Trinity Delta

Redx Pharma

Update

Anticipating clinical momentum and catalysts in 2024

19 December 2023

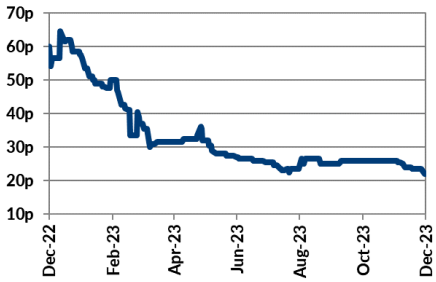
Redx Pharma's pipeline focus is on its differentiated ROCK portfolio targeting serious and debilitating fibrotic diseases. The c £14m October fund raise extended the cash runway beyond key H124 catalysts, providing greater optionality around value creation from these assets. Topline Phase IIa data expected in H124 from lead compound zelasudil (RXC007), a next-generation selective ROCK2 inhibitor under evaluation for IPF (idiopathic pulmonary fibrosis), coupled with the potential to lift the FDA partial clinical hold for a longer dosing duration, could support further development and indication expansion given the role of ROCK2 inhibition in multiple fibrosis-associated diseases. Initiation of the first clinical trial for RXC008, a novel GI-targeted ROCK inhibitor for fibrostenotic Crohn's disease, adds further momentum to the fibrosis pipeline, while other assets, including RXC004 and earlier-stage discovery programmes, offer interesting business development prospects. Our updated rNPV-based valuation is £367m, or 94p per share.

Year-end: September 30	2022	2023	2024E	2025E
Revenues (£m)	18.7	4.2	5.8	0.0
Adj. PBT (£m)	(17.3)	(28.8)	(31.2)	(38.7)
Net Income (£m)	(18.0)	(33.2)	(33.0)	(40.5)
Adj.EPS (p)	(5.9)	(8.7)	(7.5)	(7.8)
Cash (£m)	53.9	18.1	40.6	10.5
EBITDA (£m)	(15.4)	(32.9)	(30.4)	(37.4)

Source: Trinity Delta Note: Adjusted numbers exclude share-based payments and exceptionals. Our cash forecasts assume receipt of £40m in additional funding during CY24

- **Data from lead ROCK asset in H124** Redx's ROCK assets are central to its investment case given their promise in the treatment of a variety of serious and intractable fibrotic conditions, and the rising industry interest in fibrosis. Topline Phase IIa data for zelasudil in IPF in H124 should confirm safety and tolerability, with the potential for early efficacy insights. These will inform the design of a Phase IIb programme which is expected to include broader interstitial lung diseases (ILDs).
- **Second ROCK programme to enter the clinic in 2024** RXC008 is a first-in-class GI-targeted pan-ROCK inhibitor for the treatment of fibrostenotic Crohn's disease. IND-enabling studies are complete, and the CTA filed, with a Phase I trial on-track to start in early-2024. Again, this indication is gaining increasing investor attention.
- **Cash runway beyond key catalysts** The £14.1m gross (£13.6m net) raised from existing institutional investors coupled with end-September 2023 cash of £18.1m extends the cash runway into Q3 2024, through key clinical data points (ie Phase II readouts for zelasudil and RXC004). Longer-term funding options to advance and maximise pipeline potential include further equity financing(s), potential for additional milestones from existing partners (AstraZeneca, Jazz Pharmaceuticals), and business development, where RXC004 is a key prospect. Hence H124 clinical data for RXC004 in combination with checkpoint inhibitors will be important.
- **rNPV valuation of £367m or 94p/share** We have updated our rNPV valuation for Redx Pharma following FY23 results and the recent equity raise, which results in a valuation of £367m/$441m (from £363m/$436m previously), or 94p per share.

Price	22.0p
Market Cap	£85.6m
Enterprise Value	£83.2m
Shares in issue	389.0m
12 month range	21.0-70.0p
Free float	15.4%
Primary exchange	AIM London
Other exchanges	N/A
Sector	Healthcare
Company Code	REDX
Corporate client	Yes



Company description

Redx Pharma specialises in the discovery and development of small molecule therapeutics, with an emphasis on oncology and fibrotic diseases. It aims to progress them through proof-of-concept studies, before evaluating options for further development and value creation.

