

**Proposed Acquisition of DARA BioSciences
4 June 2015**



MIDATECH PHARMA

Analyst and investor call: 10:30am GMT on 4th June 2015

To participate in the conference call, please use the following dial-in:

Tel: +44 1452 555 566

Conference ID: 59779124

Replay details available upon request by emailing midatech@consilium-comms.com

IMPORTANT NOTICE

Neither this presentation, the publication in which it is contained nor any copy of it may be made or transmitted into the United States of America (including its territories or possessions, any state of the United States of America and the District of Columbia) (the “United States”). Neither this presentation, the publication in which it is contained, nor any copy of it may be taken, transmitted or distributed, directly or indirectly, into Australia, New Zealand, South Africa, Japan, Canada or Switzerland or any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Any failure to comply with this restriction may constitute a violation of securities law in those jurisdictions. The distribution of this presentation in other jurisdictions may also be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or any other securities in Midatech Pharma PLC nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefore. The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession any presentation or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, this presentation does not itself constitute an offer for sale of, or a solicitation to purchase or subscribe for, any securities of Midatech Pharma PLC in the United States. There will be no public offering of the securities in the United States.

Investors should not make any investment decision regarding any transferable securities to which this presentation relates except on the basis of information to be contained in the public presentation to be published in due course in connection with the proposed transaction.

Disclaimer

Certain statements in this presentation may constitute “forward-looking statements” within the meaning of legislation in the United Kingdom and/or United States. Such forward-looking statements include, but are not limited to, statements regarding the expected completion of the acquisition, any expected free cash flow generation, any expected NASDAQ listing, any market and growth opportunities, the amount of anticipated cost synergies and other benefits associated with the acquisition and other statements that are not historical fact. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “potential,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, the acquisition, levels of activity, performance, or achievements.

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.

Reference should be made to those documents that Midatech and DARA shall file from time to time or announcements that may be made by Midatech and/or DARA, in the case of Midatech, in accordance with the London Stock Exchange AIM Rules for Companies (“AIM Rules”) and the Disclosure and Transparency Rules (“DTRs”) and in the case of DARA the US Securities and Exchange Commission (“SEC”), including the section titled “Risk Factors” of DARA’s most recent Annual Report filed on Form 10-K and Quarterly Reports on Form 10-Q. This is in addition to the proxy statement/prospectus to be filed by Midatech and DARA, which shall contain and identify other important factors that could cause actual results to differ materially from those contained in any projections or forward-looking statements. These forward-looking statements speak only as of the date of this announcement. All subsequent written and oral forward-looking statements by or concerning Midatech or DARA are expressly qualified in their entirety by the cautionary statements above. Except as may be required under the AIM Rules or the DTRs or by relevant law in the UK or the US, Midatech and DARA do not undertake any obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise arising.

Recap on Midatech



Gold nanoparticles and microspheres for drug delivery



Strong cash position and reliable revenue



Top-tier pharma partners



Organic, acquisitive growth strategy



Key focus on oncology



Strong pipeline nearing commercial viability



Sector-leading manufacturing facility



Management with proven value creation

Emerging specialty pharma company

Midatech intends to generate value from its nanoparticle technology

New patented medicines created using its platforms to enhance well known therapeutics

Midatech business model has 3 components:

1

Partner Products

Diabetes / Oncology / Neuroscience
(Including Eye disease)

