

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities immediately.

Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on AIM on 30 October 2006. The Enlarged Issued Share Capital will not be dealt in, or on, any other recognised investment exchange and no other such applications will be made. 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 United Kingdom Listing Authority. 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. London Stock Exchange plc has not examined or approved the contents of this document.

Your attention is drawn to Part II of this document, which sets out certain risk factors relating to any investment in the Company. All statements regarding the Enlarged Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.

This document, which is an admission document required by the AIM Rules, does not comprise a prospectus for the purposes of the Prospectus Rules. This document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA therefore this document is not an approved prospectus for the purposes of, and as defined in, section 85 of FSMA and has not been prepared in accordance with the Prospectus Rules. This document has not been approved by the FSA or by any other authority which could be a competent authority for the purposes of the Prospectus Rules.

The Company and its Directors and Proposed Directors, whose names and functions appear on page 3, accept individual and collective responsibility for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Company and its Directors and Proposed Directors (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 this document makes no omission likely to affect the import of such information.

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## **Original Investments plc**

*(incorporated and registered in England and Wales with registered number 3971582)*

**Proposed acquisition of ViaLogy Corp.**

**Proposed change of name to ViaLogy plc**

**Notice of Annual General Meeting**

**and**

**Admission of Enlarged Issued Share Capital to trading on AIM**

**NOMINATED ADVISER AND BROKER**

**SEYMOUR PIERCE LIMITED**

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### **Share capital immediately following Admission**

<i>Authorised</i>		<i>Issued and fully paid</i>	
<i>Number of Ordinary Shares</i>	<i>Nominal Value</i>	<i>Number of Shares</i>	<i>Nominal Value</i>
750,000,000	£7,500,000	403,256,437	£4,032,564

Seymour Pierce Limited, which is regulated by the Financial Services Authority and is a member of the London Stock Exchange, is acting as nominated adviser and broker exclusively for the Company in connection with the Acquisition and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or Proposed Director or any other person in respect of his decision to acquire Ordinary Shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Seymour Pierce Limited as to any of the contents of this document for which the Directors and Proposed Directors of the Company are responsible (without limiting the statutory rights of any person to whom this document is issued). Seymour Pierce Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Acquisition or any acquisition of shares in the Company. Seymour Pierce Limited has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by Seymour Pierce Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information.

A notice convening the Annual General Meeting of Original Investments to be held at the offices of Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB at 10.00 a.m. on 26 October 2006 is set out at the end of this document. The enclosed Form of Proxy for use at the Annual General Meeting should be completed and returned to Capita Registrars, Proxies Department, PO Box 25, Beckenham, Kent BR3 4BR as soon as possible and to be valid must arrive not less than 48 hours before the time fixed for the Annual General Meeting.

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## **DIRECTORS, PROPOSED DIRECTORS, OFFICERS AND ADVISERS**

<b>Current Directors:</b>	James Derrick Slater, Chairman (to resign on Admission) Terence Bond, Managing Director and Deputy Chairman (to become Executive Chairman on Admission) Dr Richard Peter Dixey, Non Executive Director (Richard is due to retire at the AGM) Julian George Viggars, Non Executive Director (to resign on Admission)  Whose business address is: Inglisfield Gifford East Lothian EH41 4JH
<b>Registered Office:</b>	Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
<b>Proposed Directors:</b>	Michael Woods Kelly, Proposed Chief Executive Dr Sandeep Gulati, Proposed Technical Director George Rehm, Proposed Non-Executive Director Dr Robert William Dean, Proposed Non-Executive Director
<b>Secretary and Chief Finance Officer</b>	Mark Kingsley Collingbourne
<b>Nominated Adviser and Broker</b>	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL
<b>Solicitors to the Company</b>	Faegre & Benson LLP 7 Pilgrim Street London EC4V 6LB
<b>Solicitors to ViaLogy</b>	DLA Piper Rudnick Gray Cary LLP 200 University Avenue East Palo Alto California 94303-2248
<b>Auditors and Reporting Accountant</b>	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL
<b>Registrar</b>	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA

## ACQUISITION STATISTICS

Number of Ordinary Shares in issue prior to the Acquisition	311,222,223
Number of Consideration Shares being issued to the ViaLogy Shareholders on Completion (assuming no exercise of ViaLogy Options or ViaLogy Warrants)	92,034,214
Number of Ordinary Shares in issue immediately following Admission	403,256,437
International Security Identification Number (ISIN)	GB0031647653

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2006</i>
Latest time and date for receipt of proxies for the Annual General Meeting	24 October
Annual General Meeting	26 October
Completion of the Acquisition	27 October
Dealings commence in the Enlarged Issued Share Capital on AIM	8.00 a.m. on 30 October
Expected date of delivery of Consideration Shares into CREST accounts	30 October
Definitive share certificates dispatched in respect of the Consideration Shares (where applicable)	6 November

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“Acquisition”</b>	the proposed acquisition of the issued share capital of ViaLogy not already owned by the Company by means of the merger of ViaLogy into Original Investments LLC pursuant to the Merger Agreement
<b>“Acrobot”</b>	The Acrobot Company Limited, a company incorporate in England and Wales under registered number 3870949
<b>“Act”</b>	the Companies Act 1985, as amended
<b>“Admission”</b>	admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with the AIM Rules
<b>“Admission Document”</b>	this document dated 27 September 2006
<b>“Annual General Meeting” or “AGM”</b>	the annual general meeting of the Company convened for 10.00 a.m. on 26 October 2006, notice of which is set out at the end of this document
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the rules of the London Stock Exchange governing the admission to, and operation of, AIM
<b>“Articles”</b>	the articles of association of the Company
<b>“Board” or “Directors”</b>	the existing directors of the Company whose names appear on page 3 of this document
<b>“City Code”</b>	The City Code on Takeovers and Mergers
<b>“Combined Code”</b>	the Combined Code on Corporate Governance published in July 2003 and updated in June 2006 by the Financial Reporting Council
<b>“Company” or “Original Investments”</b>	Original Investments plc, a company incorporated in England and Wales with registered number 3971582
<b>“Completion”</b>	completion of the Acquisition
<b>“Concert Parties”</b>	certain recipients of Consideration Shares pursuant to the Acquisition named in paragraph 16 of Part VI of this document and in respect of whom further information is set out in that paragraph and in Part I of this document
<b>“Consideration Shares”</b>	the new Ordinary Shares to be allotted and issued to the ViaLogy Shareholders pursuant to the Merger Agreement
<b>“CREST”</b>	the computerised settlement system to facilitate the transfer of title to shares in uncertificated form operated by CRESTCo
<b>“CRESTCo”</b>	CRESTCo Limited
<b>“Enlarged Group”</b>	the Company and its subsidiary undertakings as enlarged by the Acquisition
<b>“Enlarged Issued Share Capital”</b>	the Existing Ordinary Shares and the Consideration Shares
<b>“Existing Ordinary Shares”</b>	the 311,222,223 Ordinary Shares in issue at the date of this document
<b>“Existing ViaLogy Shares”</b>	the ViaLogy Common Shares and ViaLogy Preferred Shares in issue at the date of this document together with the ViaLogy Common Shares to be issued upon conversion of the ViaLogy Convertible Loans prior to Completion
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders in connection with the AGM
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“London Stock Exchange”</b>	London Stock Exchange plc

<b>“Merger Agreement”</b>	the conditional merger agreement dated 27 September 2006 pursuant to which it has been conditionally agreed that ViaLogy shall be merged into Original Investments LLC, details of which are set out in paragraph 15 of Part VI of this document
<b>“Ordinary Shares”</b>	ordinary shares of 1 penny each in the capital of the Company
<b>“Official List”</b>	the Official List of the UKLA
<b>“Original Investments LLC”</b>	the wholly-owned subsidiary of the Company, being a Delaware limited liability company
<b>“Panel”</b>	The Panel on Takeovers and Mergers
<b>“Prospectus Rules”</b>	the Prospectus Rules contained in the Financial Services Authority handbook
<b>“Resolutions”</b>	the resolutions set out in the notice of AGM at the end of this document
<b>“Seymour Pierce”</b>	Seymour Pierce Limited
<b>“Shareholder”</b>	a holder of Ordinary Shares
<b>“Share Option Plans”</b>	the Original Investments Approved Share Option Plan and the Original Investments Unapproved Share Option Plan
<b>“subsidiary”, “subsidiary undertaking”, “associated undertaking” and “undertaking”</b>	have the meanings respectively ascribed to them by the Act
<b>“UK” or “United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland
<b>“UKLA”</b>	United Kingdom Listing Authority
<b>“UK GAAP”</b>	United Kingdom generally accepted accounting principles
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
<b>“ViaLogy”</b>	ViaLogy Corp., a Delaware corporation
<b>“ViaLogy Common Shares”</b>	common shares of \$0.001 in the capital of ViaLogy
<b>“ViaLogy Convertible Loans”</b>	the loans to ViaLogy to be converted into ViaLogy Common Shares prior to completion
<b>“ViaLogy Options”</b>	options to subscribe for ViaLogy Common Shares granted under the ViaLogy Option
<b>“ViaLogy Preferred Shares”</b>	series A-1 and series B preferred shares of \$0.001 in the capital of ViaLogy
<b>“ViaLogy Option”</b>	the ViaLogy 2001 Stock Option Plan
<b>“ViaLogy Shareholders”</b>	the shareholders of ViaLogy, excluding the Company
<b>“ViaLogy Share Option Plan”</b>	the ViaLogy Corp. 2001 Stock Option Plan
<b>“ViaLogy Warrants”</b>	the outstanding warrants to subscribe for ViaLogy Common Shares

## PART I

### LETTER FROM THE CHAIRMAN OF ORIGINAL INVESTMENTS

#### ORIGINAL INVESTMENTS PLC

(Registered in England and Wales with registered number 3971582)

*Directors:*

J.D. Slater  
T. Bond  
J.G. Viggars  
Dr R.P. Dixey

*Registered Office:*

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

27 September 2006

**Proposed acquisition of ViaLogy Corp.  
Proposed change of name to ViaLogy plc  
Annual General Meeting**

**Admission of Enlarged Issued Share Capital to trading on AIM**

*To the holders of Existing Ordinary Shares*

Dear Shareholders

#### INTRODUCTION

Your Board is pleased to announce that subject to Shareholder approval, terms have been agreed by the Company for the acquisition of the issued share capital of ViaLogy not already owned by Original Investments by means of the merger of ViaLogy and Original Investments LLC, the Company's wholly-owned subsidiary. At present, the Company owns, on a fully diluted basis, 43.76 per cent. of the share capital of ViaLogy. The consideration for the Acquisition is to be satisfied by the issue of 3.08 Ordinary Shares for every ViaLogy Common Share in issue at Completion, valuing the Existing ViaLogy Shares not already owned by the Company at approximately £3.7 million, all of the Existing ViaLogy Shares (including those owned by the Company) at approximately £7.21 million, and the fully diluted share capital of ViaLogy at approximately £8.05 million (in all cases based on the average closing mid-market price of an Ordinary Share in the period from 1 June to 31 August 2006 (inclusive) of 4p per Ordinary Share).

The Acquisition is a reverse takeover under the AIM Rules and, as such, requires the consent of the Shareholders which is to be sought at the AGM of the Company convened for 26 October 2006 at 10.00 am. In addition, Dr. John Broome, who until 6 September 2006 was a director of the Company, is a shareholder of ViaLogy and therefore the Acquisition is also a related party transaction under the AIM Rules.

The Acquisition is conditional, *inter alia*, on the Resolutions numbered 3 to 7 (inclusive) in the notice convening the AGM being passed and Admission. Assuming such Resolutions are passed at the AGM, it is expected that the Acquisition will be completed on 27 October 2006 and that the Enlarged Issued Share Capital will be admitted to trading on AIM on 30 October 2006.

Further information regarding the terms and conditions of the Acquisition is set out below and in paragraph 15 of Part VI of this document.

#### INFORMATION ON ORIGINAL INVESTMENTS

Original Investments (previously BioProjects International PLC) was founded in April 2000 with the stated objective of providing development capital and commercial and strategic advice to early-stage biotechnology and biotechnology-related companies. The Company was admitted to AIM in May 2002 and at that time raised further funding of £4.6 million before expenses by way of a placing of Ordinary Shares.

At the time of its flotation on AIM, the Company had investments in eight businesses. Of these, one investment, Acolyte BioMedica, was sold at a profit and a further five investments were each disposed of at a loss. Original Investments now has equity holdings in two companies – ViaLogy and Acrobot. ViaLogy develops and markets services and software solutions for signal-processing for high

technology industries. Acrobot is a spin-out company from Imperial College London, which develops precision surgical systems for minimally invasive, bone conserving orthopaedic surgery.

Original Investments has invested, in aggregate, £604,500 for a 22.5 per cent. holding in Acrobot and a total of £5.05 million for a 43.76 per cent. holding (fully diluted) in ViaLogy. The Company had net assets of £7.6 million as at 31 March 2006, including cash of £2.8 million.

## **INFORMATION ON VIALOGY**

ViaLogy was founded in 1999 by a group of senior scientists and managers in supercomputing and ultra-computing technologies at the Caltech/NASA Jet Propulsion Laboratory (JPL) in Pasadena, California. Leveraging their prior expertise and work at JPL in remote sensing and signal processing, ViaLogy scientists developed a technology to separate the background 'noise' that envelops weak signals called Quantum Resonance Interferometry (QRI), which has the potential to be adapted to a wide range of measurement, instrumentation and other applications.

The initial test results on QRI, undertaken in the microarray industry, indicated that the technology was able to detect and discriminate signals with an intensity 1,000 times lower than RMS (root mean square) background noise. The technology was the subject of further development work undertaken in the mass spectrometry industry. Other development activities were carried out in the areas of sensor data processing and transference.

The board and management team of ViaLogy consider that the technology is sufficiently advanced to be of considerable benefit in a number of industrial areas and a planned programme of commercialisation has commenced. Discussions at both development and commercial levels are being held with a number of international companies and national authorities to verify the suitability of incorporating the ViaLogy technology into existing and/or new products.

## **THE OPPORTUNITY**

The directors of Original Investments believe this is the right time to merge the Company with ViaLogy. The key factors are:

- ViaLogy's technology has been developed to the point where it has the potential to produce improved performance in a variety of diverse applications;
- After several years of concentrated development work, ViaLogy is in the early stages of commercialising its technology;
- A management team is in place to exploit the opportunities presented by the technology;
- Contracts have already been signed with a number of substantial clients and advanced discussions are being held with others; and
- The merger provides an early opportunity to benefit from the significant potential upside in ViaLogy.

There are sufficient funds in place to provide working capital for ViaLogy's present activities and, as and when necessary, the Directors and Proposed Directors believe that the Company's AIM quote will enable the Company to raise further capital for expansion.

## **TECHNOLOGY APPLICATIONS**

The Directors and Proposed Directors believe that ViaLogy's technology has the potential to be applied in the following applications:

### *Sensor Interoperability*

The inability of users such as those in the emergency services with disparate devices or on separate networks to communicate with each other can have potentially serious consequences, hence the need for true communications interoperability.

ViaLogy's technology has now been incorporated in an interoperability and collaboration system which enables information to be delivered with disparate devices across separate networks. ViaLogy's associate in this product is Cisco Systems.

### *Border Security*

International border security is a priority with most of the world's governments. In the United States particularly, the situation is acute, with a Canadian border 8,893 kilometers long (including 2,477

kilometers with Alaska) and a southern border, separating the United States and Mexico, measuring 3,141 kilometers.

The United States monitors these vast borders using radar, visible and infrared cameras, as well as other ground and airborne sensors. ViaLogy believes that it is important that the information produced by these modern surveillance techniques is accurately transmitted, integrated and analysed. There are plans to incorporate ViaLogy technology in a product that is being developed to achieve this goal.

#### *Missile Seeking Accuracy*

Under a contract with Boeing Phantom Works, ViaLogy is to develop and demonstrate a proof-of-concept silicon electronic eye based on bionic principles that replicate the optical movements of certain insects and reptiles. The purpose of the demonstrator will be to produce the next generation of low-power visual systems for autonomous missile interceptors in surveillance UAVs (unmanned aerial vehicles) and SRVs (subterranean search and rescue crawler vehicles).

#### *Foodborne Diseases*

The United States Centre for Disease Control, together with the US Department of Agriculture and the Food and Drug Administration, has set up The Foodborne Diseases Active Surveillance Network (FoodNet).

The objectives of FoodNet are to:

- Determine the burden of foodborne illness in the United States;
- Monitor trends in specific illnesses;
- Attribute illnesses to specific foods and settings; and
- Develop and assess intervention methods to combat foodborne illness.

ViaLogy is collaborating with other organisations to produce a hierarchical system for analysing the relevant information, providing alerts and disseminating such information to the appropriate authorities.

#### *Water Contamination*

The United States Homeland Security Presidential Directive 9 instructs the Environmental Protection Agency (EPA) to develop a robust, comprehensive and fully co-ordinated surveillance and monitoring system to provide early detection of water contamination. The EPA is establishing partnerships with nationwide laboratory networks to integrate existing federal and state laboratory resources. ViaLogy believes there is an opportunity to work with potential partners to provide bio-contamination warning sensors for event detection, credibility determination and remediation and recovery activities.

#### *Avian-Borne Influenza*

ViaLogy intends to work with international partners who are developing biosurveillance and tracking systems which will enable nations to receive early warning of the disease and take steps to contain its spread and effects. ViaLogy's role is to provide integration and interoperability for a range of bio-sensors which will govern worldwide communication of information.

#### *Oil Exploration and Development*

The relatively high current price of oil and the development of enhanced drilling equipment creates an opportunity to exploit previously abandoned wells. Evolution Petroleum Corporation ("Evolution Petroleum"), based in Texas, has commissioned ViaLogy to use ViaLogy's QRI techniques to ascertain the extent and density of oil deposits available on specific sites in the United States, based on data supplied by Evolution Petroleum. Results are due to be delivered by ViaLogy in December 2006.

#### *Oil Rig Monitoring*

Oil rig platforms are protected by chemical sensing systems to detect the existence of ambient combustible gases, carbon-dioxide and hydrogen sulphide, and other hazardous gases. In addition, in the event of an oil fire a combination of chemical sensors and video monitoring may be used to track the progression of the fire and aids fire fighting. ViaLogy is working with a well-known international corporate partner to integrate chemical sensors and cameras, to provide timely alerts and disseminate information.

### *Other Applications*

There are several other examples of ViaLogy technology applications which feature in ViaLogy's future business plan and are being discussed with potential partners. Face recognition, and restoration for instance, is an area in which ViaLogy has been asked to develop a product. In the medium term, ViaLogy also plans to complete its QRI program for the mass spectrometry industry.

### **EXISTING CONTRACTS**

ViaLogy has entered into the following contracts to develop the technology further for use in applications in three separate industrial sectors:

- A development and production contract with Cisco Systems relating to inter-computer communication. The ViaLogy software was successfully delivered by ViaLogy to Cisco Systems on 30 August 2006, a key milestone under the contract. The contract provides for a royalty to be paid by Cisco Systems to ViaLogy on all products sold which incorporate ViaLogy technology;
- A development contract, relating to electronic vision for unmanned aerial aircraft and missile systems, with Boeing Corporation to improve sensitivity and speed of response; and
- A Texas-based oil and gas exploration company, Evolution Petroleum, has retained ViaLogy to develop software to assist the accurate analysis of underground strata.

### **PATENTS**

ViaLogy has been granted a total of 11 US patents and 3 European patents in respect of certain elements of its technology. Each of the European patents has been validated in each of Switzerland, France, Germany and the United Kingdom. ViaLogy has made applications for the grant of a further 4 US patents, 5 European patents, 2 Indian patents and 1 Chinese patent and in addition has filed 1 PCT application. ViaLogy's research and development work continues to be supported by strategic patent filings based upon assessments of the potential to exploit its technology commercially. ViaLogy's rights under the patents and patent applications, together with its other intellectual property rights, are the rights exploited in the development agreements referred to in the section headed Existing Contracts.

