Tiziana Life Sciences plc
("Tiziana" or "the Company")

Interim Results for the Six Months Ended 30 June 2018
Advancing pipeline of next generation therapeutics and diagnostics for oncology and immune diseases of high unmet need

London, 24 September 2018 – Tiziana Life Sciences plc ("Tiziana", AIM: TILS), the research and clinical stage biotechnology company focussing on proprietary drug candidates to treat cancer and autoimmune diseases, today announces its interim results for the six months ended 30 June 2018.

Highlights during the period:

LEADERSHIP

- The Company significantly enhanced its commercial and strategic development strength with the addition of a highly experienced executive to its Board of Directors:
  - Leopoldo Zambeletti joined as a non-executive director of the Company.

RESEARCH & DEVELOPMENT

CLINICAL PROGRAMMES

Foralumab
TZLS-401

Foralumab is the only fully human anti-CD3 monoclonal antibody (mAb) in clinical development in contrast to the previous non-human or humanized anti-CD3 mABs. Recent data from studies conducted in the laboratories of Prof. Howard Weiner (Harvard University)**[1]** and Prof. Kevan Herold (Yale University) suggest that oral administration of formalumab has the potential to improve efficacy while minimizing toxicity in the treatment of inflammatory diseases such as NASH (nonalcoholic steatohepatitis), PBS (primary biliary cholangitis) and other autoimmune and inflammatory diseases.

Results from a previous Phase 1 evaluation of foralumab administered via intravenous injection in patients with Crohn's disease demonstrated foralumab's immunomodulatory activity in humans. Recent clinical studies conducted by Prof. Yaron Ilan with oral administration of anti-CD3 (OKT3; murine mAb) in hepatitis C virus infected patients and in NASH patients suggested that the treatment was well-tolerated and produced immunologic effects consistent with potential clinical benefits.

Our strategy is to build on these exciting findings to develop foralumab for treatment of NASH, PBC and other liver diseases. Foralumab may also be combined with TZLS-501, a fully human anti-IL-6R mAB, for treatment of rheumatoid arthritis and other diseases.

Milciclib
TZLS-201

The Company's lead compound, acquired from Nerviano Medical Sciences, is an orally bioavailable, small molecule pan-inhibitor of cyclin-dependent kinases (CDK: 1, 2, 4, 5, and 7) as well as Src family kinases.

The compound was well tolerated by patients with thymoma in Phase I and Phase 2 clinical trials. Interim data analysis from the Phase 2 trial indicated that the treatment was well-tolerated and it produced encouraging clinical responses. In another study, milciclib in combination with gemcitabine was found to be well tolerated, and the treatment improved clinical outcomes in patients with refractory solid tumors.

A unique feature of milciclib is its ability to reduce microRNAs miR-221 and miR-222. These microRNAs are consistently upregulated in hepatocellular carcinoma (HCC) patients and might contribute towards resistance

to treatment with sorafenib. Thus, we believe milciclib has potential to be developed as a drug candidate for treatment of HCC either as a monotherapy or in combination with sorafenib.

Our strategy is to first initiate clinical studies as a Phase 2a monotherapy with milciclib, which will be followed immediately by a Phase 2b clinical study in combination with sorafenib.

PRE-CLINICAL PROGRAMMES

Anti IL-6R mAb

TZLS-501, formerly NI-1201

Recently acquired anti IL-6R mAb is a fully human monoclonal antibody targeting the interleukin-6 receptor (IL-6R). Anti IL-6R mAb offers a unique mechanism of action in which, it binds to both the membrane-bound and soluble forms of the IL-6R and depletes circulating levels of the IL-6 in the blood. An excessive production of IL-6 is regarded as a key driver of chronic inflammation, associated with autoimmune diseases such as multiple myeloma and rheumatoid arthritis.

StemPrintER™

StemPrintER™ is a multi-gene signature assay intended for use in patients diagnosed with estrogen-receptor positive ER+/HER2 negative breast cancers. This in-vitro prognostic test will be used in conjunction with clinical evaluation to identify those patients at increased risk for early and/or late metastasis.
Our diagnostic has a unique biological basis, being based on the detection of cancer stem cell markers, uses a reliable platform (qRT-PCR, FFPE), and has been evaluated in an initial retrospective validation study using a consecutive cohort of approximately 2400 patients with breast cancer. The development team is preparing for a retrospective validation study using an independent cohort and has discussed submission plans with the FDA.

FINANCIAL

- £1.67m raised through issuance of equity.
- For the six months to 30 June 2018 the consolidated Group made a loss of £3.94m (six months to 30 June 2017: £3.87m).
- The Group ended the period with £0.1m cash as at 30 June 2018 (31 Dec 2017: £0.1m).

The Company continues to carefully manage its working capital position and continues the process,as referred to below, to seek to raise further funds through the issueof ADSs through a United States Offering.

Highlights post period:

- In July 2018, the Company announced the filing of a registration statement on Form F-1 with the U.S. Securities Exchange Commission ("SEC") relating to a proposed initial public offering of its American Depositary Shares ("ADSs"), representing ordinary shares of nominal value £0.03 each in the capital of the Company ("Ordinary Shares"), in the United States (the "Offering").

- On August 16, 2018 - the Company announces the submission of an Investigational New Drug ("IND") application to the U.S. Food and Drug Administration in collaboration with the Brigham and Women's Hospital, Harvard Medical School, Boston, MA ("BWH") to Initiate Phase 1 Clinical Trials with Foralumab, to be administered nasally to healthy volunteers, with the objective of demonstrating proof of concept in a potentially revolutionary approach for the treatment of neurodegenerative diseases, such as progressive multiple sclerosis ("MS").

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About Tiziana Life Sciences

Tiziana Life Sciences plc is a UK biotechnology company that focuses on the discovery and development of novel molecules that treat human disease in oncology and immunology.

The Company is focused on its lead compound, milciclib, a molecule which blocks the action of specific enzymes called cyclin-dependent kinases (CDK) involved in cell division as well as a number of other protein kinases. Milciclib is currently completing phase II clinical trials for epithelial thymic carcinoma and/or thymoma in patients previously treated with chemotherapy and has filed an IND to enroll patients in an exploratory trial in Hepatocellular Carcinoma (HCC) in EU.

