



7:30 am on 6 October 2016

## **Life Science Developments Limited**

### **Suspension of trading in shares and potential acquisition**

Since the General Meeting Held in October 2015, the Board of Life Science Developments Limited (the "Company" or "LIFE") has been reviewing a number of possible acquisition opportunities with a view to implementing its investing policy. Against this background, the Company is now pleased to announce that it has signed a non-binding (save as regards exclusivity) Term Sheet to acquire up to 100% of the issued share capital of The Diabetic Boot Company Limited ("DBC") for new shares in LIFE (the "Acquisition"). The Acquisition, if completed, would result in the Company's shareholders having at least a minimum of 7 per cent. of the enlarged group (the "Group") prior to the impact of any associated fund raising. The precise valuation of DBC will be determined on Admission to AIM of the combined Group in accordance with agreed principles set out in the Term Sheet.

DBC, founded in 2010 with the HQ in Buckinghamshire, UK and an office in Ohio, USA, is a medical appliances manufacturer, producing patented wearable technology for the treatment of diabetic foot ulcers ("DFU") under the PulseFlowDF™ brand. The highly specialised device, which allows DFUs the best chance of healing, received US Food and Drug Administration 510k clearance in December 2015 for US sales. By combining two established treatments: firstly, by offloading body weight to reduce pressure on the ulcer, and secondly, providing intermittent pneumatic compression to improve the circulation of oxygenated blood to the ulcer, both optimising wound healing in the diabetic foot. A patented device, the PulseFlowDF™ diabetic boot technology is unique insofar as it is currently the only solution that is wearable, allowing the user to walk normally, while the pressure pumping action is powered by the built-in lithium battery. (Further information is available at <http://www.pulse-flow.net>).

Diabetes is a growing problem in every country in the world. Around 5-15% of diabetics will have a DFU on any given day, and 25% of all diabetics get an ulcer at some stage in their life. Around 20% of these ulcers do not heal, leading to some part of the foot or leg being amputated. PulseFlowDF™ enables ulcers to heal more quickly, and will prevent some patients suffering an amputation, thereby becoming disabled. The five-year survival rate for a diabetic post amputation is worse than for breast cancer victims. These figures lead to considerable amounts of money being spent each year on treating DFUs. For example, the UK spends over £600 million annually for this treatment but still amputates around 135 feet or legs per week. In the US, the estimate for patients with DFUs is approximately 3 million, and that represents DBC's largest market opportunity. DBC is now approved to begin European and US marketing PulseFlowDF™ as a durable medical appliance.

The proposed transaction with DBC will provide it with a cash injection and access to capital markets in order to deliver this sizeable growth opportunity.

The Acquisition is subject, inter alia, to the completion of due diligence, documentation and compliance with all regulatory requirements, including the AIM Rules. There can be no guarantee that all such matters can be completed.

As a precursor to the Acquisition, the Company has also agreed to provide DBC with a short-term loan ("Loan") of £200,000 for working capital purposes to be drawn down in two tranches, with £78,000 being drawn down immediately and the balance available subject to certain conditions being satisfied by DBC over the next 7 days. The Loan will pay a coupon of 7 per cent., is unsecured and is fully repayable on the earlier of 31 March 2017 or the date on which DBC secures additional equity funding of £1,000,000.

Under the AIM Rules, DBC is a related party to the Company, given that Jim Mellon, a non-executive Director of the Company, has an approximate 44 per cent. direct and indirect interest in DBC. Denham Eke is the sole Director of Galloway Limited (a company which is indirectly wholly owned by Jim Mellon, which is a shareholder of DBC and accordingly is not considered independent of the purposes of the AIM Rules). Accordingly, Mitch Alland the executive Chairman, as the only independent Director, has reviewed the Loan and having consulted with the Company's Nominated Adviser, considers that the terms thereof are fair and reasonable in so far as the Company's shareholders are concerned.

It is also envisaged that the Company will seek to raise additional funds from both existing shareholders and new investors to finance the development of the enlarged Group going forward.

As the Acquisition would, if completed, amount to a Reverse Takeover under the AIM Rules and, as such, requires trading in the Company's shares to be suspended. This coincides with the scheduled suspension of trading in the shares in accordance with AIM Rule 15 which, as previously announced, takes effect from 7.30 a.m. this morning. The Company then has a further six months to complete a Reverse Takeover, failing which trading in the Company's shares on AIM will be cancelled.

Should the Acquisition proceed, the Company intends to hold an Extraordinary General Meeting in due course in order to seek specific shareholder for the Reverse Takeover under AIM Rule 14 and associated matters.

**Life Science Developments Limited**

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