

RENALYTIX AI

Renalytix AI plc
("RenalytixAI", the "Company")

Approval of distribution of shares in Verici Dx Limited and related party transaction

NEW YORK, 8 July, 2020 – Renalytix AI plc (LSE: RENX), an artificial intelligence-enabled in vitro diagnostics company, focused on optimizing clinical management of kidney disease to drive improved patient outcomes and lower healthcare costs, announces that it now proposes to distribute shares in its wholly-owned subsidiary, Verici Dx Limited ("Verici").

Following the approval by shareholders at a general meeting held on 15 May 2020 of the reduction of capital and the confirmation of the High Court in England and Wales on 9 June 2020, the cancellation of the Company's share premium account has been completed and the reduction of capital became effective on 6 July 2020.

On 7 July 2020 the Board convened and declared a distribution in specie of shares in Verici to trustees on trust for the Company's shareholders (the "Distribution"). Verici's share capital has been re-designated into 59,416,134 A Shares of £0.001 each and 1 golden share of £0.001 (the "Golden Share"). The Golden Share will be the only voting share in the capital of Verici and will be retained by the Company. The Company's shareholders on the register as at close of business on 9 July 2020 ("Relevant Renalytix Shareholders") will receive one A Share in Verici ("Distribution Shares") for every 1 ordinary share held in the Company. Broadway Nominees Limited, as trustees, will act as legal holder of the Distribution Shares and the undertaking can be accessed on the Company's website under the investor section.

Relevant Renalytix Shareholders will become the beneficial owners of their respective Distribution Shares when the Board resolves to declare the Distribution, at which time an 'omnibus' share certificate in respect of the Distribution Shares will be issued, to be held by the trustees on behalf of the Relevant Renalytix Shareholders for a period of:

- 365 days following admission to trading on AIM (or another recognised stock exchange) of all or part of the issued share capital of Verici; or
- if all or part of the issued share capital of Verici is not admitted to trading on AIM (or another recognised stock exchange) within two years of the date that the Distribution is declared, two years from the date that the Distribution is declared, (the "Lock-up Period").

During the Lock-up Period, Relevant Renalytix Shareholders will not be permitted to transfer the legal or beneficial ownership of their Distribution Shares.

The A Shares and the Golden Share will, on the earlier of the admission to trading of Verici on AIM (or another recognised stock exchange) and two years from the date that the Distribution is declared, automatically convert into Ordinary Shares in Verici on the basis of one Ordinary Share for each A Share or Golden Share held. If Verici is admitted to trading on AIM (or another recognised stock exchange), the Lock-up Period will continue to apply to the converted Ordinary Shares. Upon conversion, the A Shares will rank equally in all respects with the Golden Share (and all other Ordinary Shares) including in respect of voting and dividend rights.

The legal title to the Distribution Shares will be held by Broadway Nominees Limited, as trustees, during the Lock-Up Period. If the A Shares are converted into Ordinary Shares prior to the expiration of the Lock-up Period, Broadway Nominees Limited will withhold its votes in relation to any shareholder resolution of Verici. At the end of the Lock-up Period, Broadway Nominees Limited will execute stock transfer forms to transfer the Distribution Shares to the Relevant Renalytix Shareholders based on a schedule provided by the Company's registrars.

Relevant Renalytix Shareholders will receive a letter informing them of their beneficial holdings of Distribution Shares shortly after the declaration of the Distribution.

Following the Lock-up Period, Relevant Renalytix Shareholders will receive individual certificates in respect of their Distribution Shares.

On 4 May 2020 the Company transferred the in-licensed FractalDx technology and associated assets to Verici for a consideration of \$2,000,000 ("Consideration"). The Consideration was satisfied by the issue of convertible loan notes of Verici in favour of the Company ("Loan Notes"). The Loan Notes are repayable (if the Company so determines), amongst other things, on the completion of a fundraising in Verici or 12 months from the date of the instrument constituting the Loan Notes, unless the Company determines to convert the Loan Notes into ordinary shares in Verici at the time of a fundraising in Verici. The Loan Notes are secured by a debenture over Verici in favour of the Company and no interest shall accrue on the Loan Notes.

The anticipated timetable for the distribution is:

Record date for the Distribution	close of business on 9 July 2020
RenalytixAI ordinary shares marked as ex rights	Start of trading on 10 July 2020
Transfer of shares in Verici	10 July 2020

Related party transaction

As part of RenalytixAI's preparations for a potential dual-listing on Nasdaq, The Icahn School of Medicine at Mount Sinai ("Mount Sinai"), a substantial shareholder in the Company, has requested that RenalytixAI enter into a registration rights agreement pursuant to which RenalytixAI will, at its own cost and expense, assist Mount Sinai in the registration of Mount Sinai's ordinary shares for resale under the U.S. Securities Act of 1933, as amended. The registration rights agreement contains customary indemnities given by RenalytixAI in respect of any loss suffered by Mount Sinai and certain of its associated persons (as well as the underwriters on any underwritten follow-on offering by Mount Sinai) arising out of any material misstatements made in or omissions from the public filings related to the potential Nasdaq dual-listing and/or the resale of Mount Sinai's ordinary shares. These indemnities are of a customary nature and are uncapped.

The entry by RenalytixAI into the registration rights agreement together with the obligations contained within it is deemed to be a related party transaction pursuant to AIM Rule 13 as Mount Sinai is a substantial shareholder in the Company. The directors of the Company, excluding Erik Lium and Barbara Murphy, who are not considered to be independent for this purpose on account of their connection with Mount Sinai, having consulted with the Company's nominated adviser, Stifel, consider the terms of the registration rights agreement to be fair and reasonable insofar as the Company's shareholders are concerned.

For further information, please contact:

Renalytix AI plc
James McCullough, CEO

www.renalytixai.com
Via Walbrook PR

Stifel (Nominated Adviser & Broker)
Alex Price / Nicholas Moore

Tel: 020 7710 7600

N+1 Singer (Joint Broker)
Aubrey Powell / George Tzimas (Corporate Finance)
Tom Salvesen (Corporate Broking)

Tel: 020 7496 3000

Walbrook PR Limited
Paul McManus / Lianne Cawthorne

Tel: 020 7933 8780 or renalytix@walbrookpr.com
Mob: 07980 541 893 / 07584 391 303

About Kidney Disease

Kidney disease is now recognized as a public health epidemic affecting over 850 million people globally. The Centers for Disease Control and Prevention (CDC) estimates that 15% of US adults, or 37 million people, currently have chronic kidney disease (CKD). Further, the CDC reports that 9 out of 10 adults with CKD do not know they have it and 1 out of 2 people with very low kidney function who are not on dialysis do not know they have CKD*. Kidney disease is referred to as a "silent killer" because it often has no symptoms and can go undetected until a very advanced stage. Each year kidney disease kills more people than breast and prostate cancer. Every day, 13 patients in the United States die while waiting for a kidney transplant.

* <https://www.cdc.gov/kidneydisease/publications-resources/2019-national-facts.html>

About RenalytixAI

RenalytixAI is a developer of artificial intelligence-enabled clinical *in vitro* diagnostic solutions for kidney disease, one of the most common and costly chronic medical conditions globally. RenalytixAI's products are being designed to make significant improvements in kidney disease diagnosis, transplant management, clinical care, patient stratification for drug clinical trials, and drug target discovery. For more information, visit www.renalytixai.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, and in some cases can be identified by terms such as "may," "will," "could," "expects," "plans," "anticipates," and "believes." These statements include, but are not limited to, statements regarding the Distribution and a potential fundraising in Verici. Any forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. All information in this press release is as of the date of the release, and the company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.