REDX PHARMA PLC

("Redx" or "the Group")

Interim results for the six months ended 31 March 2019

Delivering on strategic objectives

Alderley Park, June 10 2019 Redx (AIM: REDX), the drug discovery and development Group focused on cancer and fibrosis, today announces unaudited results for the six months ended 31 March 2019.

Lisa Anson, Chief Executive Officer commented: "In our 2018 annual report the Board and Management set out our strategy, focused on moving RXC004, our porcupine inhibitor programme for Wnt driven cancer, back into the clinic. We also set out our plan to move RXC006, a porcupine inhibitor targeted at idiopathic pulmonary fibrosis, into preclinical development as well as selecting a development candidate for our ROCK2 programme for fibrosis. Throughout the first six months of the year we have made progress against these aims, most notably reinitiating our phase 1 clinical trial of RXC004. We aim to make further progress over the next six months, with our RXC004 study ongoing and our ongoing fibrosis programmes.

Today, we announced that we have signed a short-term loan agreement of up to £2.5 million from Moulton Goodies Ltd (MGL), the Company's largest shareholder, which extends our cash runway into the fourth quarter of 2019. We continue to be in active discussions with shareholders and third-party healthcare specialist investors regarding longer-term funding of the Group and are also looking at the potential value realisation of the pan-RAF research programme.

The Board and I are confident in the potential of our assets and look forward to updating the market on our financing plans as well as our operational progress."

Operational Highlights

- Phase 1 clinical trial of lead oncology asset, RXC004 (Porcupine inhibitor) reinitiated with approval from the UK's Medicines and Healthcare products Regulatory Agency (MHRA)
- RXC004 posters presented at American Association for Cancer Research (AACR) meeting and the National Cancer Research Institute (NCRI) 2018 Cancer Conference
- RXC006 (Porcupine inhibitor) nominated as a development candidate; first-in-class treatment for idiopathic pulmonary fibrosis
- First public disclosure of RXC006 preclinical data at the Advances in Fibrosis Drug Discovery Conference in Cambridge, USA
- ROCK2 programme in vivo data reported from three independent preclinical animal models of lung, kidney and liver fibrosis
- Dr James Mead appointed as full time Chief Financial Officer and an Executive Director of the Board, effective 1 February 2019
- Poster presentations at high profile medical conferences

- Two posters, demonstrating the direct tumour targeting and immuno-oncology effects of RXC004, presented at American Association for Cancer Research (AACR) meeting
- Poster presentation of positive RXC004 data from preclinical studies at the National Cancer Research Institute (NCRI) 2018 Cancer Conference
- ROCK2 inhibitor programme poster presented at American Society of Nephrology (ASN) Kidney Week 2018

Financial Highlights

- Cash balance at 31 March 2019 of £3.3m (31 March 2018: £10.3m, 30 September 2018: £6.5m), highlighting strong cash management
- Continued control of operating expenses in period £5m (H1 2018: £5.2m)
- Recovery of derecognised loan, generating £0.9m cash receipt
- Loss for the period £2.3m (H1 2018: £4.6m loss)

-Ends-

For further information, please contact:

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About Redx Pharma Plc

Redx is a UK biotechnology Group whose shares are traded on AIM (AIM:REDX). Redx is focused on creating and developing first, or potentially best in class drugs, in specific areas of cancer and fibrosis that address significant unmet medical need. Redx has an in-house discovery team with proven world-class chemistry capabilities.

CHIEF EXECUTIVE'S STATEMENT

In December 2018, when I announced the financial results for the year ended 30th September 2018, I stated that Redx had emerged as a stronger and more professional organisation that could look forward to an exciting future. We now present our progress and financial results for Redx Pharma Plc for the six-month period ended 31st March 2019, which demonstrate the beginning of this journey.

We have made significant progress with our R&D programmes and most importantly we have met our commitment to re-initiate clinical evaluation of our lead programme RXC004. In fibrosis, we have nominated RXC006 as our first development candidate which is progressing through preparations for the clinic.

Finally, during the period we appointed Dr. James Mead as CFO, which completes our new Executive team.