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Redx Pharma: heading into a catalyst rich year

Redx Pharma's unique and differentiated ROCK portfolio, targeting diverse and underserved fibrosis indications, is central to its investment case. The Phase IIa trial of lead asset, selective ROCK2 inhibitor zelasudil (RXC007), in idiopathic pulmonary fibrosis (IPF) is due to read out top-line data in H124 and will inform subsequent clinical development plans. This potentially includes expansion into broader immune mediated interstitial lung diseases (ILDs) and cancer-associated fibrosis. Its second ROCK asset, GI-targeted ROCK inhibitor RXC008, is on track to initiate its first Phase I study in early-2024, following the recent CTA submission, for development in fibrostenotic Crohn's disease. Other H124 events include Phase II checkpoint inhibitor combination data for porcupine inhibitor RXC004 in Wnt-ligand dependent tumours, which will be a prelude to partnership discussions. The c £14m (gross) October raise extends the cash runway into Q3 2024, covering these important inflection points. Our updated rNPV-based valuation is £367m ($441m), equivalent to 94p per share.

Focus is firmly on fibrosis, with novel ROCK programmes showing real promise

Redx Pharma's pipeline prioritisation review earlier this year has put the focus firmly on advancing its differentiated ROCK inhibitor portfolio, where significant clinical and regulatory progress has been achieved to date. The lead fibrosis asset, selective ROCK2 inhibitor zelasudil (RXC007), is in a Phase IIa trial for idiopathic pulmonary fibrosis (IPF) with topline data expected in H1 2024. Second fibrosis candidate, RXC008, a first-in-class GI-targeted pan-ROCK inhibitor for the treatment of fibrostenotic Crohn's disease, is on the cusp of entering the clinic with a Clinical Trial Application (CTA) submitted during Q423.

Oncology programme RXC004 set for partnering discussions following Phase II results

Another outcome of the pipeline review was the decision to partner lead oncology asset, porcupine inhibitor RXC004, for future development. RXC004 is currently in development as a targeted therapy for Wnt-ligand dependent cancers and is also expected to report Phase II data in combination with a checkpoint inhibitor (CPI) in H124, after which a partner will be sought. Redx's solid track record of executing strategic transactions is evidenced by its partnerships with AstraZeneca (fibrosis) and Jazz Pharmaceuticals (oncology), which collectively represent aggregate milestone potential of $755m ($15m of which could be triggered near-term), as well as the sale of BTK inhibitor Jaypirca (pirtobrutinib) to Loxo Oncology (now part of Eli Lilly) in 2017.

Medicinal chemistry expertise demonstrated by further development candidates

Earlier-stage work leveraging Redx's core medicinal chemistry expertise to discover novel drug candidates may also be fertile ground for pipeline expansion or future partnerships. This year, selective DDR1 inhibitor RXC009 was nominated as a development candidate in kidney fibrosis, and an oral KRAS inhibitor programme for cancers, currently in lead optimisation, was disclosed.

Conservatively funded to Q324, covering the next major value inflection points

With two programmes in Phase II studies, a third in-house asset due to enter the clinic shortly, and the recent nomination of the next development candidate, Redx is making significant progress in advancing its pipeline. The recent financing raising £14.1m gross (£13.6m net) from existing institutional investors (Redmile, Sofinnova, Polar and Invus) augments end-September 2023 cash of £18.1m and extends Redx's cash runway into Q3 2024, beyond key near-term value inflection points. These include the Phase IIa IPF data for zelasudil, Phase II CPI combination data for RXC004, and the start of the RXC008 Phase I healthy volunteer study.

