

AM03 (Scot)

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	S	C	3	3	6	2	2	2
Company name in full	4D Pharma Research Limited							

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	James Richard
Surname	Clark

3 Administrator's address

Building name/number	c/o Interpath Ltd
Street	4th Floor, Tailors Corner, Thirsk Row
Post town	Leeds
County/Region	
Postcode	L S 1 4 D P
Country	

4 Administrator's name ①

Full forename(s)	Blair Carnegie
Surname	Nimmo

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	5th Floor, 130 St Vincent Street
Street	Glasgow
Post town	G2 5HF
County/Region	
Postcode	
Country	

② Other administrator

Use this section to tell us about
another administrator.

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6

Statement of proposals

☒ I attach a copy of the statement of proposals**7**

Qualifying report and administrator's statement

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal


① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X**X**

Signature date

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AM03 (Scot)

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Tom Morton**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street
Glasgow**

Post town **G2 5HF**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 113 521 7510**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint Administrators' proposals

4D Pharma Research Limited - in
Administration

26 April 2023

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.ia-insolv.com/case+INTERPATH+4N20793525.html. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 6).

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1 Executive summary

4D Pharma Research Limited (the 'Company' or '4D Research') was incorporated on 15 January 2008 with its primary operations being research of Live Biotherapeutic Products ('LBP') drug candidates and conduct of clinical trials using LBPs in patients, receiving funding from 4D Pharma Plc – in administration (its 'Parent'). The Company is part of a group of companies that share the 4D Pharma brand ('4D Group' or the 'Group').

As the Company is pre-revenue it was reliant on funding from its Parent. When the Parent went into administration on 24 June 2022, the Administrators of the Parent explored several options, which included a sale of the business/certain assets of the business, refinancing and a debt-to-equity swap to bring the Parent company out of administration. The Company was kept out of an insolvency process in order to preserve value by trying to deliver a sale alongside considering the safety and wellbeing of patients enrolled in clinical trials.

The initial sales process resulted in three non-binding offers; however, none of them completed. Subsequently, the secured debt was assigned by Oxford Finance Luxembourg S.À R.L ('Oxford Finance') to Armistice Capital Master Fund Ltd ('Armistice' or 'the secured creditor').

Armistice advised the Administrators to pursue two strategies in tandem being, to revisit the sale of the Group and also an equity raise with a debt-to-equity swap. The Administrators of the Parent spent a significant amount of time in pursuing both strategies but ultimately, the Secured Creditor decided not to pursue the equity raise and debt-to-equity swap strategy.

Consequently, the Administrators pursued the sale of business and assets option which became the likely route to best value for creditors as a whole. The assets of the Company, 4D Plc and 4D Cork (together 'the Sellers') have been marketed extensively and we are currently working towards completion of a sale of certain assets of the Sellers to an Interested Party.

The Company was insolvent in the absence of the funding from the Parent. The Directors did not have comfort that further funding would be forthcoming from the Parent, therefore the Directors appointed James Clark and Blair Nimmo as Joint Administrators of the Company on 17 March 2023. (Section (3) - Background and events leading to the administration).

Following their appointment, the Joint Administrators signed a Sale and Purchase Agreement ('SPA') with the Interested Party, which included a deposit payment of \$900,000. The Administrators are working with the Interested Party to ensure that the pre-completion conditions of the SPA are met so that the potential sale can be completed. (Section (4) – Strategy and progress of the administration to date).

The amount currently outstanding to Armistice is \$15.6 million. Subject to a successful sale of the assets of the Sellers, we anticipate that Armistice will receive further distributions but will not recover its indebtedness in full. (Section (5) - Dividend prospects).

Based on current estimates, there may be a dividend to ordinary preferential creditors; however, the value and timing of such a dividend is currently uncertain. (Section (5) - Dividend prospects).

Based on current estimates, there may be a dividend to secondary preferential creditors; however, the value and timing of such a dividend is currently uncertain. (Section (5) - Dividend prospects).

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors above the prescribed part. (Section (5) - Dividend prospects).

We are seeking approval of our Administrators' Proposals by deemed approval (Section (7) – Approval of proposals).

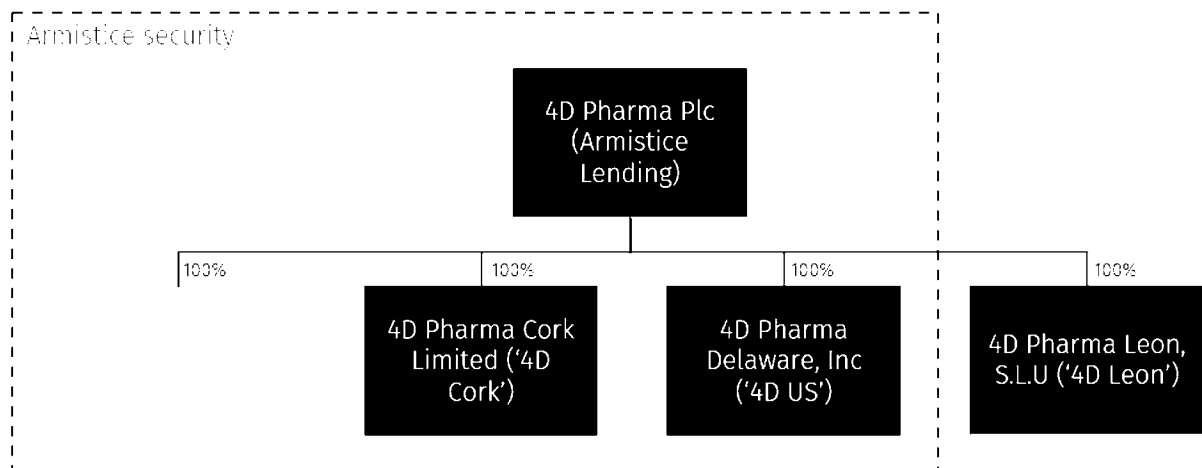
We propose that our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge out rates provided. We will seek approval of our remuneration from the secured and preferential creditors. (Section (8) - Joint Administrators' remuneration, expenses and pre-administration costs).

