MASTER INVESTOR PRESENTATION

23 APRIL 2016

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Any forward-looking statements are based on currently available competitive, financial and economic data together with management's views and assumptions regarding future events and business performance as of the time the statements are made and are subject to risks and uncertainties. We wish to caution you that there are some known and unknown factors that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements, including but not limited to uncertainties as to how DARA stockholders may vote in respect to the merger proposal, the possibility that competing offers may be made, the possibility that various closing conditions for the Acquisition may not be satisfied or waived, operational challenges in achieving strategic objectives and executing plans, the risk that markets do not evolve as anticipated, the potential impact of the general economic conditions and competition in the industry. The risks included are not exhaustive.

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A Rapidly Growing International Specialty Pharmaceutical Company

UK-based public company (plc)

- IPO on London's AIM (MTPH) raising £32 million in 2014
- ADRs listed on NASDAQ (as MTP) in Dec 2015
- c.100 employees across Europe & the USA
- Multiple acquisitions driving fast revenue growth
- £16.2m / $24m cash as of December 31st 2015

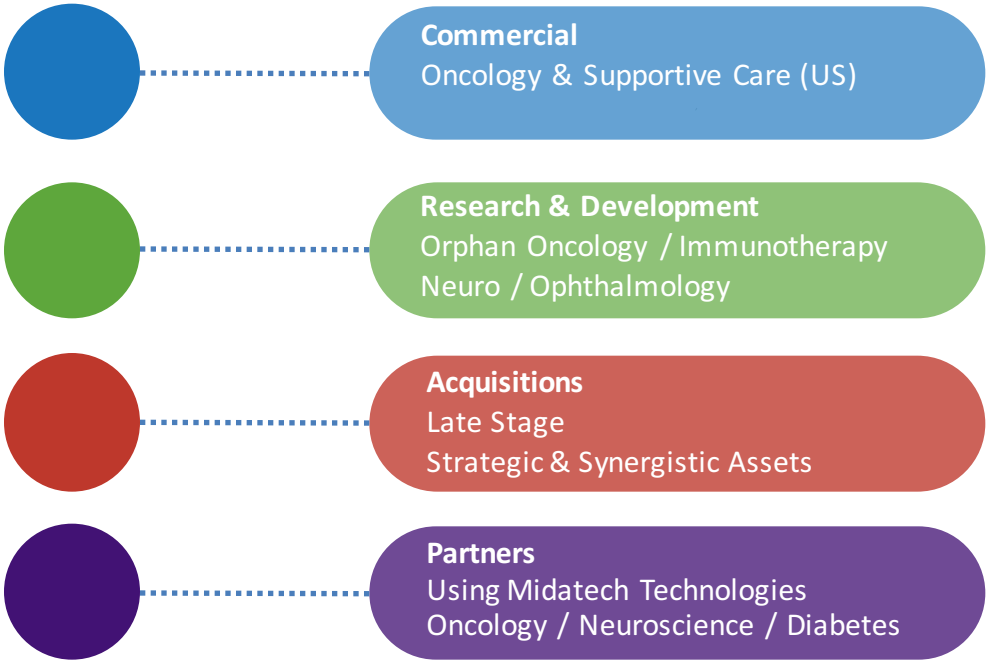
Oncology / US Commercial Team (40)

- 6 fast-growth marketed products
- Including 1 mature product in US
- Multiple topline growth expected in 2016 vs 2015

Fully integrated R&D capabilities with two platform technologies

- Full R&D capability
- Glycan coated gold nanoparticles
- CAD "printed" sustained release particles

Our Approach – Business Model



soltamox® (tamoxifen citrate) oral solution

Zuplenz (ondansetron) oral soluble film

Ferralet 90

gelclair

aquoral

DANA-FARBER CANCER INSTITUTE

University of BRISTOL

RENISHAW apply innovation™

Q Chip

DARA BioSciences

Zuplenz (ondansetron) oral soluble film

Midatech Pharma US – marketed products

Products through acquisition of DARA BioSciences Inc. (June 2015)

- Adds NASDAQ listing and headquarters in Raleigh, NC with 32 US field organisation
- Merger establishes Midatech Pharma's US-based commercial arm
- Products focused on oncology and supportive care
- Portfolio of six approved products
- Provides platform for additional product license and acquisition opportunities

