**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you are recommended to seek your own financial advice immediately by consulting your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser in the relevant jurisdiction. This document should be read in its entirety.**

**The content of this document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this document for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all amounts invested.**

If you have sold or otherwise transferred all of your existing holding of Ordinary Shares in 4D pharma plc ("**4D**" or the "**Company**"), please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or the transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction where doing so may constitute a violation of local securities laws or regulations. If you sell or have sold or otherwise transferred part only of your holding of 4D, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

This document should be read in conjunction with the accompanying Form of Proxy and the Notice of General Meeting set out at the end of this document. You are recommended to read the whole of this document but your attention is drawn to the letter from the Chairman of the Company to Shareholders which is set out in this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting.

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# 4D PHARMA PLC

*(incorporated and registered in England and Wales with registered number 08840579)*

**Placing of 16,820,080 New Ordinary Shares and Subscription of 27,179,920 New Ordinary Shares to raise £22 million in aggregate**

**and**

**Notice of General Meeting**

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The Directors, whose names appear on page 10 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the registered office of the Company, 9 Bond Court, Leeds, LS1 2JZ, from the date of this document to the date of Admission. In accordance with AIM Rule 26 a copy of this document will also be available on the Company's website www.4dpharmaplc.com from the date of this document.

The Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. In accordance with the conditions of the Placing and Subscription, subject to the terms of the Placing Agreement, it is expected that admission

to trading on AIM and dealings in the Placing Shares and Subscription Shares will commence on or around 10 March 2020.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the London Stock Exchange. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The UK Financial Conduct Authority has not itself examined or approved the contents of this document. A prospective investor should consider carefully whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

Notice of a General Meeting of 4D to be held at 9 Bond Court, Leeds, England, LS1 2JZ at 10 a.m. on 9 March 2020 is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible but, in any event, so as to be received by the Company's Registrar, Link Asset Services, by no later than close of business on 5 March 2020. A summary of the action to be taken by Shareholders is set out in the accompanying Notice of General Meeting. The return of the completed Form of Proxy will not prevent you from attending the General Meeting and voting in person (in substitution for your proxy vote) if you wish to do so and are so entitled.

N+1 Singer, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for 4D and no one else in connection with the proposals set out in this document and will not be responsible to anyone other than 4D (whether or not a recipient of this document) for providing the protections afforded to clients of N+1 Singer nor for providing advice in relation to the matters referred to herein. No liability whatsoever is accepted by N+1 Singer for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Bryan Garnier, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for 4D and no one else in connection with the proposals set out in this document and will not be responsible to anyone other than 4D (whether or not a recipient of this document) for providing the protections afforded to clients of Bryan Garnier nor for providing advice in relation to the matters referred to herein. No liability whatsoever is accepted by Bryan Garnier for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction and therefore this document should not be distributed, forwarded to or transmitted in or into Canada, Australia, Japan, New Zealand or the Republic of South Africa, or in or into any other jurisdiction where distribution would breach any applicable law or regulation.

This document should be read in its entirety. The New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended and may not be offered or sold or subscribed, directly or indirectly, in the United States, except pursuant to an applicable exemption from registration and in each case in compliance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of securities is being made in the United States.

**Forward-looking statements**

This document includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms such as anticipates, believes, estimates, expects, intends, may, plans, projects, should or will, or in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical

facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the intentions, beliefs or current expectations of the Company and the Directors concerning, among other things, the Group's results of operations, financial position, prospects, growth, strategies and the industry in which the Group operates.

Any forward-looking statements in this document reflect the current view of the Company and the Directors (as the case may be) with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy. You should specifically consider factors which could cause actual results to differ before making any decision in relation to the Fundraising. Subject to the requirements of the AIM Rules, the Disclosure and Transparency Rules and the City Code on Takeovers and Mergers, none of the Company, the Directors, N+1 Singer or Bryan Garnier undertake any obligation publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document. A number of factors could cause the results and developments of the Group to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, the outcome of negotiation on existing and future contracts, currency fluctuations, changes in the Group's business strategy and political and economic uncertainty.

All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been any change in the facts set forth herein since such date.

Save as expressly referred to herein, neither the contents of the Company's website, nor any website, directly or indirectly linked to the Company's website, is incorporated in, or forms part of, this document.

# CONTENTS

# EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|---|---|
| Announcement of the proposed Fundraising and commencement of the Bookbuild | 18 February 2020 |
| Announcement of the results of the Bookbuild | 18 February 2020 |
| Posting of the Circular (containing Notice of General Meeting) and Form of Proxy | 19 February 2020 |
| Latest time and date for receipt of completed Forms of Proxy | close of business on 5 March 2020 |
| General Meeting | 10 a.m. on 9 March 2020 |
| Announcement of the results of the General Meeting | 9 March 2020 |
| Admission of the Fundraising Shares and commencement of trading in the Fundraising Shares on AIM | 10 March 2020 |

**Notes:**

1 References to times in this document are to London time (unless otherwise stated).

2 The dates and timing of the events in the above timetable and in the rest of this document are indicative only and may be subject to change.

3 If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through a Regulatory Information Service.

# KEY FUNDRAISING STATISTICS

| | |
|---|---|
| Issue Price | 50 pence |
| Number of Existing Ordinary Shares | 65,493,842 |
| Number of Placing Shares to be issued | 16,820,080 |
| Number of Subscription Shares to be issued | 27,179,920 |
| Total number of Fundraising Shares to be issued | 44,000,000 |
| Total number of Warrants to be issued | 22,000,000 |
| Enlarged Issued Share Capital[1] | 109,493,842 |
| Number of Fundraising Shares as a percentage of the Enlarged Issued Share Capital | 40.2% |
| Gross proceeds of the Fundraising | £22 million |
| Market Capitalisation of the Company immediately following completion of the Fundraising at the Issue Price[1] | £54,746,921 |
| ISIN | GB00BJL5BR07 |
| SEDOL | BJL5BR0 |

**Notes:**

1 Assuming full issuance of the Fundraising Shares but excluding any Ordinary Shares which might be issued on the exercise of the Warrants.

