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ValiRx PLC
30 June 2022

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ValiRx PLC

("ValiRx" or the "Company")

Placing of 15,000,000 Ordinary Shares at issue price of 10p per share
Proposed Broker Option for up to 10,000,000 Ordinary Shares at the Issue Price

London, UK - ValiRx Plc (AIM: VAL), a life sciences company focusing on early-stage cancer therapeutics and women's health, announces a Placing to raise £1.5 million (before expenses) through the allotment and issue of 15,000,000 New Ordinary Shares at the Issue Price of 10 pence per Ordinary Share. In addition, to provide shareholders and other investors who did not initially have the opportunity to participate in the Placing to now do so, the Company is granting an option (the "**Broker Option**") allowing additional subscriptions up to £1.0 million with priority given to existing shareholders of the Company.

The net proceeds from the Fundraising will be used to provide working capital for the Group to continue development of its assets, as well as strengthen its balance sheet with a view to pursuing its acquisitive tCRO strategy.

Fundraising highlights

- Placing to raise £1.5 million from new and existing shareholders to provide working capital for the Group and strengthen its balance sheet to progress the Company's acquisitive tCRO (Translational Contract Research Organisation) model

- Conditional Broker Option to provide shareholders and other investors who did not initially have the opportunity to participate in the Placing to participate in the Fundraise for up to £1.0 million

- Issue Price of 10p per share represents a discount of 38% to closing market price on last practicable Business Day prior to this announcement

Dr Kevin Cox, Non-Executive Chairman, commented:

"The Company welcomes the support of new and existing shareholders in this fundraising that will enable ValiRx to continue to develop its preclinical pipeline of novel treatments for cancer and women's health. Furthermore, the fundraising marks an important milestone in the Company's newly adopted strategy, better positioning it to identify and acquire service companies to build a leading translational contract research organisation with a view to adding further revenue streams to the business - the tCRO concept."

For more information, please contact:

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Notes for Editors

About ValiRx

ValiRx accelerates the development of treatments in oncology and women's health to improve patient lives. We provide the scientific, financial and commercial framework towards enabling rapid translation of innovative science into clinical development.

With our extensive and proven experience in research and drug development, we select and incubate promising novel drug candidates and guide them through an optimised process of development, from pre-clinical studies to clinic and investor-ready assets.

Integrating science and business

We connect diverse disciplines across scientific, technical and commercial domains, with the aim of achieving a more streamlined, less costly, drug development process. We work closely with our selected collaborators and leverage the combined expertise required for science to advance.

Lead candidates from our portfolio are out-licensed or partnered with investors through ValiRx subsidiary companies for further clinical development and commercialisation. https://www.valirx.com/

The Company listed on the AIM Market of the London Stock Exchange in October 2006 and trades under the ticker symbol: VAL.

Introduction

The Company announces a Placing to raise £1.5 million (before expenses) through the allotment and issue of 15,000,000 New Ordinary Shares at the Issue Price of 10 pence per Ordinary Share. The net proceeds from the Placing will be used to provide additional investment and growth capital for the Group, as well as strengthen its balance sheet to facilitate the Group's new strategy of becoming a tCRO (Translational Contract Research Organisation) business through future acquisition of revenue generating CROs. The Placing is not being underwritten.

In addition, to provide shareholders and other investors who did not initially have the opportunity to participate in the Placing to now do so, the Company is granting a option (the "**Broker Option**") allowing subscriptions up to £1.0 million with priority given to existing shareholders of the Company.

The Issue Price represents a discount of 38 per cent. to the closing mid-market price of 16.25 pence per Existing Share on 29 June 2022 (being the last practicable Business Day before announcement of the Fundraising). The Placing Shares and Broker Option Shares are expected to be issued on Admission on 7 July 2022. Furthermore, the Company will issue and additional 125,000 Fee Shares on Admission at the Issue Price in lieu of liabilities of the Company amounting to £12,500.

Shareholders should note that the issue of the Broker Option Shares is conditional upon the passing of certain resolutions at the Company's upcoming Annual General Meeting ("AGM") in relation to renewal of share issuance authorities. Should these resolutions not be passed at the AGM, the Company will not receive any funds raised from the Broker Option, which would limit the amount of working capital available to it.

