

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of this document should be read. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should in particular carefully consider the section entitled "Risk Factors" set out in Part II of this document.**

If you have sold or transferred all of your Ordinary Shares on or before the Record Date please forward this document, together with the Application Form, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other party through whom the sale or transfer was effected for transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK if to do so would constitute a violation of the relevant law and/or regulations of such jurisdiction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your registered holding of Ordinary Shares on or before the Record Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

The maximum amount to be raised under the Open Offer shall be less than €5 million (or an equivalent amount in pounds sterling). The New Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Placing, Subscription nor the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Company's Ordinary Shares are currently admitted to trading on the AIM market of the London Stock Exchange ("AIM"). Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM. The New Shares will not be admitted to trading on any other investment exchange. Subject to certain conditions being satisfied, it is expected that admission of the Firm Placing Shares will become effective and that dealings will commence at 8.00 a.m. on 15 February 2017 ("First Admission") and that admission of the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares will become effective and that dealings will commence at 8.00 a.m. on 1 March 2017 ("Second Admission").

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Shares to the Official List.**

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## Redx Pharma plc

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 7368089)*

### Placing, Subscription and Open Offer of up to 39,049,830 New Shares at 37.5 pence per New Share

*Nominated Adviser & Joint Broker*  
**Cantor Fitzgerald Europe**

*Joint Broker*  
**WG Partners**

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**You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company explaining the background to, and reasons for, the Transaction which is set out in Part I of this document and to the Risk Factors in Part II of this document which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.**

Cantor Fitzgerald Europe ("Cantor Fitzgerald"), which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company's nominated adviser and Joint Broker for the purposes of the AIM Rules. Cantor Fitzgerald is acting with WG Partners for the Company in relation to the Transaction and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Transaction and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. Cantor Fitzgerald's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and not to any other person in respect of their decision to acquire New Shares in reliance on any part of this document.

Cantor Fitzgerald has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by Cantor Fitzgerald nor does it make any representation or warranty, express or implied, as to the accuracy of, any information or opinion contained in this document or for the omission of any information. Cantor Fitzgerald expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

WG Partners LLP ("WG Partners"), which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company's Joint Broker for the purposes of the AIM Rules. WG Partners is acting with Cantor Fitzgerald for the Company in relation to the Transaction and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Transaction and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein.

WG Partners has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by WG Partners nor does it make any representation or warranty, express or implied, as to the accuracy of, any information or opinion contained in this document or for the omission of any information. WG Partners expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws of any state or other jurisdiction of the United States or any province or territory of Canada, Japan, Australia or the Republic of South Africa. Accordingly, unless a relevant exemption from such requirements is available, the New Shares may not, subject to certain exceptions, be offered, sold, taken up, re-sold or delivered, directly or indirectly, into or within the United States, Canada, Japan, Australia, the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. Shareholders who believe that they, or persons on whose behalf they hold Ordinary Shares, are eligible for an exemption from such requirements should refer to paragraph 6 of Part IV of this document to determine whether and how they may participate.

**Overseas Shareholders and any person (including, without limitation, nominees, custodians and trustees) who has a contractual or other legal obligation to forward this document or an Application Form to a jurisdiction outside the UK should read paragraph 6 of Part IV of this document.**

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked "ex" the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. The latest time for application and payment in full under the Open Offer is 11.00 a.m. on 27 February 2017 and the procedure for application and payment is set out in Part IV of this document.

The Conditional Placing, Subscription and Open Offer are conditional, *inter alia*, on the passing of Resolutions 1 and 3 at the General Meeting. The New Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, made or paid on or in respect of such Existing Ordinary Shares after Admission.

Notice of the General Meeting of Redx Pharma plc, to be held at 10.00 a.m. on 28 February 2017 at the offices of Covington & Burling LLP at 265 Strand, London, WC2R 1BH, is set out at the end of this document. A Form of Proxy is enclosed for use by Shareholders in connection with the meeting. To be valid, Forms of Proxy, completed in accordance with the instructions printed thereon, must be received by Redx Pharma plc's registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible but in any event by no later than 10.00 a.m. on 24 February 2017. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting or any adjournment thereof should they so wish.

#### FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" which includes all statements other than statements of historical fact including, without limitation those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "might", "anticipates", "would", "could", "shall", "estimate", "plans", "predicts", "continues", "assumes", "positioned", or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	Close of business	6 February 2017
Announcement of the Proposed Placing and Subscription and Open Offer		8 February 2017
Ex-entitlement Date of the Open Offer	7.00 a.m.	9 February 2017
Announcement of the Result of Placing and publication and posting of the Circular (including Notice of General Meeting), Application Forms and Forms of Proxy		10 February 2017
Open Offer Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	As soon as possible after 8.00 a.m.	13 February 2017
<b>First Admission and commencement of dealings in Firm Placing Shares</b>	8.00 a.m.	15 February 2017
Firm Placing Shares in uncertificated form expected to be credited to accounts in CREST	As soon as possible after 8.00 a.m.	15 February 2017
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess Entitlements from CREST	4.30 p.m.	21 February 2017
Latest time and date for depositing Open Offer Entitlements and Excess Entitlements into CREST	3.00 p.m.	22 February 2017
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m.	23 February 2017
Latest time and date for receipt of Forms of Proxy	10.00 a.m.	24 February 2017
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b>	11.00 a.m.	27 February 2017
<b>Announcement of result of Open Offer</b>		27 February 2017
<b>General Meeting</b>	10.00 a.m.	28 February 2017
<b>Announcement of the results of the General Meeting</b>		28 February 2017
<b>Second Admission and commencement of dealings in Conditional Placing Shares, Subscription Shares, Value Payment Shares and Open Offer Shares</b>	8.00 a.m.	1 March 2017
Conditional Placing Shares, Subscription Shares, Value Payment Shares and Open Offer Shares in uncertificated form expected to be credited to accounts in CREST	As soon as possible after 8.00 a.m.	1 March 2017
Despatch of definitive share certificates for the New Shares in certificated form	Within 10 business days of the relevant Admission	

*If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service (as defined in the AIM Rules) announcement.*

*In this document, all references to times and dates are to time and dates in London, United Kingdom. The timetable above assumes that Resolutions 1 and 3 are passed at the General Meeting without adjournment.*

*In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part IV of this document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Equiniti Limited on 0371 384 2050 or, if calling from outside the United Kingdom, +44 121 415 0259, where relevant, quoting the allotment number of their Application Form.*

*If you have questions on how to complete the Form of Proxy, please contact Equiniti Limited on 0371 384 2050 or, if calling from outside the United Kingdom, +44 121 415 0259.*

*Calls to the Equiniti Limited number from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti Limited cannot provide advice on the merits of the Transaction and cannot give any financial, legal or tax advice.*

## SHARE CAPITAL AND TRANSACTION STATISTICS

Issue Price for each New Share	37.5 pence
Discount to an Existing Ordinary Share	9.6 per cent.
Number of Existing Ordinary Shares in issue as at the date of this document	93,697,957
Number of Placing Shares to be issued pursuant to the Firm Placing and Conditional Placing	19,166,667
Number of Subscription Shares and Value Payment Shares to be issued pursuant to the Subscription	12,075,000
Basis of Open Offer	1 New Share for every 12 Existing Ordinary Shares
Maximum number of Open Offer Shares to be issued pursuant to the Open Offer	7,808,163
Enlarged Share Capital immediately following completion of the Transaction*	132,747,787
Market capitalisation at Issue Price*	up to £49.8 million
New Shares as a percentage of the Enlarged Share Capital*	up to 29.4 per cent.
Estimated gross proceeds of the Transaction*	up to £14.4 million
Estimated net proceeds of the Transaction*	up to £13.6 million
ISIN – Ordinary Shares	GB00BSNB6S51
ISIN – Open Offer Basic Entitlements	GB00BDFFKF55
ISIN – Open Offer Excess Entitlements	GB00BDFFKG62

\* assuming full take up of the Open Offer and no further exercise of options under the Redx share option schemes.  
 Subject to the terms of the Sharing Agreement, the amount of the proceeds actually received by the Company may be more or less, as described further in this document.

## DIRECTORS, SECRETARY AND ADVISERS

Directors	Dr Frank Armstrong ( <i>Non-Executive Chairman</i> ) Dr Neil Murray ( <i>Chief Executive Officer</i> ) Dr Peter Jackson ( <i>Non-Executive Director</i> ) Norman Molyneux ( <i>Non-Executive Director</i> ) Dr Bernhard Kirschbaum ( <i>Non-Executive Director</i> ) Peter McPartland ( <i>Non-Executive Director</i> ) David Lawrence ( <i>Non-Executive Director</i> )
Company Secretary	Simon William Thorn
Registered Office	c/o Acceleris Capital Floor 9 Lowry House 17 Marble Street Manchester M2 3AW
Nominated Adviser & Joint Broker	Cantor Fitzgerald Europe One Churchill Place London E14 5RB
Joint Broker	WG Partners LLP 85 Gresham Street London EC2V 7NQ
Auditors	RSM UK Audit LLP 3 Hardman Street Manchester M3 3HF
Legal advisers to the Company	Covington & Burling LLP 265 Strand London WC2R 1BH
Legal Advisers to the Joint Brokers	Orrick, Herrington & Sutcliffe (Europe) LLP 107 Cheapside London EC2V 6DN
Registrars and Receiving Agent for the Open Offer	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

## DEFINITIONS

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

Acceleris	Acceleris Capital Ltd
AbbVie	AbbVie Inc.
Acerta	Acerta Pharma BV
Act	the Companies Act 2006 (as amended)
Admission	First Admission and/or Second Admission as the context dictates
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange as amended from time to time
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange as amended from time to time
Applicant	a Qualifying Shareholder or a person by virtue of a <i>bona fide</i> market claim who lodges an Application Form or relevant CREST instruction under the Open Offer
Application Form	the application form relating to the Open Offer and enclosed with this document for use by Qualifying non-CREST Shareholders
Aptose Biosciences	Aptose Biosciences Inc.
Array	Array BioPharma Inc.
ArQule	ArQule, Inc.
Articles	the articles of association of the Company in force at the date of this document
A*STAR	the Agency for Science, Technology and Research (A*STAR), Singapore
AstraZeneca	AstraZeneca UK Limited, a subsidiary of AstraZeneca plc
Basic Entitlement(s)	the <i>pro rata</i> entitlement for Qualifying Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer as described in Part IV of this document
Benchmark Price	50 pence per Ordinary Share
BMS	Bristol-Myers Squibb Co.
Board or the Directors	the directors of the Company, as at the date of this document, whose names are set out on page 6 of this document
Cantor Fitzgerald or Nominated Adviser & Joint Broker	Cantor Fitzgerald Europe, the Company's Nominated Adviser & Joint Broker
CCSS	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities

certified or in certificated form	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
Circular or document	this circular, dated 10 February 2017
Closing Price	the closing middle market quotation of a share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
Company or Redx	Redx Pharma plc, a company incorporated in England and Wales with company number 7368089 whose registered office is at Floor 9, Lowry House, 17 Marble Street, Manchester, Greater Manchester M2 3AW
CREST	the relevant system (as defined in the CREST Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear, in accordance with the same regulations
Conditional Placing	the Placing of 13,166,668 New Shares subject to the passing of Resolutions 1 and 3 at the General Meeting
Conditional Placing Shares	the 13,166,668 New Shares to be issued subject to the Conditional Placing
CREST Manual	the rules governing the operation of CREST, as published by Euroclear
CREST member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
CREST payment	shall have the meaning given in the CREST Manual issued by Euroclear
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3875), as amended
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
CrystalGenomics	CrystalGenomics Inc.
Disclosure and Transparency Rules	the disclosure guidance and transparency rules of the FCA as amended from time to time
Duke University	Duke NUS Graduate Medical School, Singapore
EEA	the European Economic Area
EIS Placing Shares	5,733,333 of the Firm Placing Shares intended to benefit from EIS Relief
EIS	the Enterprise Investment Scheme introduced by Schedule 6 of the Finance Act 2012
EIS Relief	the relief available to investors under EIS
Enlarged Share Capital	the issued Ordinary Share capital of the Company immediately following the issue of the New Shares



EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Excess Entitlement(s)	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part IV of this document
Excess Application Facility	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of the Basic Entitlement in accordance with the terms and conditions of the Open Offer
Excess CREST Open Offer Entitlement	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to the Basic Entitlement credited to the Qualifying CREST Shareholder's account in CREST, pursuant to the Excess Application Facility, which is conditional on the Qualifying CREST Shareholder taking up his Basic Entitlement in full and which may be subject to scaleback in accordance with the provisions of this document
Excess Shares	the Open Offer Shares for which Qualifying Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement
Ex-entitlement Date	the date on which the Existing Ordinary Shares are marked 'ex' for entitlement under the Open Offer being 9 February 2017
Existing Ordinary Shares	the 93,697,957 Ordinary Shares in issue as at the date of this document being the entire issued share capital of the Company prior to the Transaction
FCA	the Financial Conduct Authority of the UK
Firm Placing Shares	the 5,999,999 New Shares to be issued subject to the Firm Placing
Firm Placing	the Placing of 5,999,999 New Shares at the Placing Price
First Admission	admission of the Firm Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
Flexus Biosciences	Flexus Biosciences, Inc.
Form of Proxy	the form of proxy which accompanies this document for use in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company, to be held at 10.00 a.m. on 28 February 2017 at the offices of Covington & Burling LLP at 265 Strand, London, WC2R 1BH
Group	together the Company and its subsidiary undertakings
HMRC	Her Majesty's Revenue & Customs
ISIN	International Securities Identification Number
Issue Price	37.5 pence per New Share