# DEFINITIONS

The following definitions apply throughout this Circular and in the accompanying Notice of General Meeting and Form of Proxy unless otherwise stated or the context requires otherwise:

| | |
|---|---|
| "**Act**" | the Companies Act 2006, as amended from time to time; |
| "**Admission**" | the admission of the Placing Shares and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules; |
| "**AIM**" | the market of that name operated by London Stock Exchange plc; |
| "**AIM Rules**" | the AIM Rules for Companies published by the London Stock Exchange and as amended from time to time; |
| "**Board**" or "**Directors**" | the directors of the Company whose names are set out on page 10 of this document; |
| "**Bookbuild**" or "**Bookbuilding**" | the offering of Placing Shares to placees by way of accelerated bookbuild by N+1 and Bryan Garnier as agents for the Company; |
| "**Bryan Garnier**" | Bryan, Garnier & Co. Limited, joint broker to the Company; |
| "**Business Day**" | a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business in London, England; |
| "**certificated form**" | not in an uncertificated form; |
| "**Circular**" or "**document**" | this circular setting out details of the Fundraising and the Notice of General Meeting; |
| "**Company**" or "**4D**" | 4D pharma plc, a company incorporated in England and Wales with registered number 08840579 and having its registered office at 9 Bond Court, Leeds LS1 2JZ; |
| "**CREST**" | the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form (in respect of which Euroclear is the operator, as defined in the CREST Regulations); |
| "**CREST Regulations**" | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended; |
| "**Disclosure and Transparency Rules**" or "**DTRs**" | the Disclosure Guidance and Transparency Rules made by the FCA in exercise of its function as competent authority pursuant to Part VI of FSMA; |
| "**Dollar**" or "**$**" | the lawful currency of the United States; |
| "**Enlarged Issued Share Capital**" | the Company's issued share capital immediately after completion of the Fundraising, assuming full issuance of the Fundraising Shares but ignoring any Ordinary Shares falling to be allotted on the exercise of the Warrants; |
| "**Euroclear**" | Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations; |

| | |
|---|---|
| "**Existing Authorities**" | the authorities granted to the Directors to allot Ordinary Shares on a non-pre-emptive basis and to dis-apply pre-emption rights pursuant to certain of the resolutions passed at the last annual general meeting of the Company on 20 June 2019; |
| "**Existing Ordinary Shares**" | the issued share capital of the Company as at the Last Practicable Date, being 65,493,842 Ordinary Shares; |
| "**FCA**" | the UK Financial Conduct Authority; |
| "**FDA**" | the US Food & Drug Administration; |
| "**Form of Proxy**" | the form of proxy enclosed with this Circular for use by Shareholders in connection with the General Meeting; |
| "**FSMA**" | the Financial Services and Markets Act 2000, as amended; |
| "**Fundraising**" | together the Placing and Subscription; |
| "**Fundraising Shares**" | the Placing Shares and the Subscription Shares to be issued, conditional on, *inter alia*, Admission in connection with the Fundraising; |
| "**General Meeting**" | the general meeting of 4D convened by the notice set out in this document to consider the Resolutions, which is to be held at 9 Bond Court, Leeds, England LS1 2JZ at 10 a.m. on 9 March 2020 (or any adjournment thereof); |
| "**GMP**" | Good Manufacturing Practice; |
| "**Group**" | the Company and its existing subsidiaries and subsidiary undertakings; |
| "**HDAC**" | Histone deacetylase, which is an enzyme that removes the acetyl group from histone proteins on DNA, making the DNA less accessible to transcription factors; |
| "**IBS**" | Irritable Bowel Syndrome; |
| "**Independent Directors**" | Thomas Engelen, Ed Baracchini, Axel Glasmacher and Sandy Macrae; |
| "**Issue Price**" | the price of 50 pence per New Ordinary Share; |
| "**Last Practicable Date**" | the last practicable date prior to announcement of the Fundraising, being 17 February 2020; |
| "**LBPs**" | live biotherapeutic products; |
| "**London Stock Exchange**" | London Stock Exchange plc; |
| "**MSD**" | MSD, (the tradename of Merck & Co., Inc, Kenilworth, NJ USA); |
| "**N+1 Singer**" or "**Nominated Adviser**" | Nplus1 Singer Advisory LLP, the Company's nominated adviser and joint broker; |
| "**New Ordinary Shares**" | the new Ordinary Shares to be issued and allotted pursuant to the Placing and Subscription; |
| "**Notice of General Meeting**" | the notice calling the General Meeting, which is set out at the end of this Circular; |
| "**Ordinary Share(s)**" | ordinary shares of 0.25 pence each in the capital of the Company; |

| | |
|---|---|
| "**Participating Directors**" | David Norwood, Duncan Peyton and Alex Stevenson; |
| "**Placees**" | subscribers for Placing Shares in the Placing; |
| "**Placing**" | the conditional placing of the Placing Shares and the Warrants to the Placees pursuant to the Placing Agreement; |
| "**Placing Agreement**" | the conditional agreement dated 18 February 2020 between the Company, N+1 Singer and Bryan Garnier relating to the Placing; |
| "**Placing Shares**" | the 16,820,080 New Ordinary Shares to be issued, conditional on, *inter alia*, Admission, in connection with the Placing; |
| "**Registrar**" | Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; |
| "**Regulatory Information Service**" or "**RIS**" | shall have the same meaning as set out in the AIM Rules; |
| "**Resolutions**" | the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting at the end of this Circular; |
| "**Restricted Jurisdictions**" | the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa; |
| "**Shareholders**" | holders of Ordinary Shares; |
| "**Sterling**" or "**£**" | the lawful currency of the United Kingdom; |
| "**Subscribers**" | the subscribers for New Ordinary Shares pursuant to the Subscription Agreements; |
| "**Subscription**" | the subscription made by the Subscribers for 27,179,920 New Ordinary Shares and Warrants pursuant to the Subscription Agreements; |
| "**Subscription Agreements**" | the agreements dated 18 February 2020 between the Company and the individual Subscribers relating to the Subscription; |
| "**Subscription Shares**" | the 27,179,920 New Ordinary Shares to be issued, conditional on, *inter alia*, Admission, in connection with the Subscription; |
| "**UK**" or "**United Kingdom**" | the United Kingdom of Great Britain and Northern Ireland; |
| "**uncertificated form**" | recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; |
| "**United States**" or "**US**" | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and |
| "**Warrants**" | the Warrants to subscribe for Ordinary Shares at 100 pence per Ordinary Share to be allotted to Placees and Subscribers. |