Buccal Tablet For Oral Candidiasis In Adults
Serious complication for patients undergoing radio/chemotherapy
Launched H2 2015 – first full year of sales 2016

ORAVIG miconazole buccal tablets

Hyaluronic Acid Oral Gel For Oral Mucositis
85-100% of H&N cancer patients on chemo/radiotherapy develop OM
Leads market in US strong growth expected 2016

gelclair®

Dual Iron Delivery
Anaemia treatment

Ferralet® 90

Oral Spray Treatment For Dry Mouth
Xerostomia

aquoral®

The only liquid oral tamoxifen available in the US
Breast Cancer

soltamox® (tamoxifen citrate) oral solution

Zuplenz® acquired from Galena Biopharma (April 2016)

Oral soluble transmucosal film to prevent post-Operative, Chemotherapy and Radiation-Induced Nausea and Vomiting in US
Launched on April 11TH
Patent protected up to 2029

Zuplenz (ondansetron) oral soluble film

Comprehensive offering of oral supportive care products for cancer patients

UNIQUE TECHNOLOGIES

Gold Nanoparticle Technology (GNPs)

TARGETING

Multivalency binding of several targeting and therapeutic agents to single nanoparticle

Small size ~1.5nm and charge allows transport to disease sites that are otherwise very difficult to reach

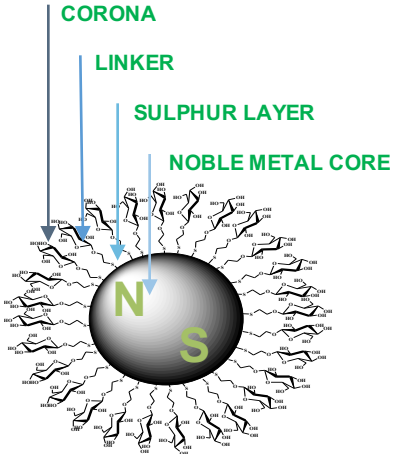
COMPATIBILITY

Inert, biocompatibility and small size of drug conjugates evades the immune system

EXCRETABILITY

Drug conjugates eliminated via the kidneys and liver

+



1.4 - 1.8nm

Smallest particles in biomedical use: 10x-20x smaller than peers

THERAPEUTICS

Payloads conjugated to form small (~5nm) medicines for targeted delivery

SOLUBILITY

Enable the transport of non-soluble and lipid soluble compounds to disease sites

RELEASABILITY

Designed to release the active compound inside the cell

SCALABILITY

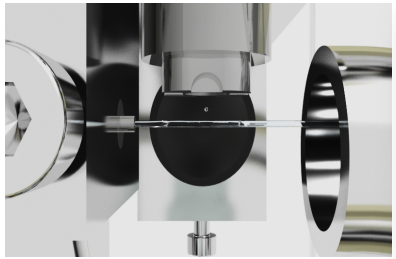
Internal GMP manufacturing facility

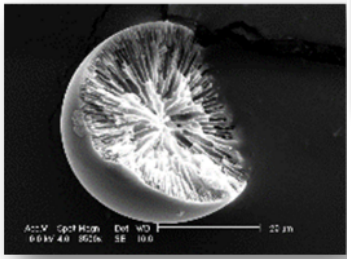
Sustained Released Microsphere Technology (SR)

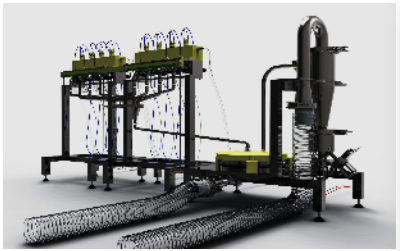
PROPRIETARY MICROSPHERE PLATFORM
- Emulsion-free synthesis with product monodispersity
- Precise control over particle size, morphology, kinetics
- High drug loading, minimal burst release, essential to development of safe & effective therapies