Our Proposals include provision for a number of routes to end the administration, however the most likely exit route for the administration is by dissolution. (Section (6) - Ending the administration).

This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section (9) together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



James Clark
Joint Administrator



2 Group structure

4D Pharma Plc – in Administration ('4D Plc' or the 'Parent')

4D Plc was incorporated on 10 January 2014 and operated as a parent company to a group of companies that share the '4D Pharma' brand. The Parent entered into Administration on 24 June 2022. 4D Plc's shares were previously listed on AIM ('alternative investment market') and NASDAQ; however, the shares have subsequently been delisted from both share exchanges.

4D Pharma Research Limited ('4D Research' or 'the Company')

The Company was incorporated on 15 January 2008 with its principal activity being research of LBP drug candidates and conduct of clinical trials using LBPs in patients. James Clark and Blair Nimmo were appointed as Joint Administrators of the Company on 17 March 2023.

4D Pharma Cork Limited ('4D Cork')

4D Cork was incorporated on 6 January 2016 and focuses on bioinformatics work using 4D Pharma Plc's MicroDx platform. On 21 February 2023, Ken Fennell and Andrew O'Leary of Interpath Advisory were appointed as Joint Receivers of 4D Cork.

4D Pharma Delaware, Inc. ('4D US')

4D US was incorporated on 24 July 2020 in order to facilitate the NASDAQ listing and administer payroll for US-based employees. Note that 4D US is not subject to insolvency proceedings at this time.

4D Pharma León, S.L.U. ('4D León')

4D León was incorporated on 30 May 2016 further to 4D Plc's acquisition of a CDMO facility in León, Spain, in order to manufacture 4D Pharma Plc's drug candidates for Phase II and III clinical trials. On 10 March 2023, the shares of 4D León were sold to Bacthera AG by the Joint Administrators of 4D Plc as part of a solvent share sale.

3 Background and events leading to the administration

3.1 Background information

4D Research and the rest of the 4D Group were a pharmaceutical group of companies developing LBP, a novel class of drug derived from the human gut microbiome. The Group had a diverse pipeline of development programmes in several therapeutic areas, searching to treat a number of conditions including gastro-intestinal (IBS/IBD), immuno-oncology (pancreatic cancer, lung cancer, etc.) and respiratory (asthma) diseases. The Group launched several clinical trials, some of which were conducted in collaboration with key pharmaceutical industry players, such as MSD and Merck KGaA.

Most of the intellectual property in relation to the above sits within 4D Research, including several clinical stage drug candidates. 4D PLC, as the listed Parent company within the Group, was responsible for raising debt and equity funding for the Group, including 4D Research, given the Group was in drug development stage and hence pre-revenue.

As at the date of the appointment, the Company employed 33 members of staff, most of whom are located at the Company's leasehold premises in Aberdeen, with several staff also based in Leeds, using 4D Plc's leasehold head office premises.

3.2 Funding and financial position of the Company

Funding

The Company was funded through its Parent, 4D Plc, which was publicly listed on AIM on the London Stock Exchange, and hence was able to obtain most of its funding through the issuance of ordinary shares. As detailed in 4D Plc's proposal to creditors, the Parent raised £30 million for the Group in FY20 by way of two separate fundraising rounds.

Subsequently, 4D Plc secured additional funding of \$20 million from Oxford Finance on 29 July 2021, which was to be delivered in two tranches of \$12.5 million and \$7.5 million. In exchange, Oxford Finance obtained security in the form of a debenture, comprising fixed and floating charges over the Group (excluding 4D León) and its assets. The Parent had drawn the first tranche of \$12.5 million, all of which remained outstanding to Oxford Finance. On 4D PLC entering administration, the total indebtedness was \$13.9m due to an additional \$1.4m above the capital sum relating to interest and charges.

On 7 October 2022, during the Administration of the Parent, Oxford Finance assigned its rights to its debt by way of sale to Armistice. Following the debt assignment, our primary

strategy, as advised by Armistice, was to explore an administration exit of the Parent which would be followed by Armistice converting their existing debt into equity as well as providing an additional equity investment of \$15 million. This would see the Parent rendered solvent, and hence allow a more stable financial platform for the subsidiaries to continue to trade.

Armistice agreed that further funding could be provided to the Company (by way of a loan from the Parent) to explore this option and further funding of \$1.6 million was provided to the Group, thus bringing the total funding to \$15.6 million.

Financial performance and position

As a pre-revenue pharmaceutical business, the Company and its Parent would remain loss-making until one of its drug candidates was approved for commercial production and sale by MHRA in the UK or FDA in the US.

