PROPOSED CANCELLATION OF ADMISSION TO TRADING

REDX PHARMA PLC

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REDX PHARMA PLC
("Redx" or the "Company")

Proposed Voluntary Cancellation of Admission to Trading on AIM
Re-Registration as a Private Limited Company
Adoption of New Articles of Association

And

Notice of General Meeting

Alderley Park, UK, 2 April 2024 Redx (AIM:REDX), the clinical-stage biotechnology company focused on discovering and developing novel, small molecule, targeted therapeutics for the treatment of fibrotic disease and cancer today announces:

· subject to Shareholder approval, the proposed cancellation of the admission of its ordinary shares of 1 pence each ("Ordinary Shares") from trading on AIM (the "Cancellation"), the re-registration of the Company as a private limited company (the "Re-registration") following the Cancellation and the adoption of new articles of association (the "New Articles") to be effective on the Re-registration (the "Proposals"); and

· the posting of a circular to Shareholders (the "Circular") which contains further information on the Cancellation and the Re-registration and notice of a general meeting to be held on Friday 19 April 2024 at 11:30 a.m. at the offices of Cooley (UK) LLP, 22 Bishopsgate, London EC2N 4BW (the "General Meeting") at which shareholder approval will be sought for the Proposals.

Dr. Jane Griffiths, Chair of the Board of Directors, Redx Pharma, commented: "Following an extensive review, the Board has unanimously concluded that it is in the best interests of the Company and our Shareholders to delist from AIM and re-register as a private limited company. Redx has a strong track record: over the last five years we have delivered six molecules that are in the clinic and established four major partnering deals, validating our scientific and partnering capabilities. Despite completing some of the largest AIM capital raises for biotech companies in recent years, Redx is still liquidity constrained on AIM. As a result, we believe our current market valuation is not reflective of our track record or future potential and is not conducive to raising the level of capital required for our growing clinical portfolio. The Board believes that as a private company we can access a broader..."
universe of specialty investors and, accordingly, a larger quantum of future funding required to execute our strategy and maximise our value in the interests of all our Shareholders. Although we are delisting from AIM, we continue to believe that the UK is an excellent hub for scientific discovery and drug development and remain committed to being part of the UK life sciences community retaining our facility based at Alderley Park.”

Proposed Voluntary Cancellation and Re-registration

The board of directors of the Company (the “Board” or the “Directors”) has extensively reviewed and evaluated the benefits and drawbacks for the Company and its Shareholders in retaining the admission to trading of the Ordinary Shares on AIM. The Board has taken into consideration numerous factors, both positive and negative, and considered the interests of all Shareholders in reaching its decision. These factors include the limited liquidity in the Ordinary Shares and share price volatility, access to appropriate finance, less corporate and strategic flexibility and the costs and regulatory burden of maintaining a public listing being disproportionate to the benefits of the Company’s continued admission to trading on AIM. Following this review, the Board has concluded that the continued admission to trading of the Ordinary Shares on AIM is not appropriate and, accordingly, the Cancellation and Re-registration are in the best interests of the Company and Shareholders as a whole. A detailed explanation of these reasons is set out in Appendix I to this announcement.

The Company remains committed to the UK life sciences industry and intends to retain its head office and primary research facility following the Cancellation and Re-registration at its current location in Alderley Park. Following the Cancellation and Re-registration, the Company will continue to evaluate the optimal corporate structure to ensure its long-term success, which could include listing on an alternative exchange at a future date, should this provide appropriate access to capital and liquidity to support the Company’s strategy.

To be passed, the resolution to approve the Cancellation requires, pursuant to Rule 41 of the AIM Rules, the approval of not less than 75 per cent. of the votes cast by Shareholders at the General Meeting. The resolution to approve the Re-registration and the adoption of New Articles also requires the approval of not less than 75 per cent. of the votes cast by Shareholders at the General Meeting.

The Company is making arrangements for a Matched Bargain Facility to assist Shareholders to trade in the Ordinary Shares to be put in place from the date of the Cancellation, if the Resolutions are passed. The Matched Bargain Facility will be provided by J P Jenkins. J P Jenkins is an appointed representative of Prosper Capital LLP, which is authorised and regulated by the FCA.

General Meeting

The General Meeting will be held at the offices of Cooley (UK) LLP, 22 Bishopsgate, London EC2N 4BQ at 11:30 a.m. on Friday 19 April 2024.

Resolution 1 to be proposed at the General Meeting is a special resolution to approve the Cancellation.

Conditional on the passing of Resolution 1, Resolution 2 to be proposed at the General Meeting is a special resolution to re-register the Company as a private limited company and to approve the adoption by the Company of the New Articles.