J&J	Johnson & Johnson
Lanstead	Lanstead Capital L.P.
London Stock Exchange member account ID	London Stock Exchange plc the identification code or number attached to any member account in CREST
Measured Price	calculated as the average volume weighted share price of the Company's Ordinary Shares over an agreed period prior to the monthly settlement date
New Shares	up to 39,049,830 new Ordinary Shares to be issued pursuant to the Transaction (being the Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares)
NHS	The National Health Service
Notice of General Meeting	the notice convening the General Meeting set out at the end of this document
Novartis	Novartis Pharmaceuticals Corporation
Official List	the Official List of the UKLA
Open Offer	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this document and, where relevant, in the Application Form
Open Offer Entitlements	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Basic Entitlement and Excess Entitlement
Open Offer Shares	up to 7,808,163 New Shares to be issued pursuant to the Open Offer
Ordinary Shares	ordinary shares of one penny each in the capital of the Company having the rights and being subject to the restrictions contained in the Articles
Overseas Shareholders	Shareholders with registered addresses, or who are citizens or residents of, or incorporated in Restricted Jurisdictions
participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
Pharmacyclics	Pharmacyclics Inc., a wholly-owned subsidiary of AbbVie
Placees	any person who has agreed to subscribe for Placing Shares
Placing	the placing by Cantor Fitzgerald and WG Partners, as agents of and on behalf of the Company, of Placing Shares at the Issue Price on the terms and subject to the conditions in the Placing Agreement
Placing Agreement	the conditional agreement dated 8 February 2017 between the Company, Cantor Fitzgerald and WG Partners, a summary of which is set out in paragraph 2 of Part V of this document

Placing Shares	the Firm Placing Shares and the Conditional Placing Shares to be issued pursuant to the Placing
Prospectus Rules	the Prospectus Rules made in accordance with EU Prospectus Directive (2003/71/EC) in relation to offers of securities to the public and admission of securities to trading on a regulated market
Publicly Available Information	any information published by the Company using a Regulatory Information Service
Qualifying CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
Qualifying non-CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
Qualifying Shareholders	holders of Existing Ordinary Shares other than Overseas Shareholders, whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document
Receiving Agent	Equiniti Limited
Record Date	6 February 2017
Registrar	Equiniti Limited
Regulatory Information Service	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list on the website of the London Stock Exchange
Restricted Jurisdictions	the United States, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law
Second Admission	admission of the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
Securities Act	the United States Securities Act of 1933, as amended
Shareholders	registered holders of Ordinary Shares
Sharing Agreement	the sharing agreement dated 9 February 2017 between the Company and Lanstead, a summary of which is set out in paragraph 4 of Part V of this document
Subscriber	Lanstead Capital L.P.
Subscription	the conditional share subscription by Lanstead for the Subscription Shares subject to the conditions of the Subscription Agreement
Subscription Agreement	the conditional agreement dated 9 February 2017 between the Company and Lanstead, a summary of which is set out in paragraph 3 of Part V of this document

Subscription Shares	the 11,500,000 New Shares to be issued pursuant to the Subscription
Sunesis Pharmaceuticals	Sunesis Pharmaceuticals, Inc.
Transaction	together, the Placing, Subscription and Open Offer
UK	the United Kingdom of Great Britain and Northern Ireland
UKLA	the UK Listing Authority, being the FCA acting as the competent authority for the purposes of Part VI of the FSMA
uncertificated or in uncertificated form	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US or United States	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
USE	unmatched stock event
Value Payment Shares	the 575,000 New Shares to be issued to Lanstead in satisfaction of a fee pursuant to the Sharing Agreement
VCT	Venture Capital Trust
WG Partners or Joint Broker	WG Partners LLP

A reference to £ is to pounds sterling, being the lawful currency of the UK.

A reference to \$ or US\$ is to United States of America (USA) dollars, being the lawful currency of the USA.

A reference to € or Euro is to the lawful currency of the Euro area.

## GLOSSARY

AACR	American Association for Cancer Research
ADME	absorption, distribution, metabolism and excretion
ASCO	American Society of Clinical Oncology
ASH	American Society of Hematology
BIS	the Department for Business, Innovation and Skills
BTK	Bruton's Tyrosine Kinase
CLL	chronic lymphocytic leukaemia
Cys	cysteine, an amino acid, one of the 20 building blocks of human proteins
ESMO	European Society for Medical Oncology
Grants or RGF Grants	regional growth fund grants
IDO	Indoleamine -(2,3)- dioxygenase
Pan-RAF inhibitor	drug which inhibits multiple Raf isoforms
PK	pharmacokinetic
Porcupine	a target in the Wnt signalling pathway
Wnt signalling pathway	group of signal transduction pathways, made of proteins that pass signals from outside of a cell through cell surface receptors to the inside of the cell

## PART I

### LETTER FROM THE CHAIRMAN

# Redx Pharma plc

(incorporated and registered in England and Wales with registered number 7368089)

#### Directors

Dr Frank Armstrong (*Non-Executive Chairman*)  
Dr Neil Murray (*Chief Executive Officer*)  
Dr Peter Jackson (*Non-Executive Director*)  
Norman Molyneux (*Non-Executive Director*)  
Dr Bernhard Kirschbaum (*Non-Executive Director*)  
Peter McPartland (*Non-Executive Director*)  
David Lawrence (*Non-Executive Director*)

#### Registered Office

c/o Acceleris Capital  
Floor 9 Lowry House  
17 Marble Street  
Manchester  
M2 3AW

10 February 2017

Dear Shareholder,

### **Placing, Subscription and Open Offer of up to 39,049,830 New Shares at 37.5 pence per New Share**

#### **Introduction**

The Company has conditionally raised £11.5 million, before expenses, by way of a Placing of 19,166,667 Placing Shares and a Subscription of 11,500,000 Subscription Shares by Lanstead Capital L.P., an institutional investor, together with a related Sharing Agreement, both at a price of 37.5 pence per share. The net proceeds of the Placing and Subscription will allow the Group, *inter alia*, to continue to progress its pipeline, as detailed below more fully.

In addition, in order to provide Shareholders who have not taken part in the Placing and Subscription with an opportunity to participate in the proposed issue of New Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 7,808,163 Open Offer Shares, to raise up to £2.93 million (before expenses), on the basis of 1 Open Offer Share for every 12 Existing Ordinary Shares held on the Record Date, at 37.5 pence per share. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

Cantor Fitzgerald and WG Partners have conditionally agreed, pursuant to the terms of the Placing Agreement, to use their reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price. The Placing comprises of 5,999,999 Firm Placing Shares and 13,166,668 Conditional Placing Shares. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing is not underwritten.

Pursuant to the terms of a Subscription Agreement, Lanstead has conditionally agreed with the Company to subscribe for the Subscription Shares at the Issue Price to raise gross proceeds of approximately £4.3 million. The Company has also agreed to issue to Lanstead 575,000 Value Payment Shares pursuant to the Sharing Agreement at Second Admission. The Subscription Shares and the Value Payment Shares are not subject to clawback and are not part of the Open Offer. The Subscription is not underwritten.

The Firm Placing Shares to be issued pursuant to the Placing will be issued on a non-pre-emptive basis, utilising the existing Shareholder authorities put in place at the Company's general meeting on 13 April 2016. The Conditional Placing and the issue of the Subscription Shares and the Value Payment Shares as well as the Open Offer Shares are conditional, *inter alia*, on the passing by Shareholders of Resolutions 1 and 3 at the General Meeting, which is being convened for 10.00 a.m. on 28 February 2017.

Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM (“First Admission”). It is expected that First Admission will become effective and that dealings in the Firm Placing Shares, will commence at 8.00 a.m. on 15 February 2017.

Application will be made to the London Stock Exchange for the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares to be admitted to trading on AIM (“Second Admission”). It is expected that Second Admission will become effective and that dealings in the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares will commence at 8.00 a.m. on 1 March 2017 (being the business day following the General Meeting).

If, following the issue of the Firm Placing Shares, the conditions relating to the issue of the Conditional Placing Shares are not satisfied, or the Placing Agreement is terminated in accordance with its terms, the Conditional Placing Shares will not be issued and the Company will not receive the related placing monies. In this situation, the Company will not have sufficient working capital for the next 12 months and would have to seek additional funding.

The Issue Price represents a discount of approximately 9.6 per cent. to the price of 41.5 pence per Existing Ordinary Share, being the Closing Price on the day of the announcement of the Transaction.

**The purpose of this document is to provide you with information regarding the Transaction, to explain why your Board considers the Transaction to be in the best interests of the Company and its Shareholders as a whole and why it unanimously recommends that you should vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.**

### **Background to and reasons for the Transaction**

Redx is a drug discovery and development company, formed in 2010, which was successfully admitted to trading on the AIM Market of the London Stock Exchange in March 2015, simultaneously raising £15 million (before expenses). The Company is run by a commercially and scientifically experienced management team with a track record of success.

Since the IPO in 2015, Redx has made significant progress with its existing research programs. The Company is focused on creating proprietary, best-in-class or first-in-class small-molecule drugs in areas of significant unmet medical need, primarily in cancer and immunology. This pipeline strategy has been validated by the progression of its first two high-value clinical candidates: the Bruton’s tyrosine kinase (BTK) reversible inhibitor RXC005 and the Porcupine inhibitor RXC004, in lucrative therapeutic areas with substantial commercial potential and medical need. In addition, multiple partnerships have been formed, such as those with AstraZeneca, a global pharmaceutical company, and the NHS.

The Company’s strategy is to maximise shareholder value by advancing select programs into clinical development and delivering meaningful patient data. This ensures the Company will retain economic interest in high value products. Redx’s philosophy is to create high-value therapies whilst addressing the limitations of existing treatments.

On 24 March 2016, the Company raised a further £10 million (before expenses) by way of a placing of new Ordinary Shares with both new institutional investors and existing Shareholders. Since the fundraising in March 2016, Redx has made further significant progress in its R&D pipeline, highlights of which include:

- Pre-clinical proof-of-concept achieved with reversible Bruton’s tyrosine kinase inhibitor
- Development candidate, RXC005, selected for the reversible BTK program for chronic lymphocytic leukaemia (CLL) and other B-cell conditions
- Identification of a potential role for the Porcupine inhibitor RXC004 in cancer immunotherapy

Redx is now aggressively progressing these lead assets into clinic in 2017.

### ***Reversible BTK inhibitor RXC005***

BTK is essential for the growth and survival of B-cells (a type of white blood cells), the overproduction of which is responsible for various blood cancers. Targeted inhibition of BTK is a clinically validated approach for the treatment of B-cell malignancies. The first BTK inhibitor to be approved, ibrutinib, is an irreversible, covalently-binding inhibitor developed by the US company Pharmacyclics and initially partnered with J&J. Following regulatory approval of ibrutinib, Pharmacyclics was acquired by AbbVie for \$21 billion in 2015. In the clinic, many cases of resistance to ibrutinib have emerged, due to a mutation in the BTK enzyme at cysteine residue 481 (Cys-481). Ibrutinib relies on amino acid number 481 being a cysteine in the BTK protein. Over 60 per cent. of CLL patients whose disease progresses on ibrutinib have a mutation at Cys-481. Therefore, there is an unmet medical need to provide reversible BTK inhibitors that do not rely on binding to Cys-481, thereby targeting the emerging resistance to ibrutinib.

The commercial attractiveness of this therapeutic area was further highlighted in late 2015 when AstraZeneca acquired 55 per cent. of the company Acerta for over \$4 billion. The acquisition was primarily driven by AstraZeneca gaining rights to acalabrutinib, an irreversible BTK inhibitor currently in Phase III clinical trials.

Redx's RXC005 is a next generation reversible BTK inhibitor which is highly potent on both wild-type (normal) BTK and mutation conferring resistance BTK Cys-481. This dual activity is a result of RXC005 not relying on binding to Cys-481 for activity, unlike ibrutinib and acalabrutinib. Furthermore, compared to ibrutinib, RXC005 is highly selective for BTK, which should result in a superior side-effect profile.

RXC005 has shown potent efficacy *in vivo* by demonstrating statistically significant efficacy in a human B-cell lymphoma mouse xenograft model (OCI-Ly10). Pre-clinical absorption, distribution, metabolism and excretion (ADME) and predicted human pharmacokinetic (PK) properties have been deemed suitable for twice-daily administration and in preliminary studies no concerning safety issues have been observed. These results were presented at the American Society of Hematology Annual Meeting on December 5, 2016. Composition of matter patents were filed in December 2015.

To further strengthen and validate the development for RXC005, Redx is working with key opinion leaders in this area, including Dr. Jennifer Brown at the Dana Farber Cancer Institute, and Dr. Jennifer Woyach at the Ohio State University.