Zelasudil (RXC007): top-line Phase IIa IPF results in H124

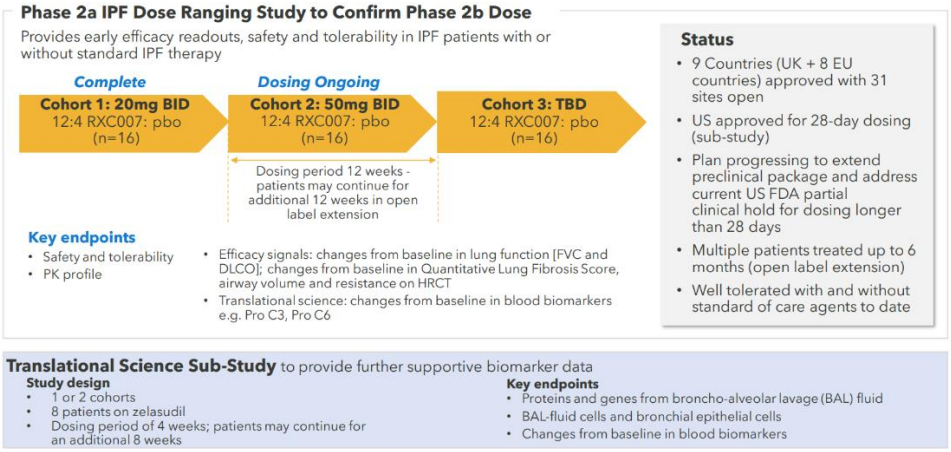
RXC007 is the lead fibrosis programme, in Phase IIa for IPF

Redx's lead fibrosis programme, **zelasudil (RXC007)**, is a novel highly selective small molecule ROCK2 inhibitor (Rho Associated Coiled-Coil Containing Protein Kinase 2) initially in development for idiopathic pulmonary fibrosis (IPF). Topline data from the randomised, double-blind, placebo-controlled Phase IIa dose ranging study in IPF is anticipated in H124. These data are expected to provide early indications of efficacy and to confirm the safety/tolerability profile of zelasudil in IPF patients with or without standard of care (SoC, ie nintedanib or pirfenidone), as well as the dose that will be taken into Phase IIb trials. Planning is underway for a larger 12-month Phase IIb trial, which will likely explore zelasudil plus SoC over 12 months in IPF and chronic fibrosing interstitial lung disease (CF-ILD) with lung function (forced vital capacity, FVC) as a primary endpoint.

Results from first cohort confirms no safety or tolerability issues seen

To date the Phase IIa IPF study (Exhibit 1) has recruited two cohorts of 16 patients each, randomised 3:1 between zelasudil and placebo. Each cohort has a 12-week dosing duration with an option to continue for a further 12-weeks in an open label extension. The first dose cohort (20mg twice daily, bid) has completed with no adverse safety/tolerability signals. Dosing is ongoing in the second cohort (50mg bid), with the next data review in Q124 set to determine the dose level for a potential third cohort. On confirmation of the recommended Phase II dose, an 8-16 patient 28-day translational science sub-study will follow, evaluating target engagement and fibrosis modification through key translational science endpoints.

Exhibit 1: Zelasudil Phase IIa study design



Source: Redx Pharma Note: DLCO = carbon monoxide diffusion coefficient; FVC = forced vital capacity; HRCT = high resolution computerised tomography; Pbo = placebo; RP2D = recommended Phase II dose; *Sub-study to follow main study

The FDA partial hold looks set to be lifted once additional dog study results are available

Alongside the Phase IIa study, which is approved in nine European countries (including the UK) and has 31 active study sites open, preclinical work has been ongoing to address the FDA partial clinical hold. As a reminder, in the US under the open IND, dosing of zelasudil for longer than 28-days is subject to this partial hold based on skeletal muscle findings in dog toxicology studies. We note that no similar findings have been observed in humans or other species at any dose. An FDA Type A meeting in September 2023 confirmed that the ongoing 13-week investigative dog study, designed to show that the skeletal muscle findings seen in the dogs are monitorable and reversible, is suitable to meet the requirements for potential lift of the partial clinical hold. Redx intends to submit the complete

response to the FDA in Q224 and confirmation of lifting the partial hold will permit dosing durations of >28 days in the US in future clinical studies.

