

Midatech Announces Proposed Sale of Midatech Pharma US Inc.

Torreya Advised Midatech on the Sale

London, United Kingdom and Boston, MA, September 27, 2018

Midatech Pharma PLC (AIM: MTPH, NASDAQ: MTP) announces it has entered into an agreement with Kanwa Holdings, LP, an investment vehicle affiliated with Barings LLC, one of the world's leading financial services firms, to sell Midatech Pharma US Inc. for up to \$19 million. The initial consideration is for \$13 million, with up to \$6 million payable upon US net sales performance in 2018 and 2019. The sale is conditional on the approval of Midatech's shareholders.

The divestment of the US business will allow Midatech to reshape the business from a specialty pharma to a pure play biotech, and focus on driving its technologies to deliver innovative products to patients suffering from oncology and other rare diseases. The net proceeds from the sale will be used to fund key R&D priorities and repay the outstanding loan to MidCap Financial.

Torreya served as financial advisor to Midatech on this transaction. This transaction reinforces Torreya's strength and leadership position as an advisor to biotech and specialty pharmaceutical companies. This is the third assignment on which Torreya has advised Midatech in recent years. Torreya has advised on 17 completed strategic and financing transactions in the life sciences industry thus far in 2018.

ABOUT MIDATECH PHARMA PLC:

For more information about Midatech, please see: www.midatechpharma.com

ABOUT BARINGS LLC:

For more information about Barings, please see: www.barings.com

Deal Press Release

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Proposed Sale of
Midatech Pharma US Inc.
to Kanwa Holdings LP,
an affiliate of Barings LLC

Up to \$19 million
(Pending)
September 2018

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