4D Research - Profit and loss			
£'000	FY19	FY20	FY21
Revenue	211	534	522
Direct costs	(15,386)	(13,640)	(16,043)
Administrative expenses	(588)	(479)	(650)
Operating loss	(15,763)	(13,585)	(16,171)
Interest payable and similar expenses	2	-	-
Loss before taxation	(15,761)	(13,585)	(16,171)

The Company's financial position is as per below:

4D Research - Balance sheet			
£'000	FY19	FY20	FY21
Fixed assets			
Intangible assets	11	10	5
Tangible assets	412	269	173
Current assets			
Debtors	4,336	3,419	5,692
Cash at bank	844	1,893	269
Total assets	5,603	5,591	6,139
Current liabilities			
Trade and other payables	(3,728)	(2,441)	(3,171)
Amounts owed to group undertakings	(53,340)	(66,165)	(79,618)
Total liabilities	(57,069)	(68,606)	(82,788)
Net assets	(51,466)	(63,015)	(76,649)

3.3 Events leading to the administration

James Clark and Blair Nimmo ('the Joint Administrators') were appointed as Joint Administrators of 4D Pharma Research Limited – in Administration ('the Company') on 17 March 2023. The Joint Administrators were appointed by the Directors of the Company, Duncan Peyton and Alex Stevenson ('the Directors').

Interpath Limited ('Interpath' or 'Interpath Advisory') was initially introduced to the Company in June 2022 via Jones Day, the lawyers advising the secured creditor at the time (Oxford Finance), regarding the insolvency of the Company's Parent. Jones Day's advice was that an event of default had occurred which allowed Oxford Finance (at its discretion)

to appoint administrators under its Qualifying Floating Charge which granted enforceable security over 4D Pharma Plc.

As a result of the insolvency of 4D Pharma Plc, Interpath was also introduced to 4D Pharma Research Limited at this time (i.e. 24 June 2022), which is a wholly owned subsidiary funded through the Parent, but the Board of Directors remained in control of the Company up to 17 March 2023.

Shortly after the appointment over the Parent, Interpath commenced a sale of business process of the whole group and contacted approximately fifty large pharmaceutical businesses and smaller biotechnology companies (including other prominent players in the microbiome space) as well as nineteen financial investors specialising in the purchase of distressed assets. This process ran for three months and resulted in three offers which ultimately could not be transacted. Instead, Oxford Finance agreed a debt assignment to Armistice as mentioned above.

Following the debt assignment, our primary strategy, as advised by Armistice, was to explore an administration exit of the Parent which would be followed by Armistice converting their existing debt into equity as well as providing an additional equity investment of \$15 million. This would see the Parent rendered solvent, and hence allow a more stable financial platform for the subsidiaries to continue to trade.

Armistice provided further funding of \$1.6 million (as noted above) to the Company (by way of a loan from the Parent) to explore this option. Significant progress had been made to pursue this strategy, but in January 2023 Armistice asked us to end the equity raise strategy to focus on recovering its debt from the sale of the business and assets of the Group. Armistice made it clear that they did not want to continue to fund the Parent and its subsidiaries, including 4D Pharma Research Ltd.

Immediately prior to this shift in priority from Armistice, and as a contingency plan, in December 2022 Armistice asked the Administrators of the Parent to revisit a sale of business process. We contacted all the parties who had provided us with indicative offers in the first sale of business process as well as seven further parties, provided by recommendations from Armistice and one additional party recommended by the Directors.

This resulted in one binding offer from the Interested Party for the intellectual assets of the Group, which sit within 4D Pharma Research Limited. Without additional support from Armistice or its Parent, the Company was insolvent and was therefore placed into Administration by its Directors while the Company continues to pursue the potential sale of its assets to the Interested Party.

Interpath has not had a formal engagement to advise the Board of Directors of the Company with regards to the running of the Company. The Board was however taking legal advice from Pinsent Masons LLP. The Administrators of the Parent have pursued the sale of the assets of the Company as this strategy would help to achieve the best outcome for the creditors in both the Company and Parent as discussed in more detail below.

At the time of our appointment, we disclosed to the Court details of the work carried out by Interpath up to that time.

We are satisfied that the work carried out by Interpath before our appointment of the Parent and the Company, including the pre-administration work summarised below, has

not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

3.4 Pre-administration work

Further to the above, the following work was carried out prior to our appointment, with a view to placing the Company into administration and helping the Joint Administrators achieve the purpose of the administration, in accordance with Paragraph 3(1)(b), being to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration):

- The proposed Joint Administrators negotiated the terms of the sale of the assets of the Sellers, to the Interested Party;
- The proposed Joint Administrators reviewed the sales agreements with the Interested Party, and negotiated the particulars of those agreements, together with obtaining appropriate legal advice on the sale agreement;
- We consulted with the Secured creditor, Armistice, throughout this process;
- Shepherd and Wedderburn provided general legal advice ahead of our appointment as Administrators and prepared the required legal documents in relation to our appointment.
- Jones Day provided legal advice in relation to the sale of the assets of the business and prepared the required legal documents and SPA;
- We consulted with the employees in relation to their current employment with the Company and the potential sale to the Interested Party.

The costs incurred by Interpath in relation to this pre-appointment work are set out in Section 8. These costs have not yet been paid. Approval for these costs will be sought from the secured and preferential creditors.