Resolution 1 to approve the Cancellation is not conditional on Resolution 2 to approve the Re-registration, but Resolution 2 is conditional on Resolution 1. If Resolution 1 is passed, but Resolution 2 is not, the Company still intends to proceed with the Cancellation.

As at today’s date, the Company has received letters of intent and irrevocable undertakings from certain Shareholders representing approximately 84.64 per cent. of the Company's issued share capital to vote in favour of the Resolutions.

A copy of this announcement and the Circular will be made available on the Company's website later today at www.redxpharma.com

Capitalised terms used but not defined in this announcement shall have the same meaning given to such term in the Circular.

The person responsible for the release of this announcement on behalf of the Company is Claire Solk, Company Secretary.

For further information, please contact:

Redx Pharma Plc
UK Headquarters
Caitlin Pearson, Head of Communications
About Redx Pharma Plc

Redx Pharma (AIM: REDX) is a clinical-stage biotechnology company focused on the discovery and development of novel, small molecule, targeted therapeutics for the treatment of fibrotic disease, cancer and the emerging area of cancer-associated fibrosis. Redx aims to progress its programmes to clinical proof of concept before evaluating options for further development and potential value creation. The Company expects a number of data points during 2024 including from lead fibrosis product candidate, the selective ROCK2 inhibitor, zelasudil (RXC007), in development for interstitial lung disease and currently undertaking a Phase 2a trial for idiopathic pulmonary fibrosis (IPF). The Company's second fibrosis candidate, RXC008, a GI-targeted ROCK inhibitor for the treatment of fibrostenotic Crohn's disease, is in Phase 1 development and is expected to report healthy volunteer data; and Redx's lead oncology product candidate, the Porcupine inhibitor zamaporvint (RXC004), being developed as a targeted treatment for Wnt-ligand dependent cancers, is expected to report anti-PD-1 combination Phase 2 data, following which Redx will seek a partner for ongoing development.

The Company has a strong track record of discovering new drug candidates through its core strengths in medicinal chemistry and translational science, enabling the Company to discover and develop differentiated therapeutics against biologically or clinically validated targets. The Company's accomplishments are evidenced not only by its wholly-owned clinical-stage product candidates and discovery pipeline, but also by its strategic transactions, which includes the sale of pirtobrutinib (RXC005, LOXO-305), the only non-covalent or reversible BTK inhibitor now approved by the US FDA, and transactions with both AstraZeneca and Jazz Pharmaceuticals.

To subscribe to Email Alerts from Redx, please visit: www.redxpharma.com/investor-centre/email-alerts/.

APPENDIX I

Extracts from the Circular

Background to and reasons for the Cancellation and Re-Registration

The Board has extensively reviewed and evaluated the benefits and drawbacks for the Company and its Shareholders in retaining the admission to trading of the Ordinary Shares on AIM. The Board has taken into consideration numerous factors, both positive and negative, and considered the interests of all Shareholders in reaching its decision. Following this review, the Board has concluded that the continued admission to trading of the Ordinary Shares on AIM is not appropriate and, accordingly, the Cancellation and Re-registration are in the best interests of the Company and its Shareholders as a whole for the reasons set out below.

- **Limited liquidity in the Ordinary Shares and high share price volatility**: There continues to be limited and inconsistent liquidity in the Ordinary Shares, as a result of which small trades in the Ordinary Shares can have a significant impact on price and, therefore, on the market valuation of the Company. The Board believes that this, in turn, has a materially adverse impact on the Company's ability to seek appropriate financing or realise an appropriate value for any material future transactions. Moreover, the limited liquidity in the Ordinary Shares makes it challenging for Shareholders of any size to acquire additional Ordinary Shares or dispose of any Ordinary Shares in the market at an attractive price.

- **Access to appropriate finance**: The nature of the Company's operations requires the Company to periodically raise funding for working capital as the Company develops its asset portfolio. The Board considers that the future value of the Company's portfolio of assets will continue to grow as the Company invests further in its development and that significant external funding is required to ensure this development is achieved. The Board has concluded that as a private limited company it will have broader access to specialty investors and enhance the ability of the Company to raise the capital required to increase the value of its product portfolio for the benefit of all Shareholders.

- **Corporate and strategic flexibility**: The Board believes that a private limited company can take and implement strategic decisions more quickly than a company which is publicly traded as a result of the more flexible regulatory regime that is applicable to a private company. This will be advantageous in the
Company's business development discussions which may ultimately benefit the Company and Shareholders as a whole.

