition and Consumer Protection Commission the fact of which would be available on the Competition and Consumer Protection Commission's website. The financial thresholds to trigger mandatory notification are in the most recent financial year, subject to certain exceptions (primarily where the acquisition is a media merger): (a) the aggregate turnover in Ireland of the undertakings involved in the merger or acquisition is not less than €50,000,000, and (b) each of at least two of the undertakings involved in the merger or acquisition has turnover in Ireland of at least €3,000,000.

Failure to notify either at all or properly is an offence (for the undertakings involved and in certain circumstances for the persons in control of the undertakings involved) under the laws of Ireland. The Competition Acts 2002 – 2014, define ''control'' as existing if, by reason of securities, contracts or any other means, decisive influence is capable of being exercised with regard to the activities of a company (and control is regarded as existing, in particular, by (a) ownership of, or the right to use all or part of, the assets of an undertaking, or (b) rights or contracts which enable decisive influence to be exercised with regard to the composition, voting or decisions of the organs of an undertaking). Under the laws of Ireland, any transaction subject to the mandatory notification obligation set out in the legislation (or any transaction which has been voluntarily notified to the Competition and Consumer Protection Commission to protect such a transaction from possible challenge under the Competition Acts 2002-2014 if there is a competition law concern with such a transaction irrespective of the thresholds for a compulsory notification) will be void, if put into effect before the approval of the Competition and Consumer Protection Commission is obtained or before the prescribed statutory period following notification has expired.

## 14. RELATED PARTY TRANSACTIONS

Save as set out in note 26 to the Company's audited financial statements for the year ended 31 December 2017, note 26 to the Company's audited financial statements for the year ended 31 December 2016, and note 25 to the Company's audited financial statements for the year ended 31 December 2015 (each of which is incorporated by reference in this document), the Group is not, nor has been, party to any transactions with related parties which were material to the Group during the three year period ended on 31 December 2017 or from the period ended 31 December 2017 to the date of this document.

Save as set out in note 18 to the consolidated historical financial information for IVIX set out in Part 4 of this document and as set out below, IVIX is not, nor has been, party to any transactions with related parties which were material to IVIX during the three year period ended on 31 December 2017 or in the period from 31 December 2017 to the date of this document.

## 15. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that the Group will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of Admission.

## 16. NO SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Company since 31 December 2017 (being the date of the last financial information of the Company, incorporated into this document by reference, as described in Part 3 of this Document).

There has been no significant change in the financial or trading position of IVIX since 31 December 2017, (being the date to which the last financial information of the IVIX, as set out in Part 4 of this document, was prepared).

## 17. LITIGATION

Save as set out in paragraphs 17.1 below, there have been no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

IVIX is not, nor has been, involved in the previous 12 months in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on IVIX's financial position or profitability.

### 17.1. Litigation regarding Taymura LLC

On 28 May 2014 the Company filed a claim for the recovery of debt in the amount of US $6,700,000 pursuant to a loan agreement entered into on 5 February 2014 against Taymura in the Court of Arbitration of Moscow ("**CAM**"). By an order of CAM the claim was granted on 29 September 2014 by CAM. Enforcement proceedings were initiated on foot of this order against Taymura and approximately US$1,000,000 were recovered by the Company. Further attempts to recover the balance of the sums due did not succeed and the Company subsequently filed an application on 23 April 2015 in the Court of Arbitration of Krasnoyarsk Territory ("**CAK**") to have Taymura declared bankrupt.

On 16 September 2015 the claims of the Company were admitted as justified by CAK and a temporary arbitration manager was appointed in accordance with Russian bankruptcy law to review the financial position of Taymura and supervise management. On 15 February 2016 CAK declared Taymura bankrupt and bankruptcy proceedings were initiated.

In the course of these bankruptcy proceedings an inventory of the property of Taymura was taken and an appraisal of the property was executed. According to the appraiser's report, the market price of the property of Taymura ("**Lot No.1**") amounted to RUR 657,063,000 the value of finished products (inventory) was RUR 78,000,000.

