



26 February 2021

Motif Bio plc
("Motif" or the "Company")

Update re Motif BioSciences Inc

Motif Bio plc (AIM: MTFB), which has been reclassified as an AIM Rule 15 cash shell, provides an update regarding its wholly owned subsidiary, Motif BioSciences Inc. ("Motif Inc"), following the announcements of 28 January and 18 March 2020.

Motif announces that it has entered into a Stock Purchase Agreement (the "SPA") with Orange Avenue Technologies, LLC ("Orange") pursuant to which Orange has acquired 100 per cent. of the outstanding shares of Motif Inc from Motif with immediate effect (the "Transaction"). Orange is wholly owned by John Palmer, the President of Tamarack Associates Inc. ("Tamarack"), the company which was engaged by Motif to facilitate the sale of iclaprim and other assets of Motif Inc in January 2020.

Key Terms of the Transaction

As consideration for the Transaction, Motif will receive the nominal amount of US\$1 in addition to an interest in revenue that is derived from Motif Inc's iclaprim asset. Pursuant to the terms of the SPA, if Motif Inc generates revenue from the iclaprim asset above its outstanding liabilities, Motif Inc shall retain the first US\$250,000 in revenue and thereafter, 90 per cent of any additional revenue will be paid to the Company, and the remaining 10 per cent of any additional revenue will be retained by Motif Inc.

The Transaction completes the orderly sale of Motif Inc's operations, which was first announced on 25 October 2019.

Update re Proposed Reverse Takeover

Motif remains suspended from trading while the proposed reverse takeover pursuant to AIM Rule 14 (the "Reverse Takeover"), which was referred to in the Company's announcements dated 5 January and 27 January 2021, is negotiated and advanced. The Company's Directors look forward to providing shareholders with further updates regarding the Reverse Takeover as appropriate.

Jonathan Gold, Motif's President and Chief Business Officer, commented: *"The Transaction is an important step to prepare Motif to complete the Reverse Takeover. The Transaction also creates incentives for Orange to focus on the potential generation of value from iclaprim for Motif's shareholders, while allowing Motif to focus on completing the Reverse Takeover with a UK-based ADC (Antibody-Drug Conjugate) discovery and development company."*

Related Party Transaction

John Palmer, as President of Tamarack, was appointed as the sole Executive Officer of Motif Inc on 28 January 2020. As Motif Inc was a wholly owned subsidiary of Motif prior to the Transaction and Orange and Tamarack are both majority owned by John Palmer, John Palmer and Orange are deemed to be related parties of Motif.

As such, the Transaction constitutes a related party transaction in accordance with Rule 13 of the AIM Rules for Companies. Motif's Directors consider, after consultation with the Company's Nominated Adviser, that the terms of the Transaction are fair and reasonable, in so far as the Company's shareholders are concerned.

The person responsible for the release of this announcement on behalf of Motif is Jonathan Gold, President and Chief Business Officer.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

For further information please contact:

Motif Bio plc

Jonathan Gold (President and Chief Business Officer)

ir@motifbio.com

SP Angel Corporate Finance LLP (NOMAD & BROKER)

David Hignell/Caroline Rowe (Corporate Finance)

Vadim Alexandre/Rob Rees (Sales & Broking)

+44 (0) 20 3470 0470

Peel Hunt LLP (STRATEGIC ADVISER)

Dr Christopher Golden/ Oliver Jackson

+ 44 (0) 20 7418 8900

Walbrook PR Ltd. (UK FINANCIAL PR & IR)

Paul McManus/ Lianne Cawthorne

+44 (0) 20 7933 8780
motifbio@walbrookpr.com

Forward-Looking Statements

This announcement may contain forward looking statements. Words such as “expects”, “anticipates”, “may”, “should”, “would”, “could”, “will”, “intends”, “plans”, “believes”, “targets”, “seeks”, “estimates”, “aims”, “projects”, “pipeline” and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate transactions and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence and changes in the legal or regulatory environment.