The Company is also in clinical development of foralumab. We believe foralumab is the only fully human anti-human CD3 antibody in clinical development in the world. This compound has potential application in a wide range of autoimmune and inflammatory diseases, such as NASH, primary biliary cholangitis (PBS), ulcerative colitis, MS, type-1 diabetes (T1D), inflammatory bowel disease (IBD), psoriasis and rheumatoid arthritis, where modulation of a T-cell response is desirable drug candidate inhibiting specifically Bcl-3 is an innovative approach to suppress growth of metastases.

EXECUTIVE CHAIRMAN'S STATEMENT

I am pleased to report on the Group's financial results for the six months ended 30 June 2018.

Background

Founded in 2013, Tiziana Life Sciences plc is a UK AIM-listed biotechnology company (AIM:TILS) focused on developing next generation therapeutics and diagnostics for cancers and immune diseases.

We combine field-leading medical scientists, providing deep knowledge and novel insights into disease mechanisms, together with a highly experienced clinical development team, to advance potential solutions to tackle these challenging, high-potential opportunities.

On 24 April 2014 Tiziana Life Sciences plc (the Company; Tiziana) began trading on AIM under the ticker symbol "TILS" following the completion of the reverse acquisition of Alexander David Investments plc and concurrent name change to Tiziana Life Sciences plc. The Company issued 16,666,667 ordinary shares at a price of 12p through a placing to new investors raising £2m and a convertible loan note raising £0.73m to complete the reverse acquisition.

Tiziana Life Sciences' mission is to discover and develop novel molecules that impact serious human diseases in the area of oncology and immunology. The Company has expanded its pipeline of assets to include lead clinical stage development therapeutic candidates in both oncology and immunology and a drug discovery pipeline of small molecule NCEs.

The business employs a lean and virtual R&D business model using highly experienced teams of experts for each business function to maximize value accretion and focus capital on the drug development and discovery processes.

In January 2017 the Company established its own R&D facilities at Doylestown Pennsylavania, employing resources with long standing and high qualified experience in the industry.

Financial summary

The Group has made a loss for the six months to 30 June 2018 of £3.94m (six months to 30 June 2017: £3.87m). The loss is detailed in the consolidated statement of comprehensive income.

The Group ended the period with £0.1m cash as at 30 June 2018 (31 Dec 2017: £0.1m).

Fund raising

During the six months to June 30, 2018, Tiziana issued 1,797,917 ordinary shares in the Company providing gross proceeds of £1.67m.

Tiziana also entered into two fixed term unsecured loan agreements providing additional funds of £0.4m

Funds raised by Tiziana will be used to fund the development of the Group's clinical stage assets milciclib and foralumab, to meet the Group's ongoing liabilities in respect of license agreements, and for general working capital purposes.

Research & Development

On 16 May 2018, Tiziana Life Sciences announced Interim Analysis Data from an ongoing phase 2a clinical trial of milciclib safety and tolerability in Sorafenib-refractory unresectable or metastatic hepatocellular carcinoma (HCC) patients. As a result milciclib treatment was well-tolerated with manageable drug-related toxicities. The IDMC concluded that there were no major signals of tolerability concerns and therefore favours proceeding to expand enrolment. Furthermore, four patients have completed the study per protocol (6 cycles of treatment in 6 months). Two of these patients and their care provider opted to continue receiving milciclib at full dose as part of compassionate use.

On 16 August, the Company announced submission of an Investigational New Drug ("IND") application to the U.S. Food and Drug Administration to initiate phase 1 clinical trials with foralumab, to be administered nasally to healthy volunteers, with the objective of demonstrating proof of concept in a potentially revolutionary approach for the treatment of neurodegenerative diseases, such as progressive multiple sclerosis ("MS"). This is a first-in-human Phase 1 clinical study and is being initiated to evaluate safety, tolerability and immunomodulatory effects of nasally administered Foralumab (TZLS-401) in healthy volunteers using a nasal spray device. In addition to evaluating the safety and pharmacokinetics of the nasally administered Foralumab, the data from the study will be used to examine unique biomarkers of immunomodulation and induction of T regulatory cells ("Tregs") to assess the future therapeutic potential of the treatment.

Appointments

On 4 April 2018 the Company announced the appointment of Leopoldo Zambeletti as a new non-executive member of its Board of Directors.

Leopoldo Zambeletti

During a 19 year career as an investment banker, Mr Zambeletti led the European Healthcare Investment Banking team at J.P. Morgan for eight years before taking up the same position at Credit Suisse for a further five years. Since 2013 he has been an independent strategic advisor to life science companies on merger and acquisitions, out-licensing deals and financing strategy. He is a non-executive director of, Qardio Inc., Summit Therapeutics plc, Nogra Pharma Limited, Faron Pharmaceuticals OY and DS Biopharma Limited. Mr. Zambeletti started his career at KPMG as an auditor. Mr. Zambeletti received a B.A. in Business from Bocconi University in Milan, Italy. He serves as a trustee to Barts and the London Charity, which helps to fund the hospitals of the Barts NHS Trust including St Bartholomew, the Royal London and the London Chest Hospitals. He is the founder of the cultural initiative 5x5 Italy.

Outlook

It has been a busy six months for the Company as we have bolstered our senior leadership team and Scientific Advisory Board, and continued to progress our pipeline of drugs to treat rare cancers and difficult to treat autoimmune inflammatory diseases.

Milciclib met the primary endpoint and secondary endpoints in two phase II multi-centered clinical trials in thymic carcinoma (TC) and Thymoma (B3T) patients . Percentage of patients with stable disease, complete response and partial response was 69.2% in both trials for TC and 80.0% and 70.6% for B3T patients .
Based on satisfying results from the completion of a 6 month trial with 10 sorafenib-resistant HCC patients, which demonstrated that toxicities of the miclicib treatment is manageable, IDMC recommended to continue enrolling patients. We are anticipating to finalise full enrollment of 30 patients to be completed by November 2018, followed by reporting topline data in 1Q/2Q 2019.

