

Redx Pharma focuses on human health with agrichem deal

15 Oct 2014

Redx Pharma has today completed the successful demerger of its agrochemical business.

The deal sees the establishment of a new stand-alone company, Redag Crop Protection Ltd, which will be based at laboratories in Alderley Park, Cheshire. It will create 20 scientific research posts in its first three years of operation and continue to be led by Bill Thompson, its managing director since launch.

The demerger has been facilitated by a substantial fundraising package arranged by Manchester-based corporate finance boutique Acceleris Capital. The North West Fund for Venture Capital, which is managed by Enterprise Ventures, has invested alongside existing Redx shareholders and new private investors.

Redag was established two years ago as a subsidiary of Redx under the leadership of Bill Thompson, who now becomes CEO of the newly demerged business. Redag will focus on developing products for the global agrochemical market, which is worth some £50 billion a year, in particular new fungicides, herbicides, insecticides and nematicides – products which play a vital role in controlling the pests and diseases that threaten our global food supply.

Redag uses the Redox Switch™ platform to adapt existing crop protection products to create novel intellectual property. It aims to achieve revenues by entering into licensing and development agreements with agrochemicals companies for the most promising compounds.

Neil Murray, chief executive of Redx Pharma, said: We wish Bill and his team every success in taking Redag forward. Redx itself has taken the decision to focus on human health as we have an intensely busy development pipeline for the coming years. It follows that agrichem has become non-core for our business.

Redag CEO Bill Thompson said: We've achieved very promising results since our inception and have proof of concept in a range of areas. The investment we've received and the move to Alderley Park will help us take the development of the business to the next level.

The Crop Protection industry typically spends US\$250m over a nine year period testing up to 140,000 candidate compounds in order to bring a single new product to market. Our approach will help secure fast and efficient access to an extensive pipeline of new candidates at lower cost. We are going to be the discovery engine for the agrochemical industry.

Launched in 2010, The North West Fund for Venture Capital is part of the £155m North West Fund, which provides funding for SMEs in the region and is financed jointly by the European Regional Development Fund and the European Investment Bank.

Norman Molyneux, chief executive officer of Acceleris Capital, has been involved in multiple fundraising rounds for Redx Pharma and now Redag Crop, commented: There is a large product innovation requirement within the agrochemical industry and a ready base of customers seeking novel compounds to register and commercialise in the crop protection market. Through the exploitation of the Redox Switch™ Platform, in a dedicated laboratory for Redag Crop, the company can go from strength to strength. Acceleris is delighted to work alongside Redx Pharma, Redag Crop and Enterprise Ventures in securing this successful fundraising package.

Doug Stellman of Enterprise Ventures, which manages The North West Fund for Venture Capital, said: Having been involved in the initial funding round in 2010, it is a pleasure to participate in this latest round to establish Redag at Alderley Park. We wish Bill and his team all the very best as they move to the next phase of commercialisation. Novel agrochemical compounds are as important as the development of the novel antibiotics and other pharmaceuticals that was the driver behind the original funding of the Redx technology.

For more information about Redag Crop Protection:

RedagCrop.com