



SalvaRx Group plc - SALV Proposed disposal of interest in SalvaRx Limited
Released 07:00 14-Aug-2018

RNS Number : 6796X
SalvaRx Group plc
14 August 2018

SalvaRx Group plc

("SalvaRx" or the "Company")

Proposed disposal of interest in SalvaRx Limited

Demerger of Consideration Shares

SalvaRx Group plc (AIM: SALV), a biotechnology company focused on discovering and developing immunotherapies for cancer, announces that it has entered into a conditional sale agreement (the "Sale Agreement") for the disposal of its interest in SalvaRx Limited, its 94.2 per cent. owned subsidiary, to Portage Biotech Inc. ("Portage"), a company listed on the Canadian Securities Exchange ("CSE") for a consideration of US\$67.5 million (the "Consideration"), to be satisfied by the issue of 757,943,784 new shares in Portage (the "Consideration Shares") (the "Disposal").

Concurrent with the Disposal, it is proposed that not less than 656,399,142 of the Consideration Shares (the "Demerger Shares") will be transferred to Shareholders on a pro-rata basis, as explained below (the "Demerger"). Of the balance of the Consideration Shares, it is proposed that 40,692,698 Consideration Shares will be transferred to Option Holders in consideration of the purchase of their Redemption Options (the "Option Redemption") (as explained below), and up to 60,851,944 Consideration Shares will be retained by the Company.

The Company will be seeking the approval of Shareholders to undertake the Disposal and the Demerger at the 2018 AGM, which will be scheduled shortly.

Highlights

- Consideration Shares valued at approximately US\$75.8 million, representing a premium of over 250% to the current market valuation of SalvaRx*

- Shareholders who continue to hold SalvaRx shares will also receive 18 Demerger Shares (i.e. Portage shares) for every share in SalvaRx held on the Demerger Record Date, equivalent to approximately US\$1.80* per SalvaRx share
- Portage has existing interests in four promising biotech companies and cash resources of approximately US\$7.3 million which will be used to fund the ongoing development of the portfolio of oncology assets owned by SalvaRx Limited
- Portage has a history of creating value for its shareholders - one of its portfolio companies, Biohaven Pharmaceutical Holding Company Ltd ("Biohaven") (NYSE:BHVN), was the second largest biotech IPO on NASDAQ in 2017. Portage subsequently announced a distribution in specie of its stock in Biohaven to its shareholders
- Portage intends to utilise the SalvaRx Limited management team, including Ian Walters, MD, CEO of SalvaRx, who is also on the board of Portage, to support the development of its expanded portfolio of immuno-oncology assets
- The Disposal and the Demerger constitute a fundamental change of business under the AIM Rules and will result in the Company becoming an AIM Rule 15 cash shell
- Following the Disposal and the Demerger, Ian Walters, Kam Shah, Richard Armstrong and Colin Weinberg shall each resign as directors of the Company and it is proposed that Denham Eke will be appointed to the Board

**Based on the Portage share price of US\$0.10 (being the price of the last trade on the OTC on 10 August 2018, the last practicable trading date on the OTC prior to announcement of the Disposal)*

Given the relatively disappointing performance of the Company's share price on AIM, the Directors have determined that the Disposal and the Demerger is the best way to unlock and maximise value for Shareholders without causing dilution through raising additional funds at a price which they believe does not reflect the value of the Company's underlying assets.

Ian Walters, CEO of SalvaRx, said: "I am pleased to sign a deal to sell our assets to Portage and at the same time crystallise value for the Company's shareholders. Given Portage's recent success and strong balance sheet, I believe it will be well placed to fund the assets of SalvaRx Limited through the next set of milestones."

Declan Doogan, CEO of Portage, commented "We are excited about acquiring an additional portfolio of immuno-oncology assets. The SalvaRx team has assembled a diverse group of pharmaceutical products, and has demonstrated success in getting new products into the clinic. We have made an early investment in Stimunity, another Immuno-oncology platform, which is very complementary to SalvaRx's products. With the combined team, we hope to accelerate the timeline to the clinic for these new drugs, and see if we can repeat the success achieved with Biohaven."

The Disposal, which is also subject to approval by Portage shareholders, constitutes a reverse takeover of Portage (as the number of Consideration Shares exceeds 100 per cent. of the current issued share capital of Portage). The Portage shareholder circular is required to be reviewed by the CSE and therefore the transaction timetable, including the timing of the Company's 2018 AGM, cannot yet be confirmed. On completion of the CSE review, both Portage and the Company will

publish their respective shareholder circulars and a further announcement will be made by the Company.

On completion of (and subject to) the Demerger, the Company has also approved the proposed purchase of, in aggregate, 2,767,470 vested and unvested options and warrants (the "Redemption Options") outstanding as at the date of execution of the Sale Agreement, in consideration of the transfer to relevant holders of, in aggregate, 40,692,698 Consideration Shares received by the Company on completion of the Disposal (in each case, the consideration is equal to the value of the Redemption Options based on the respective exercise price of each Redemption Option). The Redemption Options comprise all of the outstanding options and warrants of the Company other than options held by Mr James Mellon (the Chairman of the Company), Dr Greg Bailey (a Non-Executive Director of the Company), Northland (the Company's nominated adviser) and Cornhill Capital Ltd.

Related Party Transactions

The Disposal constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules due to the commonality in ownership structure and boards of Portage and the Company. Accordingly, having consulted with the Company's nominated adviser, the independent directors (for the purposes of the Disposal comprising Richard Armstrong and Colin Weinberg) consider the terms of the Disposal to be fair and reasonable so far as Shareholders are concerned. Further details of the Disposal and the related party transaction considerations are set out in the Appendix below.

The proposed Option Redemption is also a related party transaction under Rule 13 of the AIM Rules. Mr Mellon and Dr Bailey are deemed to be independent directors for the purposes of the Option Redemption as their options are not being redeemed. Each of Mr Mellon and Dr Bailey confirm that, having consulted with the Company's nominated adviser, the terms of the Option Redemption are fair and reasonable so far as Shareholders are concerned. A summary of the Redemption Options, and the terms of the purchase by the Company, as well as more detail on the considerations of the independent directors with regards to AIM Rule 13, are set out in the Appendix below.

Defined terms used in this announcement are set out at the end of the announcement.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Enquiries

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APPENDIX

The following information is extracted without material adjustment from the draft circular to be sent to Shareholders following completion of the CSE review, as explained above. All dates and times are provisional and will be confirmed on the publication of the circular. Capitalised terms used in the summary below are defined at the end of this announcement.

1. Introduction

SalvaRx Group Plc is a drug development company focused on cancer immunotherapy and complementary areas of oncology. Following a group restructuring conducted in March 2017, all investments and business interests of the Company are held by SalvaRx Limited ("**Target**"), the Company's 94.2 per cent. owned subsidiary.