# LETTER FROM THE CHAIRMAN

*(Incorporated and registered in England and Wales with registered number 08840579)*

| *Directors:* | *Position:* | *Registered Office:* |
|---|---|---|
| David Norwood | *Non-Executive Chairman* | 4D pharma plc |
| Duncan Peyton | *Chief Executive Office* | 9 Bond Court |
| Alex Stevenson | *Chief Scientific Officer* | Leeds |
| Thomas Engelen | *Non-Executive Director* | LS1 2JZ |
| Ed Baracchini | *Non-Executive Director* | United Kingdom |
| Axel Glasmacher | *Non-Executive Director* | |
| Sandy Macrae | *Non-Executive Director* | |

19 February 2020

*To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares*

Dear Shareholders,

**Placing of 16,820,080 New Ordinary Shares and Subscription of 27,179,920 New Ordinary Shares to raise, in aggregate, £22 million**

## 1. INTRODUCTION

On 18 February 2020, the Company announced that it proposed to raise not less than £18 million (before expenses) by way of the Placing and the Subscription. Following completion of the Bookbuild, the Company announced that it had conditionally agreed to allot 16,820,080 New Ordinary Shares pursuant to the Placing and 27,179,920 New Ordinary Shares pursuant to the Subscription to raise, in aggregate, £22 million. Subject to the passing of the Resolutions, the Company proposes to allot 16,820,080 Placing Shares and 27,179,920 Subscription Shares to new and existing investors, including three Participating Directors. The Issue Price of 50 pence per New Ordinary Share represents a discount of approximately 27.8 per cent. to the closing mid-market price of 69.25 pence per Ordinary Share on 17 February 2020 (being the Last Practicable Date). Each Placee and Subscriber shall be allotted one Warrant for every two Fundraising Shares subscribed in the Fundraising. A total of 22,000,000 Warrants will be allotted on completion of the Fundraising. Each Warrant entitles the holder to subscribe for one Ordinary Share at a price of 100 pence at any time up to the fifth anniversary of Admission.

The Fundraising is conditional, *inter alia*, on the passing of the Resolutions by the Shareholders at the General Meeting.

Application will be made to the London Stock Exchange for the Placing Shares and the Subscription Shares to be admitted to trading on AIM. No application will be made for the Warrants to be admitted to trading on AIM. In accordance with the conditions of the Placing and the Subscription, subject to the terms of the Placing Agreement, it is expected that admission to trading on AIM and dealings in the Placing Shares and Subscription Shares will commence on or around 10 March 2020.

This Circular explains the background to and reasons for the Fundraising, why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole, and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own holding of Ordinary Shares, amounting to 20,515,736 Ordinary Shares (representing approximately 30.5 per cent. of the Company's existing issued ordinary share capital as at the Last Practicable Date).

## 2. BACKGROUND TO AND REASONS FOR THE FUNDRAISING

The Company's approach to LBPs is driven by a desire to ensure that its programmes have a real possibility of delivering safe and effective therapies, and providing solutions to global healthcare issues such as cancer

and asthma, as well as exploring novel approaches to neurodegeneration, which will become an ever increasing burden as the population continues to age.

The Company has historically benefitted from having a committed shareholder base that has supported it through its development. Notwithstanding that valued support, the Company has not raised funds since December 2015, and more recently has not been able to largely due to the recent turbulent market and sector conditions. As a result, the Company is now in a position where it requires additional funds in order to progress its ongoing clinical trials, commercial collaborations and pre-clinical research.

As the Company's pipeline has progressed, its capital requirement to fund more expensive, later-stage clinical trials has increased. Good progress of the Company's candidate therapies in the clinic has set up a number of value inflection points in the near term, with readouts expected in coming months for the Company's ongoing studies in IBS and oncology, with asthma readouts expected in Q4 2020.

At the same time, the Company has continued to invest in its platform capabilities and personnel. This has been rewarded by collaborations in the field of oncology and a research collaboration and option to license agreement in the field of vaccines with MSD. In parallel, MSD and the Company agreed a put option whereby, at the election of the Company, MSD would subscribe for $5 million of Ordinary Shares in the Company, alongside a subscription for or placing of New Ordinary Shares.

Although the research collaboration and option to license agreement with MSD may generate option licence income for the Company over the next few years (as well as longer term significant milestone and royalty payments), there can be no certainty as to the timing of such cash inflows, should they materialise. The Board has therefore decided to conduct this Fundraising with a view to ensuring that the Company is sufficiently capitalised to run its operations through to the clinical data-driven value inflection points that are expected in the short term.

In pushing its novel class of therapeutics forward, the Company recently reported promising early clinical data from the ongoing study of lead oncology candidate, MRx0518, in combination with the market-leading checkpoint inhibitor, Keytruda®, in a difficult-to-treat, checkpoint-resistant patient population.

The design of the study, which was developed through the Company's clinical research collaboration and option to license agreement with MSD, is open label. This enables the Company to continually assess the initial efficacy of the combination as patients continue to receive treatment. The Company is encouraged by the initial efficacy and clinical benefit which has been seen to date in this challenging patient group. The Company has reported a clinical benefit (defined per protocol as patients with a complete response, partial response or stable disease for greater than six months) of the combination in three out of the first six patients dosed, all of whom previously had become resistant to checkpoint therapy. This is, to the best of the Directors' knowledge, the first reports of preliminary clinical efficacy for a microbiome-checkpoint inhibitor combination.