- **Costs and regulatory burden**: The considerable cost and management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM is, in the Board's opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM, particularly given the limited and inconsistent liquidity in the Ordinary Shares as described above. Given the lower costs associated with private limited company status, the Cancellation and Re-registration will reduce the Company's recurring administrative and adviser costs which the Board believes can be better spent supporting and investing in the Group's business.

Therefore, as a result of this review, the Board has unanimously concluded that the proposed Cancellation and Re-registration are in the best interests of the Group and Shareholders as a whole.

**Process for, and principal effects of, the Cancellation**

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective. However, should the Cancellation become effective, the Company will implement a Matched Bargain Facility with a third party which would facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following Cancellation.

Under the AIM Rules, the Company is required to give at least 20 clear Business Days' notice of the Cancellation. Additionally, the Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in the Ordinary Shares on AIM will be Tuesday 30 April 2024 and that the Cancellation will take effect at 7:00 a.m. on Wednesday 1 May 2024.

If the Cancellation becomes effective, Spark will cease to be the nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

Under the AIM Rules, it is a requirement that the Cancellation must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting set out in the Circular contains a special resolution to approve the Cancellation.

The principal effects of the Cancellation will include the following:

- there will be no formal market mechanism enabling Shareholders to trade Ordinary Shares (other than any limited off-market mechanism provided by the Matched Bargain Facility) and no price will be publicly quoted for the Ordinary Shares;

- it is possible that, following the publication of this announcement, the liquidity and marketability of the Ordinary Shares may be significantly reduced and their value adversely affected (however, as set out above, the Directors believe that the existing liquidity in the Ordinary Shares is, in any event, limited);

- the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);

- in the absence of a formal market and quoted price, it may be difficult for Shareholders to determine the market value of their investment in the Company at any given time;

- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;

- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek Shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals;

- the levels of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM;

- the Company will no longer be subject to UK MAR regulating inside information and other matters;

- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
Proposed Cancellation of Admission to Trading - 07:00:13 02 Apr 2024 - REDX News article | London Stock Exchange

- the Takeover Code is expected to cease to apply to the Company shortly following the Cancellation and the Re-registration given anticipated Board changes;

- Spark will cease to be nominated adviser to the Company;

- whilst the Company's CREST facility will remain in place immediately post the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);

- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer; and

- the Cancellation and Re-registration may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

For the avoidance of doubt, the Company will remain registered with the Registrar of Companies in England & Wales in accordance with, and subject to, the Companies Act, notwithstanding the Cancellation and Re-registration.

**Board composition and provision of information, services and facilities following the Cancellation**

**Board Composition**

Although such changes have not yet been finally determined, the composition of the Board is expected to change shortly following the Cancellation and Re-registration in a manner appropriate for a private limited company.

As described in the Circular, the Takeover Code will continue to apply to the Company for a period of at least ten years from the date of the Cancellation if the Company is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions. As noted above, the composition of the Board is expected to change shortly following the Cancellation and Re-registration and it is expected that such changes will mean that the Company no longer meets the "residency test" from that time.

**Provision of information, services and facilities following the Cancellation**

The Company currently intends to continue to provide certain information, services and facilities to Shareholders following the Cancellation. The Company will:

- continue to communicate information about the Company (including annual accounts) to its Shareholders, as required by the Companies Act;

- continue, for at least 12 months following the Cancellation, to maintain its website, www.redxpharma.com and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under the Disclosure Guidance and Transparency Rules, AIM Rule 26 or to update the website as currently required by the AIM Rules; and

- make available to Shareholders, through J P Jenkins, the Matched Bargain Facility (as further described below) which will allow Shareholders to buy and sell Ordinary Shares on a matched bargain basis following the Cancellation.

**Transactions in the Ordinary Shares prior to and post the proposed Cancellation**

**Prior to the Cancellation**

Shareholders should note that they are able to continue trading in the Ordinary Shares on AIM prior to Cancellation.

**Following the Cancellation**
The Company is making arrangements for a Matched Bargain Facility to assist Shareholders to trade in the Ordinary Shares to put in place from the date of the Cancellation, if the Resolutions are passed. The Matched Bargain Facility will be provided by J P Jenkins. J P Jenkins is an appointed representative of Prosper Capital LLP, which is authorised and regulated by the FCA.