### ***Competition***

The Company is aware of three other non-covalent reversible BTK inhibitors currently in development for leukaemia. Sunesis Pharmaceuticals has reported Phase IA safety data for SNS-062 in healthy volunteers. ArQule's compound, ARQ 531, and CrystalGenomics' / Aptose Biosciences' compound, CG026806, are reported to be in pre-clinical development.

### ***Future plans for RXC005***

RXC005 is targeted to enter clinical development in late 2017. It has the potential to be the best-in-class treatment for CLL and other B-cell conditions. The current leading treatment for CLL is ibrutinib, with forecast revenues of over \$8 billion by 2020. RXC005 has the potential to be superior to ibrutinib based on its pre-clinical profile and thereby offers blockbuster and leadership potentials in a highly lucrative therapeutic class. Patient safety data is expected to be available during 2018 and efficacy data in 2019. In addition to oncology, RXC005 has potential applications in autoimmune diseases, such as rheumatoid arthritis, lupus and Sjögren's syndrome.

### ***Porcupine inhibitor RXC004***

Patients with gastric, biliary and pancreatic cancers currently have a desperate prognosis due to the lack of availability of effective therapies. An increased understanding of the Wnt signalling pathway has highlighted its therapeutic promise in these solid tumours with high unmet medical need. Porcupine is an enzyme that plays a critical role in the Wnt pathway. Recently a therapeutic window has been identified, meaning there is a dose of a Porcupine inhibitor that gives a potentially therapeutic efficacy with an acceptable safety profile. In addition, for Porcupine inhibitors, it has been shown that there is the potential for stratifying patients on the basis of specific mutations. This approach is likely to result in reduced clinical risk.



RXC004 is a potent Porcupine inhibitor combining three modes of action: direct tumour effects, cancer stem cell activity and immune system stimulation. It has shown a suitable safety profile in preliminary studies and appears suitable for once- or twice-daily dosing. In addition to oncology, there is potential for RXC004 to be used in fibrotic diseases.

#### *Pre-clinical profile*

RXC004 appears to be suitable for oral dosing with potent inhibition. RXC004 shows a highly significant tumour growth inhibition following oral dosing in a human pancreatic cancer xenograft model, Capan-2. The compound has shown superior pre-clinical efficacy and PK over the key competitor compound WNT974 (a Novartis/Array compound in Phase II for colorectal cancer). Redx has also shown that RXC004 improves immune response in a mouse colon cancer model in combination with an anti-PD-1 checkpoint inhibitor by showing an additive/synergistic effect. The combination of RXC004 with an anti-PD-1 antibody resulted in statistically significant tumour growth inhibition and conversion towards an immune system that is tumour destroying, reflected in the statistically significant increase in the ratio of cytotoxic T-cells to regulatory T-cells. These results were presented at the recent EORTC-NCI-AACR conference on November 30, 2016. Redx is working with key opinion leaders in this field to develop RXC004. There are also defined options for a companion diagnostic for RXC004 since a biomarker for pathway inhibition has been identified. A composition of matter patent for RXC004 was filed in October 2014.

#### *Comparison of RXC004 versus WNT974 (Novartis/Array competitor compound)*

Pre-clinically, in a pancreatic cancer model, RXC004 clearly outperforms WNT974 driven by RXC004's superior pharmacokinetic profile as it is efficacious at lower doses and with a less frequent dosing regimen. Novartis has shown that WNT974 is well tolerated in an early clinical trial demonstrating that Porcupine inhibition is a suitable therapeutic approach. In this trial no maximum tolerated dose was reached and no dose-related severe side effects were seen. Redx's pre-clinical studies show high (>50 per cent.) inhibition of Axin-2 in tumour required to see tumour growth inhibition effects. Therefore, Redx aim to clinically dose RXC004 to give higher tumour Wnt pathway inhibition to see improved growth inhibition. The improved pre-clinical PK and efficacy profile of RXC004 vs WNT974 should enable this dosing regimen.

#### *Competition*

There is limited competition among Porcupine inhibitors. Only two other compounds are currently in clinical trials, namely WNT974 from Novartis/Array in Phase II for colorectal cancer (in combination with encorafenib and cetuximab) and ETC-159 from A\*STAR/Duke University in Phase I for solid tumours.

#### *Future plans for RXC004*

Currently there is no targeted therapy approved for biliary cancer. The gastric cancer market is forecast to grow to \$4.4 billion by 2024 and the pancreatic cancer market is forecast to grow to \$2.9 billion by 2022. The Porcupine inhibitor RXC004 is targeted to enter clinical development in early 2017. RXC004 offers the potential to be a first-in-class drug for several difficult-to-treat cancers, including gastric, biliary and pancreatic. In addition, the potential for a combination with PD-1 inhibitors that will improve their effectiveness represents a substantial commercial opportunity.

Initially Redx will be assessing safety in patients with solid tumours. Data from these studies is anticipated during 2017. In 2018, data should become available from expansion arms studying RXC004 in patients with biliary, gastric and pancreatic cancers. The gastric and pancreatic cancer patients will be selected based on specific mutations (so called RNF43 loss of function mutations) believed to make them susceptible to Wnt-signalling inhibition. However, the biliary cancer patients will be selected regardless of RNF43 mutations, as there is evidence Porcupine inhibition should work regardless of mutational status in this cancer. There will also be the potential, to examine the effect of RXC004 as an immuno-oncology combination therapy.

## **Summary of Redx's pipeline**

Redx's pipeline is at the forefront of next generation therapies of unmet medical need. In addition to the two lead compounds RXC004 and RXC005 described above for oncology indication, key small-molecule pipeline assets are a Porcupine inhibitor and a BTK inhibitor for immunology indications. These programs are at a pre-clinical proof-of-concept stage. At the lead-optimization stage the Company is progressing an IDO inhibitor and a pan-Raf inhibitor for oncology indications. IDO is a cancer immunotherapy target. Inhibiting IDO helps tumours to be seen by the immune system when activated by other check-point inhibitors, such as anti-PD-1 inhibitors. The commercial potential of IDO inhibitors was highlighted in 2015 when BMS bought Flexus Biosciences pre-clinical IDO program for an upfront consideration of \$800 million. The pan-Raf inhibitor knocks out several important cancer signals at once, in order to treat cancers that develop resistance to drugs targeted at just one cancer signal.

At lead-generation stage Redx is progressing three programs: one collaboration with AstraZeneca on an undisclosed oncology target; a SHP2 inhibitor in oncology and a ROCK2 inhibitor in immunology.

## **Use of Proceeds**

Redx intends to use the proceeds from the Placing plus the £0.65 million retained pursuant to the Subscription to progress Porcupine (RXC004) through clinical trials to achieve patient safety data, undertake pre-clinical studies on BTK (RXC005) with a view to making it clinic ready and for general working capital purposes for the Group.

In addition, any further monies received under the Subscription and Open Offer will be used to further support the Company's oncology and immunology pipelines as well as general working capital purposes.

As Redx moves its lead programs into clinical development, the Company will continue to balance its resources to ensure that projects are progressed in the most efficient way. As a result, in line with this maturing of the pipeline, an increasing proportion of costs will be allocated to external spend to support Redx's development-stage programs. However, Redx will continue to support its research activities to ensure that the front end of the Company's pipeline remains well-stocked. The Board and management will continue to assess options on an on-going basis to ensure that Redx extracts maximum value from its pipeline assets.

## **Anticipated Progress and Newsflow**

During 2017, with the proceeds of the Placing and the initial £0.65 million from the Subscription, the Company anticipates the technical progress across the pipeline to include:

- the filing of a clinical trial application for Porcupine (RXC004) in early 2017,
- the first patient to be dosed in a RXC004 study in early 2017,
- patient safety data to be available for RXC004 in the second half of 2017,
- preparatory work in advance of clinical studies for the reversible BTK inhibitor RXC005; and
- the identification of further development candidates.

The Company also plans to present program updates at or in conjunction with the following major scientific meetings during 2017: AACR (April), ASCO (June), ESMO (September) and ASH (December).

In addition, the Board continues to seek commercial partnerships and will assess the potential to add complementary assets and capabilities.

## **Current Trading**

Redx announced its interim results for the six months ended 30 March 2016 on 24 May 2016. Financial highlights for the period included net cash at 31 March 2016 of £4.4 million (H1 2015: £13.8 million); comprehensive loss of £7.1 million (H1 2015: £3.2 million) and a successful share placing to raise £10 million (gross) completed in April 2016, after period end.

Since the interim results in May 2016 the Company has made good progress with its key pipeline projects. The Company's lead cancer treatment, the Porcupine inhibitor RXC004, has the potential to become a potent therapy for a subset of biliary, gastric and pancreatic cancer patients. In September the Company announced that RXC004 also has a potentially crucial role in enhancing existing cancer immunotherapy treatments. Redx aims to initiate first-in-human clinical studies for RXC004 early 2017.

In October 2016, Redx announced that it had identified a drug development candidate for its reversible Bruton's tyrosine kinase inhibitor program. The compound, named RXC005, has the potential to treat the majority of patients suffering from chronic lymphocytic leukaemia, including those who become resistant to the increasingly used treatment ibrutinib. First-in-human clinical studies for RXC005 are expected to commence late 2017.

### **Details of the Transaction**

The Company has placed 5,999,999 Firm Placing Shares and, conditionally placed 13,166,668 Conditional Placing Shares through a Placing at 37.5 pence per Placing Share. In addition, 11,500,000 Subscription Shares have been conditionally subscribed for through a Subscription, at 37.5 pence per Subscription Share. Alongside the Placing and Subscription, the Company is making an Open Offer pursuant to which it may raise a further amount of up to £2.93 million (before expenses). The proposed issue price of 37.5 pence per Open Offer Share is the same price as the price at which New Shares are being issued pursuant to the Placing and Subscription, as the case may be. In addition, as part of the Subscription and pursuant to the Sharing Agreement, 575,000 Value Payment Shares will be issued to Lanstead at Second Admission.

#### ***Placing***

Cantor Fitzgerald and WG Partners, as agents for Redx, have placed the Firm Placing Shares and also conditionally placed the Conditional Placing Shares at the Issue Price with existing Shareholders and other institutional investors outside the United States, representing gross proceeds of £7.19 million. The Placing will comprise of 5,999,999 Firm Placing Shares and 13,166,668 Conditional Placing Shares. The Firm Placing Shares will be issued on a non-pre-emptive basis, utilising the existing Shareholder authorities put in place at the Company's general meeting held on 13 April 2016. The EIS Placing Shares will be issued to investors seeking to benefit from the tax advantage pursuant to the EIS legislation. The Company has obtained advance assurance from HM Revenue & Customs that the EIS Placing Shares will satisfy the requirements for tax relief under EIS.

The Placing of the Firm Placing Shares is conditional, *inter alia*, on the following:

- i. the Placing Agreement not being terminated prior to First Admission; and
- ii. First Admission having become effective on or before 8.00 a.m. on 15 February 2017 (or such later date and/or time as the Company, Cantor Fitzgerald and WG Partners may agree, being no later than 14 March 2017).

The Placing of the Conditional Placing Shares is conditional, *inter alia*, on the following:

- i. First Admission having become effective;
- ii. Resolutions 1 and 3 being passed at the General Meeting;
- iii. the Placing Agreement not being terminated prior to Second Admission and otherwise having become unconditional in all respects;
- iv. the Subscription having become unconditional subject only to Admission;
- v. Second Admission having become effective on or before 8 a.m. on 1 March 2017 (or such later date and/or time as the Company, Cantor Fitzgerald and WG Partners may agree not being later than 14 March 2017).

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing is not underwritten.

A summary of the Placing Agreement is set out in paragraph 2 of Part V of this document.

### ***Subscription and Sharing Agreement***

Pursuant to a Subscription Agreement with the Company, Lanstead has conditionally agreed to subscribe for 11,500,000 Subscription Shares at the Issue Price representing gross proceeds of £4,312,500. £646,875 of the Subscription proceeds (being 15 per cent. of the gross proceeds of the Subscription) will be retained by the Company and £3,665,625 (being 85 per cent. of the gross proceeds of the Subscription) will be pledged to Lanstead under a Sharing Agreement pursuant to which Lanstead will make monthly settlements (subject to adjustment upwards or downwards, as measured against a Benchmark Price of 50 pence per Ordinary Share) to the Company over 18 months, as more particularly detailed in paragraph 4 of Part V of this document. As a result of entering into the Sharing Agreement the aggregate amount received by the Company under the Subscription and the related Sharing Agreement may be more or less than £4,312,500, as further explained in paragraph 4 of Part V of this document.

In addition, the Company has also agreed to issue Lanstead 575,000 Value Payment Shares pursuant to the Sharing Agreement at Second Admission.

The Subscription and the Sharing Agreement are conditional, *inter alia*, on the following:

- i. Resolutions 1 and 3 being passed at the General Meeting;
- ii. the Subscription Agreement not being terminated prior to Second Admission and otherwise being unconditional in all respects;
- iii. Second Admission becoming effective on or before 8.00 a.m. on 1 March 2017.