Over the coming months, there will be additional readouts for this study, including initial efficacy data for the remaining patients in Part A (being the first 12 patients tested), which is expected in Q2 2020.

The Company anticipates that the approximate timing of results from its current programmes will be as follows:

- Blautix® Phase II interim analysis in Q2 2020;
- MRx0518 Phase I/II combination study with Keytruda®, safety and initial efficacy data from Part A in 12 patients in Q2 2020; and
- Blautix® Phase II top line results from all study subjects (expected to be approximately over 300 patients) in Q3 2020.

The Blautix Phase II interim analysis, originally expected in December 2019, is now expected in early Q2 2020. This due to an expansion of the number of patients that will be included in the analysis, as well as slightly lower than expected recruitment rate for this phase of the study, which has now been remedied and recruitment completed.

The net proceeds of the Fundraising, together with existing resources, is expected to provide sufficient working capital to fund the Company for at least the next six months, which time period includes key data readouts on the first and second of the three items above. Should positive data emerge from these studies, the Company believes this will provide a material validation for its approach to developing LBPs and also serve as value accretive events for Shareholders. Management also expects that such positive data, if generated, will provide a platform for attracting new investors and raising additional capital, as well as providing further opportunities to expand its partnerships through licensing and other collaborations.

Additional data readouts are expected from the third item shown above in Q3 2020 and the Company plans to continue multiple additional studies in MRx0518 and asthma which are likely to require further funding. The Company's longer-term development, regulatory and commercial strategy for its portfolio of clinical and pre-clinical assets will be informed by near-term data readouts and the Group's further funding needs and partnering strategy will be addressed in this context.

## 3. USE OF PROCEEDS

The estimated net proceeds of the Fundraising are expected to be approximately £21 million and, subject to clinical programmes proceeding as planned, are anticipated to fund the Company through the next six months. The Company intends to use such proceeds to support its ongoing clinical studies in IBS, oncology and asthma and to enable the Company to continue to fund its operations towards upcoming clinical readouts, as well as for general corporate purposes. The net proceeds of the Fundraising, together with existing resources, are expected to provide sufficient working capital to fund the Company beyond key data readouts on the first and second of the three items set out in paragraph 2 above.

## 4. THE PLACING AND THE SUBSCRIPTION

Subject to the passing of the Resolutions at the General Meeting, the Company proposes to raise £22 million (before expenses) through the issue and allotment, conditional on Admission, of the Fundraising Shares. The Issue Price represents a discount of approximately 27.8 per cent. to the closing mid-market price of 69.25 pence per Ordinary Share on 17 February 2020 (being the Last Practicable Date). Each Placee and Subscriber shall be allotted one Warrant for every two Fundraising Shares subscribed in the Fundraising. A total of 22,000,000 Warrants will be allotted on completion of the Fundraising. Each Warrant entitles the holder to subscribe for one Ordinary Share at a price of 100 pence at any time up to the fifth anniversary of Admission. Further details about the Warrants are set out below. The Fundraising Shares will represent approximately 40.2 per cent. of the Enlarged Issued Share Capital (assuming all the Fundraising Shares are issued) and will rank *pari passu* with the Existing Ordinary Shares. The Placing is not being underwritten.

Pursuant to the terms of the Placing Agreement, N+1 Singer and Bryan Garnier, as agents for the Company, have agreed to use their reasonable endeavours to procure placees for the Placing Shares at the Issue Price; the Placing Agreement contains warranties from the Company in favour of N+1 Singer and Bryan Garnier in relation to, *inter alia*, the accuracy of the information contained in the documents relating to the Placing and the Subscription, the sufficiency of working capital to fund delivery of the first two key clinical milestones described in paragraph 2, above (in lieu of the customary 12-month working capital sufficiency) and certain other matters relating to the Company and its business. In addition, the Company has agreed to indemnify N+1 Singer and Bryan Garnier in relation to certain liabilities that they may incur in respect of the Placing and the Subscription.

Each of N+1 Singer and Bryan Garnier may terminate the Placing Agreement in certain circumstances (including for breach of warranty at any time prior to Admission if such breach is reasonably considered by N+1 and Bryan Garnier to be material in the context of the Placing) and in the event of a material adverse change occurring at any time prior to Admission.

Following a bookbuild exercise conducted by Chardan Capital Markets, LLC, acting as US placing agent for the Company, the Company has entered into Subscription Agreements with various US persons who are accredited investors.

Various subscribers have entered into Subscription Agreements with the Company to subscribe for, in aggregate, 27,179,920 New Ordinary Shares, conditional on Admission, at the Issue Price, thereby raising a further £13.6 million (before expenses) based on an exchange rate of £0.7661 = $1. The Subscription Shares

will represent approximately 24.8 per cent. of the Enlarged Issued Share Capital (assuming all the Fundraising Shares are issued) and will rank *pari passu* with the Existing Ordinary Shares. The Subscription is not being underwritten.

***MSD subscription***

The Company has exercised its right, granted in parallel with the Company's research collaboration and option to license agreement with MSD which was announced on 8 October 2019, to cause MSD to purchase $5 million in Ordinary Shares pursuant to the terms of a Subscription Agreement. The $5 million will convert into 7,661,000 New Ordinary Shares at the Issue Price, based on an exchange rate of £0.7661 = $1.

***Warrants***

Each Placee and Subscriber shall be allotted one Warrant for every two Fundraising Shares subscribed in the Fundraising. A total of 22,000,000 Warrants will be allotted on completion of the Fundraising. Each Warrant entitles the holder to subscribe for one Ordinary Share at a price of 100 pence at any time up to the fifth anniversary of Admission. No application will be made for the Warrants to be admitted to trading on AIM. The Company has undertaken to make an application to the London Stock Exchange for any Ordinary Shares allotted on the exercise of the Warrants to be admitted to trading on AIM. The instrument constituting the Warrants contains customary provisions adjusting the subscription price and number of Warrants for distributions of capital, share splits and share consolidations.