On 7 April 2017 it was announced that an auction to sell Lot No.1 would be conducted on 19 May 2017. On 05 May 2017 an application was submitted to the court by Saltanora Holdings Ltd ("**Saltanora**") to settle differences in relation to the regulations on the procedure, time limits and conditions for selling Lot No.1. Saltanora pointed out that it is necessary to eliminate Licenses for the Right to Use Subsurface Mineral Resources and to approve the initial selling price for Lot No. 1 in the amount of 234,838,999 rubles. The proposed auction was suspended by the Judicial Act of CAK dated 18 May 2017 until consideration of the merits of the above application could be given.

On 4 July 2017 the regulations on the procedure, time limits and conditions for the selling of Lot No.1 were settled by a decision of CAK and the application of Saltanora was dismissed. On 7 July 2017 it was announced that the auction for Lot No.1 would be held on 14 August 2017. On 29 July 2017 Saltanora appealed against the dismissal of its application. Simultaneously with the appeal Saltanora also petitioned to suspend the holding of the auction to sell Lot No.1. By a Judicial Act of the Appeal Court dated 8 August 2017 the holding of the auction to sell Lot No.1 was again suspended until consideration was given to merits of the petition for appeal.

On 18 October 2017, by a decision of the Appeal Court, the Licenses for the Right to Use Subsurface Mineral Resources were eliminated and the initial selling price for Lot No. 1 in the amount of 234,838,999 rubles was approved. Thus, an auction for the sale of Lot No.1 did not take place.

In the course of bankruptcy proceedings the senior creditor took actions to contest the validity of the claims of the Company. On 6 April 2017 CAK confirmed the claim of the Company and recognised the Company's claim

to be legitimately included in the list of creditors' claims against Taymura, as mentioned above. However, this was appealed on 8 August 2017 where the Court of Appeal found the claims of the Company to be unjustified and the Company's claims were subsequently excluded from the list of creditors' claims.

On 17 October 2017 in view of the determination given by the Court of Appeal, the Court of Cassation repealed the Judicial Act of the Appeal Court and the case was submitted to the Court of Appeal. On 11 December 2017 the Court of Appeal re-examined the claims and they were again excluded from the list of creditors' claims and recognised to be unjustified. On 15 March 2018 the Court of Cassation refused to recognise the claim of the Company to be justified and excluded it from the list of creditors' claims.

On 7 May 2018 the Company filed a complaint with the Chamber for Commercial Disputes of the Supreme Court. The Company intends to contest in the Supreme Court the decision to exclude its claims from the list of creditors' claims. In the event of success, it is expected that the claims of the Company shall be satisfied under the terms of the settlement agreement entered into on 23 November 2017.

This settlement agreement was agreed at a meeting of creditors of Taymura and is subject to conditions proposed by Saltanora on debt relief being limited to an amount of 45% of the outstanding amount due and postponement of the debt repayment until December 31, 2018.On 27 February 2017 CAK made an order approving the settlement agreement entered into between the Taymura and its creditors. At the time of such approval the Company was on the approved list of creditors and therefore included among the parties to the settlement agreement. Should the appeal to the Supreme Court be successful it expects it will once again be included on the list of creditors to be repaid in accordance with the terms of the settlement agreement.

The Bankruptcy proceedings in respect of Taymura were terminated in consequence of approving the settlement agreement by the CAK.

## 18. CONSENTS

Davy, which is regulated in Ireland by the Central Bank of Ireland, has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references of its name in the form and context in which it appears.

Moore Stephens LLC, Chartered Accountants, has given and not withdrawn its consent to the inclusion of its report in Part 4 of this document, and of its name and the references thereto in the form and context in which they appear.

## 19. GENERAL

19.1. Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission; or entered into any contractual arrangement to receive, directly or indirectly, from the Company on or after Admission, any fees totalling £10,000 or €14,000 or more or securities in the Company with a value of £10,000 or €14,000 or more or any other benefit to a value of £10,000 or €14,000 or more at the date of Admission.