The Subscription Shares and the Value Payment Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Subscription Shares and the Value Payment Shares are not subject to clawback and are not part of the Placing or the Open Offer. The Subscription is not underwritten.

Summaries of the terms of the Subscription Agreement and the related Sharing Agreement are set out in paragraphs 3 and 4, respectively, of Part V of this document.

### ***Open Offer***

Subject to the fulfilment of the conditions set out below and in Part IV of the document, Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holding of Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer.

The Open Offer is conditional, *inter alia*, on the following:

- i. Resolutions 1 and 3 being passed at the General Meeting;
- ii. the Placing Agreement not being terminated prior to Second Admission and becoming and otherwise having become unconditional in all respects; and
- iii. First Admission having become effective and Second Admission becoming effective on or before 8.00 a.m. on 1 March 2017 (or such later date and/or time as the Company, Cantor Fitzgerald and WG Partners may agree, being no later than 14 March 2017).

### ***Basic Entitlement***

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

#### **1 Open Offer Share for every 12 Existing Ordinary Shares held at the Record Date**

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

### *Excess Entitlement*

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the sole discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

Qualifying CREST Shareholder stock accounts will be credited as soon as possible after 8.00 a.m. on 13 February 2017 with Excess Entitlements equal to 10 times the total number of Existing Ordinary Shares held in such Qualifying CREST Shareholder's name as at the Record Date.

If however Qualifying CREST Shareholders wish to apply for more than 10 times the total number of Existing Ordinary Shares held in such Qualifying Shareholder's name as at the Record Date, the Qualifying CREST Shareholder should contact the Receiving Agent by telephone on the number stated on page 4 of this document who will arrange for the additional Excess Entitlements to be credited to the relevant CREST account of the Qualifying CREST Shareholder.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Second Admission. The Open Offer is not underwritten.

**Qualifying Shareholders should note that the Open Offer is not a “rights issue”. Invitations to apply under the Open Offer are not transferable unless to satisfy *bona fide* market claims. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares under the Open Offer.**

### *Settlement and dealings*

Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM (“First Admission”). It is expected that First Admission will become effective and that dealings in the Firm Placing Shares, will commence at 8.00 a.m. on 15 February 2017.

Application will be made to the London Stock Exchange for the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares to be admitted to trading on AIM (“Second Admission”). It is expected that Second Admission will become effective and that dealings in the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares will commence at 8.00 a.m. on 1 March 2017 (being the business day following the General Meeting).

### *Overseas Shareholders*

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Shareholders with registered addresses in, or who are resident or located in the United States or another Restricted Jurisdiction since to do so would require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would not be in the UK.

Notwithstanding the foregoing and any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Part IV of this document together with the accompanying Application Form, in the case of Qualifying non-CREST Shareholders, contains the terms and conditions of the Open Offer.

If a Qualifying Shareholder does not wish to apply for Open Offer Shares he should not complete or return the Application Form or send a USE message through CREST.

#### *Qualifying non-CREST Shareholders*

If you are a Qualifying non-CREST Shareholder you will have received an Application Form, which accompanies this document and which gives details of your Basic Entitlement (as shown by the number of the Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4 of Part IV of this document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post to Equiniti Limited at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 27 February 2017.

#### *Qualifying CREST Shareholders*

Application will be made for the Open Offer Entitlements of Qualifying CREST Shareholders to be credited to stock accounts in CREST. It is expected that the Open Offer Entitlements will be credited to stock accounts in CREST on 13 February 2017. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive credits to your appropriate stock account in CREST in respect of the Basic Entitlements to which you are entitled. You should refer to the procedure for application set out in paragraph 4 of Part IV of this document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 27 February 2017.

### **General Meeting**

You will find set out at the end of this document a notice convening the General Meeting to be held at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH on 28 February 2017 at 10.00 a.m. where the following Resolutions will be proposed:

**Resolution 1** – An ordinary resolution to authorise the Directors to allot relevant securities for the purposes of section 551 of the Act provided that such power be limited to the allotment of the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares up to an aggregate nominal amount of £330,498.31.

**Resolution 2** – An ordinary resolution to authorise the Directors to:

- allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £442,492.62, which represents one third of the enlarged issued share capital of the Company immediately following Second Admission; and
- allot equity securities in connection with a rights issue in favour of (i) holders of ordinary shares in proportion to their respective holdings of ordinary shares; and (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary up to a maximum nominal amount of £442,492.62, which represents one third of the enlarged issued share capital of the Company immediately following Second Admission.

**Resolution 3** – A special resolution to authorise the Directors to allot equity securities for cash, pursuant to the authority conferred on them by Resolution 1, and to dis-apply statutory pre-emption rights in respect of the allotment of such shares, as if section 561 of the Act did not apply to such allotment,

provided that such power shall be limited to the allotment of the Conditional Placing Shares, the Subscription Shares, the Value Payment Shares and the Open Offer Shares up to an aggregate nominal amount of £330,498.31. This Resolution is conditional upon the passing of Resolution 1.

**Resolution 4** – A special resolution to authorise the Directors generally to allot and issue equity securities for cash, up to a maximum nominal amount of £265,495.57, which represents 20 per cent. of the enlarged issued share capital of the Company immediately following Second Admission. This Resolution is conditional upon the passing of Resolution 2.

The authorities and the powers described in Resolutions 1 to 4 above will (unless previously revoked or varied by the Company in general meeting) expire on the date 3 months from the passing of such Resolutions or at the conclusion of the next annual general meeting of the Company following the passing of the Resolutions, whichever occurs first. The authority and the power described in Resolutions 1 to 4 above are in addition to and in substitution of any like authority or power previously conferred on the Directors.

### **Irrevocable commitments**

The Directors, who in aggregate hold 4,483,977 Existing Ordinary Shares, representing approximately 4.8 per cent. of the existing issued ordinary share capital of the Company, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting.

### **Risk Factors and Additional Information**

The attention of Shareholders is drawn to the risk factors set out in Part II and the information contained in Parts IV and V of this document, which provide additional information on the Open Offer and the Company.

### **Action to be taken**

#### ***In respect of the General Meeting***

A Form of Proxy for use at the General Meeting is enclosed with this document. Whether or not you intend to be present at the General Meeting, the Form of Proxy should be completed in accordance with the instructions printed thereon and returned to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA through CREST as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 24 February 2017. The completion and return, of a Form of Proxy will not preclude you from attending the General Meeting and voting in person, if you so wish.

#### ***In respect of the Open Offer***

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 4 of Part IV (*Terms and Conditions of the Open Offer*) of this document and on the accompanying Application Form and return it with the appropriate payment to Equiniti Limited, at Corporate Advice, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive no later than 11.00 a.m. on 27 February 2017.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 4 of Part IV (*Terms and Conditions of the Open Offer*) of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4 of Part IV of this document by no later than 11.00 a.m. on 27 February 2017.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

**Recommendation**

Your Directors consider that the Transaction and the authorities granted by the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly your Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own shareholdings of 4,483,977 Ordinary Shares, representing approximately 4.8 per cent. of the Company's current issued share capital.

Yours faithfully

**Dr Frank Armstrong**  
*Chairman*



## PART II

### RISK FACTORS

**Shareholders should be aware that an investment in the Company is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.**

**The following risk factors are all those known by the Directors which are considered to be material in their opinion. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group's business, financial condition and results of operations.**

**An investment in the Company may not be suitable for all recipients of this document. Qualifying Shareholders are advised to consult an independent financial adviser duly authorised under the FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.**

#### **General Risks**

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

#### **Risks relating to the Group's Business**

##### ***The Group faces significant competition from other biotechnology and pharmaceutical companies***

The biotechnology and pharmaceutical industries are very competitive. The Group's competitors include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources, such as larger research and development staff. The Group's competitors may succeed in developing, acquiring or licensing drug product candidates that are more effective or less costly than any product candidate which the Group is currently developing or which it may develop and may have a material adverse impact on the Group.

##### ***The Group may not be successful in its efforts to build a further pipeline of product candidates and develop marketable products***

The Group is at a relatively early stage of development and may not be successful in its efforts to use and to build a pipeline of product candidates and develop approved or marketable products. Technical risk is present at each stage of the discovery and development process with challenges in both chemistry (including the ability to synthesize novel molecules) and biology (including the ability to produce candidate drugs with appropriate safety, efficacy and usability characteristics). Additionally, drug development is a highly regulated environment which itself presents technical risk through the need for study designs and data to be accepted by regulatory agencies. Furthermore, there can be no guarantee that

the Group will be able to, or that it will be commercially advantageous for the Group to, develop its intellectual property through entering into licensing deals with emerging, mid size and large pharmaceutical companies.

### ***Clinical trials***

We do not know whether any future clinical trials with any of our product candidates will be completed on schedule, or at all, or whether our ongoing or planned clinical trials will begin or progress on the time schedule we anticipate. The commencement of future clinical trials could be substantially delayed or prevented by several factors, including:

- delays or failures to raise additional funding;
- results of future meetings with the MHRA, EMA, FDA and/or other regulatory bodies;
- a limited number of, and competition for, suitable patients with particular types of cancer for enrollment in our clinical trials;
- delays or failures in obtaining regulatory approval to commence a clinical trial;
- delays or failures in obtaining sufficient clinical materials;
- delays or failures in obtaining approval from independent institutional review boards to conduct a clinical trial at prospective sites; or
- delays or failures in reaching acceptable clinical trial agreement terms or clinical trial protocols with prospective sites.

The completion of our clinical trials could be substantially delayed or prevented by several factors, including:

- delays or failures to raise additional funding;
- slower than expected rates of patient recruitment and enrollment;
- failure of patients to complete the clinical trial;
- delays or failures in reaching the number of events pre-specified in the trial design;
- the need to expand the clinical trial;
- delays or failures in obtaining sufficient clinical materials, including vosaroxin and any drugs to be tested in combination with vosaroxin;
- unforeseen safety issues;
- lack of efficacy during clinical trials;
- inability or unwillingness of patients or clinical investigators to follow our clinical trial protocols; and
- inability to monitor patients adequately during or after treatment.

Additionally, our clinical trials may be suspended or terminated at any time by the MHRA, other regulatory authorities, or ourselves. Any failure to complete or significant delay in completing clinical trials for our product candidates could harm our financial results and the commercial prospects for our product candidates.

### ***The Group's license partners may not be successful in their efforts to develop marketable products***

Revenue from licensing and collaboration deals is dependent on future progression of programs through development and into market. Once these programs transfer to a partner for progression, there is a risk that a licensing deal may not deliver all the indicated milestones and terms due to product failure or a partner de-prioritising a product.

### ***Grants awarded to the Group include provisions for clawback***

The Grants have been made in accordance with standard terms and conditions for such RGF Grants, including provisions which may require, in certain circumstances, the Group to repay the Grants in part or in full (“Clawback”). These circumstances include: job creation targets not being met; a significant change in the scale or the nature of the project; or a change of ownership or control of the Group.

Under the terms of the Grants, there is a requirement for the Group to create and sustain an agreed average number of jobs over a fixed period from the date of Grant (the “Monitoring Period”), which if not complied with may result in Clawback at the end of the Monitoring Period. Under RGF2 the Monitoring Period ends on 31 March 2017, under RGF3 the Monitoring Period ends on 17 April 2019 and under RGF5 the Monitoring Period ends on 31 March 2020. The Group is not currently sustaining the required average number of jobs under the terms of the Grants. If BIS does demand Clawback at the end of the Monitoring Period for not sustaining the required number of jobs, the size of any Clawback will be calculated on the basis of a fixed amount per shortfall job (being £37,000 per shortfall job under RGF2, £47,475 per shortfall job under RGF3 and £57,297 per shortfall job under RGF5). In addition, should BIS determine the Group to be ‘high risk’ as to its financial sustainability or if there is total program failure during the Monitoring Period, it has the right to effect Clawback during the Monitoring Period itself. Any Clawback may have a material adverse effect on the Group’s business. The Grants are also subject to the risk of Clawback if there is a change of ownership or control of the Company.

### ***The Group has incurred losses since its inception and anticipates that it may continue to incur losses for the foreseeable future***

To date, the Group has no positive operating cash flow and its ultimate success will depend on the Board’s ability to implement the Group’s strategy, generate cash flow and access equity markets. Whilst the Board is optimistic about the Group’s prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Group does not expect to generate any material income until its pipeline of programs are further progressed commercially and, in the meantime, the Group will continue to expend its cash reserves. There can be no assurance that the Group’s proposed operations will be profitable or produce a reasonable return, if any, on investment.

### ***Technological changes could overtake the candidates being developed by the Group***

The biotechnology and pharmaceutical industries are subject to rapid technological change which could affect the success of the Group’s candidates or make them obsolete. Research and discoveries by others may result in medical insights or breakthroughs which render the Group’s candidates less competitive or even obsolete before they generate revenue. The Group may be unable to successfully establish and protect their intellectual property which is significant to the Group’s competitive position. The Group’s success depends in part on its ability to obtain and maintain protection for its inventions and proprietary information, so that it can stop others from making, using or selling its inventions or proprietary rights. The Group owns a portfolio of patent applications and is the authorised licensee of other patents and patent applications.