Research & Development

Redx's lead asset RXC004 is an oral porcupine inhibitor aimed at treating cancer driven by the Wnt pathway, either as monotherapy or in combination. Following successful reformulation of the drug product and receipt of regulatory and ethical clearance, the Phase 1 clinical trial to study the safety and tolerability of RXC004 in cancer patients (NCT03447470) was reinitiated with a new starting dose of 0.5mg. One patient is close to completion of cycle 1 of daily RXC004 treatment and two more patients are planned for enrolment in this first cohort in the coming weeks. Redx and its clinical investigators believe that the required RXC004 exposures can be achieved at doses in the range of 0.5-3.0mg and anticipate initial safety and tolerability results from the study during H2 2019 with full results in 2020.

During the period, we also made substantial progress in our fibrosis initiatives. Our lead anti-fibrotic compound, RXC006, is an oral porcupine inhibitor designed for use in the treatment of the life threatening disease, idiopathic pulmonary fibrosis (IPF). Following its nomination as a development candidate late last year, RXC006 has successfully progressed into manufacturing and toxicity studies aimed at taking RXC006 into the clinic during the first half of 2020. In our ROCK2 fibrosis project, we have demonstrated robust anti-fibrotic effects in a range of industry standard models. The lead agent showed inhibition of fibrosis end points in disease models of kidney, liver and lung (IPF) fibrosis and we now aim to progress this to a development candidate nomination during the second half of this year.

In line with our previously announced strategy to partner our pan-RAF assets, we can confirm that we are in an exclusive negotiating period.

With respect to Intellectual Property, we now have been granted US composition of matter patents covering RXC004, RXC006 and our GI-targeted ROCK compounds.

Finance

The interim results to 31 March 2019 reflect a period of significant activity. Through a continued tight control of operating expenses and the benefit of reduced accommodation costs, we have been able to push ahead with re-initiating clinical trials on our RXC004 programme, and commenced pre-clinical studies on our RXC006 programme whilst limiting overall expenditure to levels comparable to the prior year. Regardless of this we continue to strive to further reduce the cost base and have specific initiatives in place.

During the period, continued efforts by the Group resulted in two significant cash inflows. Firstly, in February, we recovered a loan made to Redag Crop Protection Ltd. which had previously been derecognised in the 2017 accounts. Including the accrued interest, this represented a cash inflow of £869,000.

In addition, the Group was able to agree its 2016 and 2017 claims for tax refunds with HMRC on the enhanced basis of Research and Development tax credits, rather than Research and Development Expenditure credits, which generated repayments of £1.7m. Future claims will also be submitted on this basis.

Cash expended in reducing trade and other payables has decreased significantly from the comparable period last year, which included a significant number of items relating to the period of Administration and were, as such, legacy in nature.

The cash position at the end of March 2019 was £3.3m compared to £10.3m at the end of March 2018.

The Board estimate that the cash held by the Group, together with known receivables and the loan from MGL, will be sufficient to support the current level of activities into the fourth quarter of 2019. The Board are continuing to explore sources of finance available to the Group. Based upon advanced discussions with a number of existing and potential investors, together with the likelihood of value realisation from the pan-RAF research programme and specific measures initiated to reduce the company's operational cost base, the Board has a reasonable expectation that it will be able to secure sufficient cash inflows for the Group to continue its activities for not less than 12 months from the date of approval of these interim statements. The Board is greatly encouraged by the advanced state and positive nature of these various initiatives, although more time is required to conclude them and there is no guarantee that any of them will be satisfactorily concluded.

Outlook

As previously highlighted, the Board continues to explore a number of opportunities to strengthen the balance sheet and is working to deliver this as soon as possible. Our management team, strategy and pipeline are in a good position, which has enabled us to progress good interactions on strengthening our balance sheet. It is imperative that we now conclude some of these discussions to secure the cash flow to move the business forward.

Finally, I would like to thank the shareholders for their support and especially pay tribute to the staff who have steadfastly remained committed whilst we work to secure the Company's long-term viability by attracting additional third party funding and partnership agreements.