3.5 Appointment of Joint Administrators

The Directors resolved on 16 March 2023 to appoint us as Joint Administrators.

The notice of appointment was lodged at the Court of Session on 17 March 2023 and we were duly appointed.

Harper Macleod conducted a validity of appointment review and confirmed that we were validly appointed as Joint Administrators. The Joint Administrators deemed that Harper Macleod were appropriate legal advisors to assist with a validity of appointment review given that:

- they have significant prior experience in advising on appointments; and

- the firm was conflict free, and the team was able to commence work quickly.

4 Strategy and progress of the administration to date

4.1 Strategy to date

Strategy

A number of options for the Company (in addition to a prepack sale) were considered by the proposed Joint Administrators, including (but not limited to):

- A continuation of trading on solvently;
- A trading administration; and
- Liquidation.

Having considered the options above, a pre-pack sale was assessed as most likely to achieve a better outcome than the other options, whilst delivering a greater level of certainty for creditors and this strategy was pursued.

The business and assets were marketed extensively to both trade parties and turnaround investors. Through this process, we have identified a sale of certain assets of the Sellers to an unconnected Interested Party.

Sale of business

Following our appointment, we agreed a sale of the intellectual property of the Sellers, to the unconnected Interested Party. On 24 March 2023 the Interested Party signed an SPA and exchanged with a non-refundable deposit of \$900,000 and will complete if we can deliver the completion conditions set out in the SPA.

This deposit is not included in the R&P (Appendix 2) as the funds were received into 4D Plc's account which has a USD account. Furthermore, the funds will be allocated between the Company, 4D Plc and 4D Cork in accordance with their respective asset values. As the majority of the intellectual property sits within 4D Research, the value of the deposit attributable to 4D Research is £696,726. If the sale does complete, the final consideration received (above the deposit amount) will also be allocated to each company in accordance with the value of the assets of each company. We will provide further information in our progress report, once the outcomes of the potential sale will have concluded.

Given the above, we decided that the Company would continue to trade whilst the sale of the assets of the Company was finalised, to ensure critical payments needed to maintain the value of the assets were made. Full details of the sale will be set out in the SIP 16

memorandum if the sale is completed. The Company will cease to trade once the sale is completed or if the sale falls through.

Throughout this time, we have actively consulted with the major Secured creditor, who is committed in the pursuit of asset realisations, namely the sale of subsidiaries and intellectual property assets.

Going forward, the primary strategy in the administration is to complete the potential sale with the Interested Party and pursue any remaining realisations that may be available from the fixed assets of the Company.

Employees

There are currently 27 employees at the Company, as 6 employees handed their notice in shortly after our appointment or were working their notice period on appointment. The employees will not form part of the potential sale and therefore will be made redundant by the Company.

On appointment there were pension arrears totalling £13,502 in respect of two pension schemes relating to the employees of the Company. It is understood that these arrears relate to February 2023.

4.2 Asset realisations

Realisations from the date of our appointment to 14 April 2023 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Cash at bank

Upon appointment, the Company held funds of £312,051. These funds have now been transferred to the Company's post-appointment bank account.

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Aruj Mughal at Interpath Advisory, 5th Floor, 130 St Vincent Street, Glasgow G2 5HF.

4.3 Costs

Payments made from the date of our appointment to 14 April 2023 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made to date are provided below.

Critical suppliers

As at 14 April 2023, £13,872 has been incurred and paid in the Administration in relation to critical payments to preserve value in the assets of the Company whilst the completion of the sale is being finalised.

Employee costs

To date, we have paid payroll costs in relation to the employees' March 2023 salaries of £92,000. This is not included within the R&P (Appendix 2) as the payment was made from the 4D Plc bank account, whilst we awaited receipt of funds from the 4D Research pre-appointment account. The necessary allocations will be made to reflect the above payment.

Amounts of £52,748 and £12,559 have been accrued but not yet paid in relation to March 2023 employees' tax and pension payments, respectively.

Premises costs

Rent, service charge and associated property costs of £14,538 have been incurred since appointment but have not yet been paid.

Solicitors' fees

Shepherd and Wedderburn have incurred:

- Pre appointment fees of £35,169 plus VAT and outlays which have not yet been paid. The work comprises:
 - preparation of appointment documents for the originally proposed appointment by Armistice;
 - preparation of appointment documents for the subsequently proposed appointment by the directors and overseeing the administration appointment;
 - review and commentary on the SPA and ancillary documentation; and
 - the provision of advice in relation to the employment and immigration matters.
- Post appointment fees of £11,845 plus VAT and outlays which have not yet been paid. The work comprises:
 - preparation of the validity of appointment letter, response to queries in connection with the appointment documents, and lodging caveats with the Scottish courts;
 - review and commentary of the SPA;

- provision of further advice in connection with the employment aspects, including reviewing and commenting on the settlement agreements and advising on consultations with employees; and
- provision of further advice in connection with the company's sponsor licences/immigration matters.

Harper Macleod have been engaged to complete a validity of appointment review, with expected fees of £1,250 plus VAT.