Under the Matched Bargain Facility, Shareholders or persons wishing to acquire or dispose of Ordinary Shares will be able to leave an indication with J P Jenkins, through their stockbroker (J P Jenkins is unable to deal directly with members of the public), of the number of Ordinary Shares that they are prepared to buy or sell at an agreed price. In the event that J P Jenkins is able to match that order with an opposite sell or buy instruction, it would contact both parties and then effect the bargain (trade). Shareholdings remain in CREST and can be traded during normal business hours via a UK regulated stockbroker. Should the Cancellation become effective and the Company puts in place the Matched Bargain Facility, details will be made available to Shareholders on the Company's website at www.redxpharma.com.

The Matched Bargain Facility will operate for a minimum of 12 months after the Cancellation. The Directors' current intention is that it will continue beyond that time but Shareholders should note that it could be withdrawn and therefore inhibit the ability to trade the Ordinary Shares. Further details will be communicated to the Shareholders at the relevant time.

Process for the Re-registration

As set out above, following the Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of the Circular. A copy of the New Articles can be found at Appendix 1 to the Circular.

Under the Companies Act, the Re-registration and the adoption of the New Articles must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting set out in the Circular contains a special resolution to approve the Re-registration and adopt the New Articles.

If the Cancellation Resolution and the Re-registration Resolution are approved at the General Meeting, an application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the Re-registration Resolution or that any such application to cancel the Re-registration Resolution has been determined and confirmed by the Court.

If the Resolutions are passed at the General Meeting, it is anticipated that the Re-registration will become effective before the end of May 2024.

Takeover Code

The Takeover Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met - for example, if the company's shares were admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

If the Cancellation and Re-registration are approved by Shareholders at the General Meeting, the Company will be re-registered as a private company and its securities will no longer be admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom. In these circumstances, the Takeover Code will only apply to the Company if it is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.
The Panel has confirmed to the Company that, on the basis of the current residency of the Directors, the Company will have its place of central management and control in the United Kingdom following the Cancellation and Re-registration. However, the composition of the Board is expected to change shortly following the Cancellation and Re-registration and it is expected that such changes will mean that the Company would no longer have its place of central management and control in the United Kingdom for the purposes of the Takeover Code from that time. Therefore, if the Cancellation and Re-registration are approved by Shareholders at the General Meeting and become effective, the Takeover Code will cease to apply to the Company with effect from such changes to the composition of the Board being made.

The Takeover Code could apply to the Company in the ten-year period from the date of the Cancellation if the composition of the Board were to change again such that the Company would have its place of central management and control in the United Kingdom. Following the expiry of the ten-year period from the date of the Cancellation (subject to Re-registration occurring), the Company would not in any circumstances be subject to the provisions of the Takeover Code.

Following either (i) any change, as expected, to the composition of the Board following the Cancellation and Re-registration such that the Company would no longer have its place of central management and control in the United Kingdom or (ii) the expiry of the ten-year period from the date of the Cancellation (subject to Re-registration occurring), the Code will cease to apply to the Company and Shareholders will no longer be afforded the protections provided by the Code. This includes the requirement for a mandatory cash offer to be made if either:

- a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30 per cent. or more; or
- a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

Brief details of the Panel, and of the protections afforded by the Takeover Code are set out in Part III of the Circular.

Before giving your consent to the Cancellation and the Re-registration, you may want to take independent professional advice from an appropriate independent financial adviser.

**APPENDIX II**

**Expected Timetable of Principal Events**

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<thead>
<tr>
<th>Event</th>
<th>Time and/or date</th>
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<tbody>
<tr>
<td>Announcement of the Cancellation and Re-</td>
<td>2 April 2024</td>
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<tr>
<td>registration</td>
<td></td>
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<tr>
<td>Publication and posting of the Circular</td>
<td>2 April 2024</td>
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<tr>
<td>Latest time for receipt of proxy</td>
<td>11:30 a.m. on 17 April 2024</td>
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<tr>
<td>appointments in respect of the General</td>
<td></td>
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<tr>
<td>Meeting</td>
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<tr>
<td>General Meeting</td>
<td>11:30 a.m. on 19 April 2024</td>
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<td>Last day of dealings in Ordinary Shares on</td>
<td>30 April 2024</td>
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<td>AIM</td>
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<tr>
<td>Cancellation of admission of the Ordinary</td>
<td>7:00 a.m. on 1 May 2024</td>
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<tr>
<td>Shares to trading on AIM</td>
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<tr>
<td>Matched Bargain Facility for Ordinary</td>
<td>1 May 2024</td>
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<tr>
<td>Shares commences</td>
<td></td>
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<tr>
<td>Expected re-registration as a private</td>
<td>week commencing 20 May 2024</td>
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<td>company</td>
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**Notes:**

(1) All of the times referred to in this announcement refer to London time, unless otherwise stated.

(2) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.