Following the approval of our Investigational New Drug ("IND") application to the U.S. Food and Drug Administration, we will proceed on 4Q 2018 to engage phase 1 Clinical Trials with Foralumab, to be administered nasally to healthy volunteers, with the objective of demonstrating proof of concept in a potentially revolutionary approach for the treatment of neurodegenerative diseases, such as progressive multiple sclerosis ("MS").

Looking forward, we are confident of being well positioned to progress these programmes to their next respective value inflection points.
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Gabriele Cerrone
Executive Chairman

Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2018

	Notes	6 months to 30 June 2018 £'000 (unaudited)	6 months to 30 June 2017 £'000 (unaudited)	12 months to 31 Dec 2017 £'000
Research and development		(2,281)	(2,380)	(4,672)
Operating expenses		(1,575)	(1,489)	(3,574)
Operating loss		(3,856)	(3,869)	(8,246)
Financial income		--	--	--
Financial expense		(4)	(4)	(9)
Operating loss before taxation	**4**	(3,860)	(3,873)	(8,255)
Taxation		--	--	1,485
Operating loss after taxation		(3,860)	(3,873)	(6,770)
Net loss for the period attributable to equity owners		(3,860)	(3,873)	(6,770)
Other comprehensive income for the period		(77)	--	--
Total comprehensive loss attributable to equity owners		**(3,937)**	**(3,873)**	**(6,770)**
Basic and diluted loss per share (pence)				
Basic and diluted loss per share on continuing operations	**5**	(3.1p)	(4.1p)	(6.4p)
Total basic and diluted loss per share		(3.1p)	(4.1p)	(6.4p)

Consolidated Statement of Financial Position
as at 30 June 2018

	Notes	30 June 2018 £'000 (unaudited)	30 June 2017 £'000 (unaudited)	31 Dec 2017 £'000
Assets				
Non-Current assets:				
Property, plant and equipment	**6**	12	21	18
Total Non-current assets		12	21	18
Current assets:				
Trade and other receivables	**7**	1,018	112	1,548
Other current assets		217	217	217
Cash and cash equivalents		66	2,008	48
Total current assets		1,301	2,337	1,813
Total assets		**1,313**	**2,358**	**1,831**
Equity and liabilities				
Shareholders' equity				
Called up share capital	**8**	3,806	2,885	3,752
Share premium		20,271	2,589	18,650
Share based payment reserve	**9**	3,017	1,943	2,354
Shares to be issued reserve	**9**	485	221	419
Convertible loan note reserve	**10**	--	13,858	--
Merger relief reserve		--	--	--
Capital reduction reserve		31,183	--	31,183
Other reserve		(28,286)	(28,286)	(28,286)
Retained earnings		(33,692)	6,849	(29,755)
Equity attributed to the owners of the Company		**(3,216)**	**61**	**(1,683)**
Current liabilities:				
Trade and other payables	**11**	4,131	2,297	3,514
		4,131	**2,297**	**3,514**
Long term liabilities:				
Fixed term loans	**12**	398	--	--
Total Laibilities		**4,529**	**2,297**	**3,514**
Total Equity and Liabilities		**1,313**	**2,358**	**1,831**

Consolidated Statement of Cash Flows
for the 6 months ended 30 June 2018

	6 months to 30 June 2018 £'000 (unaudited)	6 months to 30 June 2017 £'000 (unaudited)	12 months to 31 Dec 2017 £'000
Cash flows from operating activities			
Total comprehensive loss for the period before tax	(3,937)	(3,873)	(8,255)
Convertible loan interest accrued	--	--	9
Convertible loan interest paid as equity	4	4	--
Share based payment – options	663	8	419
Cancellation of options	-	-	(105)
Share based payment – warrants	66	30	228
Other share based payments	--	--	--
Net (increase) / decrease in operating assets			
-Trade / other receivables	590	(10)	40
Net increase / (decrease) in operating liabilities			
-Trade / other liabilities	617	558	1,790
Depreciation	6	5	11
Loss on foreign exchange	(67)	5	35
Lease adjustment	3	5	(24)
Net cash used in operating activities	**(2,055)**	**(3,268)**	**(5,852)**
Cash flow from financing activities			
Proceeds from issuance of ordinary shares	1,675	573	1,198
Proceeds from issuance of convertible loan notes	--	--	--
Proceeds from issuance of loans	398	--	--
Interest on convertible instruments	--	--	--
Net cash generated from financing activities	**2,073**	**573**	**1,198**
Cash flows from investing activites			
Acquisition of property, plant and equipment	**--**	**--**	(1)
Acquisitionof other investments	**--**	**--**	-
Net cash generated from investing activities	**--**	**--**	(1)
Net increase / (decrease) in cash and cash equivalents	**18**	**(2,695)**	**(4,655)**
Cash and cash equivalents at beginning of period	48	4,703	4,703
Cash and cash equivalents at end of period	**66**	**2,008**	**48**

Consolidated Statement of Changes in Equity
for the year ended 31 December 2017

(Unaudited)	Share Capital	Share Premium	Share Based Payment Reserve	Shares to Be Issued Reserve	Convertible Loan Note Reserve	Capital Reduction Reserve	Other Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2018	**3,752**	**18,650**	**2,354**	**419**	**-**	**31,183**	**(28,286)**	**(29,755)**	**(1,683)**
Transactions with owners									
Issue of share capital	54	1,621	-	-	-	-	-	-	1,675
Share based payments (options)	-	-	663	-	-	-	-	-	663
Share based payments (warrants)	-	-	-	66	-	-	-	-	66
Total transactions with owners	54	1,621	663	66	-	-	-	-	2,404
Comprehensive income									
Loss for the period	-	-	-	-	-	-	-	(3,860)	(3,860)
Foreign currency translation	-	-	-	-	-	-	-	(77)	(77)
Total comprehensive income	-	-	-	-	-	-	-	(3,937)	(3,937)
Balance at 30 June 2018	**3,806**	**20,271**	**3.017**	**485**	**-**	**31,183**	**(28,286)**	**(33,692)**	**(3,216)**
Balance at 1 January 2017	**2,832**	**2,071**	**1,935**	**191**	**13,535**	**-**	**(28,286)**	**11,036**	**3,314**
Transactions with owners									
Issue of share capital	53	518	-	-	-	-	-	-	571
Share based payments (options)	-	-	8	-	-	-	-	-	8
Share based payments (warrants)	-	-	-	30	-	-	-	-	30
Convertible loan note – equity component	-	-	-	-	323	-	-	(314)	9
Total transactions with owners	53	518	8	30	323	-	-	(314)	618
Comprehensive income									
Loss for the period	-	-	-	-	-	-	-	(3,873)	(3,873)
Total comprehensive income	-	-	-	-	-	-	-	(3,873)	(3,873)
Balance at 30 June 2017	**2,885**	**2,589**	**1,943**	**221**	**13,858**	**-**	**(28,286)**	**6,849**	**61**