***Admission of the Fundraising Shares***

Application will be made to the London Stock Exchange for the Fundraising Shares to be admitted to trading on AIM. Conditional upon, *inter alia*, the passing of the Resolutions, subject to the terms of the Placing Agreement and in accordance with the conditions of the Placing and the Subscription, it is expected that admission to trading on AIM and dealings in the Fundraising Shares will commence on or around 10 March 2020.

## 5. SHAREHOLDER APPROVALS AND IMPLICATIONS OF THE RESOLUTIONS NOT BEING PASSED

Section 551 of the Act provides that the directors of a company cannot allot new shares in its capital without the approval of its shareholders. The Resolutions are intended to give the Directors authority to allot Ordinary Shares for the purpose of the Fundraising, and to dis-apply statutory pre-emption rights for the purpose of the Fundraising. If passed, these authorities will enable the Directors to effect the Fundraising in respect of the New Ordinary Shares and the Warrants on a non- pre-emptive basis.

***Implications if the Resolutions are not passed***

**If the Fundraising does not proceed, there is no certainty that the Company will have access to alternative sources of funding, and the Directors would need to consider alternative strategic options, including the sale of assets of the Company or the Company entering into liquidation or administration. Furthermore, if no alternative sources of funding are available, the Company will need to stop its ongoing research and development activities. While the Company has achieved some success with its licensing deals to date, the Board does not consider there to be additional deals available on sufficiently attractive terms, and in any event capable of completion in a timely manner, as to be able to generate material short-term cash inflows to the Company. The Directors therefore consider that, in any of these scenarios, the residual value in the Company's assets would be significantly reduced. In order to ensure that the Company has access to adequate funding, and to avoid further material loss of value in the short term, the Directors are unanimously recommending that Shareholders approve the Resolutions.**

## 6. CURRENT TRADING AND PROSPECTS

### 6.1 Overview and recent developments

Since its admission to AIM, the Company has grown from a fledgling research company investigating a novel therapeutic class, to an integrated clinical development company and a leader in its field.

The Company's thesis remains the same as it was at the time of its initial public offering. The Directors believed that by looking within the human gut microbiome the Company would gain a greater understanding of its impact on the body's systems, which would lead to the development of a novel class of therapeutics, defined by the FDA as 'live biotherapeutics'.

Further, the Directors believed that the way to unlock the potential of this technology was to focus on the functionality of bacteria and the underlying biological mechanisms which underpin their interaction with the host, as opposed to attempting to unpick the so-called ecology of the gut microbiome. In essence, the Company took a traditional pharmaceutical development approach, focusing on pathways and mechanisms of action, instead of trying to resolve which strains of bacteria constitute a 'healthy gut'.

This focus on functionality drove the development of the Company's discovery and development platform, MicroRx®, that allows us to interrogate our extensive library of strains (which covers the majority of genera within the gut microbiome) to understand the impact they have on human disease.

The Company's initial work to demonstrate this concept was through the investigation of diseases generally associated with the gut, such as Crohn's Disease and IBS. However, the Company quickly realised that the potential breadth of our technology spanned far beyond the gut and into diseases which manifest at organs anatomically distant from (but still influenced materially by) the gastrointestinal tract, such as cancer, neurodegenerative diseases and respiratory conditions such as asthma.

The investment in the discovery platform yielded strong results, but it would not have been possible to advance this novel therapeutic class into the clinic without a concurrent investment and Board-level commitment to our manufacturing technology and regulatory affairs expertise.

The Company has therefore developed its own standalone development and GMP production facility, capable of potentially handling all of the Company's requirements, from late-stage clinical development to commercial-scale production. In addition, we have worked with the European Directorate for the Quality of Medicines to help develop and put in place the regulatory framework for this novel class of therapeutics.

The Company is now at a stage where its four lead programmes are in clinical development, with a number of important readouts from these studies anticipated in 2020. To date, the Company has completed or is undertaking a number of Phase I and Phase I/II studies in humans, which have shown our LBPs to be safe and well tolerated across patients with a range of diseases. Further, as these studies are conducted in individuals suffering from the diseases of interest, the Company has been able to look at the impact of its product on their symptoms to build insight and confidence in taking its programmes into later studies. This enables the design of these studies to be relatively better informed than that of many pharmaceuticals, whose initial Phase I testing takes place predominantly in healthy people only.

Coupling the Company's research with its development and clinical capability has now led to the Company being recognised as a leader in the emerging field of microbiome-derived single-strain LBPs. These insights from multiple sources position the Company as an early adopter in areas such as oncology and neurodegeneration. Indeed, the Directors believe that the Company's recent research collaboration and option to license agreement with MSD which, if triggered by MSD, includes an upfront cash payment, and the possibility of up to $347.5 million in option exercise and development and regulatory milestone payments for each of up to three indications, plus tiered royalties on annual

net sales of any licensed products derived from the collaboration, is indicative of the strength of the Company's development and clinical capability.

6.2 **Strategy**

The development of a novel class of therapeutics is driven by the progress and understanding generated by the underlying research. Whilst the Company's initial focus and interest was in the auto-immune and gastrointestinal space, the Directors believe the more immediate and greater value of live biotherapeutics is in therapeutic areas such as oncology where there is a potential to seek accelerated approval based on strong early clinical efficacy to address high unmet need tumour indications. The Company's research in oncology, and also that of third parties, supports the rationale that the microbiome can significantly impact the outcome of immunotherapy. Through the Company's MicroRx® platform, we have identified a specific strain with a robust immune-stimulatory mechanism, which showed a strong effect in pre-clinical models as both a monotherapy and also in combination with checkpoint inhibitors.