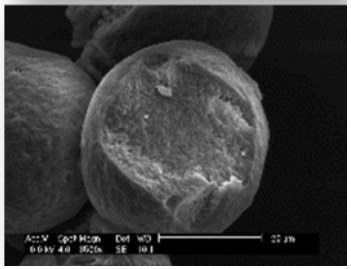
SLOW RELEASE
Control release of API over period of 3-6 months following single injection

PRINTING" DRUGS AT SCALE
- Easily scalable printing '000,000 particles per second







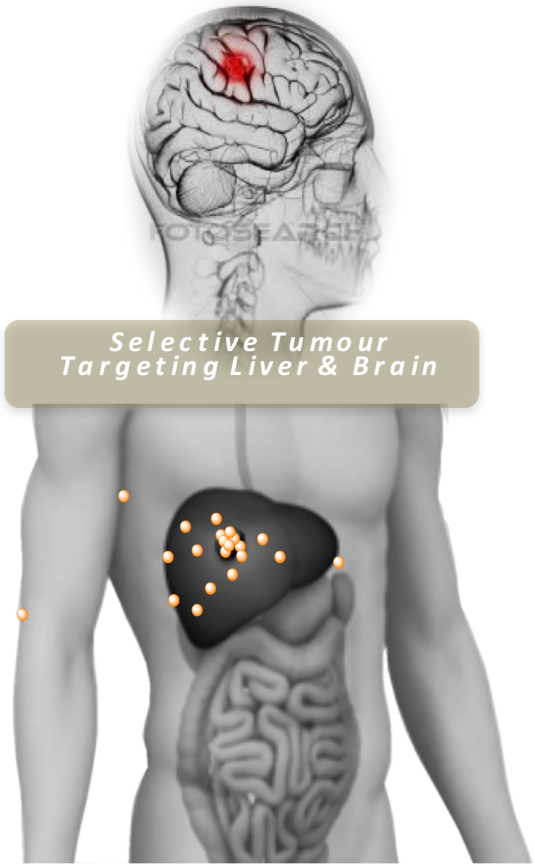


MICROPARTICLES
- Encapsulate drugs into microparticles degradable in a predictable and tuneable fashion Compatible with small molecules – peptides, oligonucleotides, proteins

ADVANTAGES
- Readily injected via minimally-invasive needles as fine as 30G
- Minimal pain
- Eye and other difficult areas
- Process and cost efficiency

Breakthrough GNP Cancer Therapies: Targeting Tumors

- Target cell surface receptors unique to tumours
- Maximise efficacy
- Limit side effects & damage to healthy tissue
- Focus on orphan liver (HCC) and brain (GBM) cancer



THERAPEUTICS AREAS

HCC: Hepatocellular Carcinoma

Receptors on HCC tumour cells bind and internalise GNPs, after which the therapeutic payload is released

Sixth most frequent cancer globally and the second leading cause of cancer death

- Surgical resection is the major treatment option for HCC
- Only 10 – 20% of HCC can be removed completely using surgery

Candidate selection ongoing, and IND enabling planned to commence end 2016

Diabetes Vaccine (FP7 EE-ASI)

Innovative vaccine against Type 1 Diabetes

- Discovery, pre-clinical and toxicology work completed between 2012 – 2015
- **First in Human clinical trials Q2 2016**
- Using GNP to *preferentially target specific immune cell*
- GNP immune mechanisms are being actively researched for further application in oncology immunotherapy

Diabetes: Treatment For Type 1 Diabetes (T1D)

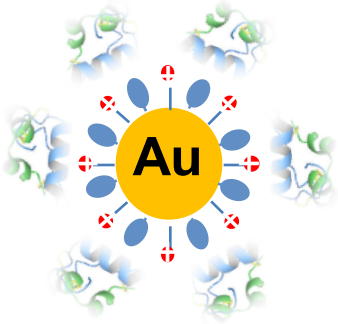
MidaSol (JV with MonoSol, USA)