In most jurisdictions, there is an 18 month statutory delay between the time of filing of a patent application and the time its contents are made public officially, and others may have filed patent applications for subject matter covered by the Group’s pending patent applications without the Group being aware of those applications. Some of these may have been filed before the Group’s own patent applications. Consequently, the Group’s patent applications may be subject to the earlier rights of others and the Group’s pending patent applications may not result in issued patents. Even if the Group obtains patents, they may not be valid or enforceable against others. Moreover, even if the Group receives patent protection for some or all of its candidates, those patents may not give the Group an advantage over competitors with similar candidates.

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

If the Group fails to obtain adequate access to, or protection for, the intellectual property required to prosecute its strategy, the Group's competitors may be able to take advantage of the Group's research and development efforts. The Group's success will depend, in large part, on its ability to obtain and maintain patent or other proprietary protection for its technologies in general. Legal standards relating to patents covering pharmaceutical or biotechnological inventions and the scope of claims made under these patents are continuously evolving. The policy regarding the breadth of claims allowed in biotechnology and pharmaceutical patents is subject to changes in the case law as the law evolves. The Group's patent position is therefore highly uncertain and involves complex legal and factual issues.

***The Group is dependent on technology and product development***

In order for the Group to be successful continued research and development of additional technologies and products will be required. There can be no assurance that any of the Group's targeted developments will be successful. The Group may encounter delays and incur additional development and production costs and expenses, over and above those expected by the Directors, in order to develop technologies and candidates suitable for partnering and licensing. If the Group's development program is curtailed due to any of the above issues, this may have an adverse material effect on the Group's business and revenues.

***Protection of intellectual property***

The Group's success and ability to compete effectively are in large part dependent upon exploitation of proprietary technologies and candidates that the Group has developed internally or has licensed, the Group's ability to protect and enforce its intellectual property rights so as to preserve its exclusive rights in respect of its technologies and candidates, and its ability to preserve the confidentiality of its knowhow. The Group relies primarily on patent laws to protect its intellectual property rights.

There can be no assurance that patents pending or future patent applications will be issued, nor that the lack of any such patents will not have a material adverse effect on the Group's ability to develop and market its proposed candidates, or that, if issued, the Group would have the resources to protect any such issued patent from infringement. Also, no assurance can be given that the Group will develop technologies or candidates which are patentable or that patents will be sufficiently broad in their scope to provide protection for the Group's intellectual property rights against third parties. Nor can there be any assurance as to the ownership, validity or scope of any patents which have been, or may in the future be, issued to the Group or that claims with respect thereto would not be asserted by other parties. Furthermore, there are some areas of technology that are important for the Group's business which cannot be patented due to the existence of prior disclosures or rights.

To date, the Group has also relied on copyright, trademark and trade secret laws, as well as confidentiality procedures, non-compete and/or work for hire invention assignment agreements and licensing arrangements with its employees, consultants, contractors, customers and vendors, to establish and protect its rights to its technology and, to the best extent possible, control the access to and distribution of its technology, software, documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use its technology without authorisation. Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

***The Group may incur substantial costs as a result of disputes with a third party relating to the infringement of intellectual property***

If the Group's competitors file patent applications that claim technology also claimed by the Group, the Group may have to participate in interference or opposition proceedings to determine the ownership and validity of the invention. An adverse outcome could subject the Group to significant liabilities and require the Group either to cease using a technology or to pay licence fees. The Group could incur substantial costs in any litigation or other proceedings relating to patent rights, even if it is resolved in the Group's favour. Some of the Group's competitors may be able to sustain the costs of complex litigation more effectively or for a longer time than the Group can because of their substantially greater resources. In

addition, uncertainties relating to any patent, pending patent or other intellectual property litigation could have a material adverse effect on the Group's ability to market a product, enter into collaborations in respect of the affected candidates, or raise additional funds.

Policing unauthorised use of the Group's patented technologies and candidates is difficult and expensive. There can be no assurance that the steps the Group takes will prevent misappropriation of, or prevent an unauthorised third party from obtaining or using, the technologies and candidates the Group relies on. In addition, effective protection may be unavailable or limited in some jurisdictions. Any misappropriation of the Group's proprietary technology, candidates and intellectual property could have a negative impact on the Group's business and its operating results. Litigation may be necessary in the future to enforce or protect the Group's rights or to determine the validity or scope of the proprietary rights of others. Litigation could cause the Group to incur substantial costs and divert resources and management attention away from its daily business and there can be no guarantees as to the outcome of any such litigation.

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

The Group's future development and prospects depend to a significant degree on the experience, performance and continued service of its senior management team including the Directors. The Group has invested in its management team at all levels. The Directors also believe that the senior management team is appropriately structured for the Group's size and is not overly dependent upon any particular individual. The Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them. Retention of these services or the identification of suitable replacements, however, cannot be guaranteed. The loss of the services of any of the Directors or other members of the senior management team and the costs of recruiting replacements may have a material adverse effect on the Group and its commercial and financial performance and reduce the value of an investment in the Ordinary Shares.

***Ability to recruit and retain skilled personnel***

The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Finding and hiring any additional personnel and replacements could be costly and might require the Group to grant significant equity awards or other incentive compensation, which could adversely impact its financial results, and there can be no assurance that the Group will have sufficient financial resources. Effective product development and innovation, upon which the Group's success is dependent, is in turn dependent upon attracting and retaining talented technical, scientific and marketing personnel, who represent a significant asset and serve as the source of the Group's technological and product innovations.

***The Group may be unable to secure adequate insurance at an acceptable cost***

The Group's business exposes it to potential product liability and professional indemnity and other risks which are inherent in the research, development, production and supply of its candidates. No assurance can be made that product liability or any future necessary insurance cover will be available to the Group at an acceptable cost, if at all, or that, if there is any claim, the level of the insurance the Group carries now or in the future will be adequate or that a product liability, professional indemnity or other claim would not materially and adversely affect the Group's business. In addition, it may be necessary for the Group to secure certain levels of insurance as a condition to the conduct of clinical trials. In the event of any claim, the Group's insurance coverage may not be adequate.

***The Group's counterparties may become insolvent***

There is a risk that parties with whom the Group trades or has other business relationships (including partners, customers, suppliers, subcontractors and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Group trades becomes insolvent, this could have an adverse impact on the revenues and profitability of the Group.

***The use of hazardous materials may subject the Group to additional compliance costs and/or liability in the event of a hazardous waste spill or other accident***

The Group is, or may become, subject to UK, European and US environmental laws and regulations governing the use, storage, handling and disposal of hazardous materials and other waste products. Despite its precautions for handling and disposing of these materials, the Group cannot eliminate the risk of accidental contamination or injury. In the event of a hazardous waste spill or other accident, the Group could be liable for damages, penalties or other forms of censure. If the Group fails to comply with any laws or regulations, or if an accident occurs, the Group may have to pay significant penalties and may be held liable for any damages that result. This liability could exceed the Group's financial resources and could harm its reputation. The Group may also have to incur significant additional costs to comply with current or future environmental laws and regulations.

The Group's failure to comply with any government regulation applicable to its laboratory and the materials used in its laboratory may adversely affect its ability to develop, produce, market or partner any candidates it may develop.

***General legal and regulatory issues***

The Group's operations are subject to laws, regulatory approvals and certain governmental directives, recommendations and guidelines relating to, *inter alia*, product health claims, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of illness and injury, environmental protection and human nutritional studies. There can be no assurance that future legislation will not impose further government regulation, which may adversely affect the business or financial condition of the Group.

***Tax risk***

Any change in the Group's tax status or in taxation legislation in the UK or in other territories could affect the Group's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in shares are based on current law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

***The Group's business is subject to operating risks***

The functionalisation process is potentially exposed to the risks of fire, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, sabotage, labour disputes, lock-outs, potential unavailability of services of its external contractors, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly adversely impact the Group's operating results.

***Requirement for further investment***

The Group may require funds for expansion. There can be no guarantee that the necessary funds will be available when required or on acceptable terms. If, for whatever reason, the Group is unable to obtain additional funding, it may need to cut back its growth plans or retrench its operations. If this situation was to arise, it would be likely to have an adverse impact on the Group's business, its development, financial condition, operating results or prospects and share price. If the Group fails to generate sufficient cash through the sale of its products, it may need to raise additional capital in the future, whether from equity or debt sources, to fund expansion, development and/or the ongoing operating costs of the Group. If the Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its planned development.

If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pre-emptive basis to then existing shareholders, the percentage ownership of such shareholders may be substantially diluted.

### ***Health and safety and environmental issues (“HSE”)***

The Group’s operations are, and will remain, subject to HSE requirements in the jurisdictions in which the Group conducts its business. Such HSE laws and regulations govern, among other matters, air emissions, wastewater discharges, solid and hazardous waste management and the use, composition, handling, distribution and transportation of hazardous materials. The cost of compliance with these requirements is expected to increase. Although the Directors believe that the Group’s procedures comply with applicable regulations, any failure to comply with HSE laws and regulations could result in the Group incurring costs and/or liabilities, including as a result of regulatory enforcement, personal injury, property damage and claims and litigation resulting from such events, which could adversely affect the Group’s results of operations and financial condition. Accidents or mishandling involving hazardous substances could cause severe or critical damage or injury to property and human health. Such an event could result in civil lawsuits and/or regulator enforcement proceedings, both of which could lead to significant liabilities. Any damage to persons, equipment or property or other disruption of the Group’s business could result in significant additional costs to replace, repair and insure the Group’s assets, which could negatively affect the Group’s business, prospects, operating results and financial condition. The Group cannot predict the impact of new or changed HSE laws or regulations or other concerns or changes in the ways that such laws or regulations are administered, interpreted or enforced.

To the extent that any of the requirements impose substantial costs or constrain the Group’s ability to expand or change its processes, the Group’s business, prospects, operating results and financial condition may suffer as a result.

### ***Uninsured liabilities***

The Group may be subject to substantial liability claims due to the technical nature of its business and products or for acts or omissions of its sales representatives, agents or distributors. The Group can give no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover expenses relating to losses or liabilities. Accordingly, the Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage.

### ***Disaster recovery***

The Group depends on the performance, reliability and availability of its plant, equipment and information technology systems. Any damage to, or failure of, its equipment and/or systems could result in disruptions to the Group’s operations. The Group’s disaster recovery plans (which are currently in place for financial systems and are in contract negotiations for other IT systems) may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all, which could have a material adverse effect on the Group’s business, financial position or prospects.

### ***Internal controls***

Future growth and prospects for the Company will depend on its management’s ability to manage the business of the Group and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group’s growth could have a material adverse effect on the Group’s business, financial condition and results of operations.

### ***Lanstead Sharing Agreement***

The Company has entered into the Subscription Agreement and Sharing Agreement with Lanstead, details of which are set out in paragraphs 3 and 4, respectively, of Part V of this document. The Subscription is conditional, amongst other things, on the approval by Shareholders of Resolutions 1 and 3 at the General Meeting. Conditional on the passing of Resolutions 1 and 3 to be put to Shareholders at the General Meeting, £646,875 of the Subscription proceeds (being 15 per cent. of the gross proceeds of the Subscription) will be retained by the Company at Second Admission and £3,665,625 (being 85 per cent.

of the gross proceeds of the Subscription) will be pledged to Lanstead under a Sharing Agreement pursuant to which Lanstead will make monthly settlements (subject to adjustment upwards or downwards, as measured against a Benchmark Price of 50 pence per Ordinary Share) to the Company over 18 months. As a result of entering into the Sharing Agreement the aggregate amount received by the Company under the Subscription and the related Sharing Agreement may be more or less than £4.31 million, as further explained below. If the Measured Price, calculated as the average volume weighted share price of the Company's Ordinary Shares over an agreed period prior to the monthly settlement date, exceeds the Benchmark Price, the Company will receive more than 100 per cent. of that monthly settlement due, on a *pro rata* basis according to the excess of the Measured Price over the Benchmark Price. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Should the Measured Price be below the Benchmark Price, the Company will receive less than 100 per cent. of the monthly settlement calculated on a *pro rata* basis and the Company will not be entitled to receive the shortfall at any later date. For example, if on a monthly settlement date the calculated Measured Price exceeds the Benchmark Price by 10 per cent., the settlement on that monthly settlement date will be approximately 110 per cent. of the amount due from Lanstead on that date. If on the monthly settlement date the calculated Measured Price is below the Benchmark Price by 10 per cent., the settlement on the monthly settlement date will be approximately 90 per cent. of the amount due on that date. Each settlement as so calculated will be in final settlement of Lanstead's obligation on that settlement date. It should be noted that if in any given month a fall in the Measured Price results in a negative amount being owed to the Company by Lanstead, the Company will not receive any payment in respect of that month, and the negative amount will be rolled forward and deducted from the following monthly settlement. In the limited circumstances where the Company has executed or completed a reverse takeover by way of offer or scheme of arrangement or is subject to a bankruptcy event, the Company will become liable to make a cash payment to Lanstead in respect of any such negative amount following the final monthly settlement. Therefore, as a result of entering into the Sharing Agreement the aggregate amount received by the Company under the Subscription and the related Sharing Agreement may be more or less than £4,312,500.