Plans in place to expand into broader fibrotic lung indications as clinical need is pressing…

Assuming positive Phase IIa outcomes, the next steps for zelasudil include a planned 12-month Phase IIb study in IPF and CF-ILD. Progressive fibrotic interstitial lung diseases (ILD) are a larger opportunity for zelasudil, with IPF representing only 20-50% of ILDs. Zelasudil has FDA Orphan Drug Designation in IPF, which was selected as the initial indication given the high unmet need for better treatment options. A number of high profile late-stage failures in IPF, notably Roche's zinpentraxin alfa (recombinant human serum amyloid P) and Fibrogen's pamrevlumab (anti-CTGF antibody), means the focus has turned to Boehringer Ingelheim's BI 1015550 (phosphodiesterase 4 inhibitor), which is in Phase III, and Pliant Therapeutics' bexotegrast (dual selective inhibitor of αvβ6 /αvβ1), that is completing Phase IIb trials after a mixed Phase IIa result. Bexotegrast is Pliant's lead programme, with two other programmes (PLN-1474 for NASH-associated liver fibrosis and PLN-101085 for solid tumours) in earlier clinical stages. Pliant is a US listed company (NASDAQ: PLRX) with a market capitalisation of c $970m.

…with material opportunities in additional, and commercially large, fibrosis driven conditions

Outside of lung fibrosis, Redx has wider plans to expand future development of zelasudil as a potential best-in-class fibrosis therapy, subject to funding. ROCK is a biologically and clinically validated target which sits at a pivotal nodal point for pro-fibrotic cell signalling in a broad range of fibrotic conditions. Potential opportunities for zelasudil, supported by encouraging preclinical data, include cancer-associated fibrosis (or treatment of highly fibrotic tumours such as pancreatic cancer), and widespread multi-organ fibrosis, such as chronic Graft versus Host Disease (cGvHD) and systemic sclerosis. Thus, clinical development plans include a potential Phase Ib study of zelasudil in combination with SoC chemotherapy (gemcitabine/abraxane) in first line pancreatic cancer, and a Phase IIa study in cGvHD, an indication where Sanofi's (Kadmon) ROCK2 inhibitor belumosudil was FDA approved as Rezurock in 2021.

RXC008: on track to start Phase I in early-2024

RXC008 designed to address the fibrosis common in Crohn's disease

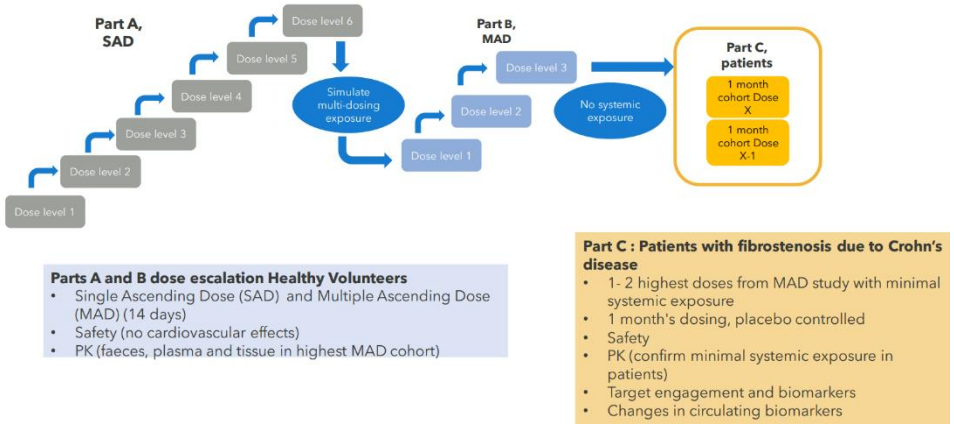
RXC008 is a novel GI-targeted pan-ROCK inhibitor designed to only act locally at the site of fibrosis associated with Crohn's disease. It is a potent oral small molecule inhibitor of both ROCK1 and ROCK2 pathways, with impressive preclinical data showing strong suppression of fibrosis, powerful attenuation of villi erosion and ulceration, and effective promotion of mucosal healing. Systemic inhibition of ROCK1 is associated with cardiovascular side-effects (ie hypotension); with RXC008 this is avoided as it is restricted to the gut by physio-chemical properties and should any residual be absorbed, it undergoes deliberate rapid degradation by plasma enzymes (paraoxanase). No systemic exposure to RXC008 has been seen in any animal model despite greater than required GI tissue concentrations. Our October 2022 Update provides more detail. IND enabling studies have completed, with the regulatory clinical trial application (CTA) submitted in November 2023.