5 Dividend prospects

5.1 Secured creditor

As noted in the proposals of 4D Plc, Oxford Finance provided a \$20 million term loan facility on 29 July 2021, split into a Term A Loan Commitment of \$12.5 million and a Term B Loan Commitment of \$7.5 million. All Group companies (excluding 4D Leon) were parties to the loan agreement. Oxford Finance held security in the form of a debenture dated 29 July 2021, comprising fixed and floating charges over the Group (excluding 4D Leon) and its assets. We understand that, further to 4D Plc drawing the Term A Loan Commitment only, approximately \$13.9 million was due to Oxford Finance, the additional \$1.4m above the capital sum relating to interest and charges.

At the time, the legal advisors to 4D Plc's Joint Administrators, Stephenson Harwood conducted an independent validity of security review and confirmed its validity.

Subsequently, in October 2022, the above debt was sold to Armistice by way of a debt assignment and consequently the security also transferred to Armistice. Since October 2022, Armistice provided a further \$1.6 million to fund the Administration strategies (as detailed above), bringing the total debt amount to \$15.6 million.

As at 14 April 2023, distributions of \$2.25 million have been made to Armistice by the Joint Administrators of 4D Plc and further distributions will follow. However, it is not anticipated that Armistice will recover against its indebtedness in full.

5.2 Ordinary preferential creditors (employees)

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially (in advance of floating charge holders and ordinary unsecured creditors) and in priority to other preferential creditors (see 5.3 below). These claims are therefore referred to as "ordinary preferential creditors".

The amount of ordinary preferential claims is currently unknown.

Based on current estimates, there may be a dividend to ordinary preferential creditors; however, the value and timing of such a dividend is currently uncertain.

5.3 Secondary preferential creditors (HMRC)

Certain claims from HMRC rank preferentially, but secondary to the employee, ordinary preferential creditors above. These claims are therefore referred to as "secondary preferential creditors".

The amount of secondary preferential claims is currently unknown.

Based on current estimates, there may be a dividend to secondary preferential creditors; however, the value and timing of such a dividend is currently uncertain.

5.4 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a small dividend under the Prescribed Part, the quantum and timing of which is unknown. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs.

6 Ending the administration

6.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 9 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

6.2 Discharge from liability

We propose to seek approval from the secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the Court in order to obtain discharge from liability.

7 Approval of proposals

7.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has

insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

7.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

If you wish to request a decision, please complete and return the decision requisition form which is available on the website.

8 Joint Administrators' remuneration, expenses and pre-administration costs

8.1 Approval of the basis of remuneration and expenses

We propose to seek approval from the secured and preferential creditors that:

- our remuneration will be set and drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3;
- category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 3.

Agreement to the basis and amount of our remuneration and expenses the drawing of Category 2 expenses is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis and amount of remuneration and the drawing of Category 2 expenses.

Time costs

From the date of our appointment to 14 April 2023, we have incurred time costs of £242,337. These represent 389 hours at an average rate of £624 per hour.

Administrators' expenses

We have incurred no expenses during the period.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 14 April 2023. We have also attached our charging and expenses recovery policy.

8.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 3.4:

Interpath fees	71,790	71,790
Legal costs and outlays	35,169	35,169
Total	106,959	106,959

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

9 Summary of proposals

We are working towards completion of sale of assets to the Interested Party in which the assets of the Company transfer to the Interested Party. However, we believe in the instance the sale completes, which is the optimal outcome, realisations will remain insufficient to make a distribution to unsecured creditors. On this basis rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, James Clark and Blair Nimmo, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into liquidation and to consider, if deemed appropriate, appointing us, James Clark and Blair Nimmo, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

- our remuneration will be set and drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3;

category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 3; unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company and Trading name	4D Pharma Research Limited
Date of incorporation	15 January 2008
Company registration number	SC336222
Trading address	Life Science Innovation Building, Cornhill Road, Aberdeen, AB25 2ZS
Present registered office	C/o Interpath Ltd, 5 th Floor, 130 St Vincent Street, Glasgow, G2 5HF
Company Directors	Duncan Joseph Peyton (no shares held) Alexander James Stevenson (no shares held)
Company Secretary	Duncan Joseph Peyton
Administration appointment	The administration appointment granted in Court of Session P234/23
Appointor	Directors
Date of appointment	17 March 2023
Joint Administrators	James Clark and Blair Nimmo
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	16 March 2024
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £147,000. The Prescribed Part is capped at the statutory maximum of £800,000.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors if funds are available.
Application of EU Regulations	EU Regulations apply and these proceedings will be the COMI Proceedings as defined in Article 3 of the EU Regulation.

Appendix 2

Joint Administrators' receipts and payments account

4D Pharma Research Limited - in Administration

Trading accounts

Statement of Affairs (£)	From 17/03/2023 To 14/04/2023 (£)	From 17/03/2023 To 14/04/2023 (£)
TRADING EXPENSES		
Critical Suppliers	(13,872.23)	(13,872.23)
	(13,872.23)	(13,872.23)
Trading surplus/(deficit)	(13,872.23)	(13,872.23)