### **SUMMARY FINANCIAL INFORMATION**

#### *Original Investments*

The following is a summary of the financial information of the Company for the three years ended 31 March 2006 which has been extracted without material adjustment from the audited financial information set out in Part III of this document. In order to make a proper assessment of the financial position of Original Investments, investors should read the whole of this document.

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Turnover	46.9	19.1	6.9
(Loss)/profit on ordinary activities before and after taxation	(403.5)	593.3	(71.4)
Net assets	5,841.6	7,426.2	7,584.8

#### *ViaLogy*

The following is a summary of the financial information of ViaLogy for the three years ended 31 December 2005 which has been extracted without material adjustment from the audited financial information set out in Part IV of this document. In order to make a proper assessment of the financial position of ViaLogy, investors should read the whole of this document.

	<i>Year ended 31 December</i>		
	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Revenue and gross profit	53.1	243.9	56.5
Loss on ordinary activities before and after taxation	(1,848.1)	(2,126.3)	(2,510.1)
Net liabilities	(2,234.1)	(4,302.9)	(4,230.3)

## **CURRENT TRADING AND PROSPECTS OF THE ENLARGED GROUP**

The audited accounts of ViaLogy for the year ended 31 December 2005 show a loss before taxation of \$2,510,098 from turnover of \$56,500. The audited accounts of Original Investments for the year ended 30 March 2006 show a loss before taxation of £71,445 from turnover of £6,852.

The Enlarged Group will focus on the commercialisation of ViaLogy's technology which the Directors and Proposed Directors believe will assist the Enlarged Group to widen its customer base and generate sales. Key contracts have recently been signed with large multinationals such as Cisco Systems and Boeing Corporation. The Directors and Proposed Directors believe that these contracts represent an important development for the Enlarged Group, as they demonstrate the attractiveness of ViaLogy's technology and also ViaLogy's ability to win contracts with large multinational corporations.

The Directors and Proposed Directors believe that ViaLogy offers exciting growth prospects which could generate opportunities for shareholder return over the medium to long term.

## **DIRECTORS AND SENIOR MANAGEMENT**

Dr. Richard Dixey retires by rotation at the Annual General Meeting. Dr. Dixey is not seeking re-election as he had agreed to resign upon completion of the Acquisition. At Completion, it is proposed that Julian Viggars and I will step down from the board of directors of Original Investments. It is proposed that with effect from Admission, Terry Bond will be appointed Executive Chairman and that Dr. Sandeep Gulati and Michael Kelly will be appointed to the Board as Technical Director and Chief Executive respectively and that George Rehm and Robert Dean will be appointed as Non-Executive Directors. The biographical details of the Directors and the Proposed Directors and senior management of the Company are set out below:

### *Present Directors*

#### **Jim Slater**, aged 77, Executive Chairman

Jim Slater is a Chartered Accountant. In 1953-5 he was General Manager of a group of metal finishing companies. From 1955-8 he was Secretary of Park Royal Vehicles Ltd before becoming a director of AEC Ltd in 1959. Jim was Deputy Sales Director of the Leyland Motor Corporation from 1961-3 and subsequently became a non-executive director of BLMC from 1969-75. From 1964-75 Jim Slater was Chairman of Slater Walker Securities which began as a small shell company and became a substantial industrial conglomerate. In 1969 it developed into an investment bank, which failed when it became a victim of the 1974-5 secondary banking crisis. From 1976 to date he has been a professional investor in both shares and property. He has written several best-selling investment books and also devised Really Essential Financial Statistics (REFS) with Hemmington Scott, the publisher.

#### **Terry Bond**, aged 68, Managing Director and Deputy Chairman.

During the 1960s Terry Bond was managing director of a public relations consultancy. Throughout the 1970s he was Sir Chay Blyth's business partner and Managing Director of Chay Blyth Supersail. In 1980 Terry was appointed Managing Director of International Property Marketing Limited ('IPM') and in 1987 he was appointed Sales and Marketing Director for Wimpey Leisure. In 1995 he joined the Board of ProShare (UK) Ltd and was responsible for overseeing the development of the investment club movement in Britain which has grown from 350 clubs to over 12,000. Terry was a member of the Waterstone Committee, set up by the Innovation Unit of the Department of Trade and Industry to report on Improving Share Liquidity for Smaller Quoted Companies. He lectures on investing techniques is the author of a recently published book 'The Company of Successful Investors' and writes a monthly column in Bloomberg Money magazine.

**Julian Viggars**, aged 38, Non-Executive Director

Julian Viggars is a Chartered Accountant. He is currently an Investment Director at Enterprise Ventures, one of the leading providers of venture capital and private equity to high growth unquoted companies throughout the North of England and the Midlands. He was previously with the London-based accountancy firm Smith & Williamson, latterly as an Associate Partner. During his time with Smith & Williamson he spent some five years dealing with private equity transactions and completed an 18 month secondment at Barclays Ventures.

**Dr. Richard Dixey**, aged 54, Non-Executive Director

Dr. Richard Dixey has a BA (Hons) in physiological sciences (Oxford, 1973), a PhD in biophysics (London, 1984) and an MSc in history and philosophy of science (London, 1988). He founded the Bioelectronic Research Unit at St Bartholomew's Hospital, London in 1979 and became the director of the unit in 1984. In 1990, he became a founding director of Phytopharm Limited and its Vice Chairman in 1992. In 1994, he became Chief Executive Officer of the company and led its flotation as Phytopharm plc in 1996. In 1989, he founded Chakra Limited, an investment company, of which he remains a director.

#### *Proposed Directors*

**Michael Kelly**, aged 62, Proposed Chief Executive Officer

Michael Kelly has worked for over 30 years in a senior capacity in international finance (banking, corporate finance, privatization, and venture capital) in the U.S., Europe, and Asia. He has founded and restructured companies in Europe and the US and was responsible for investment banking activities for the Bank of America, managed a US branch of Commerzbank and a German branch of Deutsche Bank in Germany, and was CEO of American Express Bank in Germany. He was also a privatization consultant for KPMG in Estonia and served as a consultant in investment banking to the Asian Development Bank in Beijing, China. From January 2000 until becoming CEO of ViaLogy, Mr. Kelly was a Managing Partner of firstVentury GmbH ("firstVentury"), a German based venture capital company where he remains a partner.

**Dr. Sandeep Gulati**, aged 42, Proposed Chief Technical Officer

Dr. Sandeep Gulati is a co-founder, Chief Science Officer and VP, Product Development for ViaLogy Corp. Previously, he headed the Ultracomputing Technologies Group at NASA's Jet Propulsion Lab ("JPL") in Pasadena, CA. During his 12 year tenure at JPL, he led computational advances in spacecraft autonomy, autonomous diagnostics and prognostics of complex systems, sensor fusion, neural networks, signal processing, command decision modelling and intelligence analysis. At JPL he was a Principal Scientist on a number of programs such as the Department of Defences's Joint Strike Fighter, NASA's Reusable Launch Vehicle and the oil industry's DEELOOK Consortium. He has also collaborated on strategic programs with Lockheed Martin, Boeing, Northrop Grumman, McDonnell Douglas, Rockwell, Pratt & Whitney, and NASA Center. At ViaLogy, he developed a novel signal amplification computational technology, Quantum Resonance Interferometry ("QRI") to detect and quantitative weak signals and events in high clutter and background noise.

**George Rehm**, aged 58, Proposed Non-Executive Director

George Rehm has been a non-executive director of the ViaLogy since 2003, representing a significant shareholder, firstVentury, of which he is managing director. He has been a practicing lawyer for over 30 years and has experience in international licensing, technology transfer, investment and privatization transactions, involving the US, Europe and Asia. He has completed over thirty international technology transfer transactions, including deals for Nutrasweet, Applied Materials, McDonnell-Douglas, Monsanto, Spectra Physics, Dow Corning, Mitsubishi Heavy Metals and Daewoo Electronics. For eight years Mr Rehm was a partner in an international law practice focusing on privatization and investment transactions in Eastern Germany, the Czech Republic and the former USSR. He also served as counsel on foreign trade and European Investment to major US electronics industry associations and as an advisor to US presidential candidates on international trade and investment policy.

**Dr. Robert Dean**, aged 64, Proposed Non-Executive Director

Dr. Robert Dean is Senior Vice President, Corporate Market Development, with Science Applications International Corporation Inc., the largest employee-owned research and engineering company in the

United States. Previously he has held senior executive positions in the aerospace industry at Boeing Corporation, Lockheed Martin, and Ball Aerospace Corporation. Mr Dean also served in senior executive positions in the US Government at the Central Intelligence Agency, the State Department, and at the White House as Special Assistant to the President during Ronald Reagan's presidency. He has been on the ViaLogy Science Advisory Board since February 2006.

#### *Senior Management*

**Mark Collingbourne**, aged 40, Chief Finance Officer

Mark Collingbourne is a Chartered Certified Accountant. He previously spent nine years as Finance Director of Curtis Brown Group, a leading UK literary, media and talent agency. He also spent five years as finance manager at MCPS, a company which manages the collection and distribution of Mechanical Music Royalties for copyright owners. He is also currently Financial Controller and company secretary of a number of other companies controlled by Jim Slater, current Chairman of Original Investments.

### **PRINCIPAL TERMS OF THE ACQUISITION**

Original Investments has conditionally agreed to acquire the entire share capital of ViaLogy not already owned by the Company by means of the merger of ViaLogy into Original Investments LLC, the Company's wholly-owned subsidiary. The consideration for the Acquisition is to be satisfied by the issue to the ViaLogy Shareholders (other than the Company) of 3.08 Ordinary Shares for every ViaLogy Common Share held at Completion, valuing the Existing ViaLogy Shares not already owned by the Company at approximately £3.7 million, all of the Existing ViaLogy Shares (including those owned by the Company) at approximately £7.24 million, and the fully diluted share capital of ViaLogy at approximately £8.05 million (in all cases based on the average closing mid-market price of an Ordinary Share in the period from 1 June to 31 August 2006 (inclusive) of 4p per Ordinary Share). Each ViaLogy Shareholder's entitlement to Ordinary Shares will be rounded up to the nearest whole number of Ordinary Shares.

ViaLogy currently has in issue 10,855,921 ViaLogy Common Shares and the ViaLogy Preferred Shares which prior to Completion will be converted into 27,477,442 ViaLogy Common Shares. In addition, prior to Completion the ViaLogy Convertible Loans will be converted into 20,161,014 ViaLogy Common Shares. Assuming no exercise of any of the ViaLogy Options or ViaLogy Warrants prior to Completion, the issued share capital of ViaLogy at Completion will comprise 58,494,377 ViaLogy Common Shares of which 28,613,142 will be owned by the Company and 29,881,235 will be owned by the other ViaLogy Shareholders. On this basis it is expected that on Completion the Company will issue 92,034,214 Ordinary Shares as consideration for the Acquisition, representing approximately 22.8 per cent. of the Enlarged Issued Share Capital.

The Acquisition is conditional, *inter alia*, on the approval of the holders of a majority of the ViaLogy Common Shares and approval of the holders of two thirds of the ViaLogy Preferred Shares. The holders of a majority of the ViaLogy Common Shares and the holders of two thirds of the ViaLogy Preferred Shares have undertaken to give such approvals. The Acquisition is also conditional upon the passing of the Resolutions numbered 3 to 7 (inclusive) at the Annual General Meeting.

Further details of the Merger Agreement are set out in paragraph 15 of Part VI of this document.

### **VIALOGY OPTIONS AND WARRANTS**

ViaLogy has outstanding the ViaLogy Options granted under the ViaLogy Share Option Plan over 6,498,962 ViaLogy Common Shares exercisable at prices between \$0.05 and \$0.258032 per ViaLogy Common Share. The ViaLogy Options are exercisable at any time up to ten years from the date of grant. The most recently granted of the ViaLogy Options will in expire in August 2016. The Merger Agreement provides for the ViaLogy Options to be assumed by the Company on the basis that they will be exercisable in respect of such number of Ordinary Shares as is calculated by multiplying the number of ViaLogy Common Shares the subject of an option by 3.08 (rounded down to the nearest whole number) at a price per Ordinary Share calculated as the sterling equivalent of the current exercise price divided by 3.08 (subject to a minimum price of £0.01 per Ordinary Share). If any ViaLogy Options are exercised prior to Completion the Company will issue Ordinary Shares to the holder of the ViaLogy Common Shares issued upon exercise of the ViaLogy Option on the same basis as the other ViaLogy Shareholders.

In addition, to the ViaLogy Options, ViaLogy has outstanding the ViaLogy Warrants of which 193,775 are held by George Rehm and 193,775 are held by Michael Kelly, each warrant entitling the

holder to subscribe for one ViaLogy Common Share at a price of US\$0.258032 at any time up to 5 October 2010. The ViaLogy Warrants will be assumed by the Company pursuant to the Merger Agreement and will be exercisable in aggregate in respect of 1,193,654 Ordinary Shares at a price of £0.04 per Ordinary Share at any time up to 2 October 2010.

## **LOCK-IN AGREEMENTS**

On Admission, Terry Bond and the Proposed Directors will be interested in an aggregate of 27,829,329 Ordinary Shares, representing approximately 6.9 per cent. of the Enlarged Issued Share Capital. Details of the Directors and Proposed Directors holdings of Ordinary Shares are set out in paragraph 8 of Part VI of this document. In accordance with the AIM Rules, Terry Bond and the Proposed Directors have undertaken to Seymour Pierce and the Company not to dispose of any interest in Ordinary Shares (except in certain limited circumstances) for a period of 12 months from Admission and for a further 12 months thereafter to make disposals of Ordinary Shares only through Seymour Pierce.

Following Completion, Aeris Holding AG will be the holder of 60,883,923 Ordinary Shares, representing approximately 15.1 per cent. of the Enlarged Issued Share Capital. In accordance with the AIM Rules, Aeris Holding AG has undertaken to Seymour Pierce and the Company not to dispose of any interest in Ordinary Shares (except in certain limited circumstances) for a period of 12 months from Admission and for a further 12 months thereafter to make disposals of Ordinary Shares only through Seymour Pierce.

Julian Viggars and I will resign as Directors on Completion. Richard Dixey will not seek re-election at the Company AGM. Nonetheless, I have undertaken to Seymour Pierce and the Company that I will not dispose of my interests in 19,485,000 Ordinary Shares for a period of 12 months from Admission. I have an interest in 7,000,000 Ordinary Shares held by The Slater Foundation, a registered charity, which is not subject to the undertaking.

Further details of these lock-in arrangements are set out in paragraph 15 of Part VI of this document.

## **THE CITY CODE ON TAKEOVERS AND MERGERS**

### *Acquisition of ViaLogy*

The Acquisition gives rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protection they afford shareholders are described below.

The Panel on Takeovers and Mergers is an independent body whose main functions are to issue and administer the City Code and to supervise and regulate takeovers and other matters to which the City Code applies in accordance with the rules set out in the City Code. It has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the European Directive on Takeover Bids (the "Directive"). The Panel's functions under the Directive are set out in the Takeovers Directive (Interim Implementation) Regulations 2006 (the "Regulations").

The City Code is designed principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The City Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

Following the implementation of the Directive by means of the Regulations, the rules set out in the City Code which are derived from the Directive now has a statutory basis and comply with the relevant requirements of the Directive.

The City Code is issued and administered by the Panel. The City Code does not apply to the acquisition of ViaLogy by Original Investments, as ViaLogy is not a company to which the City Code applies. However, the City Code will apply to the Acquisition by virtue of the issue of the Consideration Shares to the ViaLogy Shareholders as Original Investments is a company to which the City Code applies.

### *Rule 9 of the City Code*

Under Rule 9 of the City Code, where any person who acquires, whether by a transaction or a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting

rights of a company, that person is normally required by the Panel to make a general offer to the shareholders of that company to acquire the balance of the equity share capital of the company.

Rule 9 of the City Code also provides, *inter alia*, that where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of the company, but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carry voting rights in which he is interested, then that person must normally make a general offer to the other shareholders to acquire the balance of the shares not held by that person.

Rule 9 requires that any offer made be in cash or be accompanied by a cash alternative at not less than the highest price paid by him or any person acting in concert with him for any interest in shares during the 12 months prior to the announcement of the offer.

#### *Concert Party*

Under the City Code, a concert party arises where persons who, together pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Control means an interest, or interests in shares carrying 30 per cent. of more of the voting rights of the company, irrespective of whether such interest or interests give *de facto* control.

For the purposes of the City Code, the Panel have deemed to be in existence three separate Concert Parties and that the members of each of the Concert Parties are regarded as acting in concert with the other members of that Concert Party in relation to holdings in the Company. The three separate Concert Parties are as follows:

- (i) Aeris Holdings, Michael Kelly, George Rehm and Holly Doyne who will hold following the Acquisition, in aggregate, 64,986,536 Ordinary Shares representing approximately 16.12 per cent. of the Enlarged Issued Share Capital;
- (ii) C&D Ventures who will hold following the Acquisition 3,750,453 Ordinary Shares representing approximately 0.93 per cent. of the Enlarged Issued Share Capital; and
- (iii) Each of the other ViaLogy Shareholders (save for Original Investments but including Sandeep Gulati and Robert Dean, two of the proposed directors) who will hold following the Acquisition, in aggregate, 35,797,223 Ordinary Shares representing approximately 8.82 per cent. of the Enlarged Issued Share Capital.

The current holdings in ViaLogy shares of each member of each of the separate Concert Parties are set out in paragraph 16 of Part VI of this document.

The holdings of each of the separate Concert Parties in the Company as at the date of this document and following completion of the Acquisition are set out in paragraph 16 of Part VI of this document.

Although following the Acquisition none of the Concert Parties will have an interest in shares which carry 30 per cent. or more of the voting rights of the Company, whilst they continue to be treated as acting in concert, any further increase in their interest in shares to 30 per cent. or more of the voting rights of the Company will be subject to the provisions of Rule 9 of the City Code.

#### **SHARE OPTIONS**

At the time of its floatation on AIM the Company adopted the Share Option Plans. No option granted under the Share Option Plans remains exercisable.

Conditional upon the passing of the Resolutions numbered 3 to 7 (inclusive) at the Annual General Meeting and Admission, the Company has agreed to grant options in aggregate over 15,037,000 Ordinary Shares to the following, exercisable at 4 pence per Ordinary Share:—

<i>Director/employee</i>	<i>No. of Ordinary Shares</i>
Terry Bond	6,000,000
Sandeep Gulati	7,230,000
George Rehm	403,500
Robert Dean	403,500
Mark Collingbourne	1,000,000

The options will become exercisable in respect of one third of the Ordinary Shares over which they are granted on the first, second and third anniversaries of the date of Admission. An option will lapse to the extent that it has not become exercisable upon the cessation of employment or termination of office of the option holder, subject to the discretion of the Board to permit an option holder to exercise the option following such cessation of office or employment.

In order to provide an incentive to employees of the Enlarged Group in the future the Company intends to make further grants of options under the Share Option Plans.

## **CORPORATE GOVERNANCE AND BOARD PRACTICES**

The Directors and Proposed Directors recognise the importance of sound corporate governance and will, in so far as is practicable given the Company's size and the constitution of the Board, have regard to the main provisions of the Combined Code following Admission:

### *Board*

Following Completion the Company will have 2 non-executive directors. The Board is responsible for formulating, reviewing and approving the Enlarged Group's strategy, budgets and corporate actions. The Company intends to hold Board meetings at least 4 times each financial year and at other times as and when required.

### *Committees*

The Company has established audit and remuneration committees of the Board with formally delegated duties and responsibilities.