### ***Risks relating to the Transaction***

#### *Investment in AIM Securities*

An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

#### *AIM Rules*

The AIM Rules are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

#### *Dilution of ownership of Ordinary Shares*

Shareholders' (who are not Placees or the Subscriber) proportionate ownership and voting interest in the Company will be reduced pursuant to the Placing and the Subscription. In addition, to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Second Admission, be reduced accordingly. Subject to certain exceptions, Shareholders with registered addresses in, or who are resident or located in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.



### *Volatility of share price*

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

The following factors, in addition to other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- macro-economic conditions in the countries in which the Group may do business;
- foreign currency exchange fluctuations and the denominations in which the Group may conduct business and holds cash reserves;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Group's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume of the Ordinary Shares;
- sales of the Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programs applicable to the Group's business. In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

### ***Future capital raisings may not be successful***

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Group or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Group obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Group's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

### ***EIS & VCT status***

The Company has been a qualifying company for the purposes of the EIS although the New Shares issued pursuant to the Transaction are not capable of being a "qualifying holding" for the purposes of investment by VCTs, as described in the paragraph headed VCT and EIS of Part V of this document.

Although there is no intention by the Company to issue further EIS and VCT qualifying shares, it is intended that the Company will be managed so that this status continues. There is, however, no guarantee that such status will be maintained. Changes in the Company's circumstances may result in such status being withdrawn, in which case investors who had participated in previous fundraisings as an EIS or VCT investment may lose the tax benefits associated with such an investment and any tax relief that has been claimed may be reduced or withdrawn.

***Future payment of dividends***

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and shareholders of the Company and will depend upon, *inter alia*, the Company's earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

***Valuation of shares***

The Issue Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

***Market perception***

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

***Suitability***

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their decision.

## PART III

### SOME QUESTIONS AND ANSWERS ON THE TRANSACTION

*The questions and answers set out in this Part III are intended to be in general terms only and, as such, you should read Part IV of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.*

*This Part III deals with general questions relating to the Placing, Subscription and the Open Offer and more specific questions relating principally to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.*

**The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.**

#### **1. What is a placing, subscription and an open offer?**

A placing, subscription and an open offer are ways for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer) and providing for specifically identified investors also to acquire a certain number of shares at the same price (a placing or subscription). The fixed price is normally at a discount to the market price of the existing ordinary shares on the business day prior to the announcement of the placing, subscription and the open offer.

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire, in aggregate, up to 7,808,163 Open Offer Shares at a price of 37.5 pence per New Share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or located in, the United States or another Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

**The Open Offer is being made on the basis of 1 Open Offer Share for every 12 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.**

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Basic Entitlements. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.**

**2. Am I eligible to participate in the Placing or Subscription?**

Unless you are a Placee, you will not be eligible to participate in the Placing. You will not be eligible to participate in the Subscription.

**3. I hold my Existing Ordinary Shares in certificated form. How do I know if I am able to apply to acquire Open Offer Shares under the Open Offer?**

If you have received an Application Form and, subject to certain exceptions, are not a holder with a registered address in or resident or located in the United States or another Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares on or before 7.00 a.m. on 9 February 2017 (the Ex-entitlement Date for the Open Offer).

**4. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in and are not resident or located in the United States or another Restricted Jurisdiction, you should have been sent an Application Form with this document.

That Application Form shows:

- how many Existing Ordinary Shares you held at close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to subscribe for your Basic Entitlement to the Open Offer Shares.

If you have a registered address or are resident or located in the United States or, subject to certain exceptions, one of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four business days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

**5. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?**

**5.1 *If you want to take up all of your Basic Entitlement?***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the completed Application Form, together with your cheque or banker's draft for the amount (as indicated in Box 5 of your Application Form), payable to 'Equiniti Limited a/c Redx' in the reply paid envelope provided, by post, or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive by no later than 11.00 a.m. on 27 February 2017. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part IV of this document and in the Application Form.

### 5.2 ***If you want to take up some but not all of your Basic Entitlement?***

If you want to take up some but not all of your Basic Entitlement, you should write the number of Open Offer Shares you want to take up in Box 2 of your Application Form; for example, if you are entitled to take up 1,000 shares but you only want to take up 500 shares, then you should write '500' in Box 2.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '500') by 37.5 pence, which is the price of each Open Offer Share (giving you an amount of £187.50 in this example). You should write this amount in Box 5, and this should be the amount your cheque or banker's draft is made out for. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to 'Equiniti Limited a/c Redx' and crossed "A/C payee only", in the reply-paid envelope provided, by post, or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to arrive by no later than 11.00 a.m. on 27 February 2017, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part IV of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 15 March 2017.

### 5.3 ***If you want to apply for more than your Basic Entitlement?***

Provided that you have agreed to take up your Basic Entitlement in full, you can apply for further Excess Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 2 which must be the number of Open Offer Shares shown in Box 7. You should then write the number of Excess Shares you wish to apply for under the Excess Application Facility in Box 3 and then complete Box 4 by adding together the numbers you have entered in Boxes 2 and 3.

To work out how much you need to pay for the Open Offer Shares you are applying for, you need to multiply the number of Open Offer Shares shown in Box 4 by the Issue Price, which is the price of each Open Offer Share. You should write this amount in Box 5, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount payable to 'Equiniti Limited a/c Redx' and crossed "A/C payee only", in the reply-paid envelope provided, by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to arrive by no later than 11.00 a.m. on 27 February 2017, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope.

You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event, Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

#### **5.4 *If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. The Open Offer Shares you could have taken up will not be issued by the Company to you or for your benefit. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you are not a Placee or the Subscriber and you do not take up any of your Open Offer Entitlement, then following the Transaction, your interest in the Company will be diluted, although you should note that even if a Qualifying Shareholder subscribes for his full entitlement to the Open Offer Shares, his proportionate interest in the Company will be diluted by the issue of New Shares pursuant to the Placing and the Subscription.

#### **6. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST members should follow the instructions set out in Part IV of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to apply for under their Open Offer Entitlement and should contact their CREST member should they not receive this information.

#### **7. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- i. Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 6 February 2017 and who have converted them to certificated form;
- ii. Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before 7.00 a.m. on 9 February 2017 but were not registered as the holders of those shares at the close of business on 6 February 2017; and
- iii. certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Equiniti Limited on 0371 384 2050 from within the UK or +44 121 415 0259 if calling from outside the UK. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

#### **8. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?**

If you buy or have bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

**9. What if I change my mind?**

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 4 of Part IV of this document.

**10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?**

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

**11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box 8 of the Application Form?**

If you want to spend more than the amount set out in Box 8 you should divide the amount you want to spend by 37.5 pence (being the price in pence of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £500 you should divide £500 by 37.5 pence, which comes to 1,333.33. You should round that down to 1,333 to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 1,333) in Box 4. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example 1,333) by 37.5 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £499.87), in Box 5 and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of a Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box 8, you should divide the amount you want to spend by 37.5 pence (being the price, in pence, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £100 you should divide £100 by 37.5 pence. You should round that down to the nearest whole number (in this example, 266), to give you the number of shares you want to take up. Write that number (in this example, 266) in Box 2. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 266) by 37.5 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £99.75) in Box 5 and on your cheque or banker's draft accordingly.

**12. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before close of business on 8 February 2017, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sold any of your Existing Ordinary Shares on or after 7.00 a.m. on 9 February 2017, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

**13. I hold my Existing Ordinary Shares in certificated form. How do I pay?**

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a bank or building society account in the UK in the reply-paid envelope enclosed (from within the United Kingdom). You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. Cheques should be drawn on a sole or joint personal account of the Qualifying Shareholder who is applying for the Open Offer Shares. The funds should be made payable to 'Equiniti Limited a/c Redx'. In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted. Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

**14. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your Open Offer Entitlement, your proportionate ownership and voting interest in the Company will be reduced (in addition to the reduction caused by the Placing and Subscription).

**15. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form and monies by post in the enclosed reply paid envelope (from within the United Kingdom) by post or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. You should allow at least four business days for delivery if using first class post or the reply-paid envelope within the United Kingdom. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**16. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 27 February 2017. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

**17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?**

It is expected that the Registrars will post all Open Offer Share certificates by 15 March 2017.

**18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 6 on page 1 of the Application Form) is incorrect?**

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares before 7.00 a.m. on 9 February 2017 but were not registered as the holder of those shares on the Record Date for the Open Offer (close of business on 6 February 2017), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank



or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 7.00 a.m. on 9 February 2017.

**19. Will the Transaction affect dividends (if any) on the Existing Ordinary Shares?**

The New Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

**20. Will I be taxed if I take up my entitlements?**

Information on taxation in the United Kingdom with regard to the Open Offer is set out in paragraph 5 of Part V of this document. This information is intended to be only a general guide to certain UK tax considerations and Shareholders who are in any doubt as to their tax position or who may be subject to tax in any other jurisdiction are strongly recommended to consult their own professional advisers.

**21. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are resident or located in the United States or another Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV of this document.

**22. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this. If you have transferred your rights into the CREST system, you should refer to paragraph 4.2 of Part IV of this document for details on how to apply and pay for the Open Offer Shares.

**23. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part IV of this document)?**

If you are a Qualifying non-CREST Shareholder, you may not need to follow these procedures if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution. Qualifying non-CREST Shareholders and Qualifying CREST Shareholders should refer to paragraph 5 of Part IV of this document for a fuller description of the requirements of the Money Laundering Regulations.

## PART IV

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. Introduction

As explained in Part I of this document, the Company is proposing to issue 19,166,667 Placing Shares pursuant to the Placing and 11,500,000 Subscription Shares pursuant to the Subscription and up to a further 7,808,163 Open Offer Shares pursuant to the Open Offer. In addition, as part of the Subscription and pursuant to the Sharing Agreement, 575,000 Value Payment Shares will be issued to Lanstead.

Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire Open Offer Shares at 37.5 pence per share, being the same price per share as in the Placing and Subscription. The Placing Shares, the Subscription Shares and the Value Payment Shares are not subject to clawback and do not form part of the Open Offer.

The Issue Price of 37.5 pence represents a discount of approximately 9.6 per cent. to the price of 41.5 pence per Existing Ordinary Share, being the Closing Price on the day of the announcement of the Transaction. This document and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer.

#### 2. The Open Offer

Subject to the terms and conditions set out below and in the Application Form, the Company invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

##### **1 Open Offer Share for every 12 Existing Ordinary Shares**

held by them and registered in their names at close of business on 6 February 2017, the Record Date, and so in proportion to any other number of Existing Ordinary Shares then held.

A Qualifying Shareholder who holds Existing Ordinary Shares in certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating entitlements under the Open Offer.

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares.

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Basic Entitlement, which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown in Box 7 on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements credited to their stock account in CREST. The action to be taken in relation to the Open Offer depends on whether you have received an Application Form in respect of your Open Offer Entitlement under the Open Offer or have your Open Offer Entitlement credited to your stock account in CREST.

Qualifying Shareholders are also invited to apply for additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available under the Open Offer. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for Excess Entitlements at the sole discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

If you have received an Application Form with this document please refer to paragraph 4.1 of this Part IV.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.2 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.

**The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements (in respect of Qualifying CREST Shareholders) may be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.**

The Existing Ordinary Shares are admitted to AIM. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that admission of the Open Offer Shares will become effective on 1 March 2017 and that dealings in the Open Offer Shares will commence at 8.00 a.m. on that date.

The Existing Ordinary Shares are already enabled for settlement in CREST. No further application for admission to CREST is required for the Open Offer Shares; all such shares, when issued and fully paid, may be held and transferred by means of CREST as Ordinary Shares.

Application will be made for the Open Offer CREST Entitlements to be enabled for settlement in CREST. The conditions to such admission having already been met, the Open Offer Entitlements are expected to be admitted to CREST with effect from 13 February 2017. The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued. Further details of the rights attaching to the Existing Ordinary Shares are set out in the Articles which are available on the Company's website ([www.redxpharma.com](http://www.redxpharma.com)).

### **3. Conditions of the Open Offer**

The Open Offer is conditional upon the Placing Agreement becoming unconditional in all respects (in so far as it relates to the Open Offer). The Placing Agreement is conditional, *inter alia*, on:

- i. the passing of Resolutions 1 and 3 at the General Meeting;
- ii. the Placing Agreement not being terminated prior to Second Admission and becoming and having being declared otherwise unconditional in all respects; and
- iii. First Admission having become effective and Second Admission becoming effective on or before 8.00 a.m. on 15 February 2017 (or such later date and/or time as the Company, Cantor Fitzgerald and WG Partners may agree, being no later than 14 March 2017).

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

### **4. Procedure for application and payment**

If you are in any doubt as to the action you should take, or the contents of this document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether at the relevant time they have an Application Form in respect of their entitlement under the Open Offer or they have Open Offer Entitlements credited to their CREST stock account in respect of such entitlement.