Background to and Reasons for the Fundraising

ValiRx is an AIM quoted life sciences company focused on early-stage cancer therapeutics and women's health. The Company seeks to identify the most promising research in academia and innovative biotechnology companies and translate this research towards clinical development, providing a pathway to commercialisation.

Through the provision of expertise in drug development, ValiRx currently offers its collaborators an efficient and effective process to prepare novel compounds for clinical trials thereby de-risking the process of translation. The Company has two promising clinical-stage therapeutics currently undergoing out-licensing and three pre-clinical assets under evaluation as potential in-licensing candidates, with applications across breast cancer, endometriosis, adenocarcinoma and prostate cancer. The Company provided an operational update to the market regarding each of these therapeutic programmes on 15 March 2022.

The Directors believe that there are fundamental issues impacting drug development today, particularly within the pre-clinical phase, in terms of innovation, productivity and access. A lack of expertise in early-stage drug developers, particularly in academia, contributes to low rates of success in translating novel scientific research into valuable new therapeutic assets, hindering both the adoption of innovation and the overall productivity of developing new treatments.

For example, an academic specialising in molecular biology will be well-positioned to discover a novel drug candidate, and may then seek to present their early proof-of-concept studies to a major pharmaceutical company. While the pharmaceutical company may have significant interest in the technology, in order to take the molecule to the next stage of development it would most likely require an extensive set of experimental data from the researcher, including detailed data around drug absorption, pharmacokinetics (impact of the body on the drug), pharmacodynamics (impact of the drug on the body), routes of administration, distribution into various tissues, chemical stability and chemical synthesis. In many instances, the researcher is not only unlikely to have the knowledge, resources or technical expertise to provide the necessary data to the pharmaceutical company, but is unlikely to be aware of the criteria list in the first place.

This disconnect between academia and industry can ultimately prevent the candidate molecule from being progressed further in development and ultimately into an effective treatment for patients. An article in Nature titled "Mitigating risk in academic preclinical drug discovery" states that "even with the best risk management, >95% of these projects will fail". Historically, there has been a high rate of failure in later stage clinical trials for new therapies, leading to abortive costs and low productivity.

The Directors of ValiRx believe that more effective and complete preclinical data to improve knowledge of the biology of a new treatment could reduce risk and improve productivity in the process of translation into clinical trials. Given the finite life of the patent for a new drug, the ability to get to market more efficiently with reduced timelines can add significant value to drugs which are ultimately approved for patient treatment and commercialised. Each extra day of sales for a patent protected, block-buster drug, with sales over a billion dollars a year, illustrates the enormous benefit of effective translation. Furthermore, failure to consider relevant patient populations at early stages in development can create issues of patient inclusion into clinical trials and ultimate access to new treatments. For example, the majority of early-stage clinical trials are conducted in men, resulting in drugs and dosing schedules being optimised for this patient population. When women are included in the final stage of clinical trials, they may reveal different responses to the drug candidate, causing a late-stage trial failure, or a delay in market authorisation while the gender differences are understood and resolved.

ValiRx believes that a market opportunity exists for a new type of service company that can address the fundamental issues detailed above and improve the translation of novel science into clinically and commercially successful products.

Following a change in management implemented in 2020, the Company's strategy has transitioned from high-risk, high-cost clinical trial work previously undertaken, and evolved to focus on translational services within the pre-clinical phase. Through its experience of being the customer of out-sourced services, the Company has identified the market in pre-clinical testing to be fragmented and inefficient, and lacking in the ability to generate and consolidate the necessary data for improved biological understanding of new drugs. Therefore, the Company believes a highly attractive opportunity exists to consolidate the market for preclinical services and establish ValiRx as a specialised provider. By employing the power of advanced data generation, bio-analytics and interpretation, ValiRx seeks to integrate the currently fragmented niche service offerings. In contrast to conventional contract research organisations' (CROs) businesses, whose services are typically limited to providing standard laboratory testing facilities and data generation, ValiRx seeks to offer, through its consolidation strategy, a more comprehensive service package to its clients, not only providing core laboratory testing, but also offering advanced data collation, curation and analysis.

Currently operating as a fully virtual biotech company, ValiRx out-sources all testing of current evaluation and pre-clinical projects to a wide range of external CROs. As previously announced, the Company is of the view that this fragmented approach to early-stage drug development is non-optimal and has been assessing options to acquire capabilities and infrastructure to create a more efficient and effective translational drug development service.