Following Admission, the audit committee will comprise George Rehm and Robert Dean (both Non-executive directors) and will be chaired by George Rehm and will meet at least twice a year. The audit committee will be responsible for ensuring that the Enlarged Group's financial performance is properly monitored, controlled and reported. It will also meet the auditors and review reports from the auditors relating to accounts and internal control systems. The audit committee will meet at least once a year with the auditors.

The remuneration committee will comprise George Rehm and Robert Dean (both Non-executive directors) and will be chaired by Robert Dean and will set and review the scale and structure of the executive directors' remuneration packages, including share options and the terms of their service contracts. The remuneration and the terms of appointment of the Non-executive directors will be determined by the Board with due regard to the interests of the Shareholders and the performance of the Enlarged Group. The remuneration committee will also make recommendations to the Board concerning the grant of share options to employees.

In light of the size of the Board, the Directors do not consider it necessary to establish a nominations committee; however, this will be kept under regular review.

The Company has adopted a model code for Directors' dealings which is appropriate for an AIM quoted company. The Directors and Proposed Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance also by the Enlarged Group's applicable employees.

## **DIVIDEND POLICY**

Initially, and in the medium term, the Directors' and Proposed Directors' intention is to re-invest funds into the Enlarged Group rather than making payments of dividends. Thereafter, the payment of dividends will be considered subject to the availability of distributable reserves, whilst maintaining an appropriate level of dividend cover and having regard to the need to retain sufficient funds to finance the development of the Enlarged Group's activities.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company is being convened for 10.00 a.m. on 26 October 2006 at the offices of Faegre & Benson LLP, 7 Pilgrim Street, London, EC4V 6LB pursuant to the notice set out at the end of this document.

Resolutions 1 and 2 deal with the ordinary business that normally takes place at the AGM and require no explanation. Dr. Richard Dixey retires as a Director by rotation at the AGM and is not seeking re-election to the Board. The Resolutions 3 to 7 are being proposed:

3. to approve the acquisition of ViaLogy on the terms set out in the Merger Agreement;

4. to increase the authorised share capital of the Company from £5,000,000 to £7,500,000 by the creation of 250,000,000 new Ordinary Shares;
5. to grant authorities to the Directors to allot relevant securities pursuant to section 80 of the Act up to a maximum nominal amount of £2,627,005, representing 262,700,500 Ordinary Shares, including for the purposes of the Acquisition;
6. to disapply the statutory pre-emption rights under section 89 (1) of the Act, including for the purposes of the grant of options and warrants in connection with the Acquisition and the grant of options to the Directors, Proposed Directors and employees as referred to above; and
7. to change the name of the Company to ViaLogy plc.

Following Admission the Board will be authorised to issue up to 134,418,812 Ordinary Shares, representing approximately 33 per cent. of the Enlarged Issued Share Capital, *pro rata* to Shareholders and otherwise than *pro rata* to Shareholders for non-cash consideration. In addition, following Admission the Board will be empowered to issue up to 60,488,465 Ordinary Shares, representing approximately 15 per cent. of the Enlarged Issued Share Capital, for cash otherwise than *pro rata* to Shareholders. This power will lapse 15 months after the AGM or at the conclusion of the annual general meeting to be held in 2007, whichever occurs first.

As the Acquisition constitutes a reverse takeover, Shareholder approval, as provided for by Resolution 3, is required under the AIM Rules.

## TAXATION

Information regarding taxation is set out in paragraph II of Part VI of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

## ACTION TO BE TAKEN

**Shareholders will find enclosed a Form of Proxy for use in connection with the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the Form of Proxy and return it to Capita Registrars as soon as possible, and in any event, so as to arrive not later than 10.00 a.m. on 24 October 2006. The completion and return of the Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person should you wish to do so.**

## RECOMMENDATION

**The Directors believe, having consulted with Seymour Pierce, that the terms of the Acquisition are fair and reasonable and that the Acquisition is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the Resolutions numbered 3 to 7 to be proposed at the AGM, as they, and their immediate families and connected persons, intend to do in respect of their own shareholdings, which in aggregate amount to approximately 14.6 per cent. of the issued share capital of the Company.**

Yours sincerely

Jim Slater  
*Chairman*

## PART II

### RISK FACTORS

The Directors and Proposed Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority.

If any of the following risks actually occur, the Enlarged Group's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

Additional risks and uncertainties not currently known to the Directors and Proposed Directors or which the Directors and Proposed Directors currently deem immaterial may also have an adverse effect on the Enlarged Group's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Enlarged Group. In particular, the Enlarged Group's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

An investment in the Ordinary Shares described in this document is speculative. Potential investors are accordingly advised to consult a professional adviser authorised for the purposes of FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

#### RISKS RELATING TO THE ORDINARY SHARES

##### Securities traded on AIM

The Ordinary Shares will be traded on AIM rather than the Official List. An investment in shares traded on AIM carries a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Enlarged Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Company's sector, and other events and factors outside of the Enlarged Group's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price of the Ordinary Shares. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares.

##### Share price effect of sales of Ordinary Shares

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in Parts I and VI of this document, or the expectation or belief in the market that sales of such shares may occur.

##### Future fundraisings

Whilst the Directors and Proposed Directors have no current plans for raising additional capital immediately after Admission and are satisfied that the working capital available to the Enlarged Group will, from Admission, be sufficient for its present requirements, it is possible that the Company will need to raise extra capital in the future to develop the Enlarged Group's business or to take advantage of acquisition opportunities. The Enlarged Group's capital requirements depend on numerous factors, including its ability to maintain and expand its customer base and potential acquisitions although none are currently envisaged. It is difficult for the Directors and Proposed Directors to predict accurately the timing and amount of the Enlarged Group's capital requirements for such extraordinary items. If the plans or assumptions set out in the Enlarged Group's business plan change or prove to be inaccurate, or if the Enlarged Group makes any material acquisitions, the Enlarged Group may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Enlarged Group is unable

**to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.**

#### **Past performance is not an indicator of future performance**

This document includes information about the historical financial performance of the Company and ViaLogy. Past performance is not, however, a guarantee as to the future financial performance of the Enlarged Group, which may be materially different from its past performance and which may be adversely affected by, amongst other things, the risk factors described in this Part II.

### **BUSINESS RISKS**

#### **Dependence on key executives and personnel**

**The Enlarged Group's future success is substantially dependent on the continued services and performance of its executive directors and senior management and its ability to continue to attract and retain highly skilled and qualified personnel. The Directors and Proposed Directors cannot give assurances that members of the senior management team and the executive directors will continue to remain with the Enlarged Group. The loss of the services of any of the directors, members of senior management and other key employees could damage the Enlarged Group's business.**

#### **Risks particular to early stage technology companies**

Early stage technology companies can involve special risk because they operate in a sector is subject to rapid technological changes and development. Early stage technology businesses can be exposed to a high degree of risk in that their products or services may prove not to be commercially viable. Increasing competition, rapidly changing markets technical and technical scientific breakthroughs may have a significant effect on the financial viability of ViaLogy, Acrobot and their respective technologies.

#### **Potential litigation**

The Enlarged Group may have to initiate litigation to enforce its patent and license rights. If the Enlarged Group's competitors file patent applications that claim technology also claimed by the Enlarged Group, the Enlarged Group may have to participate in interference or opposition proceedings to determine the priority of invention. An adverse outcome could subject the Enlarged Group to significant liabilities and require the Enlarged Group either to cease using a technology or to pay license fees.

The Enlarged Group could incur substantial costs in any litigation or other proceeding relating to patent rights, even if it is resolved in the Enlarged Group favour. Some of the Enlarged Group's competitors may be able to sustain the costs of complex litigation more effectively or for a longer time than the Enlarged Group can because of their substantially greater resources. In addition, uncertainties relating to any patent, pending patent or intellectual property litigation could have a material adverse effect on the Enlarged Group's ability to commercialise a technology, enter into collaborations in respect of the disputed technology, or raise additional funds.

The Enlarged Group's business will rely significantly on strategic partners. If the relationship with any one of these partners is adversely affected, the Enlarged Group's results of operations may be adversely impacted.

The Enlarged Group cannot guarantee that:

- existing arrangements or agreements will be maintained;
- existing partners will not seek to renegotiate the terms of existing arrangements or contracts;
- any new arrangements or agreements will be on favourable terms; or
- any arrangements or agreements will prove successful.

If the Enlarged Group is unable to continue with any of the existing relationships and, following negotiations with the relevant partners, terminates an agreement, no assurance can be given that this will not have a negative impact on the reputation of the Enlarged Group or its ability to secure additional agreements in the future.

#### **Insurance**

No assurance can be given that product liability or any future necessary insurance cover will be available to the Enlarged Group at an acceptable cost, if at all, or that, if there is any claim, the

level of the insurance the Enlarged Group carries now or in the future will be adequate or that a product liability, professional indemnity or other claim would not materially and adversely affect the Enlarged Group's business.

### **General litigation**

The Enlarged Group in carrying out its activities will potentially face contractual and statutory claims, or other types of claims. In addition, the Enlarged Group is exposed to potential product liability risks that are inherent in the research and development, manufacturing, marketing and use of software. Persons selling products based on the Enlarged Group's technology may be able to bring claims against the Enlarged Group based on the use of such products and the sale of products based on the Enlarged Group's technology.

### **History of losses**

ViaLogy is an early stage technology company that has a history of operating losses. These losses have arisen from the costs incurred in research and development of ViaLogy's technology and general administrative costs. No assurance can be given that the operations of the Enlarged Group will become profitable. To date, ViaLogy has generated limited revenues through licence fees, milestone payments and development funding from its partners. The Enlarged Group may not develop any additional products and any other products it may develop may not generate revenues.

### **Dividends**

The Company has not paid dividends in the past and the Directors and Proposed Directors do not expect that dividends will be paid in the foreseeable future. The declaration and payment by the Company of any dividends in the future and the amount of any dividends will depend upon the Company's results of operations, financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed by the Directors and Proposed Directors to be relevant at the time. Before the Company can pay dividends, it will need to have profits available for distribution determined in accordance with the Act.

### **Competition**

The Enlarged Group's competitors may have superior research and development capabilities, products or marketing expertise. Many of the Enlarged Group's competitors have significantly greater financial and human resources and may have more experience in research and development. As a result, the Enlarged Group's competitors may develop more effective products, implement more effective sales and marketing programs or be able to establish superior proprietary positions. In addition, the Enlarged Group anticipates that it will face increased competition in the future as new companies enter the Enlarged Group's markets and alternative products and technologies become available.

The industries being targeted by the Enlarged Group are subject to rapid technological change which could affect the success of the Enlarged Group's products or make them obsolete. Competitors' technology innovations may result in breakthroughs which render the Enlarged Group's technology less competitive or even obsolete before they generate revenue.

### **Technological changes**

The industries being targeted by the Enlarged Group are subject to rapid technologies change which could affect the success of the Enlarged Group's products or make them obsolete. Competitors' technology innovations may result in breakthroughs which render the Enlarged Group's technology less competitive or even obsolete before they generate revenue.

### **Intellectual property rights**

The Enlarged Group success depends in part on its ability to obtain and maintain protection for its technology and proprietary information, so that it can stop others from making, using or selling its technology or proprietary rights. The Enlarged Group owns a portfolio of patents and patent applications. There is a significant delay between the time of filing of a patent application and the time its contents are made public, and others may have filed patent applications for subject matter covered by the pending patent applications without the Enlarged Group being aware of those applications. The patent applications may not have priority over patent applications of others and its pending patent applications may not result in issued patents. Even if the Enlarged Group obtains patents, they may not be valid or enforceable against others. Moreover, even if the Enlarged Group

receives patent protection for some or all of its products, those patents may not give the Enlarged Group an advantage over competitors with similar products.

To develop and maintain its competitive position, the Enlarged Group also relies on unpatented trade secrets and improvements, unpatented know-how and continuing technological innovation, which it protects with security measures it considers to be reasonable, including confidentiality agreements with its partners and employees. The Enlarged Group may not have adequate remedies if these agreements are breached and the Enlarged Group's competitors may independently develop any of those proprietary information.

If the Enlarged Group fails to obtain adequate protection for this intellectual property, the Enlarged Group's competitors may be able to take advantage of the Enlarged Group's research and development efforts. The Enlarged Group's success will depend, in large part, on its ability to obtain and maintain patent or other proprietary protection for its technologies in general and, in particular, products and processes. The Enlarged Group's patent position is therefore uncertain and involves complex legal and factual issues.

## **LEGAL, REGULATORY AND ECONOMIC RISKS**

### **IFRS**

The Company currently prepares its financial statements in accordance with UK GAAP. It is a requirement under the AIM Rules that companies will have to comply with IFRS for each financial year on or after 1 January 2007. The Company will therefore have to adopt IFRS from 1 January 2007 and will need to provide comparable data in accordance with IFRS for the financial year ending 31 March 2006. The Company has not yet quantified the impact that the conversion from UK GAAP to IFRS will have on the Enlarged Group's financial results, although it could adversely affect the capital position or the reported profitability of the Enlarged Group.

### **Taxation change**

Any change in the Company's tax status or in tax legislation could affect its ability to provide returns to Shareholders or alter post tax returns to Shareholders. The taxation of an investment in the Company depends on the individual circumstances of investors.

### **Exchange rate fluctuations**

Fluctuations in exchange rates between currencies in which the Enlarged Group will operate relative to pounds sterling may cause fluctuations in its financial results, which are not necessarily related to the Group's underlying operations. The Enlarged Group will be particularly affected by adverse fluctuations in the US Dollar.

**Investors should consider carefully whether the investment in the Company is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.**

## PART III

### FINANCIAL INFORMATION ON ORIGINAL INVESTMENTS PLC

#### Section A – Accountant’s report on Original Investments PLC

27 September 2006

The Directors and Proposed Directors  
Original Investments plc  
Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

The Directors  
Seymour Pierce Limited  
Bucklersbury House  
3 Queen Victoria Street  
London  
EC4N 8EL

Dear Sirs

#### **Original Investments plc (the “Company”)**

##### **Introduction**

We report on the financial information set out in Section B of Part III. This financial information has been prepared for inclusion in the admission document dated 27 September 2006 of the Company (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules consenting to its inclusion in the Admission Document.

##### **Responsibilities**

As described in Section B of Part III, the directors and proposed directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and United Kingdom Accounting Standards (“United Kingdom Generally Accepted Accounting Practice”).

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

##### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Opinion**

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated and of its results and cash flows for the years then ended in accordance with the basis of preparation set out in note 1 to the financial information and has been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice as described in note 1 to the financial information.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**BDO Stoy Hayward LLP**

*Chartered Accountants*

## Section B – Financial information on Original Investments PLC

### Responsibility

The directors and proposed directors of the Company are responsible for preparing the financial information set out below on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and United Kingdom Accounting Standards (“United Kingdom Generally Accepted Accounting Practice” or “UK GAAP”).

	<i>Note</i>	<i>Year ended 31 March</i>		
		<i>2004</i>	<i>2005</i>	<i>2006</i>
		£	£	£
<b>Turnover</b>	2	46,947	19,110	6,852
Administrative expenses		(370,414)	(271,035)	(264,511)
		<u>          </u>	<u>          </u>	<u>          </u>
<b>Operating loss</b>	5	(323,467)	(251,925)	(257,659)
Profit on disposal of fixed asset investments		—	746,117	—
Provision for diminution in value of investments		(111,407)	—	—
		<u>          </u>	<u>          </u>	<u>          </u>
<b>(Loss)/profit on ordinary activities before interest and other income</b>		(434,874)	494,192	(257,659)
Interest receivable		31,387	99,114	186,214
Interest payable and similar charges		(41)	—	—
		<u>          </u>	<u>          </u>	<u>          </u>
<b>(Loss)/profit on ordinary activities before and after taxation</b>	6	(403,528)	593,306	(71,445)
		<u>          </u>	<u>          </u>	<u>          </u>
<b>Earnings</b>				
Basic (loss)/earnings per share	7	(0.16p)	0.21p	(0.23)p
		<u>          </u>	<u>          </u>	<u>          </u>
Diluted (loss)/earnings per share	7	(0.16p)	0.19p	(0.23)p
		<u>          </u>	<u>          </u>	<u>          </u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

**Balance sheets**

		<i>As at 31 March</i>		
	<i>Note</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
		£	£	£
<b>Fixed assets</b>				
Tangible assets	8	2,180	3,809	2,866
Investments	9	5,284,684	3,535,056	4,782,284
		<u>5,286,864</u>	<u>3,538,865</u>	<u>4,785,150</u>
<b>Current assets</b>				
Debtors	10	159,641	749,066	22,523
Cash at bank and in hand		449,628	3,176,484	2,813,558
		<u>609,269</u>	<u>3,925,550</u>	<u>2,836,081</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(54,514)</u>	<u>(38,185)</u>	<u>(36,446)</u>
<b>Net current assets</b>		<u>554,755</u>	<u>3,887,365</u>	<u>2,799,635</u>
<b>Total assets less current liabilities</b>	2	<u>5,841,619</u>	<u>7,426,230</u>	<u>7,584,785</u>
<b>Capital and reserves</b>				
Called up share capital	13	2,650,000	2,882,222	3,112,222
Share premium account	14	6,824,930	7,601,513	7,639,013
Share scheme reserve	14	87,500	87,500	—
Warrant reserve	14	83,740	66,240	—
Profit and loss account	14	<u>(3,804,551)</u>	<u>(3,211,245)</u>	<u>(3,166,450)</u>
	15	<u>5,841,619</u>	<u>7,426,230</u>	<u>7,584,785</u>

## Cash flow statements

	Note	Year ended 31 March		
		2004 £	2005 £	2006 £
<b>Net cash outflow from operating activities</b>	17	(447,985)	(310,842)	(303,095)
<b>Returns on investments and servicing of finance</b>				
Interest received		31,387	99,114	186,213
Interest paid		(41)	—	—
<b>Taxation</b>				
UK corporation tax refunded		673	—	—
<b>Capital expenditure and financial investment</b>				
Increase in loans to investee company		—	(542,936)	(476,118)
Payments to acquire tangible fixed assets		—	(2,581)	—
Payments to acquire fixed assets		(1,873,723)	—	—
Receipt from sale of fixed asset investments		51,199	2,495,745	—
		<u>(1,822,524)</u>	<u>1,950,228</u>	<u>(476,118)</u>
<b>Management of liquid resources</b>				
Cash inflow/(outflow) from increase in liquid resources		271,463	(9,393)	1,119
<b>Cash (outflow)/inflow before financing</b>		<u>(1,967,027)</u>	<u>1,729,107</u>	<u>(591,881)</u>
<b>Financing</b>				
Cash inflow from exercise of warrants		—	1,010,000	230,000
Cash inflow from issue of shares		264,000	—	—
Issue costs incurred on issue of shares		(3,795)	(18,695)	—
		<u>260,205</u>	<u>991,305</u>	<u>230,000</u>
<b>(Decrease)/increase in cash</b>	19	<u><u>(1,706,822)</u></u>	<u><u>2,720,412</u></u>	<u><u>(361,881)</u></u>

## Notes to the financial information

### 1 Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents sales to outside customers at invoiced amounts less value added tax. Turnover is recognised when the consultancy services are provided.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Office equipment – 20% per annum, reducing balance

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for permanent impairment in value.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Options and warrants*

Where share options are issued to employees and directors, a profit and loss account charge is made equal to the difference between the fair value of shares at the date the award was made and the exercise price of the share options. The charge is spread in accordance with UITF17. Warrants issued by the Company are recorded at the fair value of the consideration received and are reported in the reconciliation of movement in shareholders' funds in the period in which they are issued.

#### *Foreign currency*

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

#### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as the balances on short term deposit foreign currency accounts.