If a Qualifying CREST Shareholder is a CREST sponsored member they should refer to their CREST sponsor if they wish to apply for all or some of their entitlement under the Open Offer, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### **4.1 *If you have an Application Form in respect of your Open Offer Entitlement***

##### **4.1.1 *General***

Subject as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date. It also shows the number of Open Offer Shares for which you may apply pursuant to your Basic Entitlement (on an initial *pro rata* basis) as shown by the total number of Open Offer Shares allocated to you. You may apply for less than your initial *pro rata* entitlement should you wish to do so. You may also apply for additional Open Offer Shares by completing Boxes 3 and 4 on the Application Form relating to your Excess Entitlement.

Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 7,808,163, applications for Open Offer Shares will be scaled back at the discretion of the Directors. The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying non-CREST Shareholders.

##### **4.1.2 *Market claims***

Applications for the Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 9 February 2017. Application Forms may be split up to 3.00 p.m. on 23 February 2017.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 7.00 a.m. on 9 February 2017, being the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the transferee pursuant to the rules of the London Stock Exchange. Qualifying non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2 below.

#### 4.1.3 *Application procedures*

If you are a Qualifying non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by hand (during normal business hours only) to Equiniti Limited at Corporate Actions, Aspect House, Spencer Road, Lancing West Sussex BN99 6DA, so as to arrive no later than 11.00 a.m. on 27 February 2017. A reply-paid envelope is enclosed for use by Qualifying non-CREST Shareholders in connection with the Open Offer. Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer.

If any Application Form is sent by first class post or using the reply-paid envelope within the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least four business days for delivery. The Receiving Agent, on the Company's behalf, may elect to accept Application Forms and remittances after 11.00 a.m. on 27 February 2017 in respect of those bearing a post mark of before that date and time. The Receiving Agent may also (on behalf of the Company) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Receiving Agent, on behalf of the Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 27 February 2017 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares applied for, and undertaking to lodge the relevant Application Form in due course but, in any event, within two business days.

#### 4.1.4 *Payments*

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to 'Equiniti Limited a/c Redx Open Offer' and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch of a bank or building society in the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner. Eurocheques will not be accepted. Cheques should be drawn on the personal account to which you have sole or joint title to funds. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder (which should match the name detailed on page 1 of the Application Form) and have added the branch stamp.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company and/or the Receiving Agent (on the Company's behalf) may elect in their absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured. Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that the Open Offer does not become unconditional the Open Offer will lapse and application monies will be returned by post to applicants, at the applicants' risk and without interest, to the address set out on the Application Form, as soon as practicable. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

#### 4.1.5 *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- i. agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- ii. confirm that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any such information or representation not so contained; and
- iii. represent and warrant that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should take no action and not complete or return the Application Form.

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to completion of the Application Form by Qualifying non-CREST Shareholders under the Open Offer should be addressed to Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0371 384 2050 or, if telephoning from outside the UK, on +44 121 415 0259 between 8.30 a.m. and 5.30 p.m. Calls from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

#### 4.2 ***If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer***

##### 4.2.1 *General*

Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive credits to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlements will therefore also be rounded down. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility.

The CREST stock account to be credited will be the account under the participant ID and member account ID which holds the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlement have been allocated.

If for any reason the Open Offer Entitlements cannot be enabled for settlement in CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 13 February 2017 or such later time as the Company (with Cantor Fitzgerald's consent) may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited (or due to be credited) to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Equiniti Limited on 0371 384 2050 (if calling from within the UK) or +44 121 415 0259 (if calling from outside the UK). Lines will be open Monday to Friday 8.30 a.m. to 5.30 p.m. excluding public holidays in England and Wales. Calls may be recorded and monitored randomly for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

#### 4.2.2 *Market claims*

Each of the Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.

Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

#### 4.2.3 *USE instructions*

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- i. the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- ii. the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

#### 4.2.4 *Content of USE instructions in respect of the Basic Entitlement*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- i. the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
- ii. the ISIN of the Basic Entitlement. This is GB00BDFFKF55;
- iii. the participant ID of the accepting CREST member;
- iv. the member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- v. the participant ID of the Receiving Agent. This is 2RA43;
- vi. the member account ID of the Receiving Agent. This is RA245701;
- vii. the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

- viii. the intended settlement date. This must be on or before 11.00 a.m. on 27 February 2017; and
- ix. the corporate action number for the Open Offer. This will be available on viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 27 February 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field); and a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 27 February 2017 in order to be valid is 11.00 a.m. on that day.

#### 4.2.5 *Content of USE instruction in respect of Excess Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- i. the number of Excess Entitlements for which application is being made;
- ii. the ISIN of the Excess Entitlements. This is GB00BDFFKG62;
- iii. the CREST participant ID of the accepting CREST member;
- iv. the CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
- v. the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 2RA39;
- vi. the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RA245702;
- vii. the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Entitlements referred to in (i) above;
- viii. the intended settlement date. This must be on or before 11.00 a.m. on 27 February 2017; and
- ix. the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 27 February 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field); and a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 27 February 2017 in order to be valid is 11.00 a.m. on that day.



#### 4.2.6 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as set out in an Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 27 February 2017.

In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CCSS, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 22 February 2017, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 21 February 2017, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 27 February 2017.

#### 4.2.7 *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 27 February 2017 will constitute a valid application under the Open Offer.

#### 4.2.8 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 27 February 2017. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

#### 4.2.9 *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- i. to reject the application in full and refund the payment to the CREST member in question;
- ii. in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;

- iii. in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction(s) refunding any unutilised sum to the CREST member in question.

#### 4.2.10 *Effect of a valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- i. pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, satisfy the obligation of the CREST member to pay to the Company the amount payable on application);
- ii. request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- iii. agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- iv. represent and warrant that he or she is not and nor is he or she applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (Depository Receipts) or Section 96 (Clearance Services) of the Finance Act 1986;
- v. confirm that in making such application he or she is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part of it or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein; and
- vi. represent and warrant that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

#### 4.2.11 *The Company's discretion as to rejection and validity of applications*

The Company may in their discretion:

- i. treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part IV;
- ii. accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- iii. treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- iv. accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

#### 4.2.12 *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 1 March 2017 or such later time and date as Cantor Fitzgerald, the Company and WG Partners may agree, being not later than 14 March 2017, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

## 5. Money Laundering Regulations

### 5.1 *Holders of Application Forms*

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent, and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment, and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of the Open Offer Shares as referred to in the Application Form (for the purposes of this paragraph 5.1 (the “**relevant shares**”)) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its absolute discretion determine), the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the application as invalid or may confirm the allotment of the relevant shares to the applicant but (notwithstanding any other term of the Open Offer) the relevant shares will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application (which the Receiving Agent shall in its absolute discretion determine).

If the application is treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchasers or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering

Regulations being satisfied. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares. Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in your application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts.

The verification of identity requirements will not usually apply:

- i. if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- ii. if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- iii. if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant.

Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has inserted details of the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the draft or cheque and have added either their branch stamp or have provided a supporting letter confirming the source of funds.

In other cases the verification of identity requirements may apply. The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above). Satisfaction of the verification of identity requirements may be facilitated in the following ways:

- A. if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank inserting details of the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the cheque or draft and adding either their branch stamp or providing a supporting letter confirming the source of funds; or
- B. if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the financial action task force (the non- European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the gulf co-operation council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the receiving agent or the relevant authority. In order to confirm the acceptability of any written assurance referred to in paragraph 4.2.2 above or any other case, the applicant should contact the Receiving Agent;
- C. if (an) Application Form(s) is/are in respect of relevant shares is/are lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

## 5.2 *Open Offer Entitlements in CREST*

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## 6. **Overseas Shareholders**

### 6.1 *General*

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this document and/or any Application Forms are sent for information only.

It is the responsibility of any person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any Open Offer Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving credits of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements into any jurisdiction when to do so would or might contravene local securities laws or regulations, including the United States and the other Restricted Jurisdictions.

If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the agent or nominee of such person, he or she must not seek to take up the Open Offer Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6. The Company, Cantor Fitzgerald and the Receiving Agent reserve the right to reject an Application Form or transfer of Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring Open Offer Shares for resale in any such jurisdiction.

The Company, Cantor Fitzgerald and the Receiving Agent reserve the right in their absolute discretion to treat as invalid any application for Open Offer Shares under the Open Offer if it appears to the Company, Cantor Fitzgerald and the Receiving Agent and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction

or if in respect of such application the Company, Cantor Fitzgerald and the Receiving Agent have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this document, as appropriate. All payments under the Open Offer must be made in pounds sterling.

## 6.2 ***United States***

The Open Offer Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and, accordingly, may not, be offered, sold, taken up, delivered or transferred in or into the United States. Subject to certain exceptions, Qualifying Shareholders with registered addresses in, or who are resident or located in, the United States, may not participate in the Open Offer. Neither this document nor the Application Form constitutes or will constitute or form any part of an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Entitlements or Open Offer Shares in the United States. An Application Form will not be sent to any Shareholder located in or having a registered address in the United States. Unless otherwise agreed by the Company in its sole discretion, Application Forms sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration outside the United States. No Open Offer Entitlements will be credited to a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Unless otherwise agreed by the Company at its discretion, any person completing an Application Form or applying for Open Offer Shares will be required to represent that such person (i) is not resident or located in the United States or any other Restricted Jurisdiction; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Open Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless (a) the instruction to exercise was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) it has investment discretion over such account or (B) it is an investment manager or investment company that it is acquiring the Open Offer Shares in an “off shore transaction” within the meaning of Regulation S (as promulgated under the Securities Act); and (iv) is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into or within the United States or any of the other Restricted Jurisdictions.

## 6.3 ***Restricted Jurisdictions***

Due to restrictions under the securities laws of the Restricted Jurisdictions, and subject to certain exceptions, persons who have registered addresses in, or who are located, resident or ordinarily resident in, or citizens of, any Restricted Jurisdictions will not qualify to participate in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Open Offer Entitlements. The Open Offer Shares have not been, and will not be, registered under the relevant laws of any Restricted Jurisdictions or any state, province or territory of them and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdictions or to, or for the account or benefit of, any person with a registered address in, or who is located, resident or ordinarily resident in, or a citizen of, any Restricted Jurisdictions except pursuant to an applicable exemption. Subject to certain exceptions, no offer of Open Offer Shares is being made by virtue of this document and/or the Application Form into any Restricted Jurisdictions.

## 6.4 ***Jurisdictions other than the Restricted Jurisdictions***

Application Forms will be sent to Qualifying non-CREST Shareholders and Open Offer Entitlement(s) will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or any other Restricted Jurisdiction may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.

Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

## **7. Taxation**

If you are in any doubt about your tax position or are subject to a tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

## **8. Admission, settlement, dealings and publication**

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to AIM, subject to the fulfilment of the conditions of the Open Offer. It is expected that admission of the Open Offer Shares to trading on AIM will become effective and that dealings therein for normal settlement will commence at 8.00 a.m. on 1 March 2017. In the case of Qualifying Shareholders wishing to hold Open Offer Shares in certificated form, definitive certificates in respect of the Open Offer Shares will be issued free of stamp duty and are expected to be despatched by post by 15 March 2017. No temporary documents of title will be issued and, pending such despatch, transfers will be certified against the share register. Open Offer Entitlements held in CREST are expected to be disabled in all respects after close of business on 27 February 2017 (the latest time and date for applications under the Open Offer). If the conditions to the Open Offer described in this document are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will credit the appropriate stock accounts of such persons with such persons' entitlement to Open Offer Shares with effect from Second Admission (expected to be 1 March 2017). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this document, the Company (with the consent of Cantor Fitzgerald) reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to the Application Form. The completion and results of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as possible after the results are known, expected to be on or about 27 February 2017.

## **9. Governing law**

The terms and conditions of the Open Offer as set out in this Part IV and each Application Form shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and an Application Form. By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and (where applicable) an Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **10. Other information**

Your attention is drawn to the letter from your Chairman which is set out in Part I of this document which contains, *inter alia*, information on the reasons for the Placing, the Subscription and the Open Offer, to the Risk Factors in Part II and to the further information set out in Part V of this document.

## **11. Dilution**

The share capital of the Company in issue at the date of this document will be increased by approximately 41.7 per cent. as a result of the Transaction. Qualifying Shareholders who do not take up any of their Basic Entitlement will suffer a reduction of approximately 5.9 per cent. in their proportionate ownership and voting interest in the ordinary share capital of the Company as represented by their holding of Ordinary Shares immediately following Second Admission. Qualifying Shareholders who take up all or part of their Open Offer Entitlement will still suffer dilution upon Second Admission due to completion of the Placing and Subscription.



## PART V

### ADDITIONAL INFORMATION

#### 1. Directors' and others' interests

##### 1.1 *Interests in Ordinary Shares*

As at 9 February 2017 (being the latest practicable date prior to the publication of this document) and, subject to and immediately following Second Admission, the interests of the Directors, their immediate families and persons connected with the Directors (within the meaning of section 252-255 of the Act) (all of which are beneficial unless otherwise stated) in the issued share capital of the Company are as follows:

<i>Name</i>	<i>At the date of this Circular</i>		<i>On Second Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares*</i>
Dr Frank Armstrong	46,586	0.05	46,586	0.03
Dr Neil Murray	1,230,205	1.31	1,230,205	0.93
Dr Peter Jackson	2,889,554	3.08	2,889,554	2.18
Norman Molyneux	236,850	0.25	236,850	0.18
Dr Bernhard Kirschbaum	—	—	—	—
Peter McPartland	80,782	0.09	80,782	0.06
David Lawrence	—	—	—	—

\* assuming full take up under the Open Offer and no further exercise of options under the Redx share option schemes

Save as disclosed in this paragraph 1, none of the Directors (or persons connected with the Directors within the meaning of sections 252-255 of the Act) has any beneficial or non-beneficial interest in any securities of the Company or its subsidiaries.