Set to enter first human clinical studies in early-2024

A Phase I study in healthy volunteers is expected to start in early-2024 (Exhibit 2). This will consist of three parts: the first two will be single and multiple ascending doses over 14 days, with safety as the primary endpoint, evaluating pharmacokinetics (PK) to confirm the target profile (including data on faeces,

plasma and tissue in the highest multi-ascending dose cohort); the third part involves a one-month dosing period of patients with fibrostenotic Crohn's disease to examine safety, confirm minimal systemic exposure in patients (as absorption may differ from healthy volunteers), determine the degree of target engagement, and examine biomarkers in paired biopsies from the terminal ileum and colon.

Exhibit 2: RXC008 Phase I protocol



Source: Redx Pharma

Fibrosis is a major clinical issue, affecting a significant number of CD patients

Intestinal fibrosis is a common complication of inflammatory bowel disease (IBD), affecting both ulcerative colitis (UC) and Crohn's disease (CD). Although until recently viewed as an inevitable and irreversible process, a greater understanding of the myriad pathways involved, and their roles, means it is now viewed as a dynamic and, potentially, reversible condition. The problem is significant; CD is a chronic-relapsing immune-mediated disorder with a constantly increasing incidence worldwide, especially in Western countries. Potent anti-inflammatories may suppress the inflammation seen episodically, but fibrosis continues to build unabated. Such fibrosis occurs in a third to a half of patients and over time leads to intestinal obstruction due to strictures. These will typically require invasive hospital interventions such as surgical resection and endoscopic dilation.

Clinical and commercial opportunities are increasingly attracting attention

The need for more effective treatments is clear, with several researchers progressing programmes. One of the most advanced is AGMB-129 (Agomab), a small molecule GI-acting inhibitor of ALK5 (TGFβR1) that has successfully completed Phase I studies, showing good tolerability and a favourable safety profile. AGMB-129 recently began a Phase IIa trial (STENOVA), designed to evaluate two active arms (low and high dose) with placebo, which is expected to complete early-2025. In October 2023, Agomab raised $100m in a Series C round led by Fidelity Investments. AGMB-129 is its lead programme and it has a second clinical asset, AGMB-447, an inhaled small molecule lung-restricted inhibitor of ALK5, in Phase I studies for IPF.

RXC004: poised for partnering post-Phase II read out

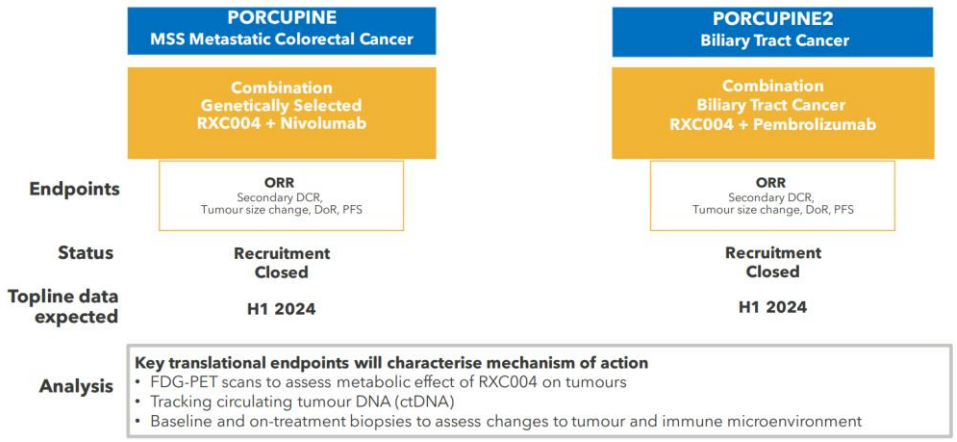
Targeting Wnt is a highly promising approach but not a strategic Redx priority

Redx's lead oncology programme, RXC004, is a highly potent and selective once-daily porcupine inhibitor in development for Wnt-ligand dependent cancers in combination with immunotherapies. Following the pipeline review, RXC004 has been earmarked for partnering for further development post-Phase II.

