



5 May 2020

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

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

Placing to raise £650,000

Motif Bio plc (AIM: MTFB), which has been reclassified as an AIM Rule 15 cash shell, announces that it has raised a total of £650,000 (before expenses) by means of a Placing (the "Placing") via the issue of 162,500,000 ordinary shares of 0.01pence (the "Ordinary Shares") in the capital of the Company with an institutional investor (the "Placing Shares") at a price of 0.4 pence (the "Placing Price") per Placing Share.

The Placing, which uses the Company's existing share authorities, was undertaken by the Company's broker SP Angel Corporate Finance LLP, details of which are set out below.

Background to the Placing

Motif Bio is undertaking the Placing at this time in response to investor demand. In addition, the Placing will strengthen Motif Bio's balance sheet as the Company's Directors continue to focus on sourcing an appropriate reverse takeover candidate for Motif Bio. The Company's Directors are currently in discussions with several companies in the healthcare sector that have expressed an interest in proceeding with a reverse takeover, although at this stage no assurances can be provided that the effort will be successful to source and/or complete a reverse takeover transaction.

Following its reclassification as an AIM Rule 15 cash shell in January 2020, the Company is required to make an acquisition which constitutes a reverse takeover under the AIM Rules by 28 July 2020, failing which the Company's ordinary shares would be suspended from trading on AIM pursuant to AIM Rule 40. The Company's admission to trading on AIM would then be cancelled six months from the date of suspension, should the reason for the suspension not have been rectified.

Use of Proceeds

The net proceeds of the Placing will be used as follows:

- To strengthen the Company's balance sheet as the Company's Directors continue the search for an appropriate reverse takeover candidate; and
- To provide the Company with additional working capital.

Following the Placing, Motif Bio will have cash of approximately £815,000 which will provide the Company with sufficient working capital until February 2021. The Directors will continue to impose disciplined cost controls.

Details of the Placing

The Company has conditionally raised £650,000 (before expenses), by way of a Placing to an institutional investor of 162,500,000 Placing Shares at the Placing Price.

Application will be made for the Placing Shares to be admitted to trading on AIM ("Admission") and admission is currently expected to occur at 8.00a.m. on or around 11 May 2020.

Assuming the issue of all of the Placing Shares, the Placing Shares will represent approximately 33.5 per cent. of the existing Ordinary Shares and will, when issued, represent approximately 25.1 per cent. of the enlarged issued Ordinary Share capital of the Company immediately following Admission.

The Placing Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company and otherwise rank *pari passu* in all other respects with the Ordinary Shares.

Total Voting Rights

Following Admission, the Company will have a total of 647,848,166 Ordinary Shares in issue with each Ordinary Share carrying the right of one vote. The above figure may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

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Forward-Looking Statements

When used in this Press Release, the words or phrases "intends," "anticipates," "expected to be" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including, but not limited to, changes in economic conditions in the Company's market area, changes in policies by regulatory agencies, fluctuations in interest rates, competition that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, and other risks described in the Company's filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company advises readers that the factors listed above could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not undertake, and specifically disclaims any obligation, to publicly release the result of any revision which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.