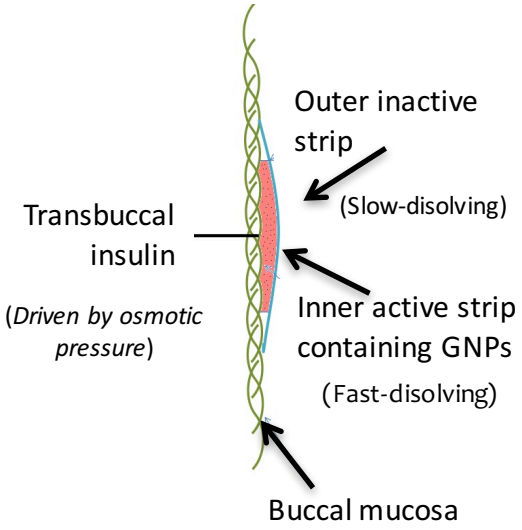
MidaForm Insulin PharmFilm® – GNP buccal insulin therapy for needle-free delivery of insulin for diabetes treatment

- Self-dissolving, oral, postage stamp-sized strip containing GNP conjugated insulin

- More convenient, safer and more discrete form of insulin delivery than injections
- Enhanced patient compliance, and easy to use

- Completed in life phase January 2016
- Clinical Study Report is expected in May 2016





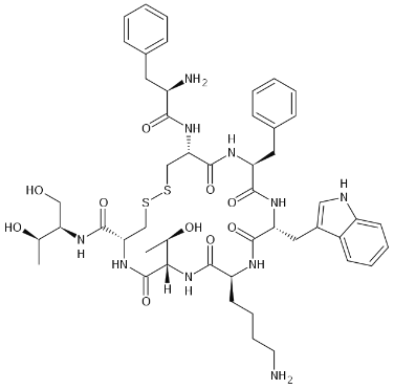
Carcinoid & Acromegaly: **Octreotide** - Long-Acting Drug Delivery

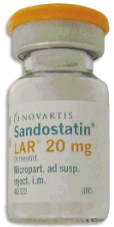
Long-acting formulation of Octreotide acetate for chronic treatment of Acromegaly/Cancer