#### *Accounting Standards*

During the year ended 31 March 2006, the Company adopted FRS 21 'Events after the balance sheet date', FRS 22 'Earnings per share', FRS 28 'Corresponding amounts' and the presentational requirements of FRS 25 'Financial instruments (Disclosure and Presentation)'. None of these standards had any impact on the net assets of the Company nor on its loss for the year.

#### *Financial liability and equity*

Financial liability and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

#### *Financial instruments*

Financial instruments are measured initially and subsequently at cost. Short term debtors and creditors are excluded from the financial instrument disclosures in note 12.

## 2 Segmental analysis

Turnover is wholly attributable to the consultancy activity provided by directors of the Company to trade investments and arises within the United Kingdom (except for US\$12,000 in each year relating to the United States).

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
The split of assets by location are:			
UK	2,146,563	3,367,317	3,002,501
USA	3,335,056	4,058,913	4,582,284
	<u>5,841,619</u>	<u>7,426,230</u>	<u>7,584,785</u>

## 3 Employees

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
Staff costs consist of:			
Wages and salaries	153,751	110,000	120,000
Social security costs	12,888	9,761	28,122
	<u>166,639</u>	<u>119,761</u>	<u>148,122</u>

The average number of employees, including Directors, during the year was 6 (2005 – 6, 2004 – 9).

The Company does not have a pension scheme and does not pay any pension contributions on behalf of employees.

## 4 Directors' remuneration

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
Directors' remuneration was as follows:			
Directors' emoluments	175,418	90,000	100,000
Gains on the exercise of warrants	—	—	90,000
	<u>175,418</u>	<u>90,000</u>	<u>190,000</u>

Emoluments of the highest paid director were £85,000 (2005 – £31,667, 2004 – £41,250).

## 5 Operating (loss)

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
This has been arrived at after charging:			
Depreciation of tangible fixed assets	545	952	716
Amortisation of intangible fixed assets	187	—	—
Auditors' remuneration – audit services	18,550	14,200	11,500
– non audit services	3,100	6,500	2,000
Foreign exchange differences	8,624	17,559	(47,325)
	<u>29,006</u>	<u>39,211</u>	<u>(32,109)</u>

## 6 Taxation on profit from ordinary activities

	<i>Year ended 31 March</i>		
	2004 £	2005 £	2006 £
<i>Current tax</i>			
UK corporation tax on profits or losses of the year	—	—	—
Over provision in prior years	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
	<u><u>(403,528)</u></u>	<u><u>593,306</u></u>	<u><u>(71,445)</u></u>
(Loss)/profit on ordinary activities before tax			
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2005 and 2004 – 30%)	(121,058)	177,992	(21,434)
Effects of:			
Expenses not deductible for tax purposes	56	638	2,058
Capital allowances for year in deficit/(excess) of depreciation	82	(163)	214
Profit on disposal of investments extinguished by capital losses	—	(223,835)	—
Exercise of share options	—	—	(40,499)
Increase in excess management expenses carried forward	87,498	45,368	59,661
Provisions not deductible for tax purposes	33,422	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Current tax charge for year	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

### *Factors that may affect future tax charges*

Deferred tax assets relating to excess management expenses and capital losses of £1,150,000 and £1,934,000 respectively (2005 – £950,000, £1,293,000; 2004 – £804,000, £642,000) have not been recognised as these losses can only be offset against future taxable profits and at present there is insufficient evidence to justify recognition.

## 7 (Loss)/earnings per share

### *Basic*

The calculation of (loss)/earnings per share is based on the loss for the year of £71,445 (2005 – profit £593,306, 2004 – loss £403,528) and on 307,315,374 (2005 – 281,785,693, 2004 – 257,426,229) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

### *Diluted*

Diluted earnings per share dilute the basic earnings per share to take into account share options and warrants. The calculation includes the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive share operations and warrants into ordinary shares. The weighted average number of shares for this purpose is 309,815,374. The loss after taxation is unchanged from the basic figure.

## 8 Tangible assets

	<i>Office equipment £</i>
<i>Cost</i>	
At 1 April 2003 and at 1 April 2004	3,995
Additions	2,581
	<hr/>
At 1 April 2005	6,576
Disposals	227
	<hr/>
At 31 March 2006	6,349
	<hr/>
<i>Depreciation</i>	
At 1 April 2003	1,270
Provided for the year	545
	<hr/>
At 1 April 2004	1,815
Provided for the year	952
	<hr/>
At 1 April 2005	2,767
Provided for the year	716
	<hr/>
At 31 March 2006	3,483
	<hr/>
<i>Net book value</i>	
At 31 March 2004	2,180
	<hr/> <hr/>
At 31 March 2005	3,809
	<hr/> <hr/>
At 31 March 2006	2,866
	<hr/> <hr/>

## 9 Investments

	<i>Unlisted investments</i>
	£
<i>Cost</i>	
At 1 April 2003	5,707,794
Additions	1,873,723
	<hr/>
At 1 April 2004	7,581,517
Additions	—
Disposals	(3,000,113)
	<hr/>
At 1 April 2005	4,581,404
Additions	1,247,228
Disposals	(641,848)
	<hr/>
At 31 March 2006	5,186,784
	<hr/>
<i>Provisions</i>	
At 1 April 2003	2,185,426
Provisions made during the year	111,407
	<hr/>
At 1 April 2004	2,296,833
Provisions made during the year	—
Disposals	(1,250,485)
	<hr/>
At 1 April 2005	1,046,348
Provisions made during the year	—
Disposals	(641,848)
	<hr/>
At 31 March 2006	404,500
	<hr/>
<i>Net book value</i>	
At 31 March 2004	5,284,684
	<hr/> <hr/>
At 31 March 2005	3,535,056
	<hr/> <hr/>
At 31 March 2006	4,782,284
	<hr/> <hr/>

The additions in the year end to 31 March 2006 relate to the capitalisation of outstanding loans and accrued interest into an equivalent number shares in the investee company.

The principal undertakings in which the Company has an interest at 31 March 2006 are as follows:

	<i>Class of share capital held</i>	<i>Percentage of share capital held %</i>
<i>Participating interest:</i>		
The Acrobot Company Limited, incorporated in England	Ordinary	22.5%
ViaLogy Corp., incorporated in USA	Ordinary, Series A-1 and Series B	39%

The Company also holds 1,250,000 warrants in Bionex Investments plc exercisable at 2.5p each, at any time before 31 December 2006 and 1,250,000 warrants exercisable at 2.5p each at any time from 1 January 2007 to 31 December 2010. The fair value of the Bionex warrants has been estimated as nil as the exercise price is currently in excess of the quoted Bionex share price.

## 10 Debtors

	<i>As at 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
Trade debtors	4,653	12,447	4,511
Other debtors and prepayments	13,651	12,762	18,012
Loans to investee company	141,337	723,857	—
	<u>159,641</u>	<u>749,066</u>	<u>22,523</u>

The outstanding loans to the investee company were capitalised into an equivalent number of shares during the year to 31 March 2006.

All amounts shown under debtors fall due for payment within one year.

## 11 Creditors: amounts falling due within one year

	<i>As at 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
Trade creditors	16,306	17,013	1,878
Other creditors	10,691	1,007	7,568
Accruals	27,517	20,165	27,000
	<u>54,514</u>	<u>38,185</u>	<u>36,446</u>

## 12 Financial assets and liabilities

During the period, the Company's financial instruments comprised cash and items such as trade debtors and creditors that arise directly from operations.

The Company does not trade in financial instruments.

The Company holds financial instruments for current operations. The principal financial risks faced by the Company are interest rate risk, credit risk, fair value of investments and liquidity risk. The Board reviews and agrees policies for managing its financial risks as necessary.

The Company's financial assets to which interest rates apply are:

	<i>Fixed</i>	<i>Fixed</i>	<i>Fixed</i>	<i>Floating</i>	<i>Floating</i>	<i>Floating</i>
	<i>rate</i>	<i>rate</i>	<i>rate</i>	<i>rate</i>	<i>rate</i>	<i>rate</i>
	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£	£	£	£
Sterling	—	—	—	449,502	3,169,914	2,808,032
US\$	—	—	—	126	6,570	5,526
	<u>—</u>	<u>—</u>	<u>—</u>	<u>449,628</u>	<u>3,176,484</u>	<u>2,813,558</u>

### *Interest rate risk*

The Company is exposed to interest rate risk from its interest-earning financial assets. The floating rate assets are held in a money market account earning interest on a LIBOR based rate. The interest rate risk is mitigated by the fact cash is held in short-term deposits allowing rapid transfer of funds to alternative commercial banks to obtain improved interest rates.

The Company's current account is swept at the end of each day into a short term money market account. A US dollar account is retained for any US investment opportunities which may arise. The money is placed on weekly deposit.

### *Fair value of investments*

The fixed asset investments represent investments in unlisted companies and had a carrying value of £4,782,284 at 31 March 2006. The cash flows, and as a result the fair value, of these investments cannot be reliably estimated as the investee companies are involved in specialist industries with complex technologies that are still at an early stage of their development. The fair value of the investments is dependent on a number of factors including the results of



## Warrants

At 31 March 2006, the following warrants were outstanding in respect of ordinary shares:

<i>Number</i>	<i>Exercise period</i>	<i>Exercise price</i>
2,500,000	May 2005 to May 2012	6p

## 14 Reserves

	<i>Share premium account</i>	<i>Share scheme reserve</i>	<i>Warrant reserve</i>	<i>Profit and loss account</i>
	£	£	£	£
At 1 April 2003	6,684,725	87,500	83,740	(3,401,023)
Premium on shares issued during the year (net of issue costs)	140,205	—	—	—
Loss for the year	—	—	—	(403,528)
At 1 April 2004	6,824,930	87,500	83,740	(3,804,551)
Premium on shares issued during the year (net of issue costs)	759,083	—	—	—
Premium relating to warrants	17,500	—	(17,500)	—
Profit for the year	—	—	—	593,306
At 1 April 2005	7,601,513	87,500	66,240	(3,211,245)
Arising on the issue of shares	37,500	—	—	—
Transfer on lapse of share options and warrants	—	(87,500)	(66,240)	116,240
Loss for the year	—	—	—	(71,445)
At 31 March 2006	7,639,013	—	—	(3,166,450)

The Company incurred issue costs of £18,695 in relation to the issue of 22,222,223 shares at 4.5p on 14 July 2004 and issue costs of £3,795 in relation to the issue of 12m shares on 18 November 2003. These costs have been set against the share premium account.

## 15 Reconciliation of movements in shareholders' funds

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
(Loss)/profit for the year	(403,528)	593,306	(71,445)
New share capital subscribed	120,000	232,222	230,000
Premium on shares issued during the year (net of issue costs)	140,205	759,083	—
	(143,323)	1,584,611	158,555
Opening shareholders' funds	5,984,942	5,841,619	7,426,230
Closing shareholders' funds	5,841,619	7,426,230	7,584,785

## 16 Related party transactions

### *Related party transactions and balances*

The Company pays £500 per month (2005 and 2004 – £500 per month) contribution towards general office expenses to Artemis Management Services Limited, a company in which Jim Slater is a director and in which he has a beneficial interest. The Company also contributed towards secretarial and administration services of £9,960 (2005 – £9,130, 2004 – £1,660) to Artemis Management Services Limited. The total amount outstanding at the year end was £nil (2005-£6,451, 2004 – £4,010).

During 2005 the Company made loans of US\$1,000,000 (2004 – \$250,000) to ViaLogy Corp, a company in which it owns 46.5% of the share capital and has Terry Bond and Dr John Broome as common directors.

#### 17 Reconciliation of operating loss to net cash outflow from operating activities

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
Operating loss	(323,467)	(251,925)	(257,659)
Depreciation of tangible fixed assets	545	952	716
Amortisation of intangible fixed assets	187	—	—
(Increase)/decrease in debtors	(144,176)	(61,099)	2,686
Increase/(decrease) in creditors	10,302	(16,329)	(1,512)
Foreign exchange movements	8,624	17,559	(47,326)
	<u>(447,985)</u>	<u>(310,842)</u>	<u>(303,095)</u>

Foreign exchange movements in 2005 include movements of £14,610 relating to loans made to ViaLogy.

#### 18 Reconciliation of net cash inflow to movement in net funds

	<i>Year ended 31 March</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	£	£	£
(Decrease)/increase in cash	(1,706,822)	2,720,412	(361,881)
(Decrease)/increase in liquid resources	(271,463)	9,393	74
Foreign exchange movements	(8,624)	(2,949)	(1,119)
Opening net funds	2,436,537	449,628	3,176,484
	<u>449,628</u>	<u>3,176,484</u>	<u>2,813,558</u>

#### 19 Analysis of net funds

	<i>At</i>		<i>Foreign</i>	<i>At</i>
	<i>1 April</i>	<i>Cash</i>	<i>exchange</i>	<i>31 March</i>
	<i>2004</i>	<i>flow</i>	<i>movements</i>	<i>2005</i>
	£	£	£	£
Cash in hand and at bank	449,502	2,720,412	—	3,169,914
Liquid resources	126	9,393	(2,949)	6,570
	<u>449,628</u>	<u>2,729,805</u>	<u>(2,949)</u>	<u>3,176,484</u>
	<i>At</i>		<i>Foreign</i>	<i>At</i>
	<i>1 April</i>	<i>Cash</i>	<i>exchange</i>	<i>31 March</i>
	<i>2005</i>	<i>flow</i>	<i>movements</i>	<i>2006</i>
	£	£	£	£
Cash in hand and at bank	3,169,914	(361,881)	—	2,808,033
Liquid resources	6,570	(1,119)	74	5,525
	<u>3,176,484</u>	<u>(363,000)</u>	<u>74</u>	<u>2,813,558</u>

**PART IV**  
**FINANCIAL INFORMATION ON VIALOGY**  
**Section A – Accountant’s report on ViaLogy**



**BDO Stoy Hayward LLP**  
Chartered Accountants

BDO Stoy Hayward LLP  
8 Baker Street  
London W1U 3LL

The Directors and Proposed Directors  
Original Investments plc  
Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

27 September 2006

The Directors  
Seymour Pierce Limited  
Bucklersbury House  
3 Queen Victoria Street  
London  
EC4N 8EL

Dear Sirs

**VIALOGY CORP. (“VIALOGY”)**

**Introduction**

We report on the financial information set out in Section B of Part IV. This financial information has been prepared for inclusion in the admission document dated 27 September 2006 of Original Investments plc (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules consenting to its inclusion in the Admission Document.

**Responsibilities**

As described in Section B of Part IV, the directors and proposed directors of Original Investments plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and with applicable International Financial Reporting Standards.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence

relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of ViaLogy as at the dates stated and of its results and cash flows for the years then ended in accordance with the basis of preparation set out in note 1 to the financial information and has been prepared in accordance with applicable International Financial Reporting Standards, as described in note 1 to the financial information.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

**Yours faithfully**

**BDO Stoy Hayward LLP**

*Chartered Accountants*

## Section B – Financial information on ViaLogy

### Responsibility

The directors and proposed directors of Original Investments plc are responsible for the preparation of the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with applicable International Financial Reporting Standards.

### Income statement

		<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>
	<i>Notes</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Revenue		53,115	243,863	56,500
Gross profit		53,115	243,863	56,500
Administration expenses		(1,891,738)	(2,198,018)	(2,261,504)
Finance costs		(17,157)	(175,085)	(317,617)
Finance income		7,715	2,971	12,523
Loss for the year on ordinary activities before and after taxation	4	(1,848,065)	(2,126,269)	(2,510,098)
		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Loss per share</b>				
Basic and diluted	8	(0.174)	(0.199)	(0.234)

**Balance sheets**

		<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>Notes</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		<i>2003</i>	<i>2004</i>	<i>2005</i>
		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Assets</b>				
<b>Non current assets</b>				
Intangible assets	9	20,000	8,000	—
Property, plant and equipment	10	74,569	101,627	46,312
		<u>94,569</u>	<u>109,627</u>	<u>46,312</u>
<b>Current assets</b>				
Trade and other receivables	11	8,459	12,770	55,072
Cash and cash equivalents		797,771	86,113	719,479
		<u>806,230</u>	<u>98,883</u>	<u>774,551</u>
Total assets		<u><u>900,799</u></u>	<u><u>208,510</u></u>	<u><u>820,863</u></u>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	12	871,219	2,285,890	118,344
<b>Non-current liabilities</b>				
Trade and other payables	13	2,263,719	2,225,552	4,932,859
		<u>3,134,938</u>	<u>4,511,442</u>	<u>5,051,203</u>
<b>Equity</b>				
Share capital	15	10,606	10,706	10,706
Preference share capital	15	1,898,494	1,898,494	4,440,381
Share option reserve	16, 17	98,749	151,225	192,028
Share premium account	16	104,859	109,759	109,759
Profit and loss account (deficit)	16	(4,346,847)	(6,473,116)	(8,983,214)
		<u>(2,234,139)</u>	<u>(4,302,932)</u>	<u>(4,230,340)</u>
<b>Shareholders' funds</b>		<u><u>900,799</u></u>	<u><u>208,510</u></u>	<u><u>820,863</u></u>
<b>Total equity and liabilities</b>		<u><u>900,799</u></u>	<u><u>208,510</u></u>	<u><u>820,863</u></u>

*Changes to shareholders' equity*

		<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>Notes</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		<i>2003</i>	<i>2004</i>	<i>2005</i>
		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
At 1 January		(2,383,317)	(2,234,139)	(4,302,932)
Changes in accounting policy	2	1,898,494	—	—
Shares issued	15	—	5,000	2,541,887
Share options issued	17	98,749	52,476	40,803
Loss for the year		(1,848,065)	(2,126,269)	(2,510,098)
At 31 December		<u>(2,234,139)</u>	<u>(4,302,932)</u>	<u>(4,230,340)</u>

## Cash flow statements

		<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>
	<i>Notes</i>	<i>2003</i> <i>US\$</i>	<i>2004</i> <i>US\$</i>	<i>2005</i> <i>US\$</i>
<b>Cash flow from operating activities</b>	18	(1,742,320)	(1,854,881)	(2,650,591)
<b>Investing activities</b>				
Purchases of property, plant & equipment		(52,328)	(73,610)	(4,685)
Sale of property, plant & equipment		1,567	—	—
<b>Net cash used in investing activities</b>		(1,793,081)	(1,928,491)	(2,655,276)
<b>Financing</b>				
Proceeds from borrowings		750,202	1,211,833	—
Repayment of borrowings		—	—	(2,000,000)
Issue of share capital (net of issue costs)		—	5,000	—
Issue of preference shares		—	—	5,288,642
<b>Net cash received from financing activities</b>		750,202	1,216,833	3,288,642
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,042,879)	(711,658)	633,366
Cash and cash equivalents at beginning of year		1,840,650	797,771	86,113
<b>Cash and cash equivalents at end of year</b>	19	797,771	86,113	719,479

## Notes to the financial information

### 1 Accounting policies

#### *Basic and preparation*

The financial information has been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards.

This is the first time ViaLogy has prepared financial information in accordance with IFRSs having previously prepared its financial information in accordance with US GAAP. Details of how the transition from US accounting standards to IFRSs has affected ViaLogy's reported financial position, financial performance and cash flows are given in note 2.

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information:

#### *Revenue recognition*

Revenue relates to fees paid for microarray studies and fees are recognised when the studies are complete and test results are sent to the customers.

#### *Tax*

The major components of income tax on the profit or loss from ordinary activities include current and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited to the income statement, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

#### *Research and development costs*

Research and development costs are charged to the income statement.

#### *Impairment of tangible and intangible assets*

Long-lived assets and identifiable intangibles are reviewed for impairment at the balance sheet date in addition to whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected undiscounted future cash flow from the use of the assets and their eventual disposition is less than the carrying amount of the assets, an impairment loss is recognised and measured using the asset's fair value or discounted cash flows.

#### *Externally acquired intangible assets*

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within the administrative expenses line in the income statement.