On 14 August 2018, the Company announced that it had entered into a conditional Sale Agreement for the disposal of its 94.2 per cent. interest in Target to Portage Biotech Inc. ("**Portage**"), in consideration of US\$67.5 million, to be satisfied by Portage issuing and allotting 757,943,784 new Portage Shares (the "**Consideration Shares**") to the Company. The Sale Agreement includes the following Conditions Precedent:

- (i) Portage issuing and allotting the Consideration Shares to the Company;
- (ii) receipt of the Portage Approval;
- (iii) receipt of the Rule 15 Approval;
- (iv) completion of the Demerger.

Concurrent with the Disposal (and as a condition of the Sale Agreement), the Company will complete the Demerger, whereby not less than 656,399,142 of the Consideration Shares (the "**Demerger Shares**") will be distributed to Qualifying Shareholders on a pro-rata basis, as explained below (the number of Demerger Shares increasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of a Warrant prior to the Demerger Record Date).

The Demerger of the Consideration Shares is a condition of the Sale Agreement. Accordingly Shareholders are required to approve the Demerger as a condition of approving the Disposal (should they wish to do so). In particular, in relation to the Demerger, Shareholders are required to approve:

- a) the Company undertaking the Share Split, pursuant to which (i) Qualifying Shareholders will receive one Redeemable Share for each Ordinary Share recorded against their name in the Shareholder Register on the Demerger Record Date and (ii) each Qualifying Shareholder shall continue to hold the same number of Ordinary Shares of the same nominal value per share; and
- b) immediately following the Share Split, the Company redeeming all Redeemable Shares and, in consideration for the Redemption, the Company shall transfer the Demerger Shares to Qualifying Shareholders on the basis of eighteen (18) Demerger Shares for each Redeemable Share held.

Portage is seeking the authority of its shareholders at the Portage Meeting of Shareholders to consolidate its issued and to be issued share capital by a ratio of up to 120:1 Portage Shares at a future date which currently remains to be determined (the "**Portage Consolidation**"). The Portage Consolidation, if approved and implemented by the Portage board, would result in an adjustment to any Demerger Shares on the effective date of the Portage Consolidation. Further details in relation to the Portage Consolidation are set out in the Portage Shareholder Circular, which

will be available for Shareholders to download, without charge, at the following web addresses on the date of publication:

<https://www.portagebiotech.com/investors/shareholder-circular.html>.

<https://thecse.com/en/listings/life-sciences/portage-biotech-inc>

At the Portage Share Price, the Disposal valued the Company's interest in Target at US\$67.5 million. As at the close of trading on 19 March 2018, the value of Portage Shares on the OTC was US\$0.087. The "A" Independent Directors and the Portage Independent Director agreed to use US\$0.089 as the implied value of Portage Shares for the purpose of the proposed Disposal, reflecting share prices and volumes of trading on this date. The closing price of Portage Shares on the OTC on 10 August 2018 (being the last practicable trading date prior to announcement of the Disposal by the Company) was US\$0.10, valuing the Consideration Shares at approximately US\$75,794,000. As at close of trading on 10 August 2018 the last recorded trading price of Portage Shares on CSE was US\$0.105 and was, therefore, marginally higher than the closing price for Portage Shares on OTC on 10 August 2018. On 10 August 2018, the market capitalisation of the Company at the Exchange Rate was approximately US\$21,046,000.

As at the date of this Document, there are 3,182,828 Options over Ordinary Shares issued and outstanding and held by directors, management, consultants, advisers and other persons who have contributed to the growth of the Company. The Board has proposed, subject to completion of the Disposal and the Demerger, to allow all Option Holders other than Mr James Mellon (the Chairman of the Company), Dr Greg Bailey (a Non-Executive Director of the Company), Northland (the Company's nominated adviser) and Cornhill Capital Ltd to sell back a total of 2,767,470 vested and unvested Options to the Company (the "**Redemption Options**"). In consideration, the Company would transfer to each Option Holder such number of Consideration Shares (each transferred at an implied price equal to the Portage Share Price) as reflected the value of the Redemption Options (over and above the respective exercise prices) based on the Per Share Consideration Value. Each of Mr Mellon and Dr Bailey shall continue to hold their Options in accordance with their terms following completion of the Disposal and the Demerger. Northland and Cornhill Capital Ltd are free, at their election, to exercise the Warrants held in their name prior to the Demerger Redemption Date or at a future date.

Subject to completion of the proposed acquisition of the Redemption Options by the Company, it is proposed that the Company cancel all Redemption Options irrevocably. In aggregate, to acquire 100 per cent. of outstanding Redemption Options, the Company would be required to transfer 40,692,698 Consideration Shares to Option Holders (the "**Option Redemption Shares**"). A summary of the proposed Option Purchase Agreements and the number of Portage Shares each Option Holder will receive is set out at paragraph 8 below.

The Company proposes to retain up to 60,851,944 Consideration Shares in aggregate to provide liquidity and working capital following completion of the Disposal (the "**Retained Shares**"). The number of Retained Shares shall decrease by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of a Warrant prior to the Demerger Record Date. At the Portage Share Price, and on the basis that no further Ordinary Shares are issued, the Retained Shares are valued at approximately US\$5,416,000 (£4,185,000 at the Exchange Rate). Based on the closing price of Portage Shares on the OTC on 10 August 2018 (being the last practicable trading date prior to announcement of the Disposal by the Company), the Retained Shares have a current market value of approximately US\$6,085,000 (£4,703,000 at the Exchange Rate).

The Disposal and the Demerger are both subject to the Rule 15 Approval, and the Disposal is also subject to the Portage Approval.

Given the relatively disappointing share price of the Company's shares on AIM, the Directors have determined that the Disposal and the Demerger is the best way to unlock and maximise value for Shareholders without causing dilution through raising additional funds at a price which the Directors believe does not reflect the value of the Company's underlying assets. The Company is, therefore, seeking the approval of Shareholders to undertake the Disposal and the Demerger at the 2018 AGM.

The Disposal and the Demerger will constitute a fundamental change of business under Rule 15 of the AIM Rules. On completion of the Disposal and the Demerger, the Company would therefore be classified as an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal and the Demerger or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

The purpose of this Document is to:

- set out the background and reasons for the Disposal and the Demerger;
- explain why the Board believes that the Disposal and the Demerger are in the best interests of Shareholders as a whole;
- explain how the Disposal and the Demerger will impact the Company;
- explain the Option Redemption by the Company;
- explain the resolutions to be put to Shareholders at the AGM of the Company to be held on [17 September] 2018;
- explain how Shareholders can deal in their Demerger Shares; and
- set out the US securities law restrictions on all Shareholders and the safe-keeping arrangements approved by the Company in relation to US Shareholders.