19.2. Grant Thornton LLP, whose registered address is 24-26 City Quay, Dublin 2, Ireland, have been the auditors of the Company for the three financial years ended 31 December 2017. Grant Thornton is a member of the Institute of Chartered Accountants in Ireland.

19.3. Directors' and officers' liability insurance has been effected by the Company in respect of each of the Directors for an aggregate sum assured of £10 million.

19.4. Save as disclosed in this document, there have not been any interruptions to the business of the Company which may have, or have had, a significant effect on the Company's financial position in the last 12 months.

19.5. Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

19.6. Save as disclosed in this document, there are no investments to be made by the Company or any other member of the Group in the future in respect of which firm commitments have been made.

19.7. This document has not been approved by the Central Bank of Ireland or the Financial Conduct Authority of the UK.

19.8. No Ordinary Shares are being made available, in whole or in part, to the public in conjunction with the application for Admission.

19.9. Where information has been sourced from a third party, this information has been accurately reproduced so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.10. Statutory enforcement in Ireland of civil or commercial judgments obtained in a foreign jurisdiction is available, subject to satisfying certain conditions, in respect of such judgments originating in other EU Member States (under Council Regulation (EU) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and Council Decision 2006/325/EC of 27 April 2006 concerning the Agreement between the European Community and the Kingdom of Denmark on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters) and in respect of such judgments originating in Norway, Iceland or Switzerland (under the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters signed at Lugano on 30 October 2007 as applied in Ireland by Part IIIA of the Jurisdiction of Courts and Enforcement of Judgments Act 1998 as amended). Additionally, a final and unappealable judgment originating in any other foreign jurisdiction which imposes a liability to pay a liquidated sum will be recognised and enforced in the courts of Ireland at common law, without any re-examination of the merits of the underlying dispute, provided such judgment satisfies certain criteria.

Dated: 4 July 2018

# NOTICE OF EXTRAORDINARY GENERAL MEETING
# OF
# OVOCA GOLD PLC

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Ovoca Gold plc (the "Company") will be held at The Radisson Blu St. Helen's Hotel, Stillorgan Road, Blackrock, Co. Dublin, Ireland on 27 July 2018 at 12.30 p.m. (or, if later, as soon as practicable after the Annual General Meeting shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions:

**1. As an Ordinary Resolution: To approve the Transaction**

THAT, the proposed Transaction (as defined and described in the admission document dated 4 July 2018 sent to the shareholders of the Company and of which this notice forms part) be and is hereby approved and that the directors of the Company (or a duly authorised committee of the directors) be and are hereby authorised to carry the same into effect (with such non-material amendments as they shall deem necessary or appropriate) and in connection therewith the directors of the Company be and are hereby authorised and instructed to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary or expedient for the purpose of giving effect to the Transaction.

**2. As a Special Resolution: Proposed Change of Name**

THAT, subject to the passing of Resolution 1 above and, subject to the approval of the Registrar of Companies, the name of the Company shall be changed from "Ovoca Gold Public Limited Company" to "Ovoca Bio Public Limited Company".

**3. As a Special Resolution: Proposed Change of Objects Clause**

THAT, subject to the passing of Resolution 1 above, the main objects clause of the Company contained in sub-paragraph (1) of clause 3 of the Memorandum of Association of the Company be and is hereby deleted in its entirety and replaced with the following:

"1(a) To carry on the business of a holding company and to-ordinate the administration, finances and activities of any subsidiary companies or associated companies and to carry on the business of investment including investment in bio-tech projects, and to do all lawful acts and things whatever that are necessary or convenient in carrying on the business of such a holding company and investment company and carry out all such services in connection therewith as may be deemed expedient by the Company's board of directors and to exercise its powers as a shareholder of other companies.

1(b) To engage in search for gold, silver and other precious metals, ores and minerals of all kinds."