Once-monthly injectable depot with lower CoGs

Currently in final stages preclinical development

- Entering bio-equivalance studies in 2016/7
- Planned US Launch in 2018/9



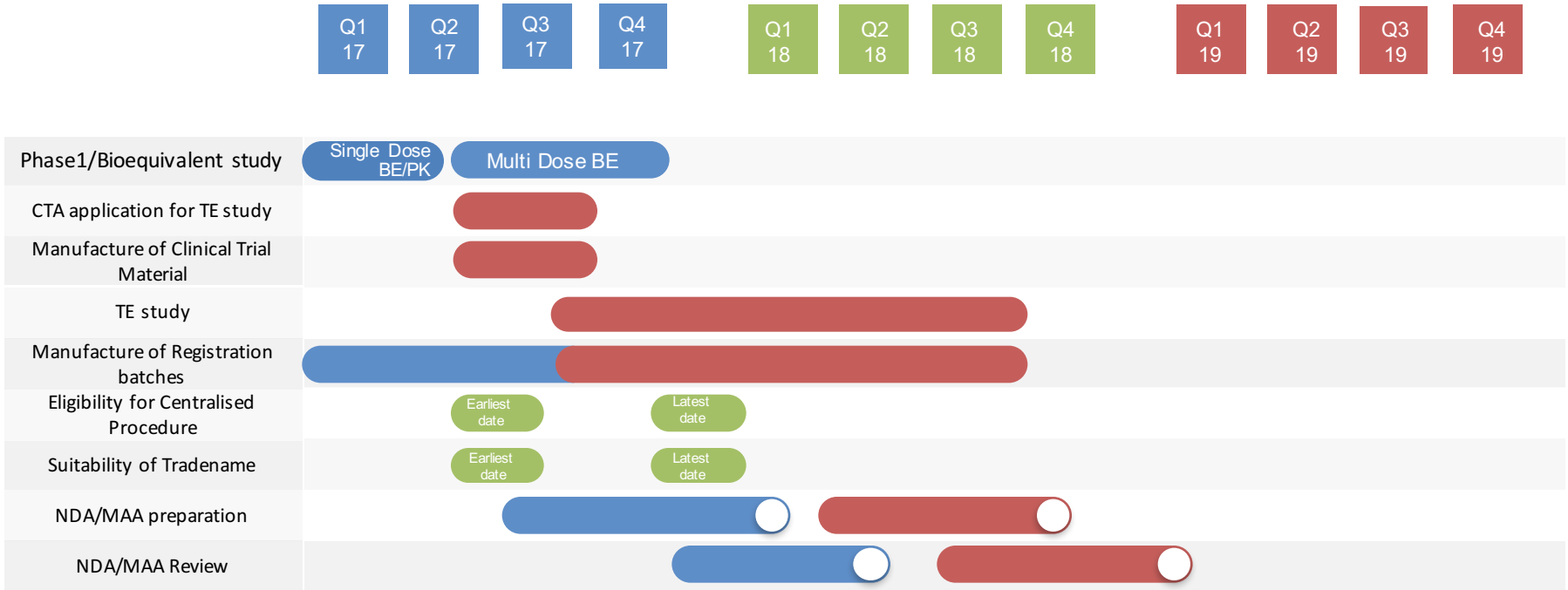


Market worth over $2bn

Significantly easier to reconstitute and administer

- Seconds to reconstitute vs 35 minutes
- In home administration with patient friendly device vs. current administration in clinic via IV
- Smaller needle
- Can reduce clinical visit time by more than half

Estimated Timeline & Key Milestones to Commercial Launch



Key post approval activities (where needed) : Reimbursement submissions; Promotional material submission/approval; Notification of launch

BIOEQUIVALENCE ROUTE

THERAPEUTIC EQUIVALENCE ROUTE

GBM: Glioblastoma

Signed Collaborative Deal with Dana-Farber Cancer Institute In April 2015

Receptors on GBM tumour cells bind and internalise GNPs where the therapeutic payload is released

Dana-Farber is the principal teaching Institute of Harvard Medical School in Boston, MA and one of the premier cancer institutes in the US

Worldwide, there are an estimated 240,000 cases of brain and nervous system tumours per year

- GBM is the most common, and the most lethal, of these tumours

Survival typically 12 to 15 months with less than 5% surviving longer than five years

Candidate selection ongoing, and IND enabling planned to commence end 2016

Signed Collaborative Deal with Ophthotech in August 2015

Ophthotech (Nasdaq: OPHT) is a biopharma company specialising in treating diseases of the back of the eye

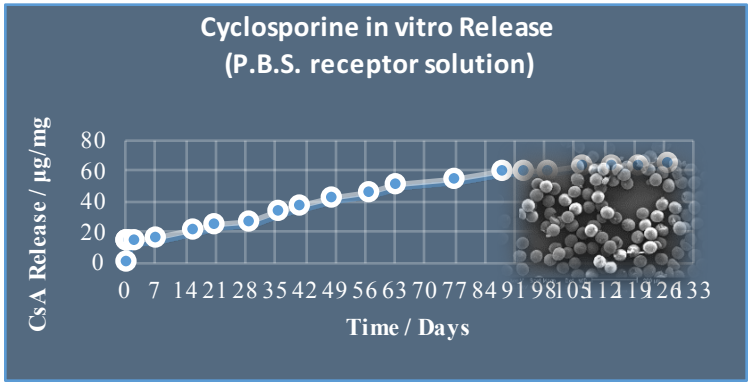
Collaboration will test the feasibility of using Midatech's Q Sphera microencapsulation technology for sustained delivery of select Ophthotech products

Q Sphera uses inkjet printing technology to produce monodisperse microparticles

- Flow process: tanks of ink replaced by drug & polymer

Uveitis: **OpsiSporin** - Long-Acting Drug Delivery

Intravitreal injection into the eye with minimal transfer to the blood



OpsiSporin is 3-monthly injectable formulation of cyclosporine for treatment of non-infective uveitis

Uveitis growing rapidly ~$1.3bn market, current treated by eyedrops, immuno-suppresives or systemic

Preclinical in 2016

DIPG: Diffuse Interstitial Pontine Glioma (MTX110)

01 **Dosing commenced 29/02/2016 (NPS)**

- Compassionate use request received from Bristol Royal Infirmary Oncology to treat young girl suffering from DIPG
- Patient doing well post dosing, and additional patients planned