Phase II data should read out in H224 and set partnering agenda

Recruitment has closed in the two ongoing Phase II studies in combination with a checkpoint inhibitor, CPI (Exhibit 3) – PORCUPINE in genetically selected microsatellite stable metastatic colorectal cancer (MSS mCRC) in combination with nivolumab, and PORCUPINE2 in genetically selected pancreatic and unselected biliary cancer in combination with pembrolizumab - which are expected to read out in H124. These data will be key in confirming RXC004's primary efficacy hypothesis, that RXC004 has an immune-enhancing effect and is able to reverse Wnt-driven immune evasion, turning previously non-responsive "cold" tumours into "hot" tumours that can then be treated with CPI therapy.

Exhibit 3: RXC004 Phase II combination programme



Source: Redx Pharma Note: DCR = disease control rate; DoR = duration of response; ORR = overall response rate; OS = overall survival; PFS = progression free survival

Wnt inhibition is well suited to combination treatments

Part of the rationale for seeking a partner is that the preclinical data suggest that there is a wider opportunity for RXC004 to be combined synergistically with other therapeutic agents, including chemotherapies and MAPK inhibitors. Evaluating the broader potential is beyond the scope of Redx's current resources, and outside its priority focus on progressing its ROCK portfolio in fibrosis indications. However, it could be an attractive proposition for a larger partner.

Valuation

rNPV valuation of £367m, or 94p per share

We value Redx Pharma as a classic drug discovery and development play, using a sum of the parts rNPV-based model that includes a pipeline rNPV (risk-adjusted net present value) and a discovery platform valuation based on Redx's output/track record and benchmarked against discovery peers. These are summed and netted against central costs and cash. We have rolled forwards our valuation in time, and have updated cash post FY23 results and to include the £14.1m (gross)/£13.6m (net) October fundraise, as well as making a number of other adjustments to assumptions, as outlined below. These result in a valuation of £367m/$441m (from £363m/$436m), which is diluted to 94p per share (from 109p) by the increased number of shares issued as part of the fundraise. An overview of our valuation and key assumptions are summarised in Exhibit 4.

Exhibit 4: rNPV-based valuation of Redx Pharma

Programme	NPV ($m)	NPV (£m)	Approval likelihood	rNPV ($m)	rNPV (£m)	rNPV/ share (p)	Notes
Zelasudil (ROCK2 inhibitor - IPF/NASH/oncology)	1,285.7	1,071.4	15%	155.1	129.3	33.2	Peak sales: $4.1bn; Launch: 2029
RXC008 (ROCK1/2 - Crohn's disease)	443.3	369.4	5%	40.5	33.8	8.7	Peak sales: $1.6bn; Launch: 2030
RXC004 (porcupine inhibitor - oncology)	537.9	448.2	30%	86.8	72.3	18.6	Peak sales: $1.9bn; Launch: 2028
AZD5055 (AstraZeneca: porcupine inhibitor - IPF)	291.3	242.7	15%	36.0	30.0	7.7	Peak sales: $1.7bn; Launch: 2029
JZP815 (Jazz Pharma: pan-RAF - oncology)	165.7	138.1	10%	13.8	11.5	3.0	Peak sales: $707m; Launch: 2029
Discovery engine				101.3	84.4	21.7	
Operating costs	(30.8)	(25.7)		(30.8)	(25.7)	(6.6)	
Cash	38.1	31.7		38.1	31.7	8.2	Includes £13.6m financing
Total	**2,731.2**	**2,276.0**		**440.9**	**367.4**	**94.4**	
Total (fully diluted)				457.5	381.2	70.1	All options and CLNs

Source: Trinity Delta Note: The rNPVs of RXC004 includes a deal success factor of 65%, with 80% for zelasudil, and of 75% for GI-targeted ROCK; other valuation assumptions include a 12.5% discount factor, £/$ FX rate of 1.20, and 10% taxation from 2030 (UK patent box).

Valuation is based on conservative assumptions

Our valuation is based on conservative assumptions, particularly regarding market sizes and growth rates, net pricing, adoption curves, and peak market penetration. Given this stance, for zelasudil we have slightly delayed potential launch due to the ongoing FDA partial clinical hold, although this is almost entirely offset by rolling forwards in time, for a minor 3% impact on rNPV. With partner programmes AZD5055 and JZP815 both in Phase I trials, we conservatively align launches in 2029, pending visibility on potential timelines.