Through our research collaboration and option to license agreement with MSD, we are investigating the use of our strain in combination with Keytruda® at MD Anderson, Houston. The programme is focussed on those patients who have initially responded to checkpoint therapy but have subsequently progressed. Although this programme is in its early stages and recruitment to trial takes time given the material health challenges such patients face, the data generated so far is encouraging. The Directors believe that, if the safety and initial clinical efficacy readout from the first 12 patients recruited in the study, which we expect in Q2 2020, are positive, this will provide further validation and justification for an accelerated development pathway for MRx0518.

As the Company continues to build its focus in the oncology space, we will continue to look at new indication areas for our existing candidates, such as the pancreatic cancer trial recently commenced, as well as using MicroRx® to discover other novel therapies with different mechanisms, exemplified by MRx1299, which has been shown to exhibit HDAC inhibitory activity.

Beyond cancer, our work in asthma and neurodegeneration are both examples where the Directors believe the Company's live biotherapeutics approach has the potential to address significant unmet clinical needs. Asthma is a disease in which there has been little development in terms of new therapies in recent years, and there are still significant numbers of patients who are unable to effectively control their disease. Through our MicroRx® platform, the Company was able to identify a novel LBP that can address both neutrophilic and eosinophilic lung inflammation concurrently – something not possible with existing approved asthma therapies. This programme is now in a Phase I/II trial from which top line clinical data is expected in Q4 2020.

Similarly, with an increasingly aging population, neurodegeneration is becoming a significant burden on the healthcare system and it has also proved elusive for the pharmaceutical industry to tackle it through traditional approaches. At 4D we have most recently focussed our MicroRx® platform on the gut-brain axis. This work has identified two LBP candidates that address neuroinflammation and neurodegeneration in pre-clinical models. We are now working to plan initial clinical studies in this area of high unmet need.

In order to realise value in our original gastrointestinal and auto-immune programmes the Company intends to seek partnerships to facilitate further development. With the upcoming data readouts from the Phase II study of Blautix® in IBS, the Company is actively working with potential partners with whom the Company could enter into a licensing transaction pursuant to which the partner would lead the global development and commercialisation of Blautix®, with the Company providing support to the clinical and manufacturing functions.

6.3 **Prospects**

Over the coming months, the Company anticipates a number of clinical data readouts. Top line interim clinical data from the Blautix® Phase II study in IBS is anticipated in Q2 2020, with top line data on all subjects expected in Q3 2020.

Full safety and initial clinical data from Part A of the MRx0518 / Keytruda® Phase I/II study is expected in Q2 2020. In our other oncology studies, the Directors expect initial biomarker data from the MRx0518 Phase I monotherapy neoadjuvant window study in Q3 2020.

## 7. FINANCIAL INFORMATION

The published audited accounts of the Group for the last two financial years ended on 31 December 2017 and 31 December 2018, and the unaudited interim results of the Group for the half year ended 30 June 2019, are available from the Company's website, www.4dpharmaplc.com.

## 8. RISK FACTORS

The Company operates within a complex regulatory environment, which is subject to change. The nature of LBP product development exposes the Company to a number of additional risks and uncertainties which could affect our ability to meet our strategic goals, our business model and our operating environment.

The Company sets out its Company and market specific risk factors on a continual basis in its annual reports, which supplement the risk factors set out in its original admission document. The Company's most recently published annual report is that for the year to 31 December 2018, which is available on the Company's website: https://www.4dpharmaplc.com/en/investors/reports-presentations

Some additional risk factors in relation to the Fundraising are set out below. Although this list does not purport to be comprehensive, it represents, in the Board's view, the principal additional risks and areas of uncertainty that the Company will face following completion of the Fundraising. Shareholders should take independent advice if they wish to consider the suitability of these risks with regard to their own particular circumstances and investment criteria.

***Insufficient level of working capital in the event that clinical data and future prospects of LBP candidates fail to meet management expectations***

While the Directors are confident in the prospects of the expected results of the clinical trials of its LBP candidates, there can be no guarantee that investors or prospective partners will take the same view on announcement of these results. In such event, and in the absence of MSD triggering one or more of its options under the research collaboration and option to license agreement or another platform deal being agreed with MSD or another partner, the Directors would need to consider rapidly alternative strategic options. Such options would include the sale of the Company's platform technology and/or programmes in the near future, the cessation of the Company's ongoing research and development activities or the Company entering into liquidation or administration.

***Failure of existing Shareholders to vote in favour of the Resolutions at the General Meeting***

If the Resolutions are not passed at the General Meeting, the Board believes that there is no certainty that the Company will have access to sufficient alternative sources of funding, and the Directors would need to consider alternative strategic options, potentially including the sale of assets or the Company entering into liquidation or administration. In such a scenario, the Directors would not expect that existing Shareholders would receive any material value for their Ordinary Shares.

***Access to further capital and dilution***

Due to the nature of drug development, and despite the positive development of, and potential future milestone payments from, the research collaboration and option to license agreement with MSD to develop live biotherapeutics for vaccines using the Company's platform, the Company is likely to require additional funds for operating expenses and capital expenditure requirements. Accordingly, the Company is likely to need to engage in public or private equity financings or by raising debt securities convertible into Ordinary

Shares, or rights to acquire these securities to secure additional funds. Further, the rights, preferences and privileges attaching to new securities issued in future could be superior to those of the existing Ordinary Shares.

If the Company is unable to raise capital when needed, or on attractive terms, it may need to delay, reduce or close the Company's research and development programmes or any future commercialisation efforts.

***Third-party patents could limit the Group's freedom to operate***

A third-party patent could be granted that affects the Company's technology or one of its products. This could lead to us having to negotiate a licence, seeking to revoke the patent in legal proceedings, or even being unable to commercialise the future product, materially affecting future revenues.

Current patent disputes brought against the Company's patent rights do not cover any product in active development and so even if those challenges are ultimately successful, they will not leave any product unprotected or jeopardise the Company's freedom to operate in any way.