The significant intangible assets recognised by ViaLogy, their useful economic lives and the methods used to determine the cost of intangibles are as follows:

<i>Intangible assets</i>	<i>Useful economic life</i>	<i>Valuation method</i>
Intellectual property rights	3 years	Estimated royalty stream if the rights were to be licensed

#### *Property, plant and equipment*

Depreciation is provided to write off the cost or valuation less estimated residual values, of all property, plant and equipment, on a reducing balance basis over their expected useful lives. Depreciation is calculated at the following rates:

Office equipment	5 years, straight line basis
Computer equipment	3 years, straight line basis
Furniture and fittings	7 years, straight line basis

#### *Preference shares*

The proceeds received on preference shares are allocated to their liability and equity components and presented separately in the balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the preference shares and the amount allocated to the debt component is credited directly to equity and is not subsequently remeasured. On conversion the debt and equity elements are credited to share capital and share premium as appropriate.

**Share-based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received.

**Leased assets**

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the company (a “finance lease”), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an “operating lease”), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

**Deferred taxation**

Deferred tax balances are recognised in respect of all temporary timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

**2 First time adoption of International Financial Reporting Standards**

There are no changes to the profit or in cash flows as a result of adoption of IFRS.

Previously, the ‘A1’ preference shares were treated as a liability. Under IAS 32 ‘Financial Instruments: Disclosure and Presentation’, this is split between equity and liability. See note 15 for more information.

	<i>As at</i>
	<i>31 December</i>
	<i>2003</i>
	<i>US\$</i>
‘A1’ preference shares value, as 1 January 2003	3,950,000
Less transfer to non-current liability (note 13)	(2,051,506)
	<hr style="border-top: 1px solid black;"/>
Restated as at 1 January 2003	1,898,494
	<hr style="border-top: 3px double black;"/>

**3 Segmental analysis**

All activities relate to research and development and arise in the United States.

#### 4 Loss on ordinary activities

	<i>Year ended 31 December 2003 US\$</i>	<i>Year ended 31 December 2004 US\$</i>	<i>Year ended 31 December 2005 US\$</i>
<b>This is arrived at after charging:</b>			
Amortisation	12,000	12,000	8,000
Depreciation	25,784	46,553	60,000
Auditors' remuneration – audit services	—	—	—
Research and development costs	687,888	864,248	941,155
	<u>687,888</u>	<u>864,248</u>	<u>941,155</u>

#### 5 Employees

The average number of employees during the year, including executive directors were:

	<i>Year ended 31 December 2003 Number</i>	<i>Year ended 31 December 2004 Number</i>	<i>Year ended 31 December 2005 Number</i>
Research and development	6	8	8
Sales and marketing	1	1	2
Administration	8	7	3
	<u>15</u>	<u>16</u>	<u>13</u>

Staff costs (including directors) comprise:

	<i>Year ended 31 December 2003 US\$</i>	<i>Year ended 31 December 2004 US\$</i>	<i>Year ended 31 December 2005 US\$</i>
Wages and salaries	1,221,624	1,368,046	1,380,942
Share based payment expense	98,749	52,476	40,803
Employer's payroll tax	75,208	85,177	85,139
	<u>1,395,581</u>	<u>1,505,699</u>	<u>1,506,884</u>

#### 6 Directors

	<i>Year ended 31 December 2003 US\$</i>	<i>Year ended 31 December 2004 US\$</i>	<i>Year ended 31 December 2005 US\$</i>
Directors' emoluments	459,686	453,960	471,867
	<u>459,686</u>	<u>453,960</u>	<u>471,867</u>

## 7 Taxation on loss from ordinary activities

There is no tax charge arising on ViaLogy in any of the years.

The tax assessed for the year is lower than the standard rate of corporation tax in the US. The differences are explained below:

	<i>Year ended 31 December 2003 US\$</i>	<i>Year ended 31 December 2004 US\$</i>	<i>Year ended 31 December 2005 US\$</i>
Loss on ordinary activities before tax	<u>1,848,065</u>	<u>2,126,269</u>	<u>2,510,098</u>
Loss on ordinary activities at the standard rate of corporation tax in the US of 34%	628,342	722,931	853,433
Expenses disallowed for tax (principally depreciation and share option costs)	(42,341)	(33,670)	(34,273)
Tax losses carried forward	<u>(586,001)</u>	<u>(689,261)</u>	<u>(819,160)</u>
Tax charge for the year	<u>—</u>	<u>—</u>	<u>—</u>

### *Factors that may affect future tax charges*

At 31 December 2005, ViaLogy had US tax losses of US\$3,850,422 carried forward which will be utilised against future profits. However these losses are only recoverable against future profits, the timing of which is uncertain and as a result no deferred tax asset is being recognised in relation to these losses.

## 8 Loss per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial years. The weighted average number of equity shares in issue is as follows:

	<i>Number</i>
As at 31 December 2003	10,605,921
As at 31 December 2004	10,705,921
As at 31 December 2005	10,705,921

The loss, being loss after tax, for the relevant years are as follows:

	<i>US\$</i>
For the year ended 31 December 2003	1,848,065
For the year ended 31 December 2004	2,126,269
For the year ended 31 December 2005	2,510,098

Due to the losses arising in ViaLogy, the diluted loss per share is considered to be the same as the basic loss per share.

## 9 Intangible assets

	<i>Patents</i> US\$
Cost	
At 1 January 2003	36,000
At 31 December 2003, 2004 and 2005	36,000
Amortisation	
At 1 January 2003	4,000
Charge for the year	12,000
At 31 December 2003	16,000
Charge for the year	12,000
At 31 December 2004	28,000
Charge for the year	8,000
At 31 December 2005	36,000
Net book value	
At 31 December 2003	20,000
At 31 December 2004	8,000
At 31 December 2005	—

## 10 Property, plant and equipment

	<i>Office equipment</i> US\$	<i>Furniture</i> US\$	<i>Computer equipment</i> US\$	<i>Total</i> US\$
Cost				
At 1 January 2003	2,164	10,133	45,882	58,179
Additions	—	—	52,328	52,328
Disposals	—	(1,567)	—	(1,567)
At 31 December 2003	2,164	8,566	98,210	108,940
Additions	1,624	—	71,987	73,611
At 31 December 2004	3,788	8,566	170,197	182,551
Additions	1,624	—	3,061	4,685
At 31 December 2005	5,412	8,566	173,258	187,236
Depreciation				
At 1 January 2003	724	216	7,647	8,587
Charge for the year	433	1,427	23,924	25,784
At 31 December 2003	1,157	1,643	31,571	34,371
Charge for the year	465	1,225	44,863	46,553
At 31 December 2004	1,622	2,868	76,434	80,924
Charge for the year	790	1,225	57,985	60,000
At 31 December 2005	2,412	4,093	134,419	140,924
Net book value				
At 31 December 2003	1,007	6,923	66,639	74,569
At 31 December 2004	2,166	5,698	93,763	101,627
At 31 December 2005	3,000	4,473	38,839	46,312

## 11 Trade and other receivables

	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Trade debtors	—	3,600	42,500
Deposits	4,799	4,799	5,135
Prepayments and accrued income	3,660	4,371	7,437
	<u>8,459</u>	<u>12,770</u>	<u>55,072</u>

All amounts fall due for payment within one year.

## 12 Trade and other payables

### Amounts falling due within one year

	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Accounts payable	45,556	81,287	67,779
Loans from related parties (note 22)	750,000	2,000,000	—
Accruals and deferred income	75,663	204,603	50,565
	<u>871,219</u>	<u>2,285,890</u>	<u>118,344</u>

## 13 Non-current liabilities

### Amounts falling due after more than one year

	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Loan	212,213	174,046	134,598
Series 'A1' preference shares	2,051,506	2,051,506	2,051,506
Series 'B' preference shares	—	—	2,746,755
	<u>2,263,719</u>	<u>2,225,552</u>	<u>4,932,859</u>

Amounts owed to the related parties were capitalised into Series 'B' preference shares during 2005.

See note 15 for more information in relation to the preference shares.

## 14 Financial assets and liabilities

ViaLogy's financial assets consist of cash and trade and other receivables. Cash consists of cash on hand and cash held on current account or on short-term deposits at variable interest rates. Any interest earned is accrued monthly and classified as interest. Trade and other receivables are stated at cost less impairment losses.

ViaLogy's financial liabilities consist of trade and other payables, loans and convertible, redeemable preference shares. The trade and other payables are stated at their cost. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of financing costs in the income statement.

The carrying amounts of financial liabilities are as follows:

	<i>As at</i> <i>31 December</i> <i>2003</i> <i>US\$</i>	<i>As at</i> <i>31 December</i> <i>2004</i> <i>US\$</i>	<i>As at</i> <i>31 December</i> <i>2005</i> <i>US\$</i>
In less than one year	912,966	2,327,558	160,011
In more than one year but not more than two years	41,667	41,667	41,667
In more than two years but not more than five years	2,180,305	2,142,217	4,849,525
	<u>3,134,938</u>	<u>4,511,442</u>	<u>5,051,203</u>

Included within financial liabilities repayable after two but no more than three years are Series 'A1' convertible, redeemable preference shares with a value of US\$2,051,506 (2004 – US\$2,051,506, 2003 – US\$2,051,506) and a face value of US\$3,950,000.

Included within financial liabilities repayable in more than four but less than five years are Series 'B' convertible redeemable preference shares with a value of US\$2,746,755 (2004 – US\$Nil, 2003 – US\$Nil) and a face value of US\$5,288,642 (2004 – US\$Nil, 2003 – US\$Nil).

For details of rights assigned to these preference share, see note 15.

## 15 Share capital

	<i>Authorised</i> <i>number</i>	<i>Allotted,</i> <i>called up and</i> <i>fully paid</i> <i>number of</i> <i>shares</i>	<i>Amount</i> <i>US\$</i>
<b>At 31 December 2003</b>			
Ordinary shares of US\$0.001 each	19,500,000	10,605,921	10,606
Series 'A' preference shares of US\$0.01 each	1,750,000	—	—
Series 'A1' preference shares of US\$0.01 each	7,231,352	6,981,352	3,950,000
Series 'B' preference shares of US\$0.01 each	—	—	—
<b>At 31 December 2004</b>			
Ordinary shares of US\$0.001 each	19,500,000	10,705,921	10,706
Series 'A' preference shares of US\$0.01 each	1,750,000	—	—
Series 'A1' preference shares of US\$0.01 each	7,231,352	6,981,352	3,950,000
Series 'B' preference shares of US\$0.01 each	—	—	—
<b>At 31 December 2005</b>			
Ordinary shares of US\$0.001 each	19,500,000	10,705,921	10,706
Series 'A' preference shares of US\$0.01 each	1,750,000	—	—
Series 'A1' preference shares of US\$0.01 each	7,231,352	6,981,352	3,950,000
Series 'B' preference shares of US\$0.01 each	20,500,000	20,496,090	5,288,642

On 8 November 2004, 100,000 ordinary shares were issued at a value of \$5,000 for cash due to the exercise of share options.

On 29 September 2005, the number of shares authorised was changed. This was to allow the loans from related parties to be converted into Series 'B' preference shares.

On 27 September 2005, 20,496,090 Series 'B' preference shares were issued. Of these shares 1,163,648 were issued for cash and 19,332,442 were issued to capitalise loans and accrued interest totalling US\$3,888,642. See note 22.

	<i>As at</i> <i>31 December</i> <i>2003</i> <i>US\$</i>	<i>As at</i> <i>31 December</i> <i>2004</i> <i>US\$</i>	<i>As at</i> <i>31 December</i> <i>2005</i> <i>US\$</i>
'A1' preference shares value	3,950,000	3,950,000	3,950,000
Less transfer to non-current liability (note 13)	(2,051,506)	(2,051,506)	(2,051,506)
	<u>1,898,494</u>	<u>1,898,494</u>	<u>1,898,494</u>
'B' preference shares value	—	—	5,288,642
Less transfer to non-current liability (note 13)	—	—	(2,746,755)
	<u>—</u>	<u>—</u>	<u>2,541,887</u>
Total preference share capital	<u><u>1,898,494</u></u>	<u><u>1,898,494</u></u>	<u><u>4,440,381</u></u>

#### *Dividends*

The preference shares are entitled to receive dividends on a pro-rata basis prior to ordinary share holders at a rate of US\$0.028 per share as adjusted for any consolidations, combinations, share distributions, stock splits or similar events.

#### *Liquidation preference*

In the event of a liquidation, dissolution or winding-up of the company, either voluntary or involuntary, the holders of Series 'B' preference shares are entitled to receive prior and in preference to any distribution of any assets or property of ViaLogy to the holders of Series 'A1' share or ordinary shares an amount equal to US\$0.387048 per share plus any declared but unpaid dividends.

After the full preferential amount due to the holders of Series 'B' holders has been paid, the holders of Series 'A1' preference share are entitled to receive prior and in preference to any amount equal to US\$0.5658 per share plus any declared but unpaid dividends.

After the full preferential amount due to the holders of Series 'A1' preference share has been paid US\$500,000 shall be distributed to the holders of ordinary shares.

The remaining assets of ViaLogy shall then be distributed to the holders of the ordinary shares and the preference shares on an as-converted to ordinary shares basis.

#### *Voting rights*

The holders of Series 'A1' and 'B' are entitled to the number of votes equal to the number of ordinary shares into which each share of Series 'A1' or 'B', as applicable, could be converted with the same voting rights and powers equal to the voting rights and powers of ordinary shareholders.

For as long as any shares of Series 'A1' remain outstanding, in addition to any other voting rights as described above, the written consent of the holders of at least two-thirds (2/3) of the outstanding Series 'A1' preference shares and Series 'B' preference shares shall be necessary for defecting or validating certain transactions as defined by the Articles of Incorporation.

#### *Conversion*

Each preference share shall be convertible, at the option of the holder, be converted at any time into fully paid and allotted ordinary shares. Each share of Series 'A1' shall automatically be converted into ordinary shares, based on the then-effective conversion price at any time on the affirmative election of the holders of at least two-thirds (2/3) of the outstanding preference shares, or immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act 1933, as amended, covering the off and sale of ordinary shares for the account of the company in which the per share price is at least US\$2.83 and the net cash proceeds are at least US\$25 million.

### Redemption

The preference shares are redeemable on the fifth anniversary of the original issue date. Upon the written request of at least two-thirds of the holders of the then outstanding preference shares, to the extent such shares have not been redeemed or converted, ViaLogy shall redeem the number of shares equal to all the preference shares. The redemption price is equal to US\$0.5658 for 'A1' and US\$0.258032 for 'B' per share adjusted for consolidations, combinations, share distributions, stock splits or other similar events.

### 16 Reserves

	<i>Ordinary share capital</i> US\$	<i>Retained earnings</i> US\$	<i>Share premium</i> US\$	<i>Share option reserve</i> US\$	<i>Series 'A1' Preference share</i> US\$	<i>Series 'B' Preference share</i> US\$
At 1 January 2003	10,606	(2,498,782)	104,859	—	—	—
Change in accounting policy (note 2)	—	—	—	—	1,898,494	—
Share options issued	—	—	—	98,749	—	—
Loss for the year	—	(1,848,065)	—	—	—	—
<b>At 31 December 2003</b>	<b>10,606</b>	<b>(4,346,847)</b>	<b>104,859</b>	<b>98,749</b>	<b>1,898,494</b>	<b>—</b>
Shares issued	100	—	4,900	—	—	—
Share options issued	—	—	—	52,476	—	—
Loss for the year	—	(2,126,269)	—	—	—	—
<b>At 31 December 2004</b>	<b>10,706</b>	<b>(6,473,116)</b>	<b>109,759</b>	<b>151,225</b>	<b>1,898,494</b>	<b>—</b>
Shares issued	—	—	—	—	—	2,541,887
Share options issued	—	—	—	40,803	—	—
Loss for the year	—	(2,510,098)	—	—	—	—
<b>At 31 December 2005</b>	<b>10,706</b>	<b>(8,983,214)</b>	<b>109,759</b>	<b>192,028</b>	<b>1,898,494</b>	<b>2,541,887</b>

The following describes the nature and purpose of each reserve within owners' equity.

<i>Reserve</i>	<i>Description and purposes</i>
Share premium	Amount subscribed for share capital in excess of nominal value.
Convertible preference shares	Amount of proceeds on issue of convertible preference share relating to the equity component (ie option to convert the preference share into ordinary share capital).
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.
Share option reserve	Fair value of options issued but not yet exercised.

## 17 Share-based payment

ViaLogy operates two equity settled share based remuneration schemes for employees: an Option Grant Program and a Stock Issuance Program, jointly known as “the Plan”. Under the Plan, employees may be granted options to purchase ordinary shares, which vest on issue and must be exercised within 10 years from the date of grant

	2003		2004		2005	
	<i>Weighted average exercise price US\$</i>	<i>Number</i>	<i>Weighted average exercise price US\$</i>	<i>Number</i>	<i>Weighted average exercise price US\$</i>	<i>Number</i>
Outstanding at start of year	0.05	1,464,188	0.11	1,721,688	0.12	1,492,188
Granted during the year	0.32	262,500	0.10	103,000	0.32	208,000
Exercised during the year	—	—	0.05	(100,000)	—	—
Lapsed during the year	0.05	(5,000)	0.05	(232,500)	0.05	(819,188)
Outstanding at the end of year	<u>0.11</u>	<u>1,721,688</u>	<u>0.12</u>	<u>1,492,188</u>	<u>0.23</u>	<u>881,000</u>

The exercise price of options outstanding at the end of the year ranged between:

	2003 US\$	2004 US\$	2005 US\$
High	0.50	0.56	0.56
Low	0.05	0.05	0.05

The share price of options exercised during 2004 was \$2.55.

The weighted average fair value of each option granted during the year was:

	2003 US\$	2004 US\$	2005 US\$
Weighted average of fair value of options	0.45	0.45	0.40

The Black-Scholes method was used to calculate the fair value of options issued. The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices between 1 January 2003 and 31 December 2005.

	2003 US\$	2004 US\$	2005 US\$
Share price	0.5	0.56	0.26
Volatility	70%	70%	70%
Dividend yield	—	—	—
Risk-free interest rate	1%	1.63%	3.25%

## 18 Reconciliation of operating loss to net cash flow from operating activities

	<i>Year ended 31 December 2003 US\$</i>	<i>Year ended 31 December 2004 US\$</i>	<i>Year ended 31 December 2005 US\$</i>
Loss for the year on ordinary activities before and after tax	(1,848,065)	(2,126,269)	(2,510,098)
Increase in debtors	(5,024)	(4,311)	(42,302)
(Increase)/decrease in creditors	(25,764)	164,340	(206,994)
Depreciation and amortisation	37,784	58,883	68,000
Share option expense	98,749	52,476	40,803
Net cash flow from operating activities	<u>(1,742,320)</u>	<u>(1,854,881)</u>	<u>(2,650,591)</u>

## 19 Analysis of changes in net debt

	<i>At start of year US\$</i>	<i>Cash flow US\$</i>	<i>Non-cash changes US\$</i>	<i>At end of year US\$</i>
<b>2003</b>				
Cash and cash equivalents	1,840,649	(1,042,878)	—	797,771
Loans due within one year	—	(750,000)	—	(750,000)
Loans due after one year	(212,011)	(202)	—	(212,213)
Preference shares	(3,950,000)	—	1,898,494	(2,051,506)
	<u>(2,321,362)</u>	<u>(1,793,080)</u>	<u>1,894,494</u>	<u>(2,215,948)</u>
<b>2004</b>				
Cash and cash equivalents	797,771	(711,658)	—	86,113
Loans due within one year	(750,000)	(1,250,000)	—	(2,000,000)
Loans due after one year	(212,213)	38,165	—	(174,048)
Preference shares	(2,051,506)	—	—	(2,051,506)
	<u>(2,215,948)</u>	<u>(1,923,493)</u>	<u>—</u>	<u>(4,139,441)</u>
<b>2005</b>				
Cash and cash equivalents	86,113	633,366	—	719,479
Loans due within one year	(2,000,000)	—	2,000,000	—
Loans due after one year	(174,048)	39,448	—	(134,600)
Preference shares	(2,051,506)	(746,755)	(2,000,000)	(4,798,261)
	<u>(4,139,441)</u>	<u>(73,941)</u>	<u>—</u>	<u>(4,213,382)</u>

The non-cash movement in 2003 relates to the change in accounting treatment of preference shares under IFRS (see note 2).