Clinical or partnering progress, clarity on timelines and patient sizes will refine our valuation

Valuation upside should be unlocked by the clinical progress and/or partnering of the various pipeline assets, as these could prompt us to adjust the respective success probabilities that reflect the inherent clinical, commercial, and execution risks that each programme carries. Additionally, as these assets progress, there should be more insight into the specific patient populations that will be addressed, and this in turn would mean that peak sales (pricing, penetration) and timeline assumptions could be revisited and refined.

Financials

Revenues arise from partner milestone-related income as programmes progress

Redx Pharma's FY23 revenues (12 months to 30 September 2023) of £4.2m (FY22: £18.7m) were solely derived from research collaboration income (FY22: £6.9m) as part of the collaboration with Jazz Pharmaceuticals; this is largely non-cash recognition of previously received milestones. No milestones were received in FY23, whereas in FY22 Redx Pharma received $24m (£18.1m) in cash milestones, of which £10.7m was recognised as revenue on receipt, with the remainder deferred to be recognised as contractual obligations complete.

R&D remains tightly controlled

R&D costs continue to remain tightly controlled at £29.1m (FY22: £28.6m) despite Phase II trials ongoing for two candidates (zelasudil and RXC004), plus preparations for the first clinical study with RXC008. Underlying G&A spend decreased to £8.1m (FY22: £10.2m), whilst one-off exceptional costs for the lapsed reverse merger were £2.4m (FY22: nil). This translated to a FY23 operating loss of £33.8m (FY22: loss of £16.3m), and together with other elements, including a £1.6m non-cash revaluation gain on the convertible loan following the 12-month extension, led to a net loss of £33.2m (FY22: loss of £18.0m).

There could be near-term potential milestones of $15m from partners

Our future revenue forecasts include £844k of remaining deferred revenue from previously received milestones relating to the Jazz Pharmaceuticals collaboration, which we recognise in full in revenues in FY24e (none in FY25e). In addition, we also include illustrative placeholder milestones totalling £5m in FY24e (none in FY25e) given Redx has highlighted that there could be near-term potential milestones of $15m (c £12m) due under existing collaborations (of the up to $755m in milestones that could be received under these agreements). If the $15m are achieved in full, this would represent upside to our current forecasts.

R&D forecasts are illustrative pending data readouts and development plans

For R&D we forecast a slight increase to £30.6m in FY24e and to £31.5m in FY25e, although these are largely illustrative placeholders pending data and future development plans. We note that the Phase II trial for RXC004 will be winding down in H124, and no significant future spend is likely given the plans to pursue a partnership(s). Meanwhile the Phase IIa trial with lead asset zelasudil is ongoing with data expected in H124, beyond which we assume continuing spend to advance this asset further, and the Phase I trial for RXC008 is expected to start in early-2024. For G&A, we forecast minor increases from the now lower c £8m core base to c £8.2m in FY24e and FY25e.

Current cash runway to September 2024 through key value inflection points

End-September 2023 cash was £18.1m (31 March 2023: £34.6m), which was boosted post period end through the £14.1m (gross)/£13.6m (net) financing in October, via the issuance of 54.1m new shares at 26p per share (October 2023 Lighthouse). These funds are expected to provide a cash runway to September 2024, and hence through the H124 value inflection points, most notably zelasudil Phase IIa IPF data, plus the RXC004 Phase II combination data, which could trigger and accelerate partnering discussions. Potential receipt of milestones from existing partners, business development activity/partnering of portfolio assets, or other options including equity financing(s), could extend the runway further. Our forecasts include a placeholder £40m financing (in short-term debt) in FY24e.