***Product development in a breakthrough technology could encounter unforeseen delays to programmes***

LBPs are a novel and emerging technology; neither the Company nor anyone else has taken an LBP through development and regulatory approval to the marketplace. The Company is currently working on a number of wholly owned development programmes in our pipeline which, subject to funding and successful development, will provide the Group with multiple opportunities to progress its proprietary product candidates to commercialisation. Failure to complete sufficient development activities (including but not limited to the enrollment of patients into clinical studies in accordance with planned timetables and costings) may impact on the Group's ability to bring products to market, whether with partners or independently. Such impact would affect the timings of future revenues, may require additional funding and hinder the Group's ability to deliver its strategic goals.

***Failure to gain regulatory approval***

The biotechnology and pharmaceutical markets are highly regulated by government authorities in the UK, the US and Europe. These regulatory requirements are a major factor in determining whether a substance can be developed into a marketable product and the amount of time and cost associated with such development. Even if the Company's products are approved, they may still face subsequent regulatory difficulties which could result in commercialisation delays and therefore financial loss.

## 9. GENERAL MEETING

The Company is seeking Shareholders' authority to allot the New Ordinary Shares and the Warrants in connection with the fundraising. Set out at the end of this Circular is a notice convening the General Meeting at which this authority will be requested. A Form of Proxy for use by Shareholders in connection with the General Meeting is also enclosed.

The Resolutions to be proposed at the General Meeting are, in summary, as follows:

- **Resolution 1** is to authorise the Directors, pursuant to section 551 of the Act, to allot unissued shares in the capital of the Company in respect of the Fundraising; and
- **Resolution 2** will, conditional on the passing of Resolution 1, dis-apply the statutory pre-emption rights to empower the Directors to allot equity securities pursuant to the power conferred in Resolution 1 on a non-pre-emptive basis in respect of the Fundraising.

Resolution 1 is an ordinary resolution and requires a simple majority of those voting in person or on a poll by proxy to vote in favour of that Resolution. Resolution 2 is a special resolution and will require not less than 75 per cent. of those voting in person or on a poll by proxy to vote in favour of that Resolution.

## 10. ACTION TO BE TAKEN

Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Registrar, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by post or by hand (during normal business hours only), as soon as possible and in any event so as to arrive no later than the close of business on 5 March 2020. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID RA10) by no later than the close of business on 5 March 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). This will enable your vote to be counted at the General Meeting in the event of your absence. The use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting (or any adjournment thereof) in person should you wish to do so.

## 11. INTENTIONS OF THE DIRECTORS IN RELATION TO THE FUNDRAISING

The Directors intend to vote in favour of the Resolutions to be proposed at the General Meeting in respect of their own legal and beneficial holdings, amounting to 20,515,736 Ordinary Shares (representing approximately 30.5 per cent. of the Company's existing issued ordinary share capital as at 17 February 2020 (being the Last Practicable Date)).

## 12. RELATED PARTY TRANSACTIONS

As a demonstration of their belief in the prospects of the Company and support of its strategy, the following Directors are participating in the Fundraising in the amounts set out below. This participation constitutes related party transactions pursuant to Rule 13 of the AIM Rules. The Independent Directors, having consulted with N+1 Singer, the Company's Nominated Adviser, considers that the respective participations in the Fundraising by each of the Participating Directors are fair and reasonable insofar as the Shareholders are concerned.

| | *Immediately prior to publication of this document* | | | *Consideration for Subscription Shares* | *Immediately following completion of the Fundraising* | |
|---|---|---|---|---|---|---|
| *Director* | *Shares* | *Shareholding* | *Subscription Shares* | *£* | *Shares* | *Shareholding* |
| David Norwood | 7,123,725 | 10.88% | 1,333,336 | £666,668 | 8,457,061 | 7.7% |
| Duncan Peyton | 6,455,075 | 9.86% | 1,333,332 | £666,666 | 7,788,407 | 7.1% |
| Alex Stevenson | 6,413,136 | 9.79% | 1,333,332 | £666,666 | 7,746,468 | 7.1% |
| **Total** | **19,991,936** | **30.53%** | **4,000,000** | **£2,000,000** | **23,991,936** | **21.9%** |

The proposed participation in the Fundraising by Richard Griffiths, who is a substantial shareholder and is subscribing for 5,000,000, or approximately 13.6 per cent. of the Fundraising Shares, also constitutes a related party transaction pursuant to Rule 13 of the AIM Rules. The Directors, having consulted with N+1 Singer, the Company's Nominated Adviser, consider that the participation in the Fundraising by Richard Griffiths is fair and reasonable insofar as the Shareholders are concerned.

## 13. DIRECTORS' RECOMMENDATION AND IMPORTANCE OF THE VOTE

The Directors believe that the Fundraising and the Resolutions are fair and reasonable as far as the Shareholders are concerned and are in the best interests of the Company and the Shareholders as a whole.

In making their recommendation, the Directors have taken into account various factors including the following:

- the unfunded financial position in which the Company finds itself relative to existing and emerging opportunities to create material value for Shareholders;

- the turbulent market conditions for businesses in our sector and the lack of credible alternative financing solutions of sufficient quantum and certainty that the Board believe are capable of being secured on acceptable terms and timescales; and
- the need to create a position from which the Company should be better placed to secure access to longer term capital.

**If the Resolutions are not passed, or the Fundraising does not proceed, the Board believes that there is no certainty that the Company will have access to alternative sources of funding, and the Directors would need to consider alternative strategic options, including the sale of the Company's platform technology and/or programmes in the near future, the cessation of the Company's ongoing research and development activities, or the Company entering into liquidation or administration. While the Company has achieved some success with its licensing deals to date, the Board does not consider there to be additional deals available on sufficiently attractive terms, and in any event capable of completion in a timely manner, as to be able to generate material short-term cash inflows to the Company. The Directors consider that in any of these scenarios, the residual value in the Company's assets would be significantly reduced.**

**In order to ensure that the business has access to adequate funding, and to avoid further material loss of value in the short term, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own holdings of Ordinary Shares.**

Shareholders should take independent advice if they wish to consider the suitability of these risks with regard to their own particular circumstances and investment criteria.