02 **Ultra rare childhood tumour**

- 300 cases / year, no survivors

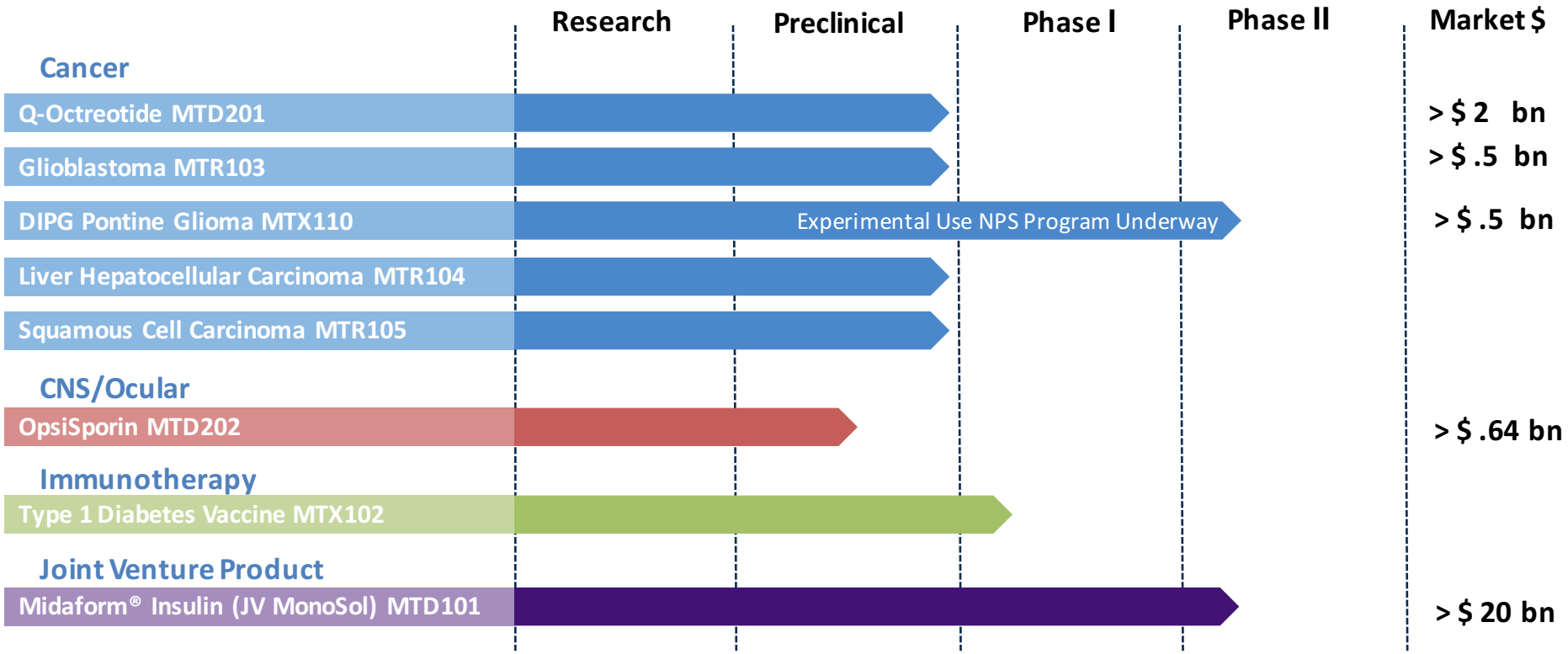
03 **Ultrahigh unmet need**

04 **Opportunity to earn revenue prior to registration**

05 **Could result in a fast tracked product to market for Midatech**

Midatech actively pursuing local delivery directly into the tumour through Convection Enhanced Delivery (CED) that delivers therapeutic constructs directly into the tumour via a series of catheters fixed into the substance of the tumours

Development Pipeline



Executing on Strategic Objectives to 2019

To have **acquired** at least 2 other value **enhancing businesses**
Q-Chip in 2014
DARA BioSciences – Dec 2015
Zuplenz (product) – Dec 2015

Established and continue to expand **US commercial presence**

Establish **EU commercial organisation**

To have >2 **products licensed to partners**
- 1 to date

To have >1 **own product marketed**
- Q-Octreo on course

To **be breaking-even**

To be growing **top-line revenue** each year by minimum 50%
- Estimate for 2015 Vs 2014 = 700% Growth
- Market expectation 2016 Vs 2015 = 700% Growth