Lisa Anson

Chief Executive Officer

Consolidated Statement of Comprehensive Income

	Note	**Unaudited Half Year to 31 March 2019**	Unaudited Half Year to 31 March 2018	Audited Year to 30 September 2018
		£000	£000	£000
Revenue	2	**-**	129	129
Operating expenses		**(4,964)**	(5,172)	(10,606)
Onerous lease charge	11	**4**	-	(752)
Recovery of derecognised asset	3	**869**	-	-
Administration costs	4	**-**	(177)	(177)
Reorganisation costs	5	**-**	(215)	(215)
Release of accrued accommodation expenses	6	**-**	-	548
Share based compensation	7	**19**	(162)	(282)
Other operating income		**20**	637	1,186
Loss from operations		**(4,052)**	(4,960)	(10,169)
Finance costs	8	**(36)**	-	(1)
Finance income	8	**5**	16	24
Loss before taxation		**(4,083)**	(4,944)	(10,146)
Income tax	9	**1,762**	341	1,301
Total comprehensive loss for period attributable to owners of Redx Pharma plc		**(2,321)**	(4,603)	(8,845)

		Pence	Pence	Pence
Loss per share				
- basic & diluted	10	**(1.8)**	(3.6)	(7.0)

Consolidated Statement of Financial Position

	Note	**Unaudited 31 March 2019 £000**	Unaudited 31 March 2018 £000	Audited 30 September 2018 £000
Assets				
Property, plant and equipment		**175**	238	191
Intangible assets		**421**	427	423
Total non-current assets		**596**	665	614
Trade and other receivables		**717**	2,207	2,023
Cash and cash equivalents		**3,314**	10,318	6,471
Current tax		**1,530**	653	1,211
Total current assets		**5,561**	13,178	9,705
Total assets		**6,157**	13,843	10,319
Liabilities				
Current liabilities				
Trade and other payables		**2,144**	3,957	3,803
Provisions	11	**405**	-	147
Total current liabilities		**2,549**	3,957	3,950
Non-current liabilities				
Provisions	11	**184**	-	605
Total liabilities		**2,733**	3,957	4,555
Net assets		**3,424**	9,886	5,764
Equity				
Share capital		**1,265**	1,265	1,265
Share premium		**33,263**	33,263	33,263
Share-based compensation		**1,066**	1,042	1,162
Capital redemption reserve		**1**	1	1
Retained deficit		**(32,171)**	(25,685)	(29,927)
Equity attributable to shareholders		**3,424**	9,886	5,764

Consolidated Statement of Changes in Equity

	Unaudited Share capital	Unaudited Share premium	Unaudited Share-based payment	Unaudited Capital redemp'n reserve	Unaudited Retained deficit	Unaudited Total equity
	£000	£000	£000	£000	£000	£000
Movements by half year						
As at 30 September 2017	1,265	33,263	880	1	(21,082)	14,327
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Loss and total comprehensive income for the period	-	-	-	-	(4,603)	(4,603)
Share-based compensation	-	-	162	-	-	162
As at 31 March 2018	1,265	33,263	1,042	1	(25,685)	9,886
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Loss and total comprehensive income for the period	-	-	-	-	(4,242)	(4,242)
Share-based compensation	-	-	120	-	-	120
As at 30 September 2018	1,265	33,263	1,162	1	(29,927)	5,764
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Loss and total comprehensive income for the period	-	-	-	-	(2,321)	(2,321)
Share-based compensation	-	-	(19)	-	-	(19)
Release of share options lapsed in period	-	-	(77)	-	77	-
As at 31 March 2019	1,265	33,263	1,066	1	(32,171)	3,424