2. Background and Reasons for the Disposal and Demerger

The Directors anticipate that Target will require significant funding over the next several years to support the businesses forming part of its portfolio, to develop clinical proof of concept in cancer immunotherapies and, in addition, to undertake further investments in and/or acquisitions of businesses which are complementary to the Target Portfolio.

The current value of the Company's Ordinary Shares on the AIM Market does not, in the opinion of the Directors, reflect the true value of the Target Portfolio. Despite the Company undergoing a restructuring exercise in March 2017 resulting in all investments being transferred to Target, the Company has not been able to secure additional third party funding for the Target Portfolio, or for new businesses and/or investment opportunities, at a valuation which the Directors consider acceptable for Shareholders. Any funding proposals which the Company has received are at valuations that cause significant dilution to Shareholders.

Given the difficulty in funding the Target Portfolio (and potential new acquisition or investment opportunities) the Board executed the LOI and commissioned the

Valuation Report. The Valuation Report, by PharmaVentures, provided a range of valuations for the Target Portfolio of between US\$67,000,000 and US\$188,000,000 (or between approximately £51,777,000 and £145,286,000 at the Exchange Rate).

Following receipt of the Valuation Report, the "A" Independent Directors negotiated with the Portage Independent Director and agreed the terms of the Sale Agreement. This included a review by the "A" Independent Directors of the Portage Portfolio, its current and future value.

Portage has a history of creating value for its shareholders. One of its portfolio companies, Biohaven Pharmaceutical Holding Company Ltd (NYSE: BHVN) ("**Biohaven**") was the second largest biotech IPO on NYSE in 2017, generating gross proceeds of approximately US\$193.5 million from the fundraising. On 24 January 2018, Portage announced a distribution in specie of its stock in Biohaven to its shareholders.

The "A" Independent Directors believe that the terms of the Disposal and the Demerger enable Shareholders to realise the value of the Target Portfolio without significant dilution caused by equity fundraising directly by the Company. In addition, as the Consideration is to be satisfied by issue of the Consideration Shares, Shareholders may retain their interest in the Target Portfolio (through their resultant interest in Portage following completion of the Demerger).

3. Financial Information on Portage

Portage recently published its: (a) audited consolidated financial statements for the years ended 31 March 2018 and 31 March 2017; and (b) annual report in Form F-20 for the year ended 31 March 2018. The audited accounts of Portage for the period to 31 March 2018 are hereby incorporated by reference and are available for Shareholders to download, without charge, at the following web addresses:

<https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00008656>

<http://thecse.com/en/listings/life-sciences/portage-biotech-inc>

Shareholders can also view historic financial information and reports relating to Portage, by going to the '*financial and regulatory reports*' section of the Portage website, located at the follow web address:

<https://www.portagebiotech.com/investors/financial-and-regulatory-reports.html>

For the financial year ended 31 March 2018, Portage had net operating costs of approximately US\$2.3 million and realised gain on disposal of investment of US\$126 million resulting in net income of US\$124 million compared to an operating cost of US\$36 million and a net loss of US\$0.6 million in the year ended 31 March 2017. Portage had net assets of approximately US\$9.6 million as at 31 March 2018 of which cash on hand was US\$7.5 million.

A significant decline in overall expenses during the fiscal year 2018 compared to prior years was mainly due to non-consolidation of Biohaven. There was also a slow-down in development activities at PPL and EyGen during the fiscal year 2018 compared to prior years as Portage sought to raise the funds needed to complete potential IND filings and partnership possibilities with other pharmaceutical

companies.

During the fiscal year 2018, Portage distributed 6,102,730 shares of Biohaven held by it as an investment to its shareholders on a pro-rata basis as a dividend and sold 236,770 shares of Biohaven in the open market for an average price of US\$30.79 per share for total proceeds of approximately US\$7.3 million.

Portage invested US\$950,000 by way of a convertible note in iOx and acquired an equity interest in an associate, Stimunity SAS, for approximately US\$681,000.

The directors of Portage believe that Portage and the Portage Portfolio are well placed for strong growth in the coming years and beyond, as a result of the track record and strength of the team.

Portage's investment of US\$7 million in Biohaven between the years 2014 and 2016, and guidance from Portage Directors, led to the second largest biotech IPO on the Nasdaq Stock Exchange in 2017. Portage's investment in Biohaven was worth in excess of US\$100 million at the time of the IPO in 2017, and has almost doubled since then. Biohaven is now worth approximately US\$1.3 billion, and Portage distributed the majority of these gains (as outlined above) to its shareholders and sold some of these shares to fuel the growth of the next round of companies. Portage has provided seed capital to four other biotech companies, and will seek to evaluate new opportunities with the help of Target's CEO, Dr Ian Walters.

Due to their track record and the company's cash reserves, the Portage management is confident in their ability to further support the development of Target and the Target Portfolio.

4. Summary of the Sale Agreement

The Company, James Mellon, Dr Greg Bailey and Portage have entered into the Sale Agreement, pursuant to which the Company, James Mellon and Dr Greg Bailey have together agreed to sell to Portage the entire issued share capital of Target. Mr Mellon and Dr. Bailey each hold 2,000 shares of Target representing in aggregate approximately 5.8 per cent. of Target's issued shares. Accordingly each of Mr Mellon and Dr. Bailey shall receive 23,563,141 Portage Shares as consideration for the disposal of their interest in Target subject to approval of the proposed Disposal.

The Sale Agreement is conditional upon the satisfaction of certain Conditions Precedent, including *inter alia*: (i) Portage issuing and allotting the Consideration Shares to the Company; (ii) receipt of the Portage Approval; (iii) receipt of the Rule 15 Approval; and (iv) approval of the Demerger.

The Conditions Precedent under the Sale Agreement are required to be satisfied by no later than the date falling 60 days from the day immediately following the execution of the Sale Agreement.

Under the Sale Agreement, the Company, James Mellon, Dr Bailey and Portage have each provided basic title and capacity warranties, and the Company is providing other limited warranties in relation to Target relating to such matters as their solvency, certain accounting and financial information, litigation and disputes.

5. Demerger

The Demerger is to be undertaken immediately following completion of the Disposal. The only condition to the Demerger is completion of the Disposal (the "**Demerger Condition**"). The Demerger is a contractual obligation of the Sale Agreement.

Subject to the satisfaction of the Demerger Condition, the Demerger shall result in:

- (i) *Adoption of the New Articles* new memorandum and articles will be adopted by the Company setting out the rights of Shareholders and the Company in relation to a new class of Redeemable Shares
- (ii) *Share Split* Each Qualifying Shareholder will be allotted one Redeemable Share for every Ordinary Share recorded against their name in the Shareholder Register as at the Demerger Record Date ⁽¹⁾
- (iii) *Redemption of Redeemable Shares* immediately following the allotment of the Redeemable Shares (in accordance with (ii)), the Company shall redeem all Redeemable Shares in accordance with the New Articles
- (iv) *Transfer of Portage Shares* the Redemption of the Redeemable Shares, will be satisfied by the Company transferring to each Qualifying Shareholder 18 Demerger Shares per each Redeemable Share recorded against their name in the Shareholder Register as at the Demerger Record Date ⁽²⁾

Notes:

- (1) Qualifying Shareholders will not receive a share certificate in respect of their Redeemable Shares.
- (2) At the Portage Share Price of US\$0.089 (based on a valuation of US\$25 million as agreed by the parties on the date of the LOI), this will constitute a distribution to Qualifying Shareholders of approximately US\$1.60 per Ordinary Share.