	Share Capital	Share Premium	Capital Reduction Reserve	Share Based Payment Reserve	Shares to Be Issued Reserve (warrants)	Convertible Loan Note Reserve	Other reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2017	2,832	2,071	31,183	1,935	191	13,535	(28,286)	(20,147)	3,314
Transactions with owners									
Issue of share capital	66	1,131	-	-	-	-	-	-	1,197
Share based payment (options)	-	-	-	980	-	-			980
Share based payment (warrants)	-	-	-	-	228	-	-	-	228
Options forfeited/cancelled in the year	-	-	-	(561)	-	-	-	(105)	(666)
Convertible loan note interest	-	-	-	-	-	2,767	-	(2,767)	-
Convertible loan note conversion	854	15,448	-	-	-	(16,302)	-	-	-
Prior year adjustments	-	-	-	-	-	-	-	34	34
Total transactions with owners	920	16,579	-	419	228	(13,535)	-	(2,838)	1,773
Comprehensive income									
Loss for the year	-	-	-	-	-	-	-	(6,770)	(6,770)
Total comprehensive income	- -	-	-	-	-	-	-	(6,770)	(6,770)
Balance as at 31 December 2017	3,752	18,650	31,183	2,354	419	-	(28,286)	(29,755)	(1,683)

Notes to the Interim Financial Statements
for the six month period to 30 June 2018

1. GENERAL INFORMATION

Tiziana Life Sciences PLC is a public limited company incorporated in the United Kingdom under the Companies Act and quoted on the AIM market of the London Stock Exchange (AIM: TILS). The principal activities of the Company and its subsidiaries (the Group) are that of a clinical stage biotechnology company focussed on targeted drugs to treat diseases in oncology and immunology.

These financial statements are presented in thousands of pounds sterling (£'000) which is the functional currency of the primary economic environment in which the Company operates.

The ultimate parent of the group is Planwise Group Limited, incorporated in the British Virgin Islands. Gabriele Cerrone is the ultimate beneficial owner of the entire issued share capital of Planwise Group Limited.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS. These accounts have been prepared under the historical cost convention.

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been presented in these financial statements.

Going Concern

The company incurred losses during the year and has net liabilities at the year end.

The company is in the early stages of developing its business focusing on the discovery and development of novel molecules that treat human disease in oncology and immunology. The directors expect the company to incur further losses and to require significant capital expenditure in continuing to develop clinical stage development therapeutic candidates in both oncology and immunology. The company has successfully funded clinical trials to date and is in the process of securing additional investment for purposes of continuing to fund their clinical trials moving forward.

The directors have prepared cash flow projections that include the costs associated with the continued clinical trials and additional investment to fund that operation. On the basis of those projections, the directors conclude that the company will be able to meet its liabilities as they fall due for the foreseeable future, and therefore that it is appropriate to prepare the financial statements under the going concern basis of preparation.

However, until and unless the company secures sufficient investment to fund their clinical trials, there is a material uncertainty about the company's ability to continue as a going concern, and therefore about the applicability of the going concern basis of preparation. The financial statements do not include the adjustments that would be required if the going concern basis of preparation was considered inappropriate.

New and Revised Standards

Standards in effect in 2018

IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments'have come into effect from January 1, 2018 and have been adopted by the Group. Management has assessed their impact on the Group and deemed it to be immaterial.

IFRS in issue but not applied in the current financial statements

The directors do not expect that the adoption of new IFRS Standards, Interpretations and Amendments that have been issued but are not yet effective will have a material impact on the financial statements of the Group in future periods, except IFRS 16 Leases which will impact on the recognition of leases currently classified as operating leases.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Group's activities and which have not therefore been adopted in preparing these financial statements.

Basis of consolidation

Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies of the subsidiary and therefore exercises control. The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an entity is exercised. Subsidiaries are consolidated from the date at which the Group obtains control and are de-consolidated from the date at which control ceases.

Business combination

The consolidated position of the Group is as a result of the reverse acquisition of Alexander David Investments plc by Tiziana Pharma Ltd and the subsequent listing of the Company as Tiziana Life Sciences plc on 24 April 2014. Reverse acquisition for the business combination in the year as detailed below:

On 24th April 2014, the Company (Alexander David Investments plc, (ADI)) acquired via a share for share exchange the entire issued share capital of Tiziana Pharma Limited, whose principal activity is that of a clinical stage biotechnology company focussed on targeted drugs to treat diseases in oncology and immunology.

Due to the relative values of the companies, the former Tiziana Pharma Limited shareholders became majority shareholders with 96.1% of the enlarged share capital in ADI which was renamed Tiziana Life Sciences plc, and hence hold the majority of the voting rights. Furthermore, the executive management of Tiziana Pharma Limited became the executive management of Tiziana Life Sciences plc. A qualitative and quantitative analysis of these factors led the Directors to conclude that in this transaction Tiziana Pharma Limited has the controlling interest and should be treated as the accounting acquirer.