4D Pharma Research Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)	From 17/03/2023 To 14/04/2023 (£)	From 17/03/2023 To 14/04/2023 (£)
ASSET REALISATIONS		
5,000.00 Furniture & equipment	NIL	NIL
60,491.00 VAT refunds (pre-app'ent)	NIL	NIL
312,051.00 Cash at bank	312,050.72	312,050.72
	312,050.72	312,050.72
OTHER REALISATIONS		
Trading surplus/(deficit)	(13,872.23)	(13,872.23)
	(13,872.23)	(13,872.23)
COST OF REALISATIONS		
Statutory advertising	(116.00)	(116.00)
	(116.00)	(116.00)
PREFERENTIAL CREDITORS		
(534,692.00) PAYE income tax etc	NIL	NIL
(112,986.00) Employees' wage arrears	NIL	NIL
	NIL	NIL
FLOATING CHARGE CREDITORS		
(16,681,478.00) Floating charge	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(91,969,597.00) Trade & expense	NIL	NIL
(172,524.00) Employees	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		

4D Pharma Research Limited - in Administration**Abstract of receipts & payments**

Statement of affairs (£)		From 17/03/2023 To 14/04/2023 (£)	From 17/03/2023 To 14/04/2023 (£)
(1,088.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(109,094,823.00)		298,062.49	298,062.49
REPRESENTED BY			
	Floating ch. VAT rec'able		2,792.65
	Floating charge current		295,269.84
			298,062.49

Appendix 3 Joint Administrators' charging and expenses policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of in-house Interpath Advisory tax, VAT and employee specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

https://www.r3.org.uk/technical-library/scotland/technical-guidance/fees/more/29160/page/1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees-scotland/?utm_source=Association%20of%20Business%20Recovery%20Professionals&utm_medium=email&utm_campaign=12943265_Technical%20Alert%20%28X%20January%202022%29%20-%20Scotland%20updated%20creditor%20guides&dm_i=133C,7PF35,60LAAZ,VENP5,1

If you are unable to access this guide and would like a copy, please contact Aruj Mughal on 0161 529 8847.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

Managing Director	1060
Director	980
Associate Director	870
Manager	700
Assistant Manager	510
Associate	375
Support	175

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time

spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

The hourly charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred no expenses during the period 17 March 2023 to 14 April 2023.

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 17 March 2023 to 14 April 2023.

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, The Registrar of Inhibitions and Adjudications, creditors and other stakeholders and advertising our appointment; posting information on a dedicated web page; preparing statutory receipts and payments accounts; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; meeting with management to review and update strategy and monitor progress; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to secured creditors	providing written and oral updates to representatives of Armistice regarding the progress of the administration and case strategy.
Cashiering	setting up administration bank accounts and dealing with the Company's pre-appointment accounts; preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; reviewing and processing employee expense requests; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering initial information from the Company's records in relation to the taxation position of the Company; submitting relevant initial notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position; analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions; dealing with post appointment tax compliance.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the administration.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Trading	attending to supplier and customer queries and correspondence; raising, approving and monitoring purchase orders and setting up control systems for

	trading; negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	collating information from the Company's records regarding the assets; liaising with agents regarding the sale of assets; dealing with issues associated with the sale of stock; reviewing the inter-company debtor position between the Company and other group companies.
Property matters	reviewing the Company's leasehold properties, including review of leases; communicating with landlords regarding rent, property occupation and other issues; performing land registry searches.
Sale of business	planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; seeking legal advice regarding sale of business; dealing with queries from interested parties and managing the information flow to potential purchasers; managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; carrying out sale negotiations with interested parties.
Health and safety	liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets; liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; assessing the level of insurance premiums.
Employees	dealing with queries from employees regarding various matters relating to the administration and their employment; dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; holding employee briefing meetings to update employees on progress in the administration and our strategy; administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office.
Pensions	collating information and reviewing the Company's pension schemes; calculating employee pension contributions and review of pre-appointment unpaid contributions; ensuring compliance with our duties to issue statutory notices; communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	drafting and circulating our proposals; creating and updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration and submission of their claims; reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records.
Investigations/ Directors	reviewing Company and directorship searches and advising the directors of the effect of the administration; liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; arranging for the redirection of the Company's mail; reviewing the questionnaires submitted by the Directors of the Company;

Time costs

Pre-Administration costs (06/02/2023 to 16/03/2023)							
	Hours						
	Managing Director/ Director	Manager	Assistant Manager / Associate	Support	Total	Average Hourly Rate (£)	
					Time Cost (£)		
Pre-Administration Sale of business - preparation	20.00		51.45		71.45	45,445.50	636.05
Appointment documents	2.5	0.50	5.90		8.90	5,974.00	671.24
Pre-administration checks	2.5	20.10	8.85		31.45	20,370.50	647.71
Total	25.00	20.60	66.20	0.00	111.80	71,790.00	642.13

SIP 9 – Time costs analysis (17/03/2023 to 14/04/2023)							
	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Managing Director/ Director	Manager	Assistant Manager / Associate	Support			Total
Administration & planning							
Cashiering							
Fund management			0.50		0.50	187.50	375.00
General (Cashiering)			3.30		3.30	1,126.00	341.21
General							
Books and records			1.30		1.30	595.50	458.08
Fees and WIP			1.00		1.00	375.00	375.00
Statutory and compliance							
Appointment and related formalities		10.90	23.35		34.25	19,099.75	557.66
Bonding & Cover Schedule			0.50		0.50	187.50	375.00
Budgets & Estimated outcome statements			7.20		7.20	3,672.00	510.00
Checklist & reviews		0.30	3.55		3.85	1,608.75	417.86
Statutory advertising		0.10			0.10	70.00	700.00
Strategy documents		0.80	10.85		11.65	4,709.75	404.27
Tax							
Initial reviews - CT and VAT			1.80		1.80	918.00	510.00
Post appointment corporation tax		0.30			0.30	210.00	700.00