Consolidated Statement of Cash Flows

	Unaudited Half Year to 31 March 2019	Unaudited Half Year to 31 March 2018	Audited Year to 30 September 2018
	£000	£000	£000
Net cash flow from operating activities			
Loss for the period	**(2,321)**	(4,603)	(8,845)
Adjustments for:			
Income tax	**(1,762)**	(341)	(1,301)
Finance costs (net)	**31**	(16)	(23)
Depreciation and amortisation	**44**	88	164
Share based compensation	**(19)**	162	282
Onerous lease provision	**(4)**	-	752
Release of accrued accommodation expenses	**-**	-	(548)
Recovery of derecognised asset	**(869)**	-	-
Profit on disposal of assets	**(11)**	(3)	(17)
Movements in working capital			
Decrease in trade and other receivables	**1,059**	266	572
Decrease in trade and other payables	**(1,854)**	(9,269)	(8,963)
Cash used in operations	**(5,706)**	(13,716)	(17,927)
Tax credit received	**1,689**	358	727
Interest received	**6**	16	23
Net cash used in operations	**(4,011)**	(13,342)	(17,177)
Cash flows from investing activities			
Sale of property plant and equipment	**11**	8	23
Purchase of property, plant and equipment	**(26)**	(106)	(132)
Net cash used in investing activities	**(15)**	(98)	(109)
Cash flows from financing activities			
Interest paid	**-**	(48)	(49)
Loan recovered	**869**	-	-
Net cash from financing activities	**869**	(48)	(49)
Net decrease in cash and equivalents	**(3,157)**	(13,488)	(17,335)
Cash and cash equivalents brought forward	**6,471**	23,806	23,806
Cash and cash equivalents carried forward	**3,314**	10,318	6,471

Notes to the Financial Statements

1. Basis of preparation and accounting policies

1.01 Description of Group and approval of the consolidated interim financial statements

Redx Pharma plc (''Redx" or "the Company") is a limited liability company incorporated and domiciled in the UK. Its shares are quoted on AIM, a market operated by The London Stock Exchange. The principal activity of the Group is drug discovery, pre-clinical development and licensing.

The Group's consolidated interim financial statements are presented in pounds sterling, which is the Group's presentational currency, and all values are rounded to the nearest thousand (£000) except where indicated otherwise.

The consolidated interim financial statements were approved by the Board of Directors on 7 June 2019.

1.02 Basis of preparation

The Group's consolidated interim financial statements, which are unaudited, consolidate the results of Redx Pharma plc and its subsidiary undertakings made up to 31 March 2019. The Group's accounting reference date is 30 September.

The financial information contained in these interim financial statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It does not therefore include all of the information and disclosures required in the annual financial statements. The financial information for the six months ended 31 March 2019 and 31 March 2018 is unaudited.

The information for the period ended 30 September 2018 has been extracted from the statutory accounts for the year ended 30 September 2018, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The statutory accounts were approved by the Board on 18 November 2018 and delivered to the Registrar of Companies. The audited financial statements of the Group in respect of the year ended 30 September 2018 received an unqualified audit opinion and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The audit report included a reference to a material uncertainty over the Groups ability to continue as a going concern, to which the auditor drew attention by way of emphasis.

1.03 Significant accounting policies

The accounting policies used in the preparation of the financial information for the six months ended 31 March 2019 are in accordance with the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') as adopted by the European Union and are consistent with those adopted in the annual statutory financial statements for the year ended 30 September 2018 and those which will be adopted in the annual statutory financial statements for the year ending 30 September 2019. The Group has applied IFRS 15 and IFRS 9. There has been no impact to the consolidated Group results in the current or prior periods on adoption of these standards.

While the interim financial information included has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), the interim financial statements do not include sufficient information to comply with IFRS.

The Group has not applied IAS 34, Interim Financial Reporting, which is not mandatory for UK AIM listed Groups, in the preparation of this interim financial report.

1.04 Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board of Directors and the Chief Financial Officer are together considered the chief operating decision-maker and as such are responsible for allocating resources and assessing performance of operating segments.

The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group.

The Group has therefore determined that it has only one reportable segment.

1.05 Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled ''Guidance on the Going Concern Basis of Accounting and Reporting on Solvency Risks – Guidance for directors of companies that do not apply the UK Corporate Governance Code''.

The Group and Parent Company are subject to a number of risks similar to those of other development stage pharmaceutical companies. These risks include, amongst others, generation of revenues in due course from the development portfolio and risks associated with research, development, testing and obtaining related regulatory approvals of its pipeline products. Ultimately, the attainment of profitable operations is dependent on future uncertain events which include obtaining adequate financing to fulfil the Group's commercial and development activities and generating a level of revenue adequate to support the Group's cost structure.