Subject to Applicable Restrictions, Qualifying Shareholders will receive their pro-rata entitlement to Demerger Shares in certificated form, and will have to make arrangements with their own broker to dematerialise certificates should they so wish. Further details regarding the dematerialisation of Portage Shares is set out at paragraph 6.

The Redeemable Shares issued pursuant to the Share Split shall be subject to the following rights and restrictions: (a) non-voting; (b) non-transferrable other than to the Company; and (c) the Company has a right to redeem the Redeemable Shares at any time, in its absolute discretion on such terms as it sees fit. The Redeemable Shares will not be admitted to trading on AIM or on any other exchange or trading platform.

All Ordinary Shares shall be subject to the same rights and restrictions as under the

existing articles of association and will continue to be traded on AIM.

6. Rights of Demerger Shares, Applicable Restrictions and Safe-Keeping Custody Arrangements

Applicable Restrictions

For a period of six months from the date of the Demerger (the "**Restricted Period**"), Demerger Shares (a) are not permitted to be held by, transferred to, or in any way benefit (whether by way of legal, beneficial or economic ownership or control), any person, company, limited partnership or other undertaking, who or which is a US national or otherwise domiciled or resident anywhere in the US or holds a US passport (a "**US Person**"); and (b) may not be traded on the OTC market or any other trading platform in the United States (including by Shareholders resident or domiciled in the United Kingdom) ((a) and (b) together the "**Applicable Restrictions**"). It is illegal for any Demerger Share to be distributed in any way by any Shareholder into the United States for the duration of the Restricted Period.

Any purported transfer in breach of the Applicable Restrictions will be rejected by the Company, Portage and TSX Trust.

During the Restricted Period, the Demerger Shares may be traded by any non-US Person (such as a Shareholder resident or domiciled in the United Kingdom), other than "*Control Persons*" (as defined under Canadian securities laws, if any), through the facilities of the CSE.

All Demerger Shares will carry the following legend:

"FOR A PERIOD OF SIX MONTHS FROM THE DATE OF ISSUE BY THE COMPANY (THE "RESTRICTED PERIOD"), THE SECURITIES REPRESENTED HEREBY ARE NOT PERMITTED TO BE HELD BY, TRANSFERRED TO, OR IN ANY WAY BENEFIT (WHETHER BY WAY OF LEGAL, BENEFICIAL OR ECONOMIC OWNERSHIP OR CONTROL), ANY PERSON, COMPANY, LIMITED PARTNERSHIP OR OTHER UNDERTAKING, WHO OR WHICH IS A US NATIONAL OR OTHERWISE DOMICILED OR RESIDENT ANYWHERE IN THE US OR HOLDS A US PASSPORT. THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS. DURING THE RESTRICTED PERIOD, THESE SECURITIES (A) ARE NOT PERMITTED TO TRADE THROUGH THE FACILITIES OF ANY STOCK EXCHANGE OR QUOTATION SYSTEM IN THE UNITED STATES (B) MAY ONLY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED OUTSIDE THE UNITED STATES IN CONFORMITY WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN CONFORMITY WITH AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT, IF AVAILABLE, AND IN CONFORMITY WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS, GOVERNING THE OFFER AND SALE OF SECURITIES.

SUBJECT TO COMPLIANCE WITH APPLICABLE CANADIAN SECURITIES LAWS, THE SECURITIES REPRESENTED HEREBY MAY BE FREELY TRADED BY ANY NON-US PERSON THROUGH THE FACILITIES OF THE CSE OR ANY OTHER CANADIAN

Safe-Keeping and Custody Arrangements

To ensure compliance with Applicable Restrictions (including but not limited to the restrictions under the Securities Act) Qualifying Shareholders who are US Shareholders will not receive their Demerger Shares and will be prohibited from dealing in Demerger Shares for the duration of the Restricted Period. Under the terms of the New Articles, consideration paid by the Company on redemption of the Redeemed Shares can be held in escrow, or subject to safe-keeping custody arrangements on such terms and for such period as the Company determines in its sole discretion.

The Company has accordingly agreed to the appointment of the Custodian who shall hold in custody all Demerger Shares which cannot be held by a US Person for the duration of the Restricted Period. US Shareholders will not accordingly receive possession or have entitlement to Demerger Shares until expiry of the Restricted Period. Portage has approved the appointment of the Custodian and the arrangements to ensure its continued compliance with the Securities Act and will direct its transfer agent to send relevant share certificates directly to the Custodian on completion of the Demerger.

For further details regarding the safe-keeping custody arrangements US Shareholders should contact the Custodian directly by email to michael.corcoran@hildickinson.com.

Rights of Demerger Shares

In addition to the Applicable Restrictions, the Demerger Shares received by Shareholders of the Company will be subject to the following rights and restrictions:

- (i) Rights on Voting: each Demerger Share shall entitle the holder to one vote per Demerger Share on any resolution put to the shareholders of Portage.
- (ii) Rights on Income: each Demerger Share confers an equal right to participate in any dividend declared by Portage.
- (iii) Rights in the event of a winding-up of the Company: in the event of a winding up and a distribution of assets, each Demerger Share shall have equal rights with regard to the distribution of the surplus assets of Portage.
- (iv) Rights on Transfers: the Demerger Shares are transferrable provided that the transfer is made pursuant to an appropriate instrument of transfer, subject to the memorandum and articles of Portage.
- (v) Rights of Pre-emption (first refusal): in respect of any future issue by Portage of any equity securities, rights of pre-emption under BVI Companies Act 2004 do not apply to Portage.

Subject to approval of the Disposal and the Demerger, it is expected that share certificates representing the Demerger Shares will be posted by not later than [1 October] 2018.

The CSE is a junior stock market in Canada and is not widely traded by investors in the UK. A number of UK-based brokers do, however, offer a trading platform for investors to dematerialise their Demerger Shares (should they wish to do so) and deal in Portage Shares electronically. Shareholders wishing to hold their Demerger Shares in dematerialised form should, in the first instance, speak to their existing broker to see whether they provide this service. If they do not provide this service Shareholders should contact other brokers.