**4. As a Special Resolution: Proposed Changes to the Memorandum and Articles of Association**

THAT, subject to the passing of Resolution 2 above,

(a) the heading of the Memorandum of Association of the Company and clause 1 thereof be and is hereby amended by the deletion of the words "Ovoca Gold Public Limited Company" and the insertion in their place of the words "Ovoca Bio Public Limited Company"; and

(b) the Articles of Association of the Company be and are hereby amended by the deletion of the words "Ovoca Gold Public Limited Company" from the heading and any other regulations thereof and the insertion in their place of the words "Ovoca Bio Public Limited Company".

By order of the Board

Kirill Golovanov – Company Secretary

Ovoca Gold plc
17 Pembroke Street Upper,
Dublin 2,
Ireland
Dated: 4 July 2018

Notes:

1. A member entitled to attend, speak, ask questions and vote is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending, speaking, asking questions and voting at the meeting should the member subsequently wish to do so.

2. As a member, you have several ways to exercise your right to vote:
   (a) By attending the extraordinary general meeting ("EGM") in person; or
   (b) By appointing (by returning a completed Form of Proxy) the Chairman or another person as a proxy to vote on your behalf.

   In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.

3. You may appoint the Chairman of the Company or another individual as your proxy. You may appoint a proxy by completing the enclosed Form of Proxy, making sure to sign and date the form at the bottom and return it to the Company's Registrars, Computershare Investor Services (Ireland) Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland no later than 12.30 p.m. (Irish time) on 25 July 2018. If you are appointing someone other than the Chairman as your proxy, then you must fill in the name of your representative at the meeting in the space provided and delete the words "the Chairman of the meeting or" on the Form of Proxy. If you appoint the Chairman or another person as a proxy to vote on your behalf, please make sure to indicate how you wish your votes to be cast by ticking the relevant boxes on the Form of Proxy.

4. To be effective, the Form of Proxy together with any power of attorney or other authority under which it is executed, or a notarially certified copy thereof, must be deposited with the Registrars of the Company, Computershare Investor Services (Ireland) Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not less than 48 hours before the time appointed for the holding of the meeting.

5. The Company, pursuant to Section 1095 of the Companies Act, 2014 and Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996, specifies that only those shareholders registered in the register of members of the Company as at close of business on 25 July 2018 (or in the case of an adjournment as at as at 6.00 pm (Irish time) on the day that is two days before 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 names at the time. Changes in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

6. Should you not receive a Form of Proxy, or should you wish to be sent copies of the documents to be tabled to the meeting, you may request this by telephoning the Company's Registrars on + 353 1 447 5566 or by writing to the Company Secretary at Ovoca Gold Plc, 17 Pembroke Street Upper, Dublin 2.

# DEFINITIONS

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

| | |
|---|---|
| ''€'' or ''Euro'' or ''cent'' | the currency of the member states of the EU that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome in 1957), as amended; |
| ''1996 Regulations'' or ''CREST Regulations'' | the Companies Act 1990 (Uncertificated Securities) Regulations 1996 as amended from time to time and any provisions of or under the Acts which supplement or replace such CREST Regulations including any medication thereof or any regulations in substitution under Section 1086 of the Act; |
| ''Act'' or the ''Companies Act'' | the Companies Act 2014 of Ireland and every statutory modification and re-enactment thereof for the time being in force; |
| ''Admission'' | admission of the Ordinary Shares of the Enlarged Group to trading on AIM and ESM becoming effective in accordance with the AIM Rules and the ESM Rules respectively; |
| 'AIM'' | AIM, a market operated by the London Stock Exchange; |
| ''AIM Rules for Companies'' or ''AIM Rules'' | the AIM Rules for Companies issued by the London Stock Exchange from time to time; |
| "Annual General Meeting" or "AGM" | the annual general meeting of the Company to be held at The Radisson Blu St. Helen's Hotel, Stillorgan Road, Blackrock, Co. Dublin, Ireland on 27 July 2018 at 12.00 p.m.; |
| ''Articles'' or ''Articles of Association'' | the articles of association of the Company in effect upon Admission, as amended from time to time; |
| "Bio Peptid" | means Bio Peptid Limited Liability Company established and operating in compliance with the laws of the Russian Federation and registered under primary state registration number (OGRN) 1087746734680, INN 7703668274, having its principal place of business at: Russian Federation, 121069, Moscow, Stoloviy lane, bld. 6 represented by General Director Gerasimova Yulia Petrovna acting under the articles of association of "Bio Peptid" LLC; |
| "Bioprocess" | means Management Company Bioprocess Capital Partners Limited Liability Company which is a trust manager for Bioprocess Capital Ventures closed-end venture investment fund established and operating in compliance with the laws of the Russian Federation and registered under primary state registration number (OGRN) 5067746956052, INN 7703610669, having its principal place of business at: Russian Federation, 121069, Moscow, Stoloviy lane, bld. 6 represented by General Director Tezov Vladimir Adolfovich acting under the articles of association of Management Company "Bioprocess Capital Partners" LLC; |
| ''Board'' or ''Directors'' | the directors of the Company from time to time, being on Admission, those persons whose names are set out on page 4 of this document; |
| "Business Day" | means a day (with the exception of Saturday, Sunday and holidays and other days off) when banks in Moscow, Russia and London, UK, and Hamilton, Bermuda Islands, are open for common banking operations; |