SIP 9 – Time costs analysis (17/03/2023 to 14/04/2023)

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Managing Director / Director	Manager	Assistant Manager / Associate Support	Total		
Post appointment VAT		0.30	0.20	0.50	312.00	624.00
Creditors						
Creditors and claims						
General correspondence			3.50	3.50	1,312.50	375.00
Notification of appointment		2.70		2.70	1,890.00	700.00
Secured creditors			0.70	0.70	289.50	413.57
Statutory reports		0.90	6.80	7.70	3,895.50	505.91
Employees						
Correspondence		82.20	42.15	124.35	77,652.75	624.47
Pensions reviews		2.70		2.70	1,890.00	700.00
Investigation						
Directors						
Correspondence with directors			1.45	1.45	705.75	486.72
Directors' questionnaire / checklist		0.30		0.30	210.00	700.00
Statement of affairs		2.50	2.05	4.55	2,559.25	562.47
Realisation of assets						
Asset Realisation						
Cash and investments			0.30	0.30	153.00	510.00
Freehold property			0.90	0.90	459.00	510.00
Health & safety			1.20	1.20	612.00	510.00
Insurance			5.00	5.00	2,482.50	496.50
Intellectual Property			2.00	2.00	750.00	375.00
Leasehold property			2.95	2.95	1,403.25	475.68
Plant and machinery			1.05	1.05	501.75	477.86
Sale of business	15.00	108.50	4.75	128.25	93,833.75	731.65
Trading						
Cash & profit projections & strategy		9.00		9.00	6,300.00	700.00
Employee Matters / PAYE		10.70	0.75	11.45	7,771.25	678.71
Negotiations with landlords			0.75	0.75	281.25	375.00
Negotiations with suppliers / landlords			2.25	2.25	843.75	375.00
Purchases and trading costs			3.50	3.50	1,312.50	375.00

SIP 9 – Time costs analysis (17/03/2023 to 14/04/2023)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Managing Director/ Director	Manager	Assistant Manager / Associate	Support	Total	
Trading Management			5.75		5.75	2,156.25
Total in period	15.00	232.20	141.35	0.00	388.55	242,337.25

Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	388.55	242,337.25
Carry forward time (appointment date to SIP 9 period end date)	388.55	242,337.25

Appendix 4 Statement of Affairs, including creditor list

The Directors have provided the following Statement of Affairs for the Company as at the date of our appointment.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

Rule 3.30

Statement of Affairs

Name of company 4D Pharma Research Limited	Company number SC336222
In the Court of Sessions <small>(full name of court)</small>	Court case number P234/23

Statement as to the affairs of (a)

4D Pharma Research Limited, Life Science Innovation Building, Cornhill Road, Aberdeen, AB25 2ZS

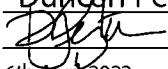
(a) Insert name and address of registered office of the company

on the (b) 17-Mar-23 the date that the company entered administration.

(b) Insert date of appointment

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) [date of appointment], the date that the company entered administration.

Full name Duncan Peyton
Signed 
Dated 6th April 2023

A - Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Patents	0	0
Total assets subject to fixed charge	0	0
Less: Amount(s) due to fixed charge holder(s)	0	0
Shortfall/surplus to fixed charge holder(s) c/d	0	0
Assets subject to floating charge:		
Bank Balance	312,051	312,051
Computer equipment	556	0
Lab equipment	73,046	5,000
Leasehold improvements	51	0
Software	8,299	0
VAT	60,491	60,491
Prepayments	1,055,764	0
R&D Tax Credits	0	0
Total assets subject to floating charge	1,510,258	377,542
Uncharged assets:		
Total uncharged assets	0	0
Estimated total assets available for preferential creditors	1,510,258	377,542

Signature



Date

6th April 2023

A1 - Summary of Liabilities

	£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	1,510,258	377,542
Liabilities		
Ordinary preferential creditors:		0
Ordinary preferential (employee) creditors (No.)	-112,986	-112,986
Other preferential creditors		0
	-112,986	-112,986
Estimated total assets available for secondary preferential creditors	1,397,272	264,557
Secondary preferential creditors (HMRC)	-534,692	-534,692
Estimated deficiency/surplus as regards preferential creditors	862,581	-270,135
Less uncharged assets	0	0
Net property	862,581	-270,135
Estimated prescribed part of net property where applicable (to carry forward)	-175,516	0
Estimated total assets available for floating charge holders	687,064	0
Debts secured by floating charges	-16,681,478	-16,681,478
Estimated deficiency/surplus of assets after floating charges	-15,994,413	-16,681,478
Estimated prescribed part of net property where applicable (brought down)	175,516	0
Uncharged assets	0	0
Total assets available to unsecured creditors	175,516	0
Unsecured (trade) (non-preferential) creditors	-91,969,597	-91,969,597
Unsecured (employee) creditors (No.)	-172,524	-172,524
Unsecured (pre-paid consumer) creditors (No.)	0	0
Estimated deficiency/surplus as regards unsecured creditors	-91,966,605	-92,142,121
Shortfall to fixed charge holders (brought down)	0	0
Shortfall to preferential creditors (brought down)	0	-270,135
Shortfall to floating charge holders (brought down)	-15,994,413	-16,681,478
Estimated deficiency/surplus as regards creditors	-107,961,018	-109,093,734
Issued and called up capital	-1,088	-1,088
Estimated total deficiency/surplus as regards members	-107,962,106	-109,094,822

Signature



Date 6th April 2023

COMPANY TRADE CREDITORS

NOTE: You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the ROT column below.