Further consideration of additional risk factors relating to a continuing investment in the Company following completion of the Fundraising is given in paragraph 8, above. Shareholders should take independent advice if they wish to consider the suitability of these risks with regard to their own particular circumstances and investment criteria.

Copies of this Circular will be available for inspection free of charge at the registered office of the Company and at Pinsent Masons LLP (at 30 Crown Place, Earl Street, London EC2A 4ES) during normal business hours on any Business Day from the date of this Circular up to and including the date of Admission.

Yours faithfully,

**David Norwood**
*Non-Executive Chairman*

# NOTICE OF GENERAL MEETING

## 4D PHARMA PLC

*(a public limited company incorporated and registered in England and Wales with registered number 08840579)*

Notice is hereby given that a general meeting of 4D pharma plc (the "**Company**") will be held at 9 Bond Court, Leeds, LS1 2JZ at 10 a.m. on 9 March 2020 for the purposes of considering and, if thought fit, passing the following resolutions. Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

**RESOLUTIONS**

1. **THAT**, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), the Directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company, or grant rights to subscribe for or to convert any security into ordinary shares of 0.25 pence each in the capital of the Company, up to an aggregate nominal amount of £165,000 in respect of the Fundraising, **PROVIDED THAT** this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 31 March 2020 **EXCEPT THAT** the Company may, before such expiry, make an offer or agreement which would or might require shares to the allotted or the granting of rights to subscribe for, or convert any security into, shares in the Company in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

   The authority referred to in Resolution 1 is in addition to the authority to allot shares and grant rights to subscribe for or to convert any security into shares granted by the Company at the annual general meeting of the Company held on 20 June 2019.

2. **THAT**, subject to and conditional on the passing of Resolution 1, the Directors be and are hereby generally empowered, in addition to all Existing Authorities, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash as if section 561 of the Act did not apply to any such allotment, such power to be limited to the allotment of equity securities up to a nominal amount of £165,000 and to expire on 31 March 2020, **EXCEPT** that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or the granting of rights to subscribe for, or convert any security into, shares in the Company after such expiry and the Directors may allot shares and grant rights to subscribe for, or convert such security into, shares in the Company in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

   The authority referred to in Resolution 2 is in addition to the authority granted by the Company at the annual general meeting of the Company held on 20 June 2019.

**BY ORDER OF THE BOARD:**

**Duncan Peyton**
*Chief Executive Officer*

*Registered Office:*
9 Bond Court
Leeds
LS1 2JZ

Dated: 19 February 2020

**EXPLANATORY NOTES**

In this Notice of General Meeting, words and defined terms shall have the same meanings as words and defined terms in the Circular to which this Notice of General Meeting is attached.

A notice convening a General Meeting to be held at be held at 9 Bond Court, Leeds, England, LS1 2JZ at 10 a.m. on 9 March 2020 is set out at the start of this document.

1. A member entitled to attend and vote at the General Meeting is also entitled appoint one or more proxies of their own choice to exercise all or any of their rights to attend, speak and vote on their behalf at a general meeting of the Company. A member can only appoint a proxy using the procedures set out in these Explanatory Notes and the notes to the accompanying Form of Proxy.

2. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies.

3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the resolutions) which may properly come before the General Meeting.

4. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names of the holders stand in the Company's register or members in respect of the joint holding.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that each representative is appointed to exercise the rights attached to a different share or shares held by the member.

6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), to be entitled to attend and vote at the General Meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by the close of business on 5 March 2020 (or, in the event of an adjournment, the close of business on the date which is two days before the time of the adjourned meeting excluding any part of a day that is not a working day). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.

7. A Form of Proxy is enclosed with this Notice of General Meeting. To be effective, a Form of Proxy must be completed and returned to the Registrars, Link Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (or by hand to the same address during normal business hours), together with any power of attorney or authority under which it is completed or a certified copy of such power or authority, so that it is received by the Company's Registrar not less than 48 hours (excluding any part of a day that is not a working day) before the stated time for holding the meeting. Any such power of attorney or other authority cannot be submitted electronically. Returning a completed Form of Proxy will not preclude a member from attending the meeting and voting in person.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in

accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by close of business on 5 March 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

12. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him and the Shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting.

13. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in paragraphs 1 and 2 can only be exercised by ordinary Shareholders of the Company.

14. Completion and return of a Form of Proxy will not preclude a member from attending and voting in person at the General Meeting.

15. In order to terminate the appointment of a proxy, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke such appointment to the Registrar. To be effective, the notice of termination must be received by the Registrar by the method outlined in note 7 no later than 48 hours prior to the time appointed for the General Meeting.

16. As at 17 February 2020, being the Last Practicable Date, the Company's issued share capital consists of 65,493,842 Ordinary Shares of 0.25 pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 17 February 2020 are 65,493,842.

17. Any member holding Ordinary Shares attending the meeting has the right to ask questions. The Company must answer any such questions relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

18. A copy of this notice, and other information required by section 311A of the Act, can be found at www.4dpharmaplc.com

19. You may not use an electronic address provided in either this notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

20. The following documents will be available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) from the date of this notice until the date of the General Meeting and at the place of the General Meeting for 15 minutes prior to and during the meeting:

    - the articles of association of the Company;
    - the audited consolidated accounts of the Group for the two financial years ended 31 December 2017 and 31 December 2018;
    - the unaudited interim results of the Group for the half year ended 30 June 2019; and
    - this Circular.

21. You may register your vote online by visiting the website of the Company's registrar, Link Asset Services, at www.signalshares.com. In order to register your vote online, you will need to enter your Investor Code which can be located on your share certificate. The return of the Form of Proxy by post or registering your vote online will not prevent you from attending the General Meeting and voting in person, should you wish. Alternatively, Shareholders who have already registered with the Registrar's online portfolio service can appoint their proxy electronically by logging on to their portfolio at www.signalshares.com and click on the link to vote. The on-screen instructions give details on how to complete the appointment process. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after close of business on 5 March 2020.