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| ‘‘certificated’’ or ‘‘in certificated form’’ | not in uncertificated form; |
| ‘‘Chairman’’ | the chairman of the Company whose name is set out on page 4 of this document, being Mikhail Mogutov; |
| “Civil Code” | means the Civil Code of the Russian Federation; |
| ‘‘Company’’ or ‘‘Ovoca’ | Ovoca Gold Plc, a company incorporated under the laws of Ireland (registered under the number 105274), with its registered office at c/o OBH Partners, 17 Pembroke Street Upper, Dublin 2, Ireland; |
| ‘‘Competition Acts’’ | the Competition Acts 2002-2014 of Ireland; |
| ‘‘Competition and Consumer Protection Commission’’ | the Irish statutory body responsible for enforcing consumer rights; |
| ‘‘CREST’’ | the system of paperless settlement of trades in listed securities and holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations; |
| ‘‘Davy’’ | J&E Davy, trading as Davy, including its affiliate Davy Corporate Finance and other affiliates, or any of its subsidiary undertakings; |
| ‘‘EEA’’ | the European Economic Area which includes the EU, Iceland, Liechtenstein and Norway; |
| “Enlarged Group” | the Company and each of its subsidiaries, as enlarged, and IVIX following the Transaction; |
| “ESM’’ | the Enterprise Securities Market, a market regulated by Euronext Dublin; |
| ‘‘ESM Adviser’’ | Davy; |
| ‘‘ESM Rules for Companies’’ or ‘‘ESM Rules’’ | the ESM Rules for Companies issued by Euronext Dublin; |
| ‘‘EU’’ or ‘‘European Union’’ | the political and economic union of 28 Member States; |
| ‘‘Euroclear UK & Ireland’’ | Euroclear UK & Ireland Limited, the operator of CREST; |
| “Euronext Dublin” | Irish Stock Exchange plc, trading as Euronext Dublin; |
| ‘‘European Commission’’ | the executive arm of the EU; |
| ‘‘Eurozone’’ | the area comprised of the 19 of the 28 Member States which have adopted the euro as their common currency and sole legal tender; |
| “Existing Directors” | the directors of the Company as at the date of this document, being Mikhail Mogutov, Kirill Golovanov, Timothy McCutcheon, Yuri Radchenko, Leonid Skoptsov, Donald Schissel and Kenneth Kuchling; |
| “Existing Ordinary Shares” | the Ordinary Shares in issue as at the date of this document; |
| “Extraordinary General Meeting” or “EGM” | the general meeting of the Company convened for 12.30 p.m. (or, if later, as soon as practicable after the Annual General Meeting shall have been concluded or adjourned) on 27 July 2018 (or any adjournment thereof), notice of which is set out at the end of this document; |