The non-cash movement in 2005 relates to the capitalization of loans into preference shares (see note 15).

## 20 Reconciliation of net increase/(decrease) in cash and cash equivalents to movement in net debt

	<i>Year ended 31 December 2003 US\$</i>	<i>Year ended 31 December 2004 US\$</i>	<i>Year ended 31 December 2005 US\$</i>
Increase/(decrease) in cash and cash equivalents	(1,042,878)	(711,658)	633,366
Cash flow from loans repayable within one year	(750,000)	(1,250,000)	2,000,000
Cash flow from loans repayable after more than one year	(202)	38,165	39,448
Cash flow from liability element of preference shares	—	—	(746,755)
	<u>(1,793,080)</u>	<u>(1,923,493)</u>	<u>1,926,059</u>
Movement in net debt resulting from cash flows	(1,793,080)	(1,923,493)	1,926,059
Non-cash movements in net debt (note 19)	1,898,494	—	(2,000,000)
Opening net funds	<u>(2,321,362)</u>	<u>(2,215,948)</u>	<u>(4,139,441)</u>
Closing net funds	<u><u>(2,215,948)</u></u>	<u><u>(4,139,441)</u></u>	<u><u>(4,213,382)</u></u>

## 21 Leases

### *Operating leases*

ViaLogy leases its premises on an annual basis. The present value of future lease payments are analysed as:

	<i>As at 31 December 2003 US\$</i>	<i>As at 31 December 2004 US\$</i>	<i>As at 31 December 2005 US\$</i>
Not later than one year	<u>48,195</u>	<u>48,195</u>	<u>48,195</u>

## 22 Related party transactions

Original Investments plc is related by virtue of controlling 45% of the voting rights.

During the year, Original Investments plc (formerly Bioprojects Plc) charged directors' fees of US\$12,000 (2004 – US\$12,000, 2003 – US\$8,000) for the services of two members of the Board being Mr T Bond and Mr J Slater who were not paid directly by ViaLogy for their services. At the year-end Original Investments plc was owed US\$1,000 (2004 – US\$2,000, 2003 – US\$5,000) for these services.

Aeris Holdings AG is related by way of controlling 32% of the voting rights. During the year Aeris Holdings AG charged directors' fees of \$80,000 (2004 – US\$Nil, 2003 – US\$Nil) for the services of M Kelly who was not paid directly by ViaLogy for his services.

Loans were provided to ViaLogy by Original Investments Plc and Aeris Holdings AG during the period.

	<i>As at 31 December 2003 US\$</i>	<i>As at 31 December 2004 US\$</i>	<i>As at 31 December 2005 US\$</i>
Original Investments plc	775,000	775,000	—
Aeris Holdings AG	750,000	1,225,000	—
	<u>1,525,000</u>	<u>2,000,000</u>	<u>—</u>

Interest was charged on these balances at between 12% and 16%. The loans were capitalised into Series 'B' preference shares in 2005. See note 15.

## PART V

### UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The following unaudited *pro forma* statement of net assets of the Enlarged Group following the Acquisition has been prepared for illustrative purposes only to provide information about the impact of the Acquisition on the Company and, because of its nature, may not give a true reflection of the financial position of the Enlarged Group. It has been prepared on the basis that the Acquisition was undertaken as at 31 March 2006 and on the basis set out in the notes:

	<i>The Company</i>	<i>ViaLogy</i>		<i>Pro forma</i>
	<i>As at</i>	<i>As at</i>		<i>net assets</i>
	<i>31 March</i>	<i>31 December</i>	<i>Acquisition</i>	<i>of the</i>
	<i>2006</i>	<i>2005</i>	<i>(notes 3)</i>	<i>Enlarged</i>
	<i>(note 1)</i>	<i>(note 2)</i>	<i>(notes 3)</i>	<i>Group</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Fixed assets</b>				
Tangible assets	2,866	26,926	—	29,792
Intangible assets	—	—	8,001,214	8,001,214
Investments	4,782,284	—	(4,582,284)	200,000
	4,785,150	26,926	3,418,930	8,231,006
<b>Current assets</b>				
Debtors	22,523	32,019	—	54,542
Cash at bank	2,813,558	418,302	(300,000)	2,931,860
<b>Creditors:</b> amounts falling due within one year	(36,446)	(68,805)	—	(105,251)
<b>Net current assets/(liabilities)</b>	2,799,635	381,516	(300,000)	2,881,151
<b>Creditors :</b> amounts falling due within one year	—	(2,867,941)	2,789,687	(78,254)
<b>Net assets / (liabilities)</b>	7,584,785	(2,459,499)	5,908,617	11,033,903

Notes:

The unaudited *pro forma* statement of net assets has been prepared on the following basis:

1. The net assets of the Company at 31 March 2006 have been extracted from the financial information set out in Part IIIB of this document.
2. The net liabilities of ViaLogy at 31 December 2005 have been extracted from the financial information set out in Part IVB of this document. The net liabilities of ViaLogy have been converted from US dollars to sterling at the rate of £1:\$1.72, being the closing rate prevailing on 31 December 2005. In the opinion of the directors and proposed directors of the Company, there are no material differences in the accounting policies of ViaLogy under IFRS and the Company under UK GAAP.
3. An adjustment has been made to reflect the effects of the Acquisition. An estimate of the goodwill arising as a result of the Acquisition is set out in the table below:

	<i>£</i>	<i>£</i>
Consideration		3,449,118
Estimated costs of the Acquisition (excluding VAT)		300,000
Existing investment in ViaLogy		4,582,284
		8,331,402
Total costs of Acquisition		8,331,402
Net liabilities of ViaLogy	(2,459,499)	
Conversion of preference shares	2,789,687	
		(330,188)
Pro forma separable net assets acquired		(330,188)
Pro forma goodwill		8,001,214

The consideration is based on the 92,034,214 Ordinary Shares to be issued to the shareholders of ViaLogy at a price per share of 4 pence, less the 5,806,260 Ordinary Shares to be issued to the holders of the ViaLogy Convertible Loans on the grounds that the loans were entered into after 31 December 2005.

The final calculation of goodwill will incorporate the net assets of ViaLogy at the actual date of acquisition, including any fair value adjustments. The calculation above is based on the net liabilities of ViaLogy at 31 December 2005 (£2,459,499) as adjusted to reflect the conversion of the preferred shares into common stock prior to the Acquisition. Any difference between actual net assets as at the date of acquisition and the net assets shown above as at 31 December 2005 will alter the calculation of the *pro forma* goodwill and the difference may be material.

4. No adjustments have been made to reflect the trading results of the Company and of ViaLogy since, respectively, 31 March 2006 and 31 December 2005.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and its Directors and Proposed Directors, whose names appear on page 3 of this document, accept individual and collective responsibility for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge of the Company and its Directors and Proposed Directors, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and this document makes no omission which is likely to affect the import of such information.

#### 2. Incorporation and status of the Company

- 2.1 The Company was incorporated and registered in England and Wales under the Act on 13 April 2000 as a private limited company with registered number 3971582. On incorporation, the Company's name was BioProjects International Limited.
- 2.2 On 2 August 2000 the Company was re-registered as a public limited company under the name BioProjects International PLC. The Company changed its name to Original Investments PLC by resolution passed in general meeting on 28 September 2005.
- 2.3 The principal legislation under which the Company operates is the Act, in accordance with which the Ordinary Shares were created, and regulations made thereunder. The liability of the members of the Company is limited.
- 2.4 The telephone number of the Company's principal place of business is 01620 810183.

#### 3. Subsidiary undertakings and investments

The Company has one wholly-owned subsidiary, Original Investments LLC, a company established and registered in Delaware as a limited liability company. The Company owns 100 per cent. of the membership interest in Original Investments LLC.

The Company has two investments in its current portfolio: ViaLogy and Acrobot. Other than the Acquisition, the Company has no investments currently in progress and the Board has made no firm commitments on any future investments.

#### 4. Share capital

##### 4.1 *Authorised share capital*

The Company was incorporated with an authorised share capital of £500,000 divided into 50,000,000 Ordinary Shares. By resolutions passed on 13 April 2000 and 31 July 2000 the authorised share capital was increased to £1,000,000 and £4,000,000 divided into 100,000,000 and 500,000,000 Ordinary Shares respectively.

##### 4.2 *Issued share capital*

The number of Ordinary Shares in issue at 31 March 2003 was 253,000,000 Ordinary Shares, all of which were in issue fully paid.

On 18 November 2003, the Company issued 12,000,000 Ordinary Shares, fully paid, at a price of £0.022 per share increasing the issued share capital of the Company to 265,000,000 Ordinary Shares.

On 19 April 2004, the Company issued 1,000,000 Ordinary Shares, fully paid, at a price of £0.01 per share upon the exercise of warrants, increasing the issued share capital of the Company to 266,000,000 Ordinary Shares.

On 14 July 2004, the Company issued 22,222,223 new Ordinary Shares, fully paid, at a price of £0.045 per share increasing the issued share capital of the Company to 287,222,223 Ordinary Shares.

On 1 June 2005 the Company issued 23,000,000 Ordinary Shares, fully paid, at a price of £0.01 per share upon the exercise of warrants, increasing the issued share capital of the Company to 311,222,223 Ordinary Shares.

If passed, Resolution numbered 5 will increase the authorised share capital of the Company from £5,000,000 to £7,500,000 by the creation of 250,000,000 new Ordinary Shares. Accordingly, subject to the passing of the Resolutions, the authorised and issued share capital of the Company (i) as at the date of this document and (ii) following Admission and completion of the Acquisition are, and will be, as follows:

	<i>Existing</i>		<i>Following Admission</i>	
	<i>Nominal Value</i>	<i>Number of Ordinary Shares</i>	<i>Nominal value</i>	<i>Number of Ordinary Shares</i>
<b>Authorised</b>	£5,000,000	500,000,000	£7,500,000	750,000,000
<b>Issued and fully paid</b>	£3,112,222.23	311,222,223	£4,032,564	403,256,437

- 4.3 The Ordinary Shares in issue following Admission will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after Admission on the Ordinary Share capital.
- 4.4 By resolutions passed at the annual general meeting of the Company held on 8 May 2002:
- (a) the directors were generally and unconditionally authorised in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to a nominal value of £1,940,000, such authority to expire on 7 May 2007 unless varied, revoked or renewed by the Company in general meeting; and
- (b) the directors were authorised pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) for cash pursuant to the authority referred to in paragraph 4.4(a) above other than *pro rata* to existing shareholders up to an aggregate nominal amount of £1,940,000.
- 4.5 The provisions of Section 89(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 743 of the Act) apply to the authorised but unissued share capital of the Company to the extent not disapplied as described in paragraph 4.4(b) above.
- 4.6 Save as disclosed in this document, no share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option.
- 4.7 There are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 4.8 There are no outstanding convertible securities issued by the Company.

## **5. Memorandum and articles of association**

### *5.1 Memorandum of association*

The objects of the Company are set out in clause 4 of the Company's memorandum of association and its principal objects are to carry on the business of a general commercial company.

### *5.2 Articles of association*

The Articles, which were adopted by a special resolution passed on 8 May 2002, contain provisions, amongst others, to the following effect:

#### *(a) Voting rights*

Subject to any special terms as to voting upon which any share may be issued, or may be held, and subject to the provisions of the Articles, on a show of hands every member of the Company ("Member") present in person and entitled to vote shall have one vote and on a poll every Member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder.

No Member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other moneys due and payable in respect of the Member's share or shares have been paid.

Where a notice is served by the Company under section 212 of the Act (a "section 212 notice") on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any shares (the "default shares" which expression includes any shares issued after the date of the section 212 notice in respect of those shares) to give the Company the information required within 28 days (unless the default shares represent at least 1/4 per cent. of the issued shares of that class, when the prescribed period is reduced to 14 days) from the date of service of the section 212 notice then, unless the board otherwise decides, the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll.

*(b) Dividends*

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend which has remained unclaimed for a period of 12 years from the date it became due for payment is forfeited and ceases to remain owing by the Company.

Where a section 212 notice is served on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default shares to give the Company the information required within the prescribed time and the default shares represent at least 1/4 per cent. in nominal value of the issued shares of their class then, unless the board otherwise decides, any dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it.

*(c) Distribution of assets on a winding up*

If the Company is wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by law, divide among the Members in kind the whole or any part of the assets of the Company and may for this purpose value any assets and determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same sanction, vest any part of the assets in trustees upon such trust for the benefit of Members as the liquidator may think fit but so that no member shall be compelled to accept any asset in respect of which there is a liability.

*(d) Purchase of own shares*

Subject to the Act, the Company may purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be permitted by the Act.

*(e) Variation of class rights*

All or any of the special rights for the time being attached to any class of shares for the time being issued may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). At every such separate general meeting the necessary quorum shall be not less than two persons holding or representing by proxy not less than one third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, one holder who is present in person or by proxy, whatever the amount of his holding, shall be deemed to constitute a meeting.

(f) *Transfer of shares*

Any member may transfer all or any of his shares. Save where any rules or regulations made under the Act permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the board may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The board may in its absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid or on which the Company has a lien.

Where a section 212 notice is served on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default shares to give the Company the information required within 14 days from the date of service of the section 212 notice and such shares represent at least 1/4 per cent. in nominal value of the issued shares of their class, then, unless the board otherwise decides, no transfer of any of the default shares shall be registered unless the transfer is an "approved transfer" (as defined in the Articles) or the Member is not himself in default in supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the Member, in such form as the board may in its absolute discretion require, to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(g) *Alteration of capital*

The Company may from time to time by ordinary resolution:-

- (i) increase its capital as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its shares into shares of larger amount;
- (iii) sub-divide all or any of its shares into shares of smaller amount and attach varying rights to the shares resulting from such sub-division; and
- (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account subject to the provisions of the Act.

(h) *Borrowing Powers*

The directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(i) *Directors*

At every annual general meeting of the Company as near as possible (but not exceeding) one third of the directors for the time being shall retire by rotation and be eligible for re-election. The directors to retire will be those who have been longest in office or, in the case of those who became or who are re-elected Directors on the same day, shall, unless they otherwise agree, be determined by lot.

Save as provided below, a director shall not vote at a meeting of the board or any committee of the board on any resolution of the directors concerning a matter in which he has an interest which together with any interest of any person connected with him is to his knowledge a material interest. The Company may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

The prohibition on voting referred to above shall not apply to a director in relation to any of the following matters, namely:

- (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company;

- (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company for which he has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security;
- (iii) the subscription for or underwriting or sub-underwriting of any shares, debentures or other securities of the Company by him;
- (iv) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital or the voting rights in such company);
- (v) any resolution relating to an arrangement for the benefit of employees of the Company and which does not provide in respect of any director as such any privilege or benefit not accorded to the employees to whom the arrangement relates; and
- (vi) any proposal concerning the purchase and/or maintenance of any insurance policy against liability for negligence, default, breach of duty or breach of trust in relation to the Company under which he may benefit.

The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £100,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board.

The directors shall be entitled to all such reasonable expenses as they may properly incur in attending meetings of the board or in the discharge of their duties as directors. Any director who by request of the board performs special services may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the board may determine. The directors may pay pensions and other benefits to, *inter alia*, present and past employees and directors and may set up and maintain schemes for the purpose.

The provisions of section 293 of the Act relating to the mandatory retirement of Directors at age 70 do not apply to the Company.

Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall be not less than two. There is no maximum number of Directors. A Director shall not be required to hold any shares of the Company by way of qualification.

(j) *General Meetings*

At least 21 clear days' notice of every annual general meeting and of every extraordinary general meeting at which it is proposed to pass a special resolution and at least 14 clear days' notice of every other extraordinary general meeting shall be given, to such Members as are, under the Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Directors and the auditors.

## 6. Warrants

Pursuant to agreements dated 8 May 2002 and 14 May 2002, the Company has outstanding warrants to subscribe for 1,500,000 and 1,000,000 Ordinary Shares exercisable at 6 pence per share. The warrants are exercisable at any time up to 8 May 2012 and 14 May 2012 respectively. Richard Dixey, a Director of the Company, is the holder of the warrant to subscribe for 1,000,000 Ordinary Shares.

## 7. Share Options

### 7.1 *Outstanding share options*

No option granted under the Share Option Schemes remains outstanding.

### 7.2 *Share Option Schemes*

At the annual general meeting of the Company held on 8 May 2002 the Original Investments plc Approved Share Option Scheme (the "Approved Scheme") and the Original Investments plc Unapproved Share Option Scheme (the "Unapproved Scheme") were adopted. The Approved Scheme is approved by H.M. Revenue & Customs under the provisions of the Income Tax (Earnings & Pensions) Act 2003.

Set out below are summaries of the principal terms of the Approved Scheme and the Unapproved Scheme:

*Approved Scheme*

- (a) Any employee (including executive directors) of the Company or any member of its subsidiaries (“the Group”) is eligible to participate in the Approved Scheme. An option may not be granted to an employee less than two years before he is bound to retire under the terms of his contract of employment.
- (b) Invitations to apply for the grant of options may be sent by the Company to eligible employees selected by the Remuneration Committee. Invitations may normally be issued only during the period of 42 days following the announcement of the Company’s interim or final results for any period. Invitations may be issued in the period of 42 days following the approval of the Scheme by HM Revenue & Customs. Options may not be granted under the Approved Scheme after 30 April 2012 nor during a period when the grant of options would not be in accordance with the AIM Rules. No payment is required for the grant of an option.
- (c) An option will entitle the holder to subscribe for Ordinary Shares at a price determined by the Directors, which may not be less than the higher of:
  - (i) the market value of an Ordinary Share determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed for the purposes of the Approved Scheme with the Inland Revenue Shares Valuation Division; and
  - (ii) the nominal value of an Ordinary Shareprovided that the exercise price may not be less than the average of the middle market quotations of an Ordinary Share as derived from the AIM Supplement to the Daily Official List of the London Stock Exchange for the three dealing days immediately preceding the date on which the invitation to apply for the grant of the Option is issued.
- (d) The number of Ordinary Shares in respect of which options may be granted under the Approved Scheme on any day, when added to the number of shares in respect of which options have been granted under the Approved Scheme and the Unapproved Scheme and any other share option Scheme or share incentive Scheme (and, in each case, if such options have not exercised, have not then ceased to be exercisable) in the preceding period of 10 years is not to exceed 10 per cent. of the issued ordinary share capital of the Company from time to time.
- (e) No option may be granted to an eligible employee if the result of the grant would be that the aggregate price payable on the exercise of all options held by him under the Approved Scheme or any other Revenue & Customs approved share option Scheme (other than options granted under an Revenue & Customs approved savings related share option Scheme) adopted by the Company or an “associated company” (as defined in the Approved Scheme) would exceed £30,000.
- (f) An option will normally be exercisable only during the period between three and ten years following the date of grant. An option will normally lapse if the option holder ceases to be employed by the Company. However, options may be exercised by an option holder following cessation of his employment during a limited period in certain specified circumstances, such as the death, injury, disability, redundancy or retirement of the option holder or the take-over or voluntary winding-up of the Company. If any option holder ceases to be employed by the Company in any other circumstances, the directors have a discretion to allow the option holder to exercise options.
- (g) The exercise of an option will be conditional upon the performance of the Company and/or upon the performance of the option holder over such period(s) and measured against such objective criteria as shall be determined by the directors and notified to the option holder when the option is granted.
- (h) An option is not transferable and may be exercised only by the person to whom it is granted or, in the case of a deceased option holder, his personal representatives.