Name of creditor or Claimant	Address (with post code)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £	Hire/Chattel/ Conditional Sale	Claiming ROT
Trade Creditors							
Abu-Ghazaleh Intellectual Property Co		11,286.22					
ACMB Intellectual Property		269.59					
Adimmune SAS		21,731.23					
AWA Sweden AB		582.68					
Azami Global		35,200.81					
Becton Dickinson UK Limited (by BL)		8,206.80					
Bergson & Parr LLP		2,652.79					
Bioconfortas		50,155.00					
Buck Ltd		284.84					
Brand Murray-Huler		1,251.52					
Bryn Airlort AS		853.33					
Capital Occurrence Solutions Limited		751.90					
Caprae & Randford LLP		247,857.86					
Carster Abogados		74.61					
Chun Naper Davies Ltd		129.76					
Cpa Global for Part		57,360.57					
Crucialism Clinic of Supplies		45,217.87					
Creative Rebuilding		65.67					
CRYO STORE LIMITED		15,344.00					
Danemann Service Baby & Babies		6,263.59					
Deacons		604.98					
Dr.ing. Dumes Frayre Morais & Pohl		309.47					
Dr. MODIANO & ASSOC. ATT. S.p.A.		1,366.31					
Estudio Carro Ltda		1,032.35					
Eurogatec Ltd		228.00					
Exceya SAS		7,075.31					
FB Rec City Ltd		13,614.71					
G. BREUER		185.68					
G5 Technologies Ltd		259.06					
Goldstar Cleaning Services		5,765.19					
Goretsky & Partners L.D.		10,899.96					
HARDY FISHER SERVICES LTD		156.12					
Hofa & Associates		16,422.54					
Hyphen Union & Co. AG		128.71					
In-Sight Intellectual Property Limited		74,180.71					
Iris Mountain		846.94					
Ivan & Pellegrini AS		305.04					
Kim & Choi Intellectual Property		5,029.76					
Koh Chhablivi Ltd		1,841.76					
Kuster Oy Ab		707.35					
Laboratory Specialist Services (UK) Ltd		4,623.60					
Lalbec International Ltd		670.00					
LakshmiKumar & Prichard attorneys		2,467.06					
Lavoix		260.84					
Lewson Lundell LLP		79,143					
Lee and Li Attorneys at Law		15,801.31					
Life Technologies Ltd (part of "HERM")		2,869.10					
Luzzatto & Luzzatto Patent Attorneys		6,047.84					
Map Research Trust		3,209.58					
McLagan (Pty) Limited		6,000.00					
Microbial Genomics Ltd		1,580.00					
Mitsunori Renteria Ltd		327.12					
NCHIB Ltd		13,573.20					
NDA Regulatory Science Ltd		74,310.39					
Obiwan Company, S.L.		6,794.04					
Park IP Translation / Wenzelbaum		55,019.70					
Pasquonano Vieillevais		636.61					
POINT & PARTNERS LLP		1,593.63					
Reinity & Sugar		1,768.48					
Scienceposters Ltd		40.50					
Smart Bio Sciences SAS		1,060.07					
Spoor and Fisher		9,742.00					
University of Aberdeen		167,457.96					
VAT Compliance Europe Ltd		1,410.00					
Virgin Media Business		2,837.52					
Vitality Corporate Services Ltd		0.57					
VivoPharm, LLC		10,216.91					
Waterlog CB Limited		234.79					
Wilson Squire Goodrich & Rosati		380,177.66					
Accruals							
University of Aberdeen		3,491.38					

COMPANY SHAREHOLDERS

[illegible]

Signature

[Handwritten signature]

Date

6th April 2023

Appendix 5 Glossary

4D Cork	4D Pharma Cork Limited
4D Leon	4D Pharma León, S.L.U.
4D Group / the Group	The Company together with: 4D Pharma Plc Limited 4D Pharma Cork Limited 4D Pharma León, S.L.U. 4D Pharma Delaware, Inc.
4D Plc / the Parent	4D Pharma Plc Limited
4D US	4D Pharma Delaware, Inc.
AIM	Alternative Investment Market
Bank / Armistice / Secured creditor	Armistice Capital Master Fund Ltd
Company / 4D Research	4D Pharma Research Limited- in Administration
Joint Administrators/we/our/us	James Clark and Blair Nimmo
IBS	Irritable bowel syndrome
Interpath/Interpath Advisory	Interpath Ltd
KPMG	KPMG LLP
LBP	Live biotherapeutic product

MSD	Merck Sharp & Dohme B.V.
Oxford Finance	Oxford Finance Luxembourg S.À R.L
the Sellers	The Company together with: 4D Pharma Plc Limited 4D Pharma Cork Limited
SPA	Sale and Purchase Agreement
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 respectively.

Appendix 6 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by James Clark and Blair Nimmo, the Joint Administrators of 4D Pharma Research Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

James Richard Clark is authorised to act as insolvency practitioner by the Institute of Chartered Accountants in England & Wales. Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Interpath Advisory does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

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