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| "Financial Conduct Authority" or "FCA" | the UK Financial Conduct Authority; |
| ''FSMA'' | the UK Financial Services and Markets Act 2000, as amended; |
| ''Group'' | the Company and its subsidiaries from time to time or any one or more of them, as the context may require; |
| "g/t" | gramme per metric tonne; |
| ''High Court'' | the High Court of Ireland; |
| 'HMRC'' | Her Majesty's Revenue and Customs; |
| ''IFRS'' | International Financial Reporting Standards (including International Accounting Standards); |
| "Ireland" | the island of Ireland excluding Northern Ireland; |
| ''Irish Annex'' | Irish Corporate Governance Annex; |
| ''Irish Takeover Panel'' | the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in relevant companies in Ireland; |
| ''Irish Takeover Rules'' | the Irish Takeover Panel Act, 1997 Takeover Rules, 2013; |
| "Issued Share Capital" | the 81,563,806 Ordinary Shares representing the entire issued share capital of the Company as at the date of this document (excluding the 6,895,000 Ordinary Shares held as treasury shares); |
| "IVIX" | IVIX LLC, a company incorporated and registered in the Russian Federation with main state registration number (OGRN) 1127746514796 having its registered office at 6 Stoloviy Pereulok, Moscow, 121069, Russian Federation; |
| "JORC Code" | The Joint Ore Reserves Committee (JORC) Code is a Code of practice which sets minimum standards for public reporting in Australia and New Zealand of exploration results, mineral resources and ore reserves. It provides a mandatory system for classification of tonnage/grade estimates according to geological confidence and technical/economic considerations in reports prepared for the purposes of informing investors, potential investors and their advisors. These standards, recommendations and guidelines are widely used across the world and are broadly consistent with other international resource-reserve reporting codes. The latest edition was published in December 2012; |
| ''Latest Practicable Date'' | means 2 July 2018, being the latest practicable date prior to the publication of this document; |
| "LLC Law" | means Federal Law No. 14-FZ On Limited Liability Companies dated 8 February 1998 as amended from time to time; |
| ''London Stock Exchange'' | The London Stock Exchange plc; |
| "Magsel" | OOO Magsel, a company organised under the laws of the Russian Federation which owns a 100% interest in the Stakhanovsky Licence; |
| ''Market Abuse Regulation'' | Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse; |

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| ‘‘Member State’’ | member state of the EU; |
| ‘‘Memorandum’’ or ‘‘Memorandum of Association’’ | the memorandum of association of the Company, as amended from time to time and in effect upon Admission; |
| “Mt” | million tonnes (metric); |
| ‘‘Nominated Adviser’’ or ‘‘Nomad’’ | Davy; |
| ‘‘Official Lists’’ | the Official List of the Financial Conduct Authority or the Official List of Euronext Dublin; |
| “Ordinary Shares” | the ordinary shares of nominal value €0.125 each in the capital of the Company; |
| “Participation Agreement” | has the meaning given to it in paragraph 5 of Part 1 (Principal Terms of the Transaction); |
| “Participation Interest” | has the meaning given to it in paragraph 11.1 of Part 6 (Additional Information); |
| “Phase I study” | first stage of testing in healthy volunteers to assess the safety of a product; |
| “Phase II study” | clinical trials in a small number of patients to determine safety and efficacy of a new medicine and the nature of any side effects; |
| “Phase III study” | the final stage of clinical trials prior to seeking regulatory approval, to determine efficacy and safety in a large number of patients (usually several hundred); |
| “Polymetal” | Polymetal International plc incorporated and registered in Jersey with registration number 106196 having its registered office at 44 Esplanade, St Helier, Jersey JE4 9WG, Channel Islands; |
| “Proposed Directors” | Romulo Colindres, Nikolay Myasoedov, and Christopher Wiltshire; |
| ‘‘Prospectus Directive’’ | Directive 2003/71/EC and includes any relevant implementing measure in each relevant Member State; |
| “QCA” | the Quoted Companies Alliance; |
| “QCA Corporate Governance Code” | the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies 2018 published by the QCA; |
| ‘‘Registrar’’ | Computershare Investor Services (Ireland) Limited; |
| “Regulatory Information Service” or “RIS” | one of the regulatory information services authorised by Euronext Dublin and/or the FCA to receive, process and disseminate regulated information from listed companies; |
| “Resolutions” | the resolutions to be proposed at the Extraordinary General Meeting, the full text of which is set out in the notice of Extraordinary General Meeting set out at the end of this document; |
| “resource” or “mineral resource” | a ‘Mineral Resource’ is a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of |