7. The Company's operations following the Disposal and the Demerger

The Disposal and the Demerger, if approved, will result in the divestment of substantially all of the Company's existing business, assets and investments. Thereafter, the Company will be classified as an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

On 26 June 2018, Jim Mellon (via Galloway Limited) and Dr Greg Bailey each agreed to loan US\$500,000 to the Company (the "**Shareholder Loans**") to fund the operational activities and the investments of the Company. The Shareholder Loans are required to be repaid by the Company within twelve months (the "**Loan Term**") from the date of the loan and shall accrue interest at a rate of 7 per cent. per annum in the first twelve months. If the Shareholder Loans are not repaid within twelve months, the interest rate shall be increased to 18 per cent. per annum. Unless new debt or equity funding is available to the Company during the Loan Term, it is expected that the Shareholder Loans will be repaid prior to expiry of the Loan Term out of the proceeds of sale of some or all of the Retained Shares.

In the event that the Disposal is approved, the Directors will ensure that steps are taken to minimise the Company's costs and to preserve capital.

It has been agreed that Dr Ian Walters, Kam Shah, Richard Armstrong and Colin Weinberg shall each resign as Directors of the Company with immediate effect from the conclusion of the AGM. By recommendation of the Board, Denham Eke shall stand for appointment as a director of the Company at the AGM. A biography for Denham Eke is set out in paragraph 9. As from the conclusion of the AGM, the Company shall have no independent directors and the Company is therefore seeking to identify and to appoint at least one independent non-executive director to serve on the Company's board of directors. The Company will release an announcement reporting on the progress with regard to such an appointment or appointments in due course.

In addition to the Shareholder Loans and the fees of Directors, the Company will otherwise be required to meet its general overheads and the costs of maintaining a listing of the Company's shares on AIM.

The remaining assets of the Company will be its cash reserves of approximately US\$200,000 (after allowing for the estimated costs of this transaction) and up to 60,851,944 Retained Shares worth approximately US\$5,416,000 at the Portage Share Price (£4,185,000 at the Exchange Rate). The number of Retained Shares shall decrease by 18 Portage Shares (US\$1.60 at the Portage Share Price) for each new Ordinary Share issued by the Company on exercise of a Warrant prior to the Demerger Record Date.

The Company's available resources to undertake an evaluation of and to complete a reverse takeover will depend upon the value of the Retained Shares (to the extent they continue to be held by the Company at such time) and its existing cash reserves. In the event that the cash reserves and any value realised from the Retained Shares are insufficient to undertake a reverse takeover, the Directors may seek further funding, including by a further issue of Ordinary Shares.

8. Company Options, Warrants and the Option Redemption

There are 3,182,828 Options over Ordinary Shares outstanding as at the date of this Document. The Options have been granted to the directors, management team, consultants and to certain advisers of the Company during the period from 29 April 2015 to 23 March 2016.

The table below provides a summary of the Options currently in issue:

<i>Name of Option Holder</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of vested Options</i>	<i>Number of unvested Options</i>
Richard Armstrong	29.04.2015	23.2p	86,231	-
Colin Weinberg	29.04.2015	23.2p	86,231	-
Catalyst Corporate Consultants Limited	29.04.2015	23.2p	86, 231	-
Jim Mellon	31.07.2015	23.2p	86,231	-
Dr Greg Bailey	31.07.2015	23.2p	86,231	-
Northland Capital Partners Limited	22.03.2016	71p	182,333	-
Cornhill Capital Ltd	22.03.2016	35.5p	60,563	-
Anthony Chow	22.03.2016	35.5 p	243,110	121,556
Declan Doogan	22.03.2016	35.5 p	243,110	121,556
Alexander Pickett	22.03.2016	35.5 p	243,110	121,556
Kam Shah	22.03.2016	35.5 p	243,110	121,556
Dr Ian Walters *	22.03.2016	35.5 p	285,857	142,929
Robert Kramer **	22.03.2016	35.5p	171,109	85,555
Catalyst Corporate Consultants Limited	22.03.2016	35.5 p	121,555	60,778

Richard Armstrong	22.03.2016	35.5p	60,776	30,389
Colin Weinberg	22.03.2016	35.5 p	60,776	30,389
Totals:			2,346,564	836,264
Total Options:			3,182,828	

**granted to his personal services company Value Driven Drug Solutions LLC*

***granted to his personal services company RA Kramer Consulting LLC*

As at the date of this Document, 2,346,654 Options have vested. A total of 836,264 Options will vest on the third anniversary of the RTO Admission.

The table below summarises the number of Redemption Options held by each Option Holder and the number of Option Redemption Shares it is proposed each Option Holder will receive, in accordance with the terms of the proposed Option Purchase Agreements:

Name of Option Holder	Redemption Options	Implied US\$ gain on Redemption Options based on value of Consideration Shares on Diluted Basis	Option Redemption Shares
Richard Armstrong	177,396	US\$243,202	2,730,871
Colin Weinberg	177,396	US\$243,202	2,730,871
Catalyst Corporate Consultants Limited	268,564	US\$361,251	4,056,417
Anthony Chow	364,666	US\$472,187	5,302,094
Declan Doogan	364,666	US\$472,187	5,302,094
Alexander Pickett	364,666	US\$472,187	5,302,094
Kam Shah	364,666	US\$472,187	5,302,094
Dr Ian Walters*	428,786	US\$555,213	6,234,373
Robert Kramer**	256,664	US\$332,341	3,731,789
Totals:	2,767,470	US\$3,623,959	40,692,698

**granted to his personal services company Value Driven Drug Solutions LLC*

***granted to his personal services company RA Kramer Consulting LLC*

Should Northland and/or Cornhill Capital Ltd. exercise some or all of the Warrants prior to the Demerger Record Date, the new Ordinary Shares issued to them would be eligible for the Demerger and the number of Retained Shares would decrease by 18 Portage Shares for each new Ordinary Share issued by the Company.

Safe-Keeping and Custody Arrangements

To ensure compliance with Applicable Restrictions (including but not limited to the restrictions under the Securities Act) it is proposed that Option Holders who are US Shareholder will not receive their Option Redemption Shares and will be prohibited from dealing in their Option Redemption Shares for the duration of the Restricted Period. Under the terms of the proposed Option Purchase Agreement, consideration paid by the Company on redemption of the Option Redemption Shares to US Shareholders can be held in escrow, or subject to safe-keeping custody arrangements on such terms and for such period as the Company determines in its sole discretion.

The Company has accordingly agreed to the appointment of the Custodian who shall, subject to completion of the Option Redemption, hold in custody all Option Redemption Shares which cannot be held by a US Person for the duration of the Restricted Period. Option Holders who are US Persons will not accordingly receive possession or have entitlement to Option Redemption Shares until expiry of the Restricted Period. Portage has approved the appointment of the Custodian and the arrangements to ensure its continued compliance with the Securities Act and will direct its transfer agent to send relevant share certificates directly to the Custodian on completion of the Option Redemption.