In determining the appropriate accounting treatment for the reverse acquisition, the Directors considered the Application Supplement to IFRS 3, Business combinations. However, they concluded that this transaction fell outside the scope of IFRS 3 since Tiziana Life Sciences plc, whose activity prior to the acquisition was purely the maintenance of the AIM listing, did not constitute a business. It was therefore determined that the transaction should be accounted for in a manner that was similar to the reverse acquisition accounting as described in IFRS 3, but without recognising goodwill.

The following accounting treatment has been applied in respect of the reverse acquisition;

- The assets and liabilities of the legal subsidiary, Tiziana Pharma Limited are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts, without restatement to their fair value.
- The retained reserves recognised in the consolidated financial statements reflect the retained reserves of Tiziana Pharma Limited to the date of acquisition.

- In applying IFRS 3 by analogy, the equity structure appearing in the consolidated financial statements reflects the equity structure of the legal parent Tiziana Life Sciences plc, including the equity instruments issued under the share exchange to effect the business combination.
- A reverse acquisition reserve has been created to enable the presentation of a consolidated balance sheet which combines the equity structure of the legal parent with the non-statutory reserves of the legal subsidiary.
- Comparative numbers are based upon the consolidated financial statements of the legal subsidiary, Tiziana Pharma Limited for the year ended 31 December 2013 apart from the equity structure which reflects that of the parent.

Tiziana Pharma Limited was incorporated on 4th November 2013 and prepared its first set of financial statements to 31 December 2014. Therefore, the parent and subsidiary had the same reporting dat
e but Tiziana Pharma Limited had a long period of account. No adjustment was made in the consolidated financial statements for the difference in length of reporting period because the only transaction in Tiziana Pharma Limited at 31 December 2013 was the issue of ordinary share capital of £1.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated upon consolidation. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board. The Board allocates resources to and assess the performance of the segments. The Board considers there to be only one operating segment being the research and development of biotechnological and pharmaceutical products.

Taxation

The tax expense for the year represents the total of current taxation and deferred taxation. The charge in respect of current taxation is based on the estimated taxable profit for the year. Taxable profit for the year is based on the profit as shown in the income statement, as adjusted for items of income or expenditure which are not deductible or chargeable for tax purposes. The current tax liability for the year is calculated using tax rates which have either been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates which have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Foreign currency translation

Foreign currency transactions are translated using the rate of exchange applicable at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at the year end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

On consolidation, the assets and liabilities of foreign subsidiaries are translated into Pound Sterling at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are

translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign subsidiary, the component of other comprehensive income relating to that particular foreign subsidiary is recognised in profit or loss.

License fees

Payments related to the acquisition of rights to a product or technology are capitalised as intangible assets if it is probable that future economic benefits from the asset will flow to the entity and the cost of the asset can be reliably measured.

Payments made which provide the right to perform research are carefully evaluated to determine whether such payments are to fund research or acquire an asset. Where fees related to research and development projects are recognised as an expense in the income statement, due to the uncertainty in the length of time that the Group will hold them the expense is recognised fully at the point of recognition.

Research and development

All on-going research and development expenditure is currently expensed in the period in which it is incurred. Due to the regulatory environment inherent in the development of the Group's products, the criteria for development costs to be recognised as an asset, as set out in IAS 38 'Intangible Assets', are not met until a product has been granted regulatory approval and it is probable that future economic benefit will flow to the Group. The Group currently has no qualifying expenditure.

Financial instruments

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Loans and receivables

Loans and receivables are recognised initially at fair value and are subsequently measured at amortised cost, with no discounting where the effect is not material.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short term highly liquid deposits with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Financial liabilities

The Group classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was committed.

Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. As the payment period of trade payables is short future cash payments are not discounted as the effect is not material.

Long term liabilities

Long term liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. As the payment period of trade payables is short future cash payments are not discounted as the effect is not material.

Investments

Investments are held as non-current assets and comprise investments in subsidiary undertakings and are stated at cost less provision for any impairment.

Share capital

Ordinary shares of the company are classified as equity.

Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current period and the comparative period are as follows.

Plant and equipment	3 years
Fixtures and fittings	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation is allocated to the operating expenses line of the income statement.

Impairment

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it should be impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency of a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise and indications that a debtor will enter bankruptcy.

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Non-financial assets are impaired when its carrying amount exceed its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value.

Operating leases

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Fair Value Measurement

Management have assessed the categorisation of the fair value measurements using the IFRS 13 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows;

Level 1 - valued using quoted prices in active markets for identical assets

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1;

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

Share based payments

The calculation of the fair value of equity-settled share based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards.

Where employees, directors or advisers are rewarded using share based payments, the fair value of the employees', directors' or advisers' services are determined by reference to the fair value of the share options / warrants awarded. Their value is appraised at the date of grant and excludes the impact of any nonmarket vesting conditions (for example, profitability and sales growth targets). Warrants issued in association with the issue of Convertible Loan Notes are also considered as share based payments and a share based payment charge is calculated for these too.

In accordance with IFRS 2, a charge is made to the Statement of Comprehensive Income for all share-based payments including share options based upon the fair value of the instrument used. A corresponding credit is made to a Share Based Payment Reserve, in the case of options / warrants awarded to employees, directors or advisers, and Shares To Be Issued Reserve in the case of warrants issued in association with the issue of Convertible Loan Notes, net of deferred tax where applicable.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options / warrants expected to vest. Non market vesting conditions are included in assumptions about the number of options / warrants that are expected to become exercisable.

Estimates are subsequently revised, if there is any indication that the number of share options / warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options / warrants, the proceeds received are allocated to share capital with any excess being recorded as share premium.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within the Statement of Comprehensive Income.

All goods and services received in exchange for the grant of any share based payment are measured at their fair value.

Convertible loan notes

Under IAS 32 the liability and equity components of convertible loan notes must be presented separately on the Statement of Financial Position. The Group has examined the terms of each issue of convertible loan notes and determined their accounting treatment accordingly. Convertible loan notes are treated differently depending upon a number of factors.

Where there is no option to repay as cash and the interest rate is fixed

The Group considers these to be Convertible Equity Instruments and records the principal of the loan note as an equity liability in a Convertible loan note reserve. The accrued interest on the principal amount is also recorded in the Convertible loan note reserve. Upon redemption of the instrument and the issue of share capital, the amount is reclassified from the convertible loan note reserve to share capital and share premium.