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| | increasing geological confidence, into Inferred, Indicated and Measured categories.<br><br>Measured: is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity. A Measured Mineral Resource has a greater degree of certainty than an Indicated Mineral Resource.<br><br>Indicated: is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource, but has a higher level of confidence than that applying to an Inferred Mineral Resource.<br><br>Inferred: is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource; |
| ‘‘Rules for ESM Advisers’’ | the Rules for ESM Advisers published by Euronext Dublin from time to time; |
| “Sale and Purchase Agreement” | has the meaning given to it in paragraph 5 of Part 1 (Principal Terms of the Transaction); |
| “Shareholder” | a holder of Ordinary Shares from time to time; |
| “Share Option Scheme” | the share option scheme operated by the Company as described in paragraph 10 of Part 6; |
| “Silver Star” | means Silver Star Ltd, established and operating in compliance with the laws of Bermuda, registration number 41938 having its principal place of business at: 27 Reid Street, 1st Floor, Hamilton HM 11, Bermuda represented by Vice-president and Director Golovanov Kirill Andreevich, acting under the articles of association of “Silver Star LTD”; |
| “Special Matters of Competence of Members” | has the meaning given to it in paragraph 11.1 of Part 6 (Additional Information); |
| “Stakhanovsky Licence” | Licence MAG No. 04017 BP issued to Magsel for the exploration and mining of gold; |
| “Stakhanovsky Licenced Area” | the area covered by the Stakhanovsky Licence; |

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| "subsidiary" | shall be construed in accordance with the Companies Act; |
| "subsidiary undertaking" | shall have the meaning given by the European Communities (Companies: Group Accounts) Regulations 1992; |
| ''Substantial Acquisition Rules'' | the Irish Takeover Panel Act 1997, Substantial Acquisition Rules 2007; |
| "Substantial Shareholder" | a person that is beneficially entitled, directly or indirectly, to at least 10% of a Property Income Distribution or is beneficially entitled to or controls, directly or indirectly, at least 10% of the share capital or voting rights in the Company; |
| "Substantial Shareholding" | the shares in the Company in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder; |
| ''Taxes Act'' or "TCA" | Taxes Consolidation Act 1997 as amended; |
| "Transaction" | the conditional agreement between the Company, IVIX and certain members of IVIX for the Company to acquire up to 59.9 per cent of the participation interests in the charter capital of IVIX; |
| ''UK Code'' | the UK Corporate Governance Code issued by the Financial Reporting Council in April 2016; |
| "USRLE" | means the Russian Unified State Register of Legal Entities; |
| ''uncertificated'' or ''in uncertificated form'' | recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the 1996 Regulations, may be transferred by means of CREST; |
| ''United Kingdom'' or ''UK'' | the United Kingdom of Great Britain and Northern Ireland; |
| ''United States'' or ''US'' | the United States of America, its territories and possessions, any state of the United States, and the district of Columbia; |
| ''US Investment Company Act'' | the US Investment Company Act of 1940, as amended; |
| ''US Securities Act'' | the US Securities Act of 1933, as amended; and |
| "VAT" | value added tax; |

Notes:

(i) Unless otherwise indicated, all references in this document to ''pounds sterling'', ''sterling'', ''s'', ''pence'' or ''p'' are to the lawful currency of the United Kingdom, all references to ''$'', ''US$'' or ''US dollars'' are to the lawful currency of the United States and all references to ''€'' or ''euro'' are to the currency introduced at the start of the third stage of European economic or monetary union pursuant to the treaty establishing the European Community, as amended.

(ii) All references to legislation are to be construed as referring to it and every statutory modification and re-enactment thereof being in force from time to time.

(iii) The exchange rates used in this document are as follows: as at the Latest Practicable Date; €1.00:US$1.1639