

Redx Pharma

Block 33, Mereside, Alderley Park, Macclesfield, Cheshire SK10 4TG
01625 469900

6 January 2020

To: Employees of Redx Pharma plc (“Redx” or the “Company”)

ANNOUNCEMENT OF POSSIBLE OFFER FOR REDX

On 31 December 2019, Redx announced that it had received an approach from Samuel D. Waksal and associates (the “Bidder”) regarding a possible cash offer for the entire issued and to be issued share capital of the Company (the “Possible Offer”) (the “Announcement”).

In accordance with Rule 2.11 of the City Code on Takeovers and Mergers (the “Code”), a copy of the Announcement has been made readily available to you on Redx’s website at <http://www.redxpharma.com>. For the avoidance of doubt, the content of Redx’s website is not incorporated into, and does not form part of, this letter.

Although the Announcement has put Redx into what is known as an “offer period” under the Code, there can be no certainty that the Bidder will proceed to make an offer for Redx, nor as to the terms on which any such offer might be made. A further announcement will be made in due course as appropriate.

If the Bidder proceeds to make an offer for Redx, you (as an employee of Redx) will have a right under Rule 25.9 of the Code to have published, at Redx’s cost, a separate opinion on the effects of the offer on employment. Any such opinion will be appended to any circular on the offer that may be published by Redx in accordance with the requirements of Rule 25.9 of the Code. Redx will be responsible for the costs reasonably incurred in obtaining advice required for the verification of the information contained in that opinion.

Please be aware that addresses, electronic addresses and certain other information provided by you for the receipt of communications from Redx may be provided to the Bidder during the offer period as required under Section 4 of Appendix 4 of the Code.

This situation does not change our day-to-day activities. However, if you wish to contact Redx regarding administrative matters in view of the Announcement, please contact James Mead, the CFO, at j.mead@redxpharma.com or call on 01625 469 909 during normal business hours.

Yours faithfully,



Iain Ross
Chairman
Redx Pharma plc

Responsibility statement

The directors of the Company accept responsibility for the information contained in this letter. To the best of the knowledge and belief of the directors of the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this letter (including any expressions of opinion) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Website notification

This letter is not to be taken as a summary of the information in the Announcement and should not be regarded as a substitute for reading the Announcement in full.

Right to request hard copies

You may request a copy of the Announcement and any information incorporated into it by reference to another source in hard copy form by writing to Redx Pharma plc at Bock 33, Mereside, Alderley Park, Alderley Edge, SK10 4TG or by contacting James Mead, the CFO, at j.mead@redxpharma.com or call on 01625 469 909 during normal business hours.

A hard copy of the Announcement will not be sent to you unless you so request it.

You may also request that all future documents, announcements and information sent to you in relation to the Possible Offer should be sent to you in hard copy form, again by writing to the address set out above or by calling the telephone number above.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing

concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.