Selected contracted partners



Alongside two top 10 and two specialty pharma companies

2

Own Products

Orphan Oncology

Key collaborative partner



3

Acquisitions

Late stage strategic synergistic and complementary assets



*Proposed

RAPID GROWTH STRATEGY AND COMMERCIAL BUILD-OUT

Existing therapeutic areas & key collaborators

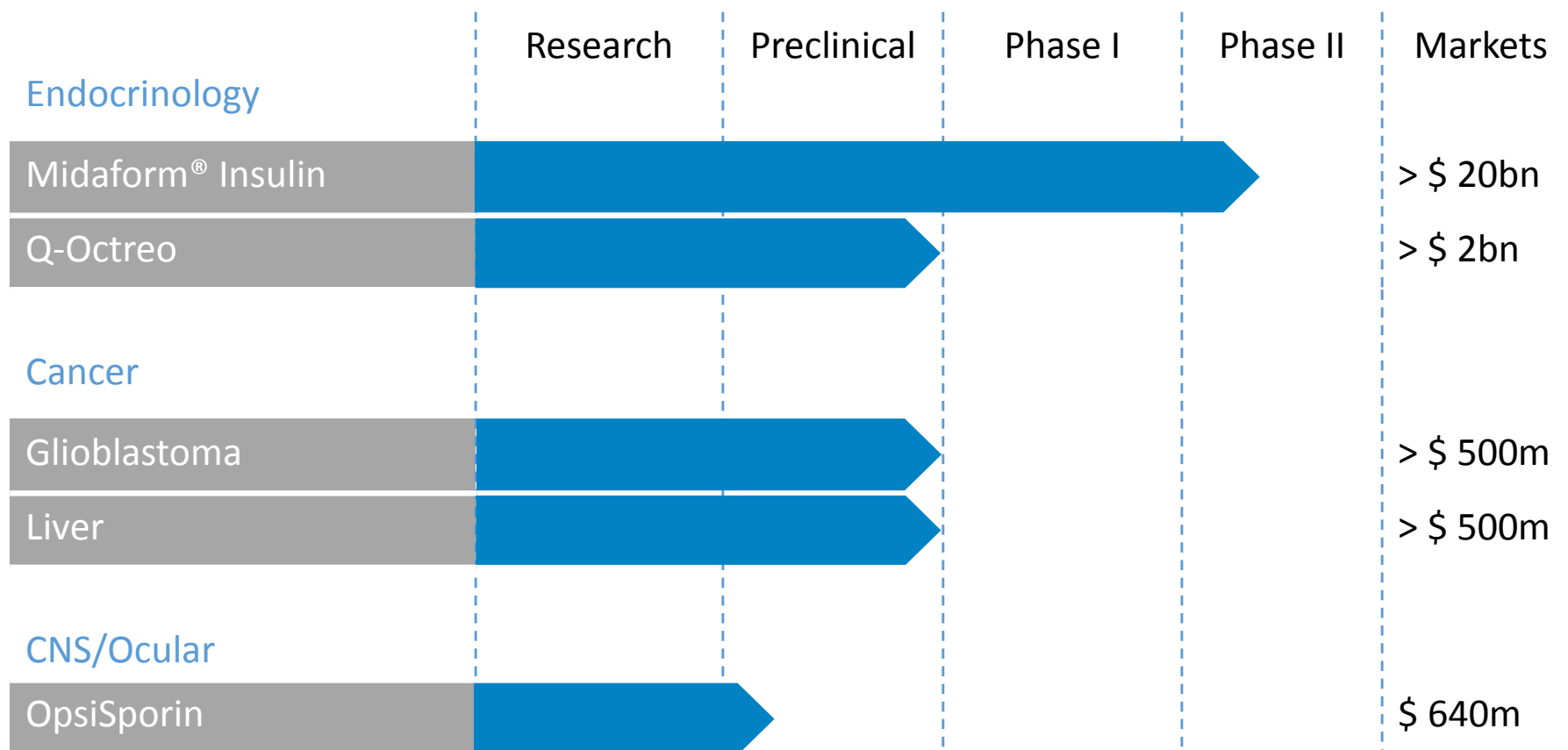
THERAPEUTIC AREA	COLLABORATOR	PROGRAMME	PROJECT	CURRENTLY REVENUE EARNING	MARKET SIZE**
Endocrinology	MonoSol Rx	MidaSol JV	Transbuccal Insulin	No (50:50 JV)	>\$20bn
	MonoSol Rx	MidaSol JV	Transbuccal GLP1	No (50:50 JV)	>\$6bn
	Top 6 US Pharma*	MidaSol JV	Transbuccal Insulin	Yes	>\$2bn
	Multiple / EU Funded	FP7	Diabetes Vaccine	Yes	n/a
	Funded in-house	Carcinoid Syndrome	Q-Octreotide	No	>\$2bn
Oncology	Dana-Farber Cancer Institute	Orphan	Glioblastoma	No	>\$500m
	European Specialty Pharma*	Orphan	Liver Cancer	Yes	>\$500m
	Open University	Skin / Lung	Squamous Cell Cancers	No	>\$2bn
	Dana-Farber Cancer Institute	Orphan	Liver / Pancreatic Cancer	No	>\$500m
Neuro / Ophthalmology	Funded in-house	Eye disease	Uveitis (Opsiporin)	No	\$640m
	Top Ophthalmology Pharma*	Eye disease	Controlled Release	Yes	n/a
	Ophthalmology Biotech*	Eye disease	Controlled Release	Yes	n/a
	Open University	BBB	Brain delivery of Cytokines	No	n/a
Other	Biotech arm of Top 10 Pharma*	Various	Peptides	Yes	n/a
	Eurostars Consortium	Dermatology	Psoriasis	Yes	>\$500m

Leading Insulins are Lantus \$6bn, NovoRapid \$3bn, Humalog \$2.6bn (sales 2013)

* Undisclosed

** Market sizes are management estimates derived from Global Data and other sources

Existing internal pipeline



- Five partnerships with blue chip pharma & specialty pharma in diabetes, cancer & ophthalmology
- Licensing revenue opportunities from 2015/6