Where there is no option to repay as cash and the interest rate is variable

The Group considers these to be Convertible Debt Instruments and records the principal of the loan note as a debt liability in the liabilities section of the balance sheet. The accrued interest on the principal amount is recorded in the income statement and as an increase in the debt liability. Upon redemption of the instrument and the issue of share capital, the amount is reclassified from the debt liability to share capital and share premium.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial information in accordance with generally accepted accounting practice, in the case of the Group being International Financial Reporting Standards as adopted by the European Union, requires the directors to make estimates and judgements that affect the reported amount of assets, liabilities, income and expenditure and the disclosures made in the financial statements. Such estimates and judgements must be continually evaluated based on historical experience and other factors, including expectations of future events.

When entering into agreements with third parties which provide the rights to conduct research into specific biological processes the group account for these agreements as an expense if the agreements are 'milestone' in nature and relate to the Group's own research and development costs. Such agreements involve periodic payments and are evaluated as representing payments made to fund research.

The only other critical accounting estimates and judgements in the preparation of the financial statements were fair value estimates used in the calculation of share based payments and warrants which have been detailed above in note 2, accounting policies, and note 17, share based payments, to the accounts.

4. OPERATING LOSS

The Group and Company's operating loss for the year is stated after charging the following:

	6 months to 30 June 2018 (Unaudited) £'000	6 months to 30 June 2017 (Unaudited) £'000	12 months to 31 Dec 2017 £'000
License Fees	176	--	514
Depreciation	6	5	11
Foreign exchange losses/(Gain)	(136)	5	35

5. Earnings per share

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	6 months to 30 June 2018 (unaudited)	6 months to 30 June 2017 (unaudited)	12 months to 31 Dec 2017
Total comprehensive loss for the period (£'000)	(3,937)	(3,873)	(6,770)
Basic and diluted weighted average number of shares	126,049,229	95,305,823	106,403,903
Basic and diluted loss per share - pence	(3.1)	(4.1)	(6.4)

As the Group is reporting a loss from continuing operations for the period then, in accordance with IAS 33, the share options are not considered dilutive because the exercise of the share options would have an anti-dilutive effect. The basic and diluted earnings per share as presented on the face of the Statement of comprehensive income are therefore identical. All earnings per share figures presented above arise from continuing and total operations and therefore no earnings per share for discontinued operations are presented.

6. PROPERTY, PLANT AND EQUIPMENT

Details of the Groups property, plant and equipment are as follows:

Group	**Furniture and fixtures** £'000	**IT equipment** £'000	**Total** £'000
Cost			
At 1 January 2018	12	25	37
Additions	-	-	-
Disposals	-	-	-
At 30 June 2018	12	25	37
Depreciation			
At 1 January 2018	3	16	19
Charge in period	1	5	6
At 30 June 2018	4	21	25
Net book value as at 30 June 2018	8	4	12
Net book value as at 30 June 2017	9	12	21
Net book value as at 31 December 2017	9	9	18

7. Trade and other receivables

	(unaudited) 30 June 2018 £'000	(unaudited) 30 June 2017 £'000	31 Dec 2017 £'000
Trade and other receivables	33	104	85
Taxation receivable	965	-	1,435
Prepayments	20	8	28
	1,018	**112**	**1,548**

8. Called up share capital

During the period to 30 June 2018, 1,797,917 shares were to raise finance, 51,563 shares were issued to intermediaries in lieu of commissions on the funds raised and 23,014 shares were issued in relation to a shortfall in capitalized interest due to a former holder of the company's Class C Convertible Loan Notes which was discovered during the annual audit process.

	(unaudited) 30 June 2017 £'000
Opening balance	3,752
Issued for cash	53
In lieu of commission fees	1
Convertible Loan Notes interest	-
	3,806

9. Share based payments

Options

The Group operates share-based payment arrangements to remunerate directors and key employees in the form of a share option scheme. The exercise price of the option is normally equal to the market price of an ordinary share in the Company at the date of grant.

	2018		**2017**	
	Weighted Average exercise price (pence)	**Options ('000)**	**Weighted Average exercise price (pence)**	**Options ('000)**
Outstanding at 1 January	93	10,717	73	12,449
	82	9,500	173	100
Cancelled		-	171	(600)
Outstanding at 30 June	88	20,217	75	11,949
Exercisable at 30 June	42	5,011	38	4,302