- (i) In the event of a capitalisation issue, a rights issue or a sub-division, consolidation or reduction in the capital of the Company, the number of Ordinary Shares subject to an option and the exercise price of an option may be adjusted by the directors, subject (other than in the case of a capitalisation issue) to the auditors of the Company confirming in writing to the directors that such adjustment is, in their opinion, fair and reasonable and provided no adjustment will be made unless the Revenue & Customs have confirmed that the approved status of the Approved Scheme will not be affected.
- (j) Ordinary Shares allotted on the exercise of an option granted under the Approved Scheme will rank equally in all respects with the Ordinary Shares of the Company in issue at the date of allotment, except as regards dividends and other entitlements arising by reference to a record date prior to the date of allotment.
- (k) The Remuneration Committee may amend the rules of the Approved Scheme, provided no adjustment will be made unless the Inland Revenue has confirmed that the approved status will not be affected by the amendment.
- (l) The rules of the Approved Scheme provide that the Scheme does not form part of the contract of employment of any employee and that any claim by an employee for loss of employment will not include the loss of any benefit or advantage under the Approved Scheme.
- (m) The Approved Scheme is governed by English law and any dispute concerning the Approved Scheme is subject to the jurisdiction of the English courts.

#### *Unapproved Scheme*

The principal terms of the Unapproved Scheme are substantially the same as the Approved Scheme. The Unapproved Scheme has not been approved by HM Revenue & Customs under the Income and Corporation Taxes Act 1988. The principal differences between the Approved and Unapproved Schemes are:

- (i) the aggregate market value of shares over which options may be granted to an eligible employee, when added to the aggregate market value (at the date of grant) of shares over which options are then held by the eligible employee (under the approved and unapproved schemes and any other share incentive scheme established by the Company) shall not exceed four times the eligible employee's then annual emoluments (excluding benefits in kind);
- (ii) the price payable upon the exercise of an option is not subject to agreement with the Inland Revenue Shares Valuation Division;
- (iii) the amendment of the rules of the Unapproved Scheme does not require Revenue & Customs approval.

The Unapproved Scheme does not contain provisions providing for an option holder on the takeover of the Company to exchange an outstanding option for an equivalent option over shares of the acquiring company.

- 7.3 Save as set out above, the Company has no arrangements in place for involving its directors and/or employees in its share capital.

## 8. Directors' and other interests

8.1 The interests of the Directors and the Proposed Directors (all of which are, unless otherwise stated, beneficial) in the issued share capital of the Company as at the date of this document and immediately following Admission and completion of the Acquisition, such interests being those which are required to be notified by any director to the Company under the provisions of section 324 or 328 of the Act or which are required to be entered in the register of interests required to be maintained pursuant to section 325 of the Act or which are interests of persons connected with a director of the Company within the meaning of section 346 of the Act, the existence of which is known (or which could, with reasonable diligence, be ascertained by a director) are, and will be, as follows:

<i>Director</i>	<i>Existing</i>		<i>Following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital (%)</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital (%)</i>
James Derrick Slater	26,485,000	8.5	26,485,000	6.6
Terence Bond	13,925,000	4.5	13,925,000	3.5
Dr Richard Peter Dixey	4,900,000	1.6	4,900,000	1.2
Julian George Viggars	280,000	0.1	280,000	0.1
Michael Kelly	0	0	3,505,786	0.9
Dr Sandeep Gulati	0	0	6,904,412	1.7
George Rehm	0	0	596,827	0.1
Dr Robert Dean	0	0	2,897,304	0.7

8.2 Save as set out in paragraph 8.1 above, following Admission and completion of the Acquisition, no Director or Proposed Director will, and no person connected with a Director or Proposed Director is expected to, have any interest in the share capital of the Company.

8.3 As at 25 September 2006 (being the latest practicable date prior to publication of this document) insofar as is known to the Company, no person or persons, other than as set out in paragraph 8.1 above and in this paragraph 8.3, are interested, directly or indirectly, in 3 per cent. or more of the capital of the Company.

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of existing issued ordinary share capital (%)</i>
Atlas Capital S.A.	17,700,000	5.7
Christopher Slater	12,585,000	4.0

8.4 As at 25 September 2006 (being the latest practicable date prior to publication of this document) save as disclosed in this paragraph 8, the Company is not aware of any person or persons who, directly or indirectly, jointly or severally, at the date of this document or following Admission and completion of the Acquisition, owns or controls the Company nor is the Company aware of any arrangements that may, at a subsequent date, result in a change of control of the Company.

8.5 The major Shareholders in the Company have the same voting rights as all other Shareholders.

## 9. Additional Information on the Directors

9.1 Other than directorships in the Company, the directorships and partnerships currently held by the Directors and the Proposed Directors and held over the five years preceding the date of this document are as follows:

<i>Name</i>	<i>Current</i>	<i>Past</i>
James Derrick Slater	Salar Investments Limited Salar Properties (UK) Limited Brenroyd Holdings Limited The Slater Foundation Limited Artemis Management Services Limited Carron & Laggan Fishing Nominees Limited Shambhala Gold Limited Galahad Gold PLC Ludgate 341 Limited Ludgate 347 Limited ViaLogy Corp.	Artemis Properties Limited Orange Court Investments Limited
Terence Bond	Country Buildings Protection Trust Limited The Acrobot Company Limited ViaLogy Corp Original Investments LLC	Proshare UK Limited Proshare Investment Clubs Limited National Association of Investment Clubs (The) College of Investor Education Limited Bond Projects Limited Fenoic PLC TBWU 2 Limited TBWU 1 Limited Bond Projects Limited
Dr Richard Peter Dixey	Phytodevelopments Limited Phytotech Limited Phytopharm PLC Chakra Limited Cawdor Castle Limited	Sunstream Limited
Julian George Viggars	None	Vigcon Limited IIT Limited Acolyte Biomedica Limited
Michael Woods Kelly	Concurro Inc. firstVentury GmbH ViaLogy Corp.	Aeris Holdings SA n4fx.com Inc.
Dr Sandeep Gulati	ViaLogy Corp. Arroyo Sciences Inc. Zyomed Corp.	ViaChange Inc. Viaspace Inc.
George Rehm	Affimed Therapeutics AG Sensovation AG BioPheresis Technologies Inc ViaLogy Corp. Aeris Technology Fund SARM	None
Dr Robert Dean	None	EOS Ltd Macdonald, Dettweiler & Associates

9.2 In 1979, Jim Slater was found guilty of a breach of Section 54 of the Companies Act 1948 and fined £15 each for each of the fifteen charges brought against him, all of which related to the same offence. It was accepted by the Court that the loans the subject of the charges were made

for the benefit of the Slater Walker Group as a whole and not for any personal gain, nor to influence the share price, nor to obtain control of the group, nor to deprive shareholders in any way. The conviction is spent.

- 9.3 In 1976, the Government of Singapore sought the extradition of Jim Slater in connection with six charges. The application was dismissed in the magistrate's court in England, which found that there was no case to answer.
- 9.4 Sandeep Gulati was a director of ViaChange Inc. which was placed under voluntary general assignment for the benefit of creditors in December 2002.
- 9.5 Save as disclosed in paragraphs 9.2 to 9.4 above, none of the Directors and Proposed Directors has:
- (a) any unspent convictions in relation to indictable offences;
  - (b) had a bankruptcy order made against him or made an individual voluntary arrangement;
  - (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary arrangement or made any composition or arrangement with its creditors generally or of any class of its creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;
  - (d) been a partner in a partnership which has been placed in compulsory liquidation, administration or made a partnership voluntary arrangement whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;
  - (e) had any asset placed in receivership or any asset of a partnership in which he was a partner placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership; or
  - (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 9.6 No Director or Proposed Director has, or has had, any interest (whether direct or indirect) in any transaction with the Company which is or was of an unusual nature, contains or contained unusual terms or is or was effected during the current or immediately preceding financial year, or which was effected during any earlier financial year and remains in any respect outstanding or unperformed.
- 9.7 No loans or guarantees have been granted or provided to or for the benefit of the Directors or the Proposed Directors by the Company.
- 9.8 No Director or Proposed Director or member of a Director's or Proposed Director's family has a related financial product referenced to Ordinary Shares.

#### **10. Directors' service agreements, letters of appointment and emoluments**

The Directors and Proposed Directors have entered into service agreements and letters of appointment with the Company as follows:

- 10.1 Jim Slater has a service agreement with the Company dated 15 May 2002 pursuant to which he is engaged as Chairman and employed by the Company for 2.5 days per week at a salary of £40,000 per annum. The service agreement is terminable by either party on not less than 6 months' notice and makes no provision for benefits upon termination of employment. The agreement will terminate upon Mr Slater's resignation preceding completion of the Acquisition.
- 10.2 Terry Bond has a service agreement with the Company dated 15 May 2002 (as amended by letter agreement dated 27 September 2006) pursuant to which he is engaged as Managing Director and Deputy Chairman and employed by the Company for 3 days per week at a salary of £50,000 per annum and with effect from Admission will be engaged as Executive Chairman and employed by the Company full-time at a salary of £100,000 per annum. The service agreement is for an initial term of 1 year from Admission and thereafter is terminable by either party on not less than 6 months' notice. The agreement makes no provision for benefits upon termination of employment. Mr. Bond is entitled to the reimbursement of the cost of business mileage incurred in the course of his employment calculated in accordance with the Inland Revenue fixed profit share mileage scheme.
- 10.3 Michael Kelly has a service agreement with ViaLogy dated 1 March 2006 (as amended by letter agreement dated 27 September 2006) pursuant to which he is engaged by ViaLogy as President and Chief Executive Officer. The service agreement is for a term of one year expiring on 1 March 2007 ("the expiry date") subject to automatic renewal on the expiry date and each

anniversary thereof unless either Mr Kelly or ViaLogy give not less than 90 days' prior notice to terminate the service agreement with effect from the expiry date or anniversary thereof. The service agreement is terminable by ViaLogy by 30 days' notice given at any time, subject to payment and provision by ViaLogy to Mr Kelly of salary and benefits for the period of 12 months following the termination of the service agreement. Mr Kelly is currently paid a salary of US\$250,000 per annum. The salary is subject to increase by not less than 5% each year. Mr Kelly is entitled to participate in ViaLogy's medical and dental benefit programmes. Following termination of the service agreement by ViaLogy by notice given to expire on the expiry date or any anniversary thereof Mr Kelly is entitled to be paid and provided his salary and other benefits during the period of 6 months following the date of termination of the service agreement. The service agreement provides for the payment of discretionary annual performance based bonuses by reference to criteria to be set by the board of ViaLogy each year.

- 10.4 Dr Sandeep Gulati has a service agreement with ViaLogy dated 29 June 2004 (as amended by letter agreement dated 27 September 2006) pursuant to which he is engaged by ViaLogy as Chief Scientific Officer and Vice President, Research Development. The service agreement is for a term of three years expiring on 3 December 2007 ("the expiry date") subject to automatic renewal on the expiry date and each anniversary thereof unless either Dr Gulati or ViaLogy give not less than 90 days' prior notice to terminate the service agreement with effect from the expiry date or anniversary thereof. The service agreement is terminable by ViaLogy by 10 days' notice given at any time, subject to payment and provision by ViaLogy to Dr Gulati of salary and benefits until the earlier of the expiry of the then unexpired term of the service agreement and the date 24 months following the termination of the service agreement, whichever is the later. Dr Gulati is currently paid a salary of US\$236,250 per annum. The salary is subject to increase by not less than 5% each year. Dr Gulati is entitled to participate in ViaLogy's medical and dental benefit programmes. Upon termination of the service agreement by ViaLogy by notice given to expire on the expiry date or any anniversary thereof Dr Gulati is entitled to be paid and provided his salary and other benefits during the period of 18 months following the date of termination of the service agreement. The service agreement provides for the payment of discretionary annual performance based bonuses by reference to criteria to be set by the board of ViaLogy each year.
- 10.5 Dr Richard Dixey holds office as a non-executive Director pursuant to the terms of a letter of appointment dated 15 May 2002. The appointment is subject to the provisions of the articles of association of the Company relating to retirement by rotation and vacation of office. Dr Dixey is paid a fee of £10,000 per annum for his services. The terms of his appointment make no provision for benefits upon termination of his appointment. The agreement will terminate upon Mr Dixey ceasing to hold office as a Director at the AGM.
- 10.6 Julian Viggars holds office as a non-executive Director pursuant to the terms of a letter of appointment dated 1 June 2003. The appointment is subject to the provisions of the articles of association of the Company relating to retirement by rotation and vacation of office. Mr Viggars is paid a fee of £10,000 per annum for his services. The terms of his appointment make no provision for benefits upon termination of his appointment. The agreement will terminate upon Mr Viggars's resignation at completion of the Acquisition.
- 10.7 Pursuant to a letter of appointment dated 27 September 2006, and conditional upon Admission, George Rehm will be appointed as a non-executive director of the Company. The appointment is subject to the provisions of the articles of association of the Company relating to retirement by rotation and vacation of office. Mr Rehm will be paid a fee of £10,000 per annum for his services together with a fee of US\$1,000 in respect of each quarterly board meeting of the Company, unless he shall be unable to attend. The terms of his appointment make no provision for benefits upon the termination of his appointment.
- 10.8 Pursuant to a letter of appointment dated 27 September 2006, and conditional upon Admission, Dr Robert Dean will be appointed as a non-executive director of the Company. The appointment is subject to the provisions of the articles of association of the Company relating to retirement by rotation and vacation of office. Dr Dean will be paid a fee of £10,000 per annum for his services together with a fee of US\$1,000 in respect of each quarterly board meeting of the Company, unless he shall be unable to attend. The terms of his appointment make no provision for benefits upon the termination of his appointment.

- 10.9 Save as provided in paragraphs 10.1 to 10.8 above, there are no existing or proposed service agreements or terms of engagement between any of the Directors and any member of the Group.
- 10.10 It is estimated that under arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors and Proposed Directors for the financial period ending 31 March 2007 will be £225,000.
- 10.11 As at 31 March 2006, and as at the date of this document, the Company had 6 employees (including the Directors). As at 31 December 2005 ViaLogy had 13 employees and as at the date of this document ViaLogy has 18 employees.

## 11. United Kingdom Taxation

### TAXATION

The following information is given in summary form only and is based on tax legislation as it exists at the present time. The information relates to the tax position of holders of Ordinary Shares in the capital of the Company who are resident or ordinarily resident in the United Kingdom for tax purposes. The statements below do not constitute advice to any Shareholder on his or her personal tax position, and may not apply to certain classes of investor (such as persons carrying on a trade in the United Kingdom or United Kingdom insurance companies).

**This is only a summary of the tax reliefs available to investors and should not be construed as constituting advice which a potential investor should obtain from his or her own investment or taxation adviser before subscribing for Ordinary Shares.**

#### *Income Tax*

Under current United Kingdom taxation legislation, no withholding tax will be deducted from dividends paid by the Company.

Individual Shareholders resident for tax purposes in the United Kingdom should generally be entitled to a tax credit in respect of any dividend received. The amount of this tax credit in respect of dividends paid is currently set at  $\frac{1}{9}$  of the amount of the dividend. Such an individual Shareholder's liability to United Kingdom income tax is calculated on the aggregate of the dividend and the tax credit which will be regarded as the top slice of the individual's income. The tax credit is therefore currently set at 10 per cent. of the combined amount of the dividend and the tax credit. The tax credit will be available to offset such Shareholder's liability (if any) to income tax on the dividend. The tax credit will discharge the income tax liability of an individual Shareholder who is not liable to income tax at a rate greater than the basic rate. A Shareholder who is liable to income tax at the higher rate (currently 40 per cent.) has further income tax to pay at a rate of 22.5 per cent. of the dividend and related tax credit. The tax credit cannot be reclaimed from HM Revenue & Customs.

With certain exceptions for traders in securities, a holder of Ordinary Shares that is a company resident (for taxation purposes) in the United Kingdom and receives a dividend paid by the Company, will not be subject to tax in respect of the dividend.

#### *Capital Gains*

If a shareholder disposes of some of the Ordinary Shares they may, depending on individual circumstances, incur a liability to capital gains tax or corporation tax.

A shareholder not resident in the UK for tax purposes but which carries on a trade, professional or vocation in the UK through a branch or agency to which shares are attributable may be subject to capital gains tax or corporation tax on a disposal of shares.

Individual who are temporarily non-UK resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the UK.

In the case of a shareholder within the charge to corporation tax, indexation allowance will apply to the amount paid for the shares. In the case of other shareholders, indexation allowance has been replaced by a taper relief which will reduce the amount of chargeable gains realised on a subsequent disposal of their shareholding according to how long the shares have been held since the shares were acquired.

### *Inheritance Tax Relief*

Provided a Shareholder has owned shares in a qualifying company for at least two years and certain conditions are met at the time of the transfer, 100 per cent. business property relief is available, which reduces the inheritance tax liability on the transfer to nil.

#### **12. Working capital**

The Directors and the Proposed Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and the Enlarged Group will be sufficient for its present requirements, that is for at least 12 months following Admission.

#### **13. Significant change**

There has been no significant change in the trading or financial position of the Company or the Enlarged Group, nor any recent trend concerning the development of the business of the Company or the Enlarged Group, nor any significant acquisitions or disposals of assets since 31 March 2006. The Directors and Proposed Directors do not know of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Enlarged Group for at least the current financial year.

#### **14. Legal and arbitration proceedings**

So far as the Company is aware, there are not, and have not been during the past 12 months, any governmental, legal or arbitration proceedings active, pending or threatened against, or being brought by, any member of the Enlarged Group which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company or the Enlarged Group.

#### **15. Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company, Original Investments LLC or ViaLogy during the two years immediately preceding the date of this document and are, or may be, material:

- 15.1 The Merger Agreement dated 27 September 2006 between the Company (1), Original Investments LLC (2), ViaLogy (3) and Aeris Holdings AG, Dr Sandeep Gulati and Michael Kelly (“the Warrantors”) (4) providing for the merger of ViaLogy and Original Investments LLC in consideration of the issue to the holders of the ViaLogy Common Shares at Completion of 3.08 Ordinary Shares per ViaLogy Common Share (such entitlements being rounded up to the nearest whole number of Ordinary Shares), subject to the rights of the holders of ViaLogy Common Shares who have not voted in favour of, or consented to, the Acquisition under section 262 of the Delaware General Corporation Law to dissent to the Acquisition. The Merger Agreement contains warranties by the Warrantors in favour of the Company and Original Investments LLC in relation to the assets, liabilities, business and trading activities of ViaLogy, including in relation to the intellectual property rights of ViaLogy. The liability of each of the Warrantors is limited to an amount equal to the consideration receivable by such Warrantor pursuant to the Acquisition. The Warrantors shall not be liable in respect of any claim for breach of the warranties unless and until the aggregate of all claims exceeds US\$100,000. The Merger Agreement contains warranties by the Company and Original Investments LLC in favour of the Warrantors in relation to the assets, liabilities, business and trading activities of the Company and Original Investments LLC. The Merger Agreement contains undertakings by ViaLogy and the Company in favour of the other as to the conduct of its business prior to Completion or termination of the Merger Agreement. ViaLogy has undertaken to the Company to take all action necessary in accordance with the Delaware General Corporation Law and the Certificate of Incorporation of ViaLogy to obtain the written consent of the stockholders of ViaLogy to the Acquisition. The Company has agreed to assume the obligations of ViaLogy in respect of the ViaLogy Options and ViaLogy Warrants on the basis that each holder of ViaLogy Options and ViaLogy warrants shall following Completion be entitled to exercise the ViaLogy Options and ViaLogy Warrants in relation to Ordinary Shares on the basis that they will be exercisable in respect of such number of Ordinary Shares as is calculated by multiplying the number of ViaLogy Common Shares the subject of a ViaLogy Option or ViaLogy Warrant by 3.08 (rounded down to the nearest whole number) at a price per Ordinary Share calculated as the sterling equivalent of the current exercise price divided by 3.08 (subject to a minimum

price of £0.01 per Ordinary Share). The Merger Agreement is conditional, *inter alia*, upon the approval of the shareholders of the Company and ViaLogy and Completion being effected not later than 30 November 2006.