To be recognised as a **leading** emerging specialty pharma company globally

Expand Partners & Applications

Establish Partnerships for Q-Octreotide

- Midatech will promote in the US in cancer
- US partner for endocrinology currently under discussions

Secure Partner for OpsiSporin Programme

- Experienced ophthalmology company

Allow Access to Q-Sphera & GNP Platforms

- Capitalise on the existing partnerships

Leverage Existing Commercial Partnerships

2016 Expected News Flow

- **Zuplenz:** US commercial launch in H1 ✓
- **Gelclair:** Maintenance of growth & leadership position in US market
- **Oravig:** First full year of sales in US post launch in Q4 2015
- Further deployment of core technologies via licensing deals to new & existing partners increasing revenue
- First brain tumour cancer therapy into patients H1
- First immunotherapy vaccine in clinical trials in H1
- Joint venture insulin Phase Iia results H1
- AGM in May

Summary

2015 Highlights

Acquired Dara Biosciences, an oncology supportive care pharmaceutical company

- Adds an attractive portfolio of cancer supportive care products
- Establishes fully integrated US-based commercial organisation (Midatech Pharma US)

Acquired Zuplenz (ondansetron), a marketed anti-emetic approved in the US

- Approved for use in multiple indications and recently launched into the $10bn US market
- Bolsters marketed oncology product portfolio

Established supply agreement for Q-Octreotide signed with Centurion Pharma

- Focused on development and commercialisation of products in Turkish market

Commencement of Phase IIa study of Midaform Insulin Type 1 Diabetes Program

- Small trial to establish PK/PD profile of MSL-001

Established two research collaborations that expanded pipeline

- Dana Farber to test Midatech's targeted nanomedicines against glioblastoma
- Ophthotech Corporation to explore opportunities in ocular indications

In 2015 Midatech executed against all key areas of its business model

2015 Financial Highlights

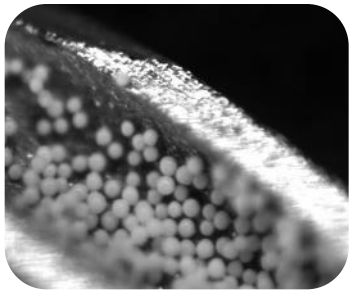
- **Total revenue** for the year up 763% to £1.38m (2014: £0.16m, 2013: £0.15m)
- £16.18m **cash and deposits** at 31 December 2015 (2014: £30.33m, 2013: £2.39m)
- **Net loss** after tax of £11.74m (2014: £8.82m, 2013: £4.08m)
- **Net cash outflow** in the year of £14.17m (2014: £27.94m inflow, 2013: £2.25m inflow)
- **Tax credit** receivable of £1.20m (2014: £0.84m, 2013: £0.80m)

Summary

Midatech Pharma

An International Specialty Pharma Company

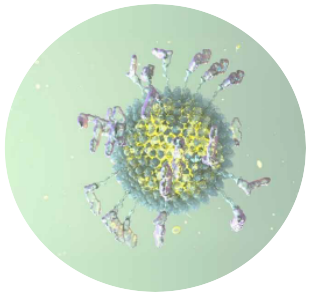
- US commercial arm has 4 products in oncology, driving fast revenue growth
- Own product launches from 2018-19 at high margin



Photograph of section through needle showing microspheres

Leading Platform Technologies

- GNP Technology
- Sustained Release



Representation of a gold nanoparticle

On-track Execution Of Three-Pronged Strategy For Growth And Value Creation

- Driving revenue growth
- Developing clinical portfolio
- Seeking attractive acquisition targets

Thank You

Cutting-Edge Cancer Therapies

Combining chemotherapeutic medicines with tumour-targeting molecules or peptides via GNP technology

Highly toxic drugs specifically targeted to tumor cells while sparing normal tissue

Solubilise, mobilise, functionalise, active therapeutic ***agents*** for release at specific organs, cells or sites of disease

Multiple agents attached to a single GNP

Target via:

- unique tumour cell surface receptors
- preferential uptake by cell for nutrition or cell processes

Focus on ***liver*** cancer and ***brain*** cancer