For further details regarding the safe-keeping custody arrangements, affected Option Holders should contact the Custodian directly by email to michael.corcoran@hildickinson.com.

If and when issued, all Option Redemption Shares will carry the legend described in paragraph 6 of this Document.

9. 2018 AGM

Resolution 1 - Receiving the Financial Statements and Reports for 2017

Shareholders are being asked to receive the financial statements of the Company for the year ended 31 December 2017 (including the Directors' and auditors' reports thereon).

Resolution 2 - Appointment of a Director and Note on Retirement of Directors

In accordance with the Current Articles and corporate governance policy, one third of the Directors are required to stand for re-election by rotation at every annual general meeting.

On this occasion, Kamlesh Shah and Dr Ian Walters have agreed to retire by rotation but not to offer themselves for re-appointment at the AGM. Richard Armstrong and Colin Weinberg will also retire as directors of the Company with effect from the conclusion of the annual general meeting.

The Board are therefore proposing the appointment of Denham Eke as the chief financial officer and as a director of the Company at the AGM in accordance with article 88 of the Current Articles. The board of directors following the AGM will be constituted by James Mellon, Dr Greg Bailey and, if elected, Denham Eke. A

biography for Denham Eke is set out below.

Biography - Denham Eke

Denham Eke is the Managing Director of Burnbrae Group Limited, a private international asset management company. He began his career in stockbroking with Sheppards & Chase before moving into corporate planning for Hogg Robinson plc, a major multinational insurance broker. He is a director of many years' standing of both public and private companies involved in the financial services, property, mining, and manufacturing sectors. He is chairman of Webis Holdings PLC, chief executive officer of Manx Financial Group PLC, chief finance officer of Port Erin Biopharma Investments Limited, and a non-executive director of Billing Services Group Limited - all quoted on the London AIM market. Mr Eke is also a non-executive director of Juvenescence Ltd., a life science and artificial intelligence company focussed on advancements in the field of longevity.

Resolution 3 - Appointment of Auditors and Determination of their Remuneration

The Company is required to appoint or re-appoint auditors at each general meeting at which financial statements are presented. It is proposed that RSM UK Audit LLP be re-appointed as the Company's auditors, and to authorise the Board to determine their remuneration.

Resolution 4 - Disapplication of pre-emption rights

Article 4.2 of the Company's Current Articles and Article 4.2 of the New Articles contain pre-emption rights that require all shares which the Company proposes to allot for cash to be first offered to existing Shareholders in proportion to existing shareholdings, unless a special resolution is passed to dis-apply such rights. Such rights do not apply to an issue otherwise than for cash, such as an issue in consideration of an acquisition.

It is proposed that the Directors be authorised to allot for cash, on a non-pre-emptive basis, ordinary shares in the capital of the Company for an aggregate par value of up to £500,000, as if the pre-emption rights of the Shareholders contained in Current Articles and the New Articles did not apply to such allotment(s), such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in a general meeting) at the conclusion of the next annual general meeting of the Company. The purpose of this special resolution is to give the Directors the flexibility to take advantage of specific investment and funding opportunities as they arise, without the need to revert to Shareholders for further approval.

Resolution 5 - Adoption of New Articles

Resolution 5 which will be proposed as a special resolution is to approve the adoption of the New Articles in substitution and to the exclusion of the Current Articles.

Resolution 6 - Disposal and Demerger

Resolution 6 which will be proposed as a special resolution, and which is conditional on the passing of Resolution 5, is to approve: (i) the Disposal in accordance with the terms of the Sale Agreement and as required under Rule 15 of the AIM Rules; (ii) the Share Split, resulting in the creation of the Redeemable Shares; and (iii) the redemption of the Redeemable Shares by the Company in consideration for the transfer of the Demerger Shares to Shareholders.

Resolution 7 - Redemption of Options

Resolution 7 which will be proposed as a special resolution and which is conditional on the passing of Resolutions 5 and 6 is to approve and authorise the directors of the Company to redeem the Redemption Options and, in consideration of the Redemption, transfer to Option Holders the Option Redemption Shares.

10. Recommendations

The Board considers that the resolutions to be proposed at the AGM are in the best interests of Shareholders as a whole. In relation to the Rule 15 Approval and the Demerger Resolution, for the reasons set out in paragraph 2 and following the process undertaken by the Board, the Board is of the view that the proposals are in the best interests of Shareholders.

Accordingly, the Board recommends that Shareholders vote in favour of the Resolutions to be proposed at the AGM as they intend to do in respect of their own beneficial holdings of 26,748,320 Ordinary Shares in aggregate representing 73.35 per cent. of the current issued share capital of the Company.

11. Undertakings

The Company has received signed irrevocable undertakings from James Mellon and Dr Greg Bailey, Shareholders holding, in aggregate 26,640,582 Ordinary Shares as at the date of this Document and which together represents 73.06 per cent. of the current issued ordinary share capital of the Company, confirming that they shall vote in favour of all Resolutions being proposed at the AGM.

On the basis of the signed irrevocable undertakings from Shareholders, it is likely that the Resolutions put to the AGM will be approved.

12. Related Party Transactions

The Disposal

The Disposal is a related party transaction under Rule 13 of the AIM Rules by virtue of the commonality in the share ownership structure and management boards of Portage and the Company.

The Directors of the Company hold the following positions on the senior management board of Portage: (i) Dr Greg Bailey, Chairman; (ii) Kam Shah, Chief Financial Officer; (iii) Jim Mellon, Director; and (iv) Dr Ian Walters, Director.

As at the date of this Document, Dr Greg Bailey and Jim Mellon, respectively, hold a

legal and beneficial interest in approximately 23.92 per cent. and 16.38 per cent. of the issued share capital of Portage, and are also vendors under the Sale Agreement in relation to their personal holdings of shares in Target. Shareholders should also be aware that the Acquisition constitutes a related party transaction for Portage under Canadian securities legislation and as such, approval is required from a majority of the disinterested Portage shareholders. Portage shares held by Messrs. Bailey and Mellon will therefore not be eligible to vote on the Portage Approval.

Kam Shah and Dr Ian Walters each hold a minority interest of less than 3 per cent. of the issued share capital of Portage, as at the date of this Document.

Accordingly, Richard Armstrong, and Colin Weinberg, being the "A" Independent Directors for the purposes of AIM Rule 13, having consulted with Northland, the Company's Nominated Adviser, consider that the terms of the Disposal are fair and reasonable insofar as all Shareholders are concerned. In particular, it is noted that the value of the Disposal values the Target Portfolio at substantially more than the Company's valuation on the AIM Market on 13 August 2018, the date before the announcement by the Company of the terms of the Disposal.

The Option Redemption

The Option Redemption is a related party transaction under Rule 13 of the AIM Rules.