- 15.2 Agreements dated 27 September 2006 pursuant to which Terry Bond and each of the Proposed Directors has undertaken to the Company and Seymour Pierce conditional upon Admission in accordance with the requirements of the AIM Rules not to dispose of any interest in any Ordinary Shares in the period of 12 months following Admission and for a further period of 12 months thereafter only to dispose of interests in Ordinary Shares following consultation with Seymour Pierce so as to maintain an orderly market in the Ordinary Shares. The undertakings do not apply to any disposal pursuant to acceptance of a general, partial or tender offer (as defined in each case in the City Code) made to acquire the whole or a part of the issued share capital of the Company (other than any shares already held by the offeror or persons acting in concert with the offeror) or the provision of an irrevocable undertaking to accept such an offer, or any disposal made pursuant to an intervening court order.
- 15.3 An agreement dated 27 September 2006 pursuant to which Jim Slater has undertaken to the Company and Seymour Pierce conditional upon Admission not to dispose of any interest in his holding of 1,500,000 Ordinary Shares and to procure that neither Artemis Management Services Limited nor The Gladerange Executive Pension Scheme disposes of any interest in their respective holdings of 10,000,000 and 7,985,000 Ordinary Shares in the period of 12 months following Admission. The undertakings do not apply to any disposal pursuant to acceptance of a general, partial or tender offer (as defined in each case in the City Code) made to acquire the whole or a part of the issued share capital of the Company (other than any shares already held by the offeror or persons acting in concert with the offeror) or the provision of an irrevocable undertaking to accept such an offer, or any disposal made pursuant to an intervening court order.
- 15.4 Pursuant to an agreement dated 27 September 2006 Aeris Holdings AG has undertaken to the Company and Seymour Pierce conditional upon Admission in accordance with the requirements of the AIM Rules not to dispose of any interest in any Ordinary Shares in the period of 12 months following Admission and for a further period of 12 months thereafter only to dispose of interests in Ordinary Shares following consultation with Seymour Pierce so as to maintain an orderly market in the Ordinary Shares. The undertakings do not apply to any disposal pursuant to acceptance of a general, partial or tender offer (as defined in each case in the City Code) made to acquire the whole or a part of the issued share capital of the Company (other than any shares already held by the offeror or persons acting in concert with the offeror) or the provision of an irrevocable undertaking to accept such an offer, or any disposal made pursuant to an intervening court order.
- 15.5 Loan agreement dated as of 30 April 2006 between the Company and ViaLogy pursuant to which the Company agreed to provide a loan to ViaLogy in the aggregate amount of up to US\$ 500,000 (the "Loan"). The Loan is repayable on 31 October 2006. Interest is payable by ViaLogy on the amount drawdown at the rate of 12 per cent. per annum. The Loan (together with accrued interest) is convertible into Preferred Shares at US\$0.27831 per Preferred Share. The Loan will be converted into ViaLogy Common Shares prior to Completion.
- 15.6 Loan Agreement dated as of 10 June 2006 and entered into between the Company, Aeris Holdings AG, Michael Kelly and Dr Robert Dean ("the Lenders") (1) and ViaLogy (2) pursuant to which the Lenders agreed to advance to ViaLogy a loan in the aggregate amount of up to US\$1,000,000. The loan bears interest at the rate of 12 per cent. per annum and is convertible into Preferred Shares at US\$0.05403 per Preferred Share. The Loan will be converted into ViaLogy Common Shares prior to Completion.
- 15.7 Series B Preferred Stock Purchase Agreement dated 1 October 2005 between ViaLogy (1) and the Company, Aeris Holding AG, C&D Venture GmbH, Michael Kelly, George Rehm and Holly Doyne (together, the "Investors") (2), pursuant to which the Investors subscribed for and purchased in aggregate 20,500,500 Series B Preferred Stock of ViaLogy for an aggregate amount of US\$ 5,288,642.
- 15.8 Amended and Restated Stockholders' Agreement (entered into pursuant to the agreement summarised in paragraph 15.7 above) dated as of 1 October 2005. Under the agreement ViaLogy and the Investors were granted certain rights of first refusal over any proposed transfers of ViaLogy Common Shares or Series A Preferred Stock owned by the founder

shareholders and the Investors were granted certain co-sale rights to participate in sales by the founders of ViaLogy Common Shares and ViaLogy Preferred Shares. The agreement will terminate upon Admission.

- 15.9 Amended and Restated Investor Rights Agreement between ViaLogy (1) and the Investors (2) entered into pursuant to the agreement summarised in paragraph 15.8 above relating to registration rights of the parties in connection with the US Securities Act 1933 and rights relating to underwriting and offers of ViaLogy's shares to the public. The agreement will terminate upon Admission.

## 16. Further information in relation to Rule 9 of the City Code

16.1 The current shareholdings of each of the Concert Parties in ViaLogy shares are as follows:

### 16.1 (i) *Aeris Concert Party*

<i>Name</i>	<i>Number of shares in ViaLogy</i>	<i>Fully diluted % shareholding in ViaLogy</i>
Aeris Holdings AG	19,767,507	30.24
George Rehm and Holly Doyne	193,775	0.3
Michael Kelly	1,138,242	1.74
	21,099,524	32.28

### 16.1 (ii) *C&D Ventures Concert Party*

<i>Name</i>	<i>Number of shares in ViaLogy</i>	<i>Fully diluted % shareholding in ViaLogy</i>
C&D Ventures GMBH	1,217,680	1.86

### 16.1 (iii) *Other shareholders in ViaLogy (save for Original Investments)*

<i>Name</i>	<i>Number of shares in ViaLogy</i>	<i>Fully diluted % shareholding in ViaLogy</i>
Sandeep Gulati	2,241,692	3.43
Dr. John Broome	265,111	0.41
Alberto Marolda	173,371	0.28
Californian Institute of Technology	32,368	0.05
Bonaparte Liu	25,000	0.04
Stephen Muzi	50,000	0.08
Carl A. Kukkonen III	299,928	0.46
Carl Kukkonen	656,673	1.00
Amjad Abdallat	402,795	0.62
SNK Capital Trust	512,400	0.78
Saleman Sheyayeb	98,644	0.15
Los Angeles County Community Development Commission	53,416	0.08
The A. & J. Abdallat Irrevocable Trust for the Benefit of Shirneen Anne Abdallat	14,808	0.02
The A. & J. Abdallat Irrevocable Trust for the Benefit of Omar Muhammad Abdallat	65,571	0.10
Trust for the benefit of Ali-Morgan Abdallat	65,571	0.10
The A. & J. Abdallat Irrevocable Trust for the Benefit of Adam Jordan Abdallat	65,571	0.10
The A. & J. Abdallat Irrevocable Trust for the Benefit of Yasmine Abdallat	65,571	0.10
S. and H. Shehyabe Trust	10,960	0.02
VIASPACE INC.	486,135	0.74
Daniel Kukkonen	99,392	0.15
Sir Gordon Burton	200,000	0.31

<i>Name</i>	<i>Number of shares in ViaLogy</i>	<i>Fully diluted % shareholding in ViaLogy</i>
Lord Phillip Howard	88,371	0.14
John Mathew	60,000	0.09
Neil Mendoza	150,000	0.23
MFM Solutions Fund	200,000	0.31
Brian and Susan Jennifer Quinton	60,000	0.09
Robert Smith	80,000	0.12
Dr Robert Dean	940,683	1.44
Douglas Lane	100,000	0.15
	<u>7,564,031</u>	<u>11.59</u>

16.2 The holdings of each of the Concert Parties in the Company as at the date of this document and following completion of the Acquisition are as follows:

16.2 (i) *Aeris Concert Party (Assuming only Aeris Concert Party exercise options and warrants post acquisition)*

<i>Name</i>	<i>At date of this document</i>			<i>Assuming completion of the Acquisition</i>			
	<i>Number of shares</i>	<i>Options and Warrants</i>	<i>Fully diluted %</i>	<i>Number of shares</i>	<i>Options and Warrants</i>	<i>shareholding</i>	<i>Fully diluted %</i>
Aeris Holdings AG	0	0	0	60,883,923	0	15.1	14.08
George Rehm and Holly Doyne	0	0	0	596,827	1,000,327	0.14	0.38
Michael Kelly	0	0	0	3,505,786	7,466,133	0.87	2.66
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>64,986,536</u>	<u>8,466,460</u>	<u>16.12</u>	<u>17.12</u>

16.2 (ii) *C&D Ventures Concert Party (Assuming only C&D Ventures Concert Party exercise options and warrants post Acquisition)*

<i>Name</i>	<i>At date of this document</i>			<i>Assuming completion of the Acquisition</i>			
	<i>Number of shares</i>	<i>Options and Warrants</i>	<i>Fully diluted %</i>	<i>Number of shares</i>	<i>Options and Warrants</i>	<i>shareholding</i>	<i>Fully diluted %</i>
C&D Ventures GMBH	0	0	0	3,750,455	0	0.93	0.93
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,750,455</u>	<u>0</u>	<u>0.93</u>	<u>0.93</u>

16.2 (iii) *Other shareholders in ViaLogy (Assuming only Other Shareholders in ViaLogy exercise options and warrants post Acquisition)*

Name	At date of this document			Assuming completion of the Acquisition			
	Number of shares	Number of Options and Warrants	Fully diluted % shareholding	Number of shares	Number of Options and Warrants	% shareholding	Fully diluted % shareholding*
Sandeep Gulati	0	0	0	6,904,412	16,234,898	1.71	5.45
Robert Dean	0	0	0	2,897,304	480,500	0.71	0.79
Dr. John Broome	12,500,000		5.3	13,316,542		3.3	3.13
Alberto Marolda	0	0	0	533,983	0	0.13	0.12
Californian Institute of Technology	0	0	0	99,694	0	0.024	0.023
Bonaparte Liu	0	0	0	77,000	0	0.019	0.018
Stephen Muzi	0	0	0	154,000	0	0.038	0.036
Carl A. Kukkonen III	0	0	0	923,779	0	0.22	0.21
Carl Kukkonen	0	0	0	2,022,553	0	0.50	0.47
Amjad Abdallat	0	0	0	1,240,609	0	0.30	0.29
SNK Capital Trust	0	0	0	1,578,192	0	0.39	0.37
Saleman Sheyayeb	0	0	0	303,824	0	0.075	0.071
Los Angeles County Community Development Commission	0	0	0	164,522	0	0.040	0.038
The A. & J. Abdallat Irrevocable Trust for the Benefit of Shirneen Anne Abdallat	0	0	0	45,609	0	0.011	0.0107
The A. & J. Abdallat Irrevocable Trust for the Benefit of Omar Muhammad Abdallat	0	0	0	201,959	0	0.050	0.047
Trust for the benefit of Ali-Morgan Abdallat	0	0	0	201,959	0	0.050	0.047
The A. & J. Abdallat Irrevocable Trust for the Benefit of Adam Jordan Abdallat	0	0	0	201,959	0	0.050	0.047
The A. & J. Abdallat Irrevocable Trust for the Benefit of Yasmine Abdallat	0	0	0	201,959	0	0.050	0.047
S. and H. Shehyabe Trust	0	0	0	33,757	0	0.008	0.008
VIASPACE INC.	0	0	0	1,497,296	0	0.37	0.35
Daniel Kukkonen	0	0	0	306,128	0	0.075	0.072
Sir Gordon Burton	0	0	0	616,000	0	0.15	0.14
Lord Phillip Howard	0	0	0	272,183	0	0.067	0.064
John Mathew	0	0	0	184,800	0	0.045	0.043
Neil Mendoza	0	0	0	462,000	0	0.11	0.10
MFM Solutions Fund	0	0	0	616,000	0	0.15	0.14
Brian and Susan Jennifer Quinton	0	0	0	184,800	0	0.045	0.043
Robert Smith	0	0	0	246,400	0	0.061	0.58
Employees	0	0	0	0	3,677,520	0	0.86
Members of the Scientific Advisory board	0	0	0	0	388,080	0	0.09
Douglas Lane	0	0	0	308,000	0	0.076	0.07
<b>Total</b>	<b>12,500,000</b>	<b>0</b>	<b>15.3</b>	<b>35,797,223</b>	<b>20,780,998</b>	<b>8.824</b>	<b>11.77</b>

\* assuming the full exercise of all Options and Warrants held by the Concert Party and that no other shares are issued by the Company nor any other Options or Warrants are exercised. The earliest dates for exercise of the Warrants and the Options are set out in paragraphs 6 and 7 respectively of Part VI of this document.

16.3 Further information on certain members of the Concert Parties:

16.3 (i) *Aeris Concert Party*

Aeris Holdings AG (“Aeris”), Switzerland, is certified by Swiss authorities as a holding company and is not active operationally and holds only minority interests in various companies. Aeris currently has investments in a number of foreign (non-Swiss) privately held, venture-backed companies, including ViaLogy, along with various other private equity holdings.

George Rehm is a managing partner in firstVentury, a German registered venture capital firm which has a management agreement with Aeris, under which it manages and initiates venture investments according to annual budgets. He holds his ViaLogy shares in joint tenancy with his wife, Holly Doyne.

Michael Kelly, Proposed Director and current chief executive officer of ViaLogy is also a partner of firstVentury.

16.3 (ii) *C&D Ventures Concert Party*

C&D Ventures GmbH (“C&D”) is a German venture capital firm founded by a member of the Boehringer family and a software engineer. C&D invests in technology companies, often in syndicate with institutional venture capital firms.

**17. General**

17.1 The expenses of or incidental to the Acquisition and Admission are payable by the Company and are estimated to amount to £300,000 (excluding value added tax).

17.2 The accounting reference date of the Company is 31 March.

17.3 Other than the intended application for Admission, the Existing Ordinary Shares and the Consideration Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made, nor are there intended to be any other arrangements for dealings in the Company’s shares.

17.4 Seymour Pierce has given and not withdrawn its written consent to the inclusion in this document of references to its name and the form and context in which it appears.

17.5 BDO Stoy Hayward LLP accepts responsibility for its reports set out in Parts III, IV and V of this document and has given and not withdrawn its written consent to the inclusion of these reports in this document in the form and context in which they appear. BDO Stoy Hayward LLP is a member firm of the Institute of Chartered Accountants England and Wales.

17.6 The Directors and Proposed Directors are unaware of any exceptional factors, which have influenced the Group’s activities.

17.7 Save as disclosed in this document, in the opinion of the Directors and the Proposed Directors, there are no patents or licences, industrial, commercial or financial contracts or manufacturing processes which are of fundamental importance to the business of the Enlarged Group.

17.8 There are no environmental issues that may effect the Enlarged Group’s utilisation of its tangible fixed assets.

17.9 No person, other than professional advisers otherwise disclosed in this document and trade suppliers, has received, directly or indirectly, from the Company within the 12 months preceding the date of this document (or entered into contractual arrangements not otherwise disclosed in this document to receive, directly or indirectly, from the Company on or after completion of the Acquisition and Admission) any of the following:

- (i) fees totalling £10,000 or more;
- (ii) securities in the Company with a value of £10,000 or more calculated by reference to the issue price; or
- (iii) any other benefit with a value of £10,000 or more at the date of completion of the Acquisition and Admission.

**18. Availability of Admission Document**

Copies of this document will be available to the public during normal business hours at the offices of Seymour Pierce on any weekday (except Saturdays, Sundays and public holidays), free of charge, for at least one month after Admission.

## NOTICE OF ANNUAL GENERAL MEETING

### ORIGINAL INVESTMENTS PLC

*(incorporated and registered in England and Wales with registered number 3971582)*

Notice is hereby given that the Annual General Meeting of Original Investments plc, (the "Company") will be held at Faegre & Benson LLP, 7 Pilgrim Street, London, EC4V 6LB at 10.00 a.m. on 26 October 2006 for the following purposes:-

1. To receive the Company's Report and Accounts for the year ended 31 March 2006.
2. To re-appoint BDO Stoy Hayward LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

#### Special Business

To consider and, if thought fit, to pass the following resolutions which shall be proposed, as to resolutions numbered 3 to 5, as Ordinary Resolutions and, as to resolutions numbered 6 and 7 as Special Resolutions:

#### ORDINARY RESOLUTIONS

3. THAT the acquisition of ViaLogy Corp. Inc on the terms of the Merger Agreement (as such term is defined in the Admission Document of the Company dated 27 September 2006 ("the Admission Document") as described in the Admission Document be and is hereby approved.
4. THAT, the authorised share capital of the Company be and is hereby increased from £5,000,000 to £7,500,000 by the creation of 250,000,000 new ordinary shares of 1p each in the capital of the Company each ranking *pari passu* in all respects with the existing ordinary shares of 1p each in the capital of the Company.
5. THAT the Directors be and they are hereby authorised generally and unconditionally for the purposes of Section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £2,627,500 provided that this authority shall expire five years from the date of the passing of this Resolution save that the Company may make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 80 of the Act.

#### SPECIAL RESOLUTIONS

6. THAT, subject to the passing of Resolution 5, the Directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred under Resolution 6 above as if sub-section 89(1) of the act did not apply not apply to such allotment provided that this power shall be limited to:
  - (a) the allotment of equity securities in connection with a rights issue or any pre-emptive offer in favour of holders of equity securities in the Company and any other persons entitled to participate in such issue or offering where the equity securities attributable to the respective interests of such holders are proportionate (as nearly as maybe) to the respective numbers of equity securities held by them on the record date for such allotment subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or any legal or practical difficulties under the laws of, or the requirements of, any regulatory body or stock exchange of any overseas territory or otherwise;
  - (b) the grant of options and warrants to subscribe for ordinary shares of 1p each in the capital of the Company up to a maximum aggregate nominal amount of £362,474.58;
  - (c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal value of £604,884.65;

and shall expire on the date being the earlier of the date 15 months after the passing of this Resolution and the conclusion of the Annual General Meeting of the Company to be held in 2007, provided that the Company may before such expiry make an offer or

agreement which would require equity securities to be allotted in pursuance of such offer or agreement as if the power conferred hereby had not expired and provided further that this authority shall be in substitution for and supersede and revoke any earlier power given to directors.

7. THAT conditional upon the Merger Agreement becoming unconditional in all respects, save for the condition relating to Admission, the name of the Company be changed to “ViaLogy plc”

*Registered Office*

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

27 September 2006

*By order of the Board*

Mark Collingbourne  
*Secretary*

Notes:

- 1 A member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company. Completion and return of proxy form will not preclude a member from attending and voting at the meeting in person or at any adjournment thereof.
- 2 A proxy form is enclosed which shareholders in the Company are invited to complete, sign and return. The form together with any power of attorney or other authority under which it is signed, or a notarially certified or such power or authority, must be completed, signed and returned, by hand or by post, so as to reach Capita Registrars, Proxy Department, PO Box 25, Beckenham, Kent, BR3 4BR no later than 48 hours before the time fixed for the meeting.
- 3 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered on the register of members as at 48 hours prior to the time fixed for the meeting (or, in the case of an adjournment to a time more than 48 hours after the specified time applicable to the original meeting, as at 48 hours before the time of the adjourned meeting) shall be entitled to attend and/or vote at the meeting in respect of shares registered in their name at that time. Changes to entries in the register of members after such time shall be disregarded in determining the rights of any person to attend and or vote at the meeting.