The Group made a net loss of £2.3m during the period, and at 31 March 2019 had total equity of £3.4m including an accumulated deficit of £32.2m. As at that date, the Group had cash and cash equivalents of £3.3m.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these interim financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that are expected to prevail over the forecast period. The Directors estimate that the cash held by the Group together with known receivables and the loan form MGL will be sufficient to support the current level of activities into the fourth quarter of the calendar year 2019. The Directors are continuing to explore sources of finance available to the Group. Based upon advanced discussions with a number of existing and potential investors, together with the likelihood of value realisation from the pan-RAF research programme and specific measures initiated to reduce the company's operational cost base, they have a reasonable expectation that they will be able to secure sufficient cash inflows for the Group to continue its activities for not less than 12 months from the date of approval of these interim financial statements; they have therefore prepared the interim financial statements on a going concern basis.

Because the additional finance is not committed at the date of approval of these interim financial statements, these circumstances represent a material uncertainty as to the Group's ability to continue as a going concern. Should the Group be unable to obtain further finance such that the going concern basis of preparation were no longer appropriate, adjustments would be required including to reduce balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise.

2. Revenue

In March 2018, the Group granted an option for a license agreement on its NBTI programme to Deinove, a French drug discovery company.

	Unaudited Half year to 31 March 2019 £'000	Unaudited Half year to 31 March 2018 £'000	Audited Year to 30 September 2018 £'000
Revenue	**-**	129	129

3. Recovery of derecognised asset

At 30 September 2017, the Group derecognised as an asset a loan due from Redag Crop Protection Ltd "Redag", on the grounds of the conditionality attached to repayment. The loan was in the sum of £715k and accrued interest at 5% per annum. In February 2019, a sale of assets by Redag triggered the conditions necessary for the repayment of the loan, and an amount of £869k was recovered, representing the full amount of the original loan and all interest due up to the date of repayment.

4. Administration

On 24 May 2017, two companies within the Group, Redx Pharma plc and Redx Oncology Limited were placed into Administration as a result of the default on repaying a loan from Liverpool City

Council. FRP Advisory LLP were appointed as Administrators. The companies exited Administration on 2 November 2017, when control was returned to the Directors. The costs directly associated with the Administration, principally Administrators' costs, legal costs and taxation costs, have been separately disclosed on the face of the Consolidated Statement of Comprehensive income.

	Unaudited Half year to 31 March 2019 £'000	Unaudited Half year to 31 March 2018 £'000	Audited Year to 30 September 2018 £'000
Costs of Administration	**-**	177	177

5. Reorganisation costs

The non-recurring costs relating to directors, incurred in the restructuring of the Board post Administration were £215k.

	Unaudited Half year to 31 March 2019 £'000	Unaudited Half year to 31 March 2018 £'000	Audited Year to 30 September 2018 £'000
Reorganisation costs	**-**	215	215

6. Release of accrued accommodation expenses

	Unaudited Half year to 31 March 2019 £'000	Unaudited Half year to 31 March 2018 £'000	Audited Year to 30 September 2018 £'000
Release of accrual	**-**	-	548

As a result of a positive outcome from negotiations regarding legacy accommodation costs, an accrual for potential expenses of £548k was no longer required, and was released at 30 September 2018.

7. Share-based compensation

Share options have been issued to James Mead (CFO) during the period, as well as to Alderley Park Ltd in relation to lease surrenders, and the charge arising is shown below. The fair value of the options granted has been calculated using a Black-Scholes model.

	Unaudited	Unaudited	Audited
	Half Year to 31 March 2019	Half Year to 31 March 2018	Year to 30 September 2018
	Number	Number	Number
Outstanding at the beginning of the period	**10,149,563**	2,963,417	2,963,417
Options granted and vested in period	**650,000**	3,760,000	7,360,000
Options exercised in period	**-**	-	-
Options Forfeited in period	**(1,630,600)**	(113,854)	(173,854)
Options granted and vesting in future periods	**1,300,000**	-	-
	10,468,963	6,609,563	10,149,563
	£000	£000	£000
(Credit)/charge to Statement of Comprehensive Income in period	**(19)**	162	282

Assumptions used were an option life of 5 years, a risk free rate of 2% and no dividend yield. Other inputs were:

- Volatility 40%
- Share price at date of grant in a range between 7.25p and 85p
- Exercise price in a range between 13.75p and 85p
- Weighted average fair value of each option in a range between 0.1p and 47.2p