DARA acquisition enhances Midatech equity story

- Proposed conditional acquisition agreement with DARA BioSciences, Inc. (NASDAQ: DARA)
- Oncology supportive care pharmaceutical company
- Subject to certain adjustments, Midatech will issue approximately 5.4 million ordinary shares in exchange for the outstanding shares of DARA, for an implied valuation of \$1.20 per DARA share or approximately US\$24.0 million (£15.8 million) in equity value
 - Initial Exchange Ratio of 0.272 Midatech shares for each DARA share
 - Exchange ratio will be fixed at 0.272 subject to an implied acquisition price range of \$1.08 to \$1.32 per DARA share and will be adjusted for movements outside this range, subject to a maximum exchange ratio of 0.306 and a minimum of 0.249
 - To be settled in a proportionate number of ADRs, expected to be admitted to trading on NASDAQ
 - At the initial exchange ratio, DARA stockholders are expected to own approximately 16% of Midatech after the closing of the transaction
- Additional contingent value rights (“CVR”) representing potential conditional payments, for a maximum cash consideration of US\$5.7 million (£3.8 million)
 - To be paid in the event that certain sales milestones with respect to DARA’s products Gelclair® and Oravig® are met
 - Due in 2017 and 2018 upon attainment of the defined sales thresholds in 2016 and 2017, respectively

DARA BioSciences

- DARA is a specialty pharma focused on oncology treatment and supportive care products
 - Oncology supportive care portfolio of 5 products
 - Phase 2 Orphan designated NCE for CCIPN / multiple myeloma
- Headquarters in Raleigh, NC; US salesforce of approx. 20
- 2014 revenues of \$1.9 million
 - Gelclair® launched Q4 2013
 - Oravig® recently in-licensed from Onxeo – Q4 2015 launch planned
- Cash balance of \$9.9 million as of March 31, 2015
- Public company, quoted on Nasdaq
 - Research coverage: HC Wainwright, Ladenburg Thalmann