Mr James Mellon and Dr Greg Bailey are deemed to be independent directors for the purposes of the Option Redemption as their Options are not being redeemed. Mr James Mellon and Dr Greg Bailey, being the "B" Independent Directors for the purposes of AIM Rule 13, having consulted with Northland, the Company's Nominated Adviser, consider that the terms of the Option Redemption are fair and reasonable insofar as the Shareholders are concerned, particularly noting:

- (a) key management and consultants who hold Redemption Options are to transfer to Portage (subject to completion of the transaction) to continue to operate the Target Portfolio and are standing down from their respective duties with the Company on completion. During the course of negotiations with Portage it was made clear that the services of such parties were required for the continued development of the Target Portfolio and the value of their respective Options should be respected (as the burden of rewarding each individual for past endeavour should not rest with Portage and was the responsibility of the Company);
- (b) as holders of Redemption Options will not be involved in the day-to-day operations and management of the Company following completion of the Disposal, the "B" Independent Directors do not believe that it will be beneficial to Shareholders as a whole for such holders to exercise their options to be eligible to receive Demerger Shares (given the likelihood that such holders will dispose of their Ordinary Shares post-transaction which would have a negative impact on the Company's share price); and
- (c) the advice of the Company's UK legal counsel that the existing option holders would not be compensated in the event of a transfer of assets by the Company as a distribution *in specie* (thereby reducing the value of the

Company's assets and its net asset value per share) under the terms of the existing option arrangements, and that it was common for option schemes in the UK to provide for terms to be adjusted or to permit a "cashless exercise" in such circumstances (and in this regard the "B" Independent Directors considered the terms of the existing option arrangements to be unfair as management and consultants and advisers were not protected where assets were transferred by the Company as a distribution *in specie*).

DEFINITIONS

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

"A" Independent Director"	Colin Weinberg and Richard Armstrong, being the independent directors of the Company for the purpose of the Disposal, being a related party transaction pursuant to Rule 13 of the AIM Rules
"Acquisition"	the proposed acquisition of a 94.2 per cent. interest in Target by Portage from the Company in accordance with the terms of the Sale Agreement
"AGM" or "2018 AGM"	the 2018 annual general meeting of shareholders to be held at 6.00 p.m. on [17 September] 2018, notice of which is set out at Part III of this Document, or any adjournment of that meeting
"AIM"	the AIM Market operated by the London Stock Exchange
"AIM Rules"	together the AIM Rules for Companies, the AIM Rules for Nominated Advisers and the AIM Dis-ciplinary Procedures and Appeals Handbook as published from time to time
"Applicable Restrictions"	any restrictions on Shareholders under the Securities Act (as more particularly set out at paragraph 6 of this Document)
"Articles Resolution"	the resolution numbered 5 set out in the Notice in relation to the approval and adoption of the New Articles
"B" Independent Director"	James Mellon and Dr Greg Bailey, being independent directors of the Company for the purpose of the Option Redemption, being a related party transaction pursuant to Rule 13 of the AIM Rules

"BVI"	the British Virgin Islands
"Company"	SalvaRx Group Plc, a company incorporated and domiciled in the Isle of Man with Company Number 000258V
"Conditions Precedent"	the conditions precedent to the Disposal by the Company, and the Acquisition by Portage, set out in the Sale Agreement and as more particularly set out at paragraph 4 of this Document
"Consideration"	US\$67.5 million to be satisfied by the issue of the Consideration Shares
"Consideration Shares"	757,943,784 Portage Shares, issued as fully paid shares at an implied price per share equal to the Portage Share Price
"CREST"	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form
"CSE"	the Canadian Securities Exchange
"CREST Regulations"	the Uncertificated Securities Regulations 2006 (SD No. 743/06 of the Isle of Man)
"Current Articles"	the current Articles of Association of the Company as at the date of this Document
"Custodian"	Hill Dickinson LLP, the Company's UK legal counsel
"Demerger"	together the proposed Share Split and Redemption in accordance with the Demerger Resolution to be considered and, if thought fit, approved by Shareholders at the AGM
"Demerger Record Date"	[6.00 p.m.] on [17 September] 2018
"Demerger Resolution"	the resolution numbered 6 in paragraph 9 in this Document
"Demerger Shares"	not less than 656,399,142 Portage Shares, to be distributed to Shareholders, as part of the Demerger (such figure increasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of any outstanding Warrants prior to the Demerger Record Date)

"Diluted Basis"	the Existing Ordinary Shares, plus 2,767,470 Ordinary Shares in respect of the notional exercise of the Redemption Options
"Directors" or the "Board"	the directors of the Company whose names are set out on page 11 of Part I of this Document
"Disposal"	the proposed sale by the Company of its 94.2 per cent. interest in Target to Portage in accordance with the terms of the Sale Agreement
"Document"	this document
"Euroclear"	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST
"Exchange Rate"	£1: US\$1.294, being the Sterling / US Dollar exchange rate as published by <i>The Financial Times, London</i> , on 7 August 2018 as at 3.00 p.m.
"Existing Ordinary Shares"	the 36,466,619 Ordinary Shares of the Company in issue at the date of this Document
"EyGen"	EyGen Limited, a company incorporated and registered in the BVI
"Form of Proxy"	the form of proxy for use by the Shareholders in connection with the AGM
"Group"	the Company and its subsidiary undertaking at the date of this Document
"Intensity"	Intensity Therapeutics Inc., a company incorporated and domiciled in Delaware, USA
"Immunova"	Immunova LLC, a company incorporated and domiciled in Delaware, USA
"IOM"	the Isle of Man
"IOM Law"	the Companies Act 2006, of the IOM as amended from time to time
"iOx"	IOX Therapeutics Ltd, a company incorporated and registered in England and

Wales with company number 09430782

"LOI"	the non-binding letter of intent between the Company and Portage in relation to the Disposal dated 19 March 2018
"Nekonal"	Nekonal SARL, a company incorporated in Luxembourg, focused on developing antibodies for autoimmune diseases
"Nekonal Oncology"	Nekonal Oncology Ltd, a company incorporated and registered in the BVI
"New Articles"	subject to approval of the Resolutions, the new memorandum and articles of association to be adopted by the Company at the AGM
"Northland"	Northland Capital Partners Limited, the Company's Nominated Adviser as at the date of this Document
"Notice"	the notice of the AGM set out at the end of this Document
"NYSE"	the New York Stock Exchange
"Option Holders"	the holders of Redemption Options as set out at paragraph 8 of this Document
"Option Purchase Agreement"	the proposed agreements between the Option Holders and the Company in connection with the Option Redemption, which agreements shall be signed with relevant Option Holders following this announcement of the terms of the proposed Disposal and Demerger
"Option Redemption"	the proposed buy-back of the Redemption Options from Option Holders in consideration of the transfer of the Option Redemption Shares as set out at paragraph 8 of this Document
"Option Redemption Shares"	40,692,698 Portage Shares which are proposed to be transferred to the Option Holders (excluding Mr James Mellon, Dr Greg Bailey, Northland and Cornhill Capital Ltd) in consideration of the Option Redemption
"Options"	all options and warrants over Ordinary