8. Finance expense and finance income

	Unaudited Half Year to 31 March 2019 £'000	Unaudited Half Year to 31 March 2018 £'000	Audited Year to 30 September 2018 £'000
Finance expense			
Other interest and similar charges	**-**	-	1
Unwind of discount on onerous lease provision	**36**	-	-
	36	-	1
Finance income			
Bank and other short-term deposits	**5**	16	24
	5	16	24

9. Income tax

	Unaudited 31 March 2019 £'000	Unaudited 31 March 2018 £'000	Audited 30 September 2018 £'000
Current income tax			
Corporation tax	**(560)**	27	50
Amounts in respect of prior periods	**(1,202)**	(368)	(1,351)
Income tax (credit) / charge per the income statement	**(1,762)**	(341)	(1,301)

10. Loss per Share

Basic loss per share is calculated by dividing the net income for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

In the case of diluted amounts, the denominator also includes ordinary shares that would be issued if any dilutive potential ordinary shares were issued following exercise of share options.

The basic and diluted calculations are based on the following:

	Unaudited	Unaudited	Audited
	Half Year to 31 March 2019	Half Year to 31 March 2018	Year to 30 September 2018
	£000	£000	£000
Loss for the period attributable to the owners of the Company	**(2,321)**	(4,603)	(8,845)
	Number	Number	Number
Weighted average number of shares – basic & diluted	**126,447,914**	126,447,914	126,447,914
	Pence	Pence	Pence
Loss per share – basic & diluted	**(1.8)**	(3.6)	(7.0)

The loss and the weighted average number of shares used for calculating the diluted loss per share are identical to those for the basic loss per share. This is because the outstanding share options would have the effect of reducing the loss per share and would therefore not be dilutive under IAS 33 *Earnings per Share*.

11. Onerous lease provision

	Unaudited 31 March 2019 £'000	Unaudited 31 March 2018 £'000	Audited 30 September 2018 £'000
Brought Forward	**752**	-	-
(Released)/recognised in the year	**(4)**	-	752
Unwinding of discount	**36**	-	-
Amount utilised	**(195)**	-	-
Carried forward	**589**	-	752
Current	**405**	-	147
Non-current	**184**	-	605

As at 30 September 2018, the Group no longer occupied the premises at Block 3 Alderley Park, Macclesfield, having relocated all its activities to Block 33. On this basis the Director's believe the lease for Block 3 fulfils the criteria to be regarded as onerous under International Accounting Standard 37. A provision of £752k was therefore recognised at 20 September 2018.

The directors have reviewed the current level of the provision and believe it to be sufficient.

INDEPENDENT REVIEW REPORT TO REDX PHARMA PLC

Introduction

We have been engaged by the Company to review the consolidated interim financial statements in the interim financial report for the six months ended 31 March 2019 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related explanatory Notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated interim set of financial statements.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing and presenting the interim financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1.02, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements as adopted by the European Union. The consolidated interim financial statements included in this interim financial report have been prepared in accordance with the presentation, recognition and measurement criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements, as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the consolidated interim financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements in the interim financial report for the six months ended 31 March 2019 are not prepared, in all material respects, in accordance with the presentation, recognition and measurement criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements as adopted by the European Union, and the AIM Rules of the London Stock Exchange.

Material uncertainty in relation to going concern
We draw attention to note 1.05 in the financial statements, which indicates that additional funding is required in order to continue to support the current level of activities beyond the fourth quarter of 2019. As stated in note 1.05, these events or conditions, along with the other matters as set forth in note 1.05, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Use of our report
This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "'Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

RSM UK Audit LLP
Chartered Accountants
9th Floor,
3 Hardman Street,
Manchester,
M3 3HF

8 June 2019

FURTHER INFORMATION FOR SHAREHOLDERS

AIM:	REDX
Company number:	07368089
Investor website:	http://redxpharma.com/investors
Registered office:	Block 33, Mereside, Alderley Park, Macclesfield, SK10 4TG
Directors:	Iain Ross (Chairman)
	Lisa Anson (CEO)
	James Mead (CFO)
	Peter Presland (Non-Executive Director)
	Bernhard Kirschbaum (Non-Executive Director)
Company Secretary:	Andrew Booth

END