No options were exercised during the period to June 30 2018.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Date of issue	Number at 30 June 2016	Exercise price	Date from which exercisable	Expiry Date
24 April 2014	962,500	0.15	24 April 2015	24 April 2025
24 April 2014	962,500	0.15	24 April 2016	24 April 2026
24 April 2014	962,500	0.15	24 April 2017	24 April 2027
24 April 2014	962,500	0.15	24 April 2018	24 April 2028
25 June 2014	90,000	0.28	17 May 2015	17 May 2025
25 June 2014	90,000	0.28	17 May 2016	17 May 2026
25 June 2014	90,000	0.28	17 May 2017	17 May 2027
25 June 2014	90,000	0.28	17 May 2018	17 May 2028
25 June 2014	6,250	0.33	24 April 2015	24 April 2025
25 June 2014	6,250	0.33	24 April 2016	24 April 2026
25 June 2014	6,250	0.33	24 April 2017	24 April 2027
25 June 2014	6,250	0.33	24 April 2018	24 April 2028
07 July 2014	12,500	0.35	18 June 2015	18 June 2025
07 July 2014	12,500	0.35	18 June 2016	18 June 2026
07 July 2014	12,500	0.35	18 June 2017	18 June 2027
07 July 2014	12,500	0.35	18 June 2018	18 June 2028
23 January 2015	2,050,000	0.35	23 January 2015	23 January 2025
23 January 2015	150,000	0.5	1 October 2015	1 October 2025
23 January 2015	150,000	0.5	1 October 2016	1 October 2026
23 January 2015	150,000	0.5	1 October 2017	1 October 2027
23 January 2015	150,000	0.5	1 October 2018	1 October 2028
23 January 2015	75,000	0.57	12 September 2015	12 September 2025
23 January 2015	75,000	0.57	12 September 2016	12 September 2026
23 January 2015	75,000	0.57	12 September 2017	12 September 2027
23 January 2015	75,000	0.57	12 September 2018	12 September 2028
02 March 2015	150,000	0.55	2 March 2015	2 March 2025
02 March 2015	150,000	0.55	2 March 2016	2 March 2026
02 March 2015	150,000	0.55	2 March 2017	2 March 2027
02 March 2015	150,000	0.55	2 March 2018	2 March 2028
07 May 2015	150,000	0.15	24 April 2015	31 January 2018
23 March 2016	100,000	1.26	23 March 2017	22 March 2026
23 March 2016	100,000	1.26	23 March 2018	22 March 2026
23 March 2016	100,000	1.26	23 March 2019	22 March 2026
23 March 2016	100,000	1.26	23 March 2020	22 March 2026
09 June 2016	26,250	1.50	09 June 2017	09 June 2027
09 June 2016	26,250	1.50	09 June 2018	09 June 2028
09 June 2016	26,250	1.50	09 June 2019	09 June 2029
09 June 2016	26,250	1.50	09 June 2020	09 June 2030
09 June 2016	3,259,403	1.50	If weighted average of an ordinary share is greater tha £3 for 120 consecutive dealing days	15 years from vesting date
05 November 2016	100,000	1.86	05 November 2017	05 November 2027
01 December 2016	600,000	1.925	Successful completion of clinical trials within 24 months of 1st September 2016	5 years from vesting conditions being met
10 March 2017	25,000	1.725	10 March 2018	10 March 2028
10 March 2017	25,000	1.725	10 March 2019	10 March 2029
10 March 2017	25,000	1.725	10 March 2020	10 March 2030

10 March 2017	25,000	1.725	10 March 2018	10 March 2031
30 August 2017	284,000	1.595	30 August 2018	30 August 2028
30 August 2017	284,000	1.595	30 August 2019	30 August 2029
30 August 2017	284,000	1.595	30 August 2020	30 August 2030
30 August 2017	284,000	1.595	30 August 2021	30 August 2031
01 May 2018	2,500,000	0.8175	Vesting only on change of control	01 May 2028
01 May 2018	1,000,000	0.8175	01 May 2019	01 May 2029
01 May 2018	1,000,000	0.8175	01 May 2020	01May 2030
01 May 2018	1,000,000	0.8175	01 May 2021	01 May 2031
01 May 2018	1,000,000	0.8175	01 May 2022	01 May 2032
01 May 2018	137,500	0.8175	01 May 2019	01 May 2029
01 May 2018	137,500	0.8175	01 May 2020	01May 2030
01 May 2018	137,500	0.8175	01 May 2021	01 May 2031
01 May 2018	137,500	0.8175	01 May 2022	01 May 2032
01 May 2018	550,000	0.8175	Vesting on share price reaching £1.635 on a volume weighted average for 5 trading days	01 May 2028
01 May 2018	150,000	0.8175	01 May 2019	01 May 2029
01 May 2018	150,000	0.8175	01 May 2020	01May 2030
01 May 2018	150,000	0.8175	01 May 2021	01 May 2031
01 May 2018	150,000	0.8175	01 May 2022	01 May 2032
01 May 2018	50,000	0.8175	01 May 2019	01 May 2029
01 May 2018	50,000	0.8175	01 May 2020	01May 2030
01 May 2018	50,000	0.8175	01 May 2021	01 May 2031
01 May 2018	50,000	0.8175	01 May 2022	01 May 2032
01 May 2018	25,000	0.8175	01 May 2019	01 May 2029
01 May 2018	25,000	0.8175	01 May 2020	01May 2030
01 May 2018	25,000	0.8175	01 May 2021	01 May 2031
01 May 2018	25,000	0.8175	01 May 2022	01 May 2032

The total outstanding fair value of the share option instruments is deemed to be approximately £6,486,110 as at June 30 2018. (2017: £2,014,726).

The Company has used the Black-Scholes option pricing model to estimate the fair value of the options applying the assumptions below.

Historical volatility relies in part on the historical volatility of a group of peer companies that management believes is generally comparable to the Company.

The Company has not paid any dividends on common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future.

The Company has estimated a forfeiture rate of zero.

	24 April 2014	**25 June 2014**	**7 July 2014**
Grant date share price	£0.12	£0.39	£0.44
Exercise share price	£0.15	£0.28 to £0.33	£0.35
Vesting periods	25% each Yr 1, Yr 2, Yr 3, Yr 4	25% each Yr 1, Yr 2, Yr 3, Yr 4	25% each Yr 1, Yr 2, Yr 3, Yr 4
Risk free rate	0.55% to 1.54%	0.55% to 1.54%	0.55% to 1.54%
Expected volatility	99% to 197%	99% to 197%	99% to 197%
Option life	10 years	10 years	10 years

	23 January 2015	2 March 2015	7 May 2015
Grant date share price	£0.575	£0.615	£0.465
Exercise share price	£0.35 to £0.57	£0.28 to £0.33	£0.15
Vesting periods	900,000, 25% each 2.05m, immediate	25% each Yr 1, Yr 2, Yr 3, Yr 4	immediate
Risk free rate	0.55% to 1.54%	0.55% to 1.54%	0.55% to 1.54%
Expected volatility	99% to 197%	99% to 197%	99% to 197%
Option life	10 years	10 years	10 years

	23 March 2016	9 June 2016	5 November 2016
Grant date share price	£1.26	£1.38	£1.86
Exercise share price	£1.26	£1.5	£1.86
Vesting periods	25% each Yr 1, Yr 2, Yr 3, Yr 4	Immediate,25% each Yr 1, Yr 2, Yr 3, Yr 4	33.3% each Yr 1, Yr 2, Yr 3
Risk free rate	0.55% to 1.54%	0.55% to 1.54%	0.55% to 1.54%
Expected volatility	99% to 197%	99% to 197%	99% to 197%
Option life	10 years	10-15 years	10 years