	Shares outstanding as at the date of this Document and more particularly set out at paragraph 8 of this Document
"Ordinary Shares"	the ordinary shares of the Company having a nominal value of 2.5 pence each
"OTC"	the stock market operated in the USA by the OTC Markets Group
"Overseas Shareholders"	Shareholders with registered addresses outside the UK or who are incorporated in, registered in or otherwise resident or located in, countries outside the UK
"Per Share Consideration Value"	US\$1.75 per Ordinary Share, being the value of the Consideration on a per Ordinary Share basis (after allowing for the notional exercise of the Redemption Options)
"PGL"	Portage Glasgow Limited, a company incorporated in Scotland with company number SC583928
"PharmaVentures"	PharmaVentures Limited, a company incorporated and registered in England and Wales with registered number 03419584 and having its registered office at Triumph House, Parkway Court, Oxford Business Park, Oxford OX4 2JY
"Portage"	Portage Biotech Inc., a company incorporated and domiciled in the BVI with company registration no. 1784969
"Portage Approval"	approval of the Acquisition by a majority of the disinterested Portage shareholders at the Portage Meeting of Shareholders
"Portage Independent Director"	Steven Mintz (for the purpose of the Acquisition)
"Portage Meeting of Shareholders"	the 2018 annual general meeting of Portage for the purpose of, <i>inter alia</i> , considering and if thought fit approving the proposed Acquisition
"Portage Portfolio"	the portfolio of investments, subsidiaries and interests of Portage
"Portage Shareholder Circular"	the circular to Portage shareholders dated [•] 2018 setting out the reasons for, and

terms of, the Acquisition, and including notice of the Portage Meeting of Shareholders

"Portage Share Price"	US\$0.089, being the implied valuation of each Portage share agreed between the parties on 19 March 2018, being the date of the LOI (giving an aggregate value for Portage of approximately US\$25 million)
"Portage Shares"	the common shares in the issued share capital of Portage of no par value, which shares are traded on the CSE and the OTC
"PPL"	Portage Pharmaceuticals Limited, a company incorporated in the BVI
"Prohibited Territories"	Australia, Canada, Japan, the Republic of South Africa and the US
"PSL"	Portage Services Ltd, a company incorporated in Ontario, Canada
"Qualifying Shareholders"	Shareholders of the Company recorded on the Shareholder Register on the Demerger Record Date
"Redeemable Shares"	subject to approval of the Share Split Resolution at the AGM, the redeemable shares of no par value each in the Company, with the rights set out in the New Articles
"Redemption"	subject to approval of the Resolutions, the redemption of all Redeemable Shares by the Company at the Redemption Time in consideration of the transfer to shareholders of not less than 656,399,142 Demerger Shares in aggregate (such figure increasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of a Warrant prior to the Demerger Record Date)
"Redemption Options"	Options (including warrants) over a total of 2,767,470 new Ordinary Shares outstanding as at the date of this Document (being all of the outstanding Options other than 86,231 Options held by Mr James Mellon; 86,231 Options held by Dr Greg Bailey; 182,333 Options held by Northland; and 60,563

Options held by Cornhill Capital Ltd), as more particularly set out at paragraph 8 of this Document

"Redemption Time"	immediately following the approval of the Resolutions
"Resolutions"	the resolutions set out in the Notice to be proposed at the AGM
"Restricted Period"	the period of six months from the date of completion of the Demerger
"Retained Shares"	up to 60,851,944 Portage Shares to be retained by the Company following completion of the Demerger and Option Redemption, such figure decreasing by 18 Portage Shares for each new Ordinary Share issued by the Company on exercise of a Warrant prior to the Demerger Record Date)
"Rift"	Rift Biotherapeutics Inc., a company incorporated and registered in Delaware, USA
"RTO Admission"	the re-admission of the Ordinary Shares of the Company to trading on AIM on 22 March 2016
"Rule 15 Approval"	approval by Shareholders of the disposal by the Company of its interest in Target (pursuant to Rule 15 of the AIM Rules)
"Sale Agreement"	the conditional sale agreement between the Company, James Mellon, Dr Greg Bailey and Portage dated 13 August 2018 setting out the terms of the Disposal and Acquisition, and the Conditions Precedent to the transaction
"Saugatuck"	Saugatuck Therapeutics Ltd, a company incorporated and registered in the BVI
"Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Sentien"	Sentien Biotechnologies Inc., a company incorporated and registered in Delaware, USA
"Shareholder Loans"	the aggregate loan of US\$1m from James

	Mellon (via Galloway Limited) and Dr Greg Bailey to the Company
"Shareholder Register"	the register of members of the Company
"Shareholders"	holders of Ordinary Shares in the Company
"Share Split"	the allotment of one Redeemable Share for each Ordinary Share in issue as at the Demerger Record Date
"Share Split Resolution"	the resolution numbered 6 in paragraph 9
"Stimunity"	Stimunity S.A. a company incorporated and registered in Paris, France
"Target"	SalvaRx Limited, a company incorporated and registered in the BVI with Company Registration Number 1873006
"Target Portfolio"	the portfolio of investments and interests held by Target as at the date of this Document
"TSX Trust"	TSX Trust Company, being the registrar and transfer agent of Portage
"uncertificated" or "in uncertificated form"	recorded on the Shareholder Register as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US Person"	a US Person under the definition set out in Regulation S of the Securities Act
"US Shareholders"	any person, company, limited partnership or other undertaking, deemed to be a US Person
"Valuation Report"	the independent valuation report prepared by PharmaVentures in relation to the Target Portfolio dated 23 July 2018, jointly commissioned by the Company and Portage in accordance with the terms of the LOI
"Warrants"	outstanding warrants held by Northland and Cornhill Capital Ltd as at the date of this Document (more particularly set out at paragraph 8 of this Document)

GLOSSARY OF TECHNICAL TERMS

"cell agonists"	a substance that can bind to a receptor and activate a physiological response
"CPP"	cell permeable peptide
"IMM47"	an invariant Natural Killer T-cell agonist with a 4 member carbon head structure
"IMM60"	an invariant Natural Killer T-cell agonist with a 6 member carbon head structure
"iNKT"	invariant Natural Killer T-cell
"IND"	investigational new drug
"Nanolipogel" or "NLG"	Proprietary formulation from Yale that utilizes lipids and nanoparticles to encapsulate drugs with different properties and release them slowly in the body
"Phase I study"	first stage of testing in healthy volunteers
"Phase II study"	clinical trials in a small number of patients (usually 20-30) to determine safety and efficacy of a new medicine
"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)
"T-cell"	Type of immune cell that can attack pathogen or cancer cell

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Proposed disposal of interest in SalvaRx Limited - RNS