Exhibit 5: Summary of financials

Year-end: Sept 30	£'000s	2021	2022	2023	2024E	2025E
INCOME STATEMENT						
Revenues		**10,035**	**18,690**	**4,202**	**5,844**	**0**
Cost of goods sold		0	0	0	0	0
Gross Profit		**10,035**	**18,690**	**4,202**	**5,844**	**0**
R&D expenses		(24,445)	(28,563)	(29,117)	(30,573)	(31,490)
G&A expenses		(6,492)	(10,229)	(8,069)	(8,160)	(8,241)
Underlying operating profit		**(17,117)**	**(15,737)**	**(29,790)**	**(29,631)**	**(36,408)**
Share-based payments		(3,785)	(4,365)	(3,194)	(3,258)	(3,323)
Exceptionals		0	0	(2,393)	0	0
Other revenue/expenses		1,157	3,836	1,557	1,588	1,620
EBITDA		**(19,112)**	**(15,380)**	**(32,860)**	**(30,427)**	**(37,412)**
Operating Profit		**(19,745)**	**(16,266)**	**(33,820)**	**(31,300)**	**(38,111)**
Financing costs/income		(1,698)	(1,538)	1,032	(1,596)	(2,278)
Profit Before Taxes		**(21,443)**	**(17,804)**	**(32,788)**	**(32,896)**	**(40,390)**
Adj. PBT		**(18,815)**	**(17,275)**	**(28,758)**	**(31,226)**	**(38,686)**
Current tax income		(133)	(201)	(368)	(153)	(157)
Net Income		**(21,576)**	**(18,005)**	**(33,156)**	**(33,049)**	**(40,547)**
EPS (p)		**(8.4)**	**(6.1)**	**(9.9)**	**(7.9)**	**(8.1)**
Adj. EPS		**(7.4)**	**(5.9)**	**(8.7)**	**(7.5)**	**(7.8)**
DPS (p)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Average no. of shares (m)		256.4	294.2	334.9	417.1	499.3
BALANCE SHEET						
Current assets		**35,815**	**59,378**	**23,302**	**46,220**	**10,518**
Cash and cash equivalents		29,552	53,854	18,092	40,616	10,518
Accounts receivable		6,231	5,498	5,210	5,604	0
Other current assets		32	26	0	0	0
Non-current assets		**3,730**	**3,099**	**2,334**	**16**	**(2,869)**
Property, plant & equipment		3,325	2,699	1,940	1,272	787
Intangible assets		405	400	394	394	394
Other non-current assets		0	0	0	(1,650)	(4,050)
Current liabilities		**(9,592)**	**(27,205)**	**(21,007)**	**(43,680)**	**(44,717)**
Short-term debt		0	(15,731)	(15,731)	(40,000)	(40,000)
Accounts payable		(4,699)	(5,958)	(3,756)	(3,057)	(4,094)
Other current liabilities		(4,893)	(5,516)	(1,520)	(622)	(623)
Non-current liabilities		**(16,821)**	**(1,951)**	**(1,274)**	**376**	**2,776**
Long-term debt		(14,247)	0	0	0	0
Other non-current liabilities		(2,574)	(1,951)	(1,274)	376	2,776
Equity		**13,132**	**33,321**	**3,355**	**2,932**	**(34,291)**
CASH FLOW STATEMENTS						
Operating cash flow		**(21,379)**	**(8,470)**	**(34,747)**	**(30,908)**	**(29,883)**
Profit before tax		(21,443)	(17,804)	(32,788)	(32,896)	(40,390)
Non-cash adjustments		6,116	6,776	3,122	5,727	6,301
Change in working capital		(6,065)	2,038	(7,673)	(1,937)	6,640
Interest paid		13	187	1,160	(1,596)	(2,278)
Taxes paid		0	333	1,432	(207)	(156)
Investing cash flow		**(754)**	**(241)**	**(195)**	**(205)**	**(215)**
CAPEX on tangible assets		(754)	(262)	(195)	(205)	(215)
Acquisitions/disposals		0	21	0	0	0
Other investing cash flows		0	0	0	0	0
Financing cash flow		**24,143**	**32,982**	**(816)**	**53,638**	**0**
Proceeds from equity		24,929	33,798	0	13,638	0
Increase in loans		0	0	0	40,000	0
Other financing cash flow		(786)	(816)	(816)	0	0
Net increase in cash		**2,010**	**24,271**	**(35,758)**	**22,524**	**(30,098)**
Cash at start of year		27,513	29,552	53,854	18,092	40,616
Cash at end of year		**29,552**	**53,854**	**18,092**	**40,616**	**10,518**
Net cash at end of year		**15,305**	**38,123**	**2,361**	**616**	**(29,482)**

Source: Company, Trinity Delta Note: Short-term debt in CY23/FY24e is indicative of our view of Redx Pharma's funding requirement. The Redmile/Sofinnova Convertible Loan Note revised conversion date is 4 August 2024, with a conversion price of 15.5p, equating to a potential 110.3m of new shares.

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