DARA BiSciences^{NC}

Marketed Products

gelclair®

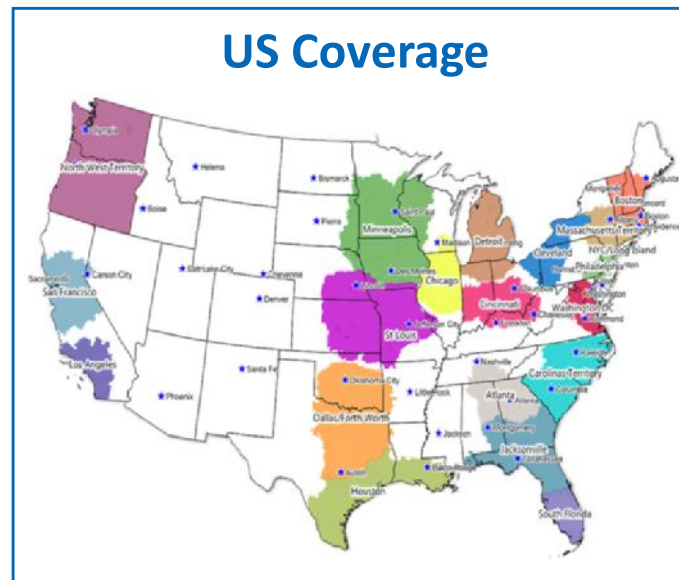
soltamox®

Ferrale[®] 90

once-daily
ORAVIG[™]
miconazole buccal tablets 50 mg

aquoral®

US Coverage



Highlights of the acquisition

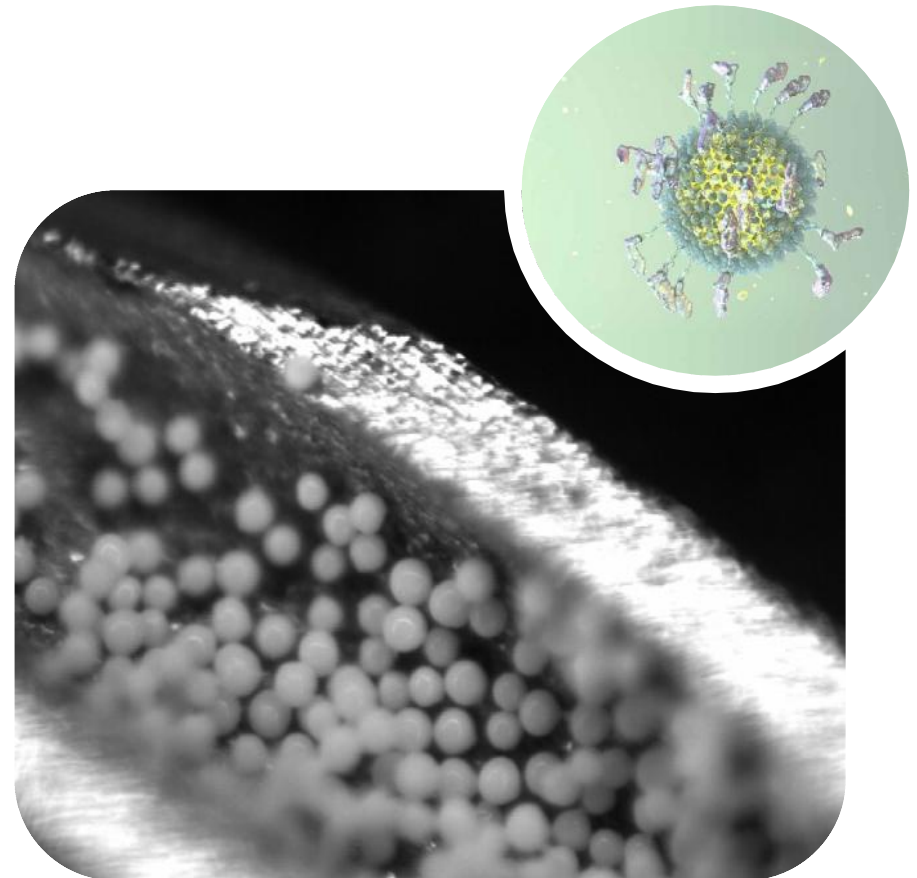
- Excellent strategic fit – strengthens Midatech’s franchise in oncology
- Immediate access to revenue generating product portfolio in cancer supportive care
- Provides commercial platform in US
 - Will enable Midatech to launch its self-developed products, including Q-Octreo, in the largest & most profitable pharmaceutical market
- Immediately accretive to top line
- Cost synergies of \$0.5 million identified
- Acquisition expected to generate positive cash flows from early 2018 bringing forward the Group breakeven point
- Further diversifies the business and accelerates the transition towards a leading specialty pharma company
- Multiple growth catalysts

Strategic rationale – products and salesforce

- International diversification into US adding differentiated and attractive portfolio of oncology supportive care products, including:
 - Gelclair[®], an oral gel indicated for the management and relief of pain due to oral mucositis during cancer treatment;
 - Oravig[®], an orally-dissolving buccal tablet approved for oral thrush due for launch in Q4 2015;
 - Soltamox[®], the only liquid form of tamoxifen, is indicated for the treatment of metastatic breast cancer; and
 - Co-marketed products with Mission Pharmacal: Ferralet[®] 90 (for anaemia), and Aquoral[®] (for chemotherapy/radiation therapy-induced dry mouth)
- Lays groundwork for future opportunities, including potential U.S. launch of Midatech's existing pipeline products
 - e.g. Q-Octreo for carcinoid syndrome/acromegaly

Summary

- DARA brings access to new products in oncology for potential fast growth and commercial footprint in US
- Delivering in-line with strategy as set out at time of IPO to ensure rapid growth and value creation
- Leading platform technologies
 - GNP's small size and capability of targeting e.g. tumour cells
 - Q Sphera platform produces monodisperse microparticles
- On-track execution of three-pronged strategy
 - Driving revenue growth
 - Developing clinical portfolio
 - Seeking attractive acquisition targets
- Midatech Pharma is an emerging specialty pharma company



Top – Representation of a gold nanoparticle
Main – Photograph of section through needle showing microspheres

Additional Information and Where to Find It

In connection with the proposed transaction, Midatech will file with the SEC a Registration Statement on Form F-4, which will include the proxy statement of DARA and that also constitutes a prospectus of Midatech under SEC filing rules (the “proxy statement/prospectus”). INVESTORS ARE URGED TO READ THESE MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MIDATECH, DARA AND THE ACQUISITION.

This announcement has been prepared in accordance with English law, the AIM Rules and the DTRs and accordingly information disclosed in this announcement may not be the same as that which would have been prepared in accordance with the laws of any jurisdiction outside of the United Kingdom.

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Participants in the Solicitation

Midatech, DARA and their respective executive officers and directors may be deemed to be participating in the solicitation of proxies from DARA security holders in connection with the transactions contemplated by the proposed proxy statement/prospectus. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of security holders of DARA in connection with the proposed transaction, including a description of their direct and indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus when it is filed with the SEC. Information regarding DARA’s directors and executive officers is contained in DARA’s Annual Report on Form 10-K for the year ended December 31, 2014 which is filed with the SEC and may be obtained free of charge.

mt

Thank you