#### 2. Placing Agreement

On 8 February 2017 the Company entered into a placing agreement with Cantor Fitzgerald and WG Partners, under which Cantor Fitzgerald and WG Partners agreed to use its reasonable endeavours, as agents for the Company, to procure Places for the Placing Shares at the Issue Price on the terms of the Placing Agreement. The Placing Agreement contains warranties from the Company in favour of Cantor Fitzgerald and WG Partners in relation to, *inter alia*, the accuracy of the information in this and other documents and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify Cantor Fitzgerald and WG Partners in relation to certain liabilities it may incur in respect of the Placing. Cantor Fitzgerald and WG Partners have the right to terminate the Placing Agreement in certain circumstances, in particular in the event of a breach of the warranties. The Placing Agreement is conditional, *inter alia*, upon (a) as to the placing of the Firm Placing Shares it not being terminated prior to First Admission and being otherwise unconditional in all respects and First Admission having taken place; and (b) as to the Placing of the Conditional Placing Shares, the passing of Resolutions 1 and 3 at the General Meeting and it not being terminated prior to Second Admission and being otherwise unconditional in all respects and Second Admission taking place no later than 8.00 a.m. on 1 March 2017 (or such later time and/or date as Cantor Fitzgerald, the Company and WG Partners may agree, not being later than 8.00 a.m. on 14 March 2017).

#### 3. Subscription Agreement

Pursuant to the conditional Subscription Agreement between the Company and Lanstead, 11,500,000 Subscription Shares will be issued to Lanstead at a price of 37.5 pence per Subscription Share for an aggregate subscription price of £4,312,500 before expenses. The Subscription is conditional, amongst

other things, on the passing by Shareholders of Resolutions 1 and 3 at the General Meeting. Further details of the General Meeting are set out in the paragraph entitled “General Meeting” in Part 1 of this document.

Conditional upon the passing of Resolutions 1 and 3 at the General Meeting, £646,875 of the Subscription proceeds (being 15 per cent. of the gross proceeds of the Subscription) will be retained by the Company and £3,665,625 (being 85 per cent. of the gross proceeds of the Subscription) will be pledged to Lanstead under the Sharing Agreement pursuant to which Lanstead will make, subject to the terms and conditions of that Sharing Agreement, monthly settlements (subject to adjustment upwards or downwards) to the Company over 18 months, as detailed in paragraph 4 below. As a result of entering into the Sharing Agreement the aggregate amount received by the Company under the Subscription and the related Sharing Agreement may be more or less than £4,312,500, as further explained in paragraph 4 below.

The Subscription is conditional upon there being: (i) no breach of certain customary warranties given by the Company to Lanstead at any time prior to Second Admission; and (ii) no force majeure event occurring prior to Second Admission.

#### **4. The Sharing Agreement**

As part of the Subscription, the Company will enter into the Sharing Agreement with Lanstead, pursuant to which the Company will return an amount equal to 85 per cent. of the gross proceeds of the Subscription to Lanstead. The Sharing Agreement will enable the Company to share in any share price appreciation over the Benchmark Price. However, if the Company’s share price remains less than the Benchmark Price then the amount received by the Company under the Sharing Agreement will be less than the 85 per cent. of the gross proceeds of the Subscription which were pledged by the Company to Lanstead at the outset.

The Sharing Agreement provides that the Company will receive 18 equal monthly settlement amounts as measured against a Benchmark Price of 50 pence per Ordinary Share. The monthly settlement amounts for the Sharing Agreement are structured to commence two months following Second Admission.

If the Measured Price, calculated as the average volume weighted share price of the Company’s Ordinary Shares over an agreed period prior to the monthly settlement date, exceeds the Benchmark Price, the Company will receive more than 100 per cent. of that monthly settlement due, on a *pro rata* basis according to the excess of the Measured Price over the Benchmark Price. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Should the Measured Price be below the Benchmark Price, the Company will receive less than 100 per cent. of the monthly settlement calculated on a *pro rata* basis and the Company will not be entitled to receive the shortfall at any later date.

For example, if on a monthly settlement date the calculated Measured Price exceeds the Benchmark Price by 10 per cent., the settlement on that monthly settlement date will be approximately 110 per cent. of the amount due from Lanstead on that date. If on the monthly settlement date the calculated Measured Price is below the Benchmark Price by 10 per cent., the settlement on the monthly settlement date will be approximately 90 per cent. of the amount due on that date. Each settlement as so calculated will be in final settlement of Lanstead’s obligation on that settlement date.

It should be noted that if in any given month a fall in the Measured Price results in a negative amount being owed to the Company by Lanstead, the Company will not receive any payment in respect of that month, and the negative amount will be rolled forward and deducted from the following monthly settlement. In the limited circumstances where the Company has executed or completed a reverse takeover by way of offer or scheme of arrangement or is subject to a bankruptcy event, the Company will become liable to make a cash payment to Lanstead in respect of any such negative amount following the final monthly settlement.

Assuming the Measured Price equals the Benchmark Price on the date of each and every monthly settlement, the Company would receive aggregate proceeds of £4,312,500 (before expenses) from the Subscription Agreement and Sharing Agreement, made up of the £646,875 of the Subscription initially retained by the Company and 18 monthly settlements of approximately £203,646.

The Company will pay Lanstead's legal costs incurred in the Subscription and in entering into the Sharing Agreement and, in addition, has agreed to issue to Lanstead 575,000 Value Payment Shares at Second Admission. The issue of the 575,000 Value Payment Shares is, like the Subscription Shares, conditional upon the passing of Resolutions 1 and 3 at the General Meeting.

In no event will fluctuations in the Company's share price result in any increase in the number of Subscription Shares issued by the Company or received by Lanstead and Lanstead have confirmed that any decline in the Company's share price would not result in any financial advantage accruing to Lanstead. The Sharing Agreement allows both Lanstead and the Company to benefit from future share price appreciation.

## **5. Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which, during the 12 month period prior to the publication of this document, may have, or have had in the recent past, significant effects on the Company or the Group's financial position or profitability.

## **6. Taxation**

Shareholders who are in any doubt as to their tax position or who may be subject to tax in any other jurisdiction are strongly recommended to consult their own professional advisers.

No UK stamp duty will be payable on the issue by the Company of New Shares.

Stamp duty and stamp duty reserve tax ("SDRT") is not chargeable on transfers of securities admitted to trading on certain recognised growth markets, which currently includes AIM, provided they are not listed on a recognised stock exchange. Accordingly, transfers of New Shares after issue should be exempt from stamp duty and SDRT.

## **7. Availability of this document**

Copies of this document will be available free of charge at the registered office of the Company and on the Company's website at [www.redxpharma.com](http://www.redxpharma.com) during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the date of Second Admission.

# Redx Pharma plc

*(Incorporated and registered in England and Wales under number 7368089)*

**(the “Company”)**

## **NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of the Company will be held at Covington & Burling LLP, 265 Strand, London WC2R 1BH on 28 February 2017 at 10.00 a.m. where you will be asked to consider and, if thought fit, pass the resolutions below.

## **RESOLUTIONS**

### **Ordinary Resolutions**

1. THAT the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “Act”) to allot shares in the Company up to a maximum nominal amount of £330,498.31, in connection with the Transaction described in the circular to shareholders dated 10 February 2017 (the “Circular”). The power shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 3 months from the date of passing of this resolution, whichever is the earlier.
2. THAT the Directors be generally and unconditionally authorised pursuant to section 551 of the Act and in place of the authorities given by Resolution 2 at the general meeting of the Company on 13 April 2016 (to the extent that the power has not already been exercised):
  - (a) in addition to the authority granted pursuant Resolution 1 above, to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £442,492.62 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 3 months from the date of passing of this resolution, whichever is the earlier, save that the Company may before expiry of this authority make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if this authority had not expired; and
  - (b) in addition to the authority granted by Resolution 1 and sub-paragraph (a) of Resolution 2 above, to allot equity securities (within the meaning of section 560 of the Act) in connection with a rights issue in favour of (i) holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares; and (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary (but subject to such exclusions or other arrangements as the directors consider necessary or expedient in connection with treasury shares, fractional entitlements or any legal or practical problems arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange in, any territory) up to a maximum nominal amount of £442,492.62 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 3 months from the date of passing of this resolution, whichever is the earlier save that the Company may before expiry of this authority make an offer or agreement which would or might require equity securities to be allotted after expiry of this authority and the Directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired.

## Special Resolutions

3. THAT subject to the passing of Resolution 1 above the Directors be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by Resolution 1 above as if section 561 of the Act did not apply to any such allotment. This power shall be limited to the allotment of shares in the Company up to a maximum nominal amount of £330,498.31 in connection with the Transaction described in the Circular. This power shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 3 months from the date of passing of this resolution, whichever is the earlier.
4. THAT subject to the passing of Resolution 2 above and in place of the authorities given by Resolution 4 at the general meeting of the Company on 13 April 2016 (to the extent that the power has not already been exercised), the Directors be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by Resolution 2 above as if section 561 of the Act did not apply to any such allotment. This power shall be limited:
  - (a) to the allotment of equity securities in connection with an offer of such securities or an invitation to apply to subscribe for such securities (whether by way of rights issue, open offer or otherwise) in favour of (i) holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares and (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary but subject to such exclusions or other arrangements as the directors consider necessary or expedient in connection with treasury shares, fractional entitlements or any legal or practical problems arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange in, any territory; and
  - (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £265,495.57.

This power shall expire unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 3 months from the date of passing of this resolution, whichever is the earlier, save that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.

10 February 2017

By order of the Board

### **Simon Thorn**

*Company Secretary*

Floor 9, Lowry House

17 Marble Street

Manchester

Greater Manchester

M2 3AW

Registered in England and Wales No. 7368089

### Notes

1. A member entitled to attend and vote at this meeting is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend, to speak and, both on a show of hands and on a poll, to vote in his or her stead at the meeting. A proxy need not be a member of the Company. The appointment of a proxy does not preclude a member from attending and voting in person at the meeting should he or she subsequently decide to do so. A Form of Proxy which may be used to make such appointment and give proxy instructions is enclosed. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.

- 2 A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her. To be valid, a Form of Proxy together with, if applicable, the power of attorney or other authority under which it is signed, or a certified copy thereof, must be received by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not later than 10.00 on 24 February 2017.
- 3 An abstention (or “vote withheld”) option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
- 4 Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 5 The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
- 6 The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.30 p.m. on 24 February 2017 shall be entitled to attend or vote (whether on a show of hands or on a poll) at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the register after 6.30 p.m. on 24 February 2017 (or after 6.30 p.m. on the day which is two days before any adjourned meeting, excluding non-working days) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 7 As at 9 February 2017 (being the last business day prior to the date of this notice) the Company’s issued share capital consisted of 93,697,957 ordinary shares each carrying one vote per share. Accordingly the total number of voting rights in the Company as at 9 February 2017 were 93,697,957.
- 8 If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from Shareholders over which he is given discretion and any voting rights in respect of his own Shares) is such that he will have a notifiable obligation under the Disclosure and Transparency Rules of the Financial Conduct Authority (the “DTRs”), the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. Therefore, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the DTRs, need not make a separate notification to the Company and to the Financial Conduct Authority. However, any member holding 3 per cent. or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with the respective disclosure obligations under the DTRs.
- 9 Completion and return of a form of proxy will not affect the right of such member to attend and vote in person at the meeting or any adjournment thereof.
- 10 Any corporation which is a member can appoint one or more corporate representatives. Each representative may exercise on behalf of the corporation the same powers as the corporation could exercise if it were an individual member of the Company provided that they do not do so in relation to the same Ordinary Shares. It is therefore no longer necessary to nominate a designated corporate representative.
- 11 A copy of this notice of meeting, together with any members’ statements which have been received by the Company after the despatch of this notice and the other information required by section 311A of the Companies Act 2006 are all available on the Company’s website at [www.redxpharma.com](http://www.redxpharma.com) under ‘investors: announcements’.
- 12 Shareholders, proxies and authorised representatives will be required to provide their names and addresses for verification against the register of members and proxy appointments received by the Company before entering the meeting. Each authorised representative must produce proof of his or her appointment, in the form of the actual appointment or a certified copy. Other than this, there are no procedures with which any such persons must comply in order to attend and vote at the meeting.
- 13 Shareholders, proxies and authorised representatives may raise questions at the meeting concerning any business being dealt with at the meeting and will receive answers, except that a question need not be answered where it would interfere unduly with the conduct of the meeting, would involve the disclosure of confidential information, where the answer has already been given on a website in the form of an answer to a question or where it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