	1 December 2016	10 March 2017	30 August 2017
Grant date share price	£1.86	£1.725	£1.595
Exercise share price	£1.925	£1.725	£1.595
Vesting periods	within 24 months of 1 September 2016	25% each Yr 1, Yr 2, Yr 3, Yr 4	Yr 1, Yr 2, Yr 3, Yr4
Risk free rate	0.55% to 1.54%	0.55% to 1.54%	0.69% to 1.09%
Expected volatility	99% to 197%	85% to 167%	58% to 60%
Option life	2 years	10 years	10 years

	1 May 2018
Grant date share price	£0.8175
Exercise share price	£0.8175
Vesting periods	Yr1, Yr 2, Yr 3, Yr4
Risk free rate	0.69% to 1.03%
Expected volatility	59% to 60%
Option life	10 years

For the options issued with a market condition attached, the Directors have used the Monte Carlo simulation to estimate the fair value of these options, the Company uses the following methods to determine its underlying assumptions:

- expected volatilities are based on the historical volatilities of the market
- the expected term of the awards is based on managements' assessment of when the market condition is likely to be achieved of 15 years

- a range of fair value's per share were produced and management have determined the most appropriate value based on their knowledge of the market and vesting conditions being fulfilled.

Warrants

On 2nd March 2015, warrants were granted over 600,000 shares at an exercise price of £0.50 per share in lieu of the issue of options. The warrants are exercisable in 25% portions until 22 January 2016, 22 January 2017, 22 January 2018, and 22 January 2019.

On 31st May 2015, warrants were granted over 292,500 shares at an exercise price of £0.66 per share in lieu of fundraising fees. The warrants are exercisable until 31 May 2022.

On 11th November 2017, warrants were granted over 100,000 shares at an exercise price of £1.60 per share in lieu of fundraising fees. The warrants are exercisable until 20 November 2022.

On 11th December 2017, warrants were granted over 183,333 shares at an exercise price of £1.60 per share in lieu of fundraising fees. The warrants are exercisable until 11 December 2023.

On 15th December 2017, warrants were granted over 196,667 shares at an exercise price of £1.60 per share in lieu of fundraising fees. The warrants are exercisable until 15 December 2023.

On 15th January 2018, warrants were granted over 163,334 shares at an exercise price of £1.60 per share in lieu of fundraising fees. The warrants are exercisable until 15 January 2024.

On 22nd January 2018, warrants were granted over 80,000 shares at an exercise price of £1.60 per share in lieu of fundraising fees. The warrants are exercisable until 22 January 2024.

On 5th March 2018, warrants were granted over 78,000 shares at an exercise price of £1.60 per share in lieu of fundraising fees. The warrants are exercisable until 5 March 2024.

On 19th April 2018, warrants were granted over 51,563 shares at an exercise price of £0.8 per share in lieu of fundraising fees. The warrants are exercisable until 19 April 2024.

The Directors have estimated the fair value of the warrants in services provided using an appropriate valuation model. The remaining fair value of the warrant instruments is deemed to be approximately £655,000. For each set of warrants, the charge has been expensed over the vesting period. A share based payment charge for the six months to June 30, 2018 of £66k (six months to June 2017: £30k) has been expensed in the statement of comprehensive income.

10. Convertible loan notes

Planwise Convertible Loan Notes 2016

From the date of the reverse acquisition a convertible loan note of £200,000 was in existence as detailed in the Admission Document dated 31 March 2014. Proceeds of the subscriptions for the notes are to be used exclusively to finance the Group's ongoing working capital requirements. The terms of the loan note are that the loan notes, plus accrued interest at a rate of 4 per cent above Bank of England base rate per annum, will convert into ordinary shares in the Company at a price of £0.10 per share at the election of Planwise any time after the second anniversary of the re-admission to AIM on 24 April 2014.

Accounting for the convertible debt instrument

The net proceeds received from the issue of the Planwise Convertible Loan Note 2016 has been recorded as a debt liability in the Statement of financial position and the accrued interest charged to the Statement of comprehensive income and the debt liability. The liability for the convertible debt instrument at 30 June 2018 is;

	Planwise Convertible Loan Note 2018 £000
Convertible loan notes issued	229
Accrued interest	9
	238

11. Trade and other payables

	(unaudited) 30 June 2018 £'000	(unaudited) 30 June 2017 £'000	12 months to 31 Dec 2017 £'000
Convertible loan note liability	238	229	234
Trade and other payables	3,400	1,822	2,775
Accruals	493	246	505
Other creditors	--	--	--
	4,131	**2,297**	**3,514**

12. Long term liabilities

On May 15 2018, the company entered into a fixed term unsecured loan agreement with an existing shareholder for £100,000 at an interest rate of 8% per annum to be repaid no later than 24 months after the date of the agreement.

On June 22, 2018, the company entered into a fixed term unsecured loan agreement with an existing shareholder for £300,000 at an interest rate of 20% per annum to be repaid no later than 24 months after the date of the agreement.

13. Post balance sheet events

On August 16, 2018, the company announced the submission of an IND application to the FDA in collaboration with BWH to initiate Phase 1 clinical trials with Foralumab, to be administered nasally to healthy volunteers, with the objective of demonstrating proof of concept for the treatment of neurodegenerative diseases, such as progressive MS.

On August 20, 2018, the company entered into a Fixed term unsecured loan agreement with a lender. The loan for £125,000 has an interest rate of 20% per annum. The loan may be converted into ordinary shares in the event of the company carrying out fundraising of not less than £5,000,000 by way of public offer or private placement. If the fundraise occurs within 12 months of draw down, the interest shall be settled in shares at the same price as shares are issued in the fundraise.

On August 26, 2018, the company entered into a Fixed term unsecured loan agreement with a lender. The loan for $1,000,000 has an interest rate of 20% per annum. The loan may be converted into ordinary shares in the event of the company carrying out fundraising of not less than £5,000,000 by way of public offer or

private placement. If the fundraise occurs within 12 months of draw down, the interest shall be settled in shares at the same price as shares are issued in the fundraise.