Through acquiring and integrating new CRO operations in-house, ValiRx can create efficiencies and expand its capabilities, not only advancing its existing projects but also enabling a wider range of pre-clinical testing services to be offered to third parties. The revenue generated from providing such services should enable continued investment in advanced testing and analysis and support the progression of ValiRx in-house pipeline projects.

In pursuit of the strategy detailed above, the Company has been evaluating attractive acquisition targets and is in varying stages of discussion with potential CRO targets. Whilst the principal use of proceeds from this Fundraising are to provide ongoing working capital for the Company's existing business, the Directors believe that the improved balance sheet following the Fundraising will facilitate the Company's ability to acquire its first revenue generating CRO business, the first major milestone of becoming an acquisitive tCRO.

Use of Proceeds

The Group has conditionally raised £1.5 million (before expenses) through the Placing and may raise (subject to take up) up to an additional £1.0 million (before expenses) under the Broker Option. The proceeds of the Fundraising, of up to £2.5 million, are intended to be used by the Group to provide working capital to continue development of its assets, as well as strengthen its balance sheet with a view to pursuing its acquisitive tCRO strategy.

Details of the Placing

The Group has conditionally raised £1.5 million (before expenses) through the Placing.

The Placing Shares have been conditionally placed with new and existing investors. Neither the Placing nor the Broker Option Shares are being underwritten. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Shares. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will take place, and dealings in the Placing Shares and Broker Option Shares and Fee Shares will commence on 7 July 2022.

The Placing is conditional, *inter alia*, on:

- the Placing Agreement becoming unconditional in all relevant respects and not having been terminated in accordance with its terms prior to Admission; and

- Admission becoming effective by no later than 8.00 a.m. on 7 July 2022 or such other date (being not later than 8.00 a.m. on 21 July 2022) as Cenkos, Cairn and the Company may agree.

Shareholders should note that the issue of the Broker Option Shares is conditional upon the passing of certain resolutions at the Company's upcoming Annual General Meeting ("AGM") in relation to renewal of share issuance authorities. Should these resolutions not be passed at the AGM, the Company will not receive any funds raised from the Broker Option, which would limit the amount of working capital available to it.

Details of the Broker Option

To provide shareholders and other investors who did not have the opportunity to participate in the Placing, the Company has granted an option (the "Broker Option") to Turner Pope Investments, subject to the completion of the Fundraise, to invite subscriptions for up to an additional 10,000,000 new Ordinary Shares (the "Broker Option Shares") at the Issue Price. The Broker Option is exercisable any time before 8.00 a.m. on 4 July 2022. As far as is practical, participation in the Broker Option will be prioritised for shareholders (direct or indirect) on the register at the close of business on 29 June 2022 ("Existing Shareholders"). If the Broker Option is fully taken up, it will raise an additional £1.0 million. A further announcement will be made once the Broker Option Shares have been fully subscribed and the Broker Options declared closed. If the Broker Option is not fully subscribed by 8.00 a.m. on 4 July 2022, orders from eligible investors will be satisfied in full, and the balance of the Broker Option shall lapse. Further details regarding participation, the eligibility criteria, the order of priority, and details regarding settlement, are set out in more detail below.

Broker Option

The Broker Option has been granted primarily to facilitate the participation by existing shareholders of the Company. Non-shareholders of the Company can also participate in the event existing shareholders do not apply for the shares in full.

Independent financial advisers, stockbrokers or other firms authorised by the Financial Conduct Authority may apply to participate in the Broker Option, on behalf of existing shareholders and other interested applicants. As Turner Pope Investments cannot take direct orders from individual private investors, independent financial advisers, stockbrokers, or other firms authorised by the Financial Conduct Authority, should communicate their interest to Turner Pope Investments. Parties who wish to register their interest in participating in the Broker Option should contact Turner Pope (info@turnerpope.com) on +44 (0)20 3657 0050. Each application should state the number of Broker Option Shares that the interested party wishes to acquire at the Issue Price and should be submitted to Turner Pope no later than 8.00 a.m. on 4 July 2022.

As far as is practical, participation in the Broker Option will be prioritised for shareholders on the Company's share register at the close of business on 29 June 2022 ("Existing Shareholders"). Turner Pope may choose not to accept applications and/or to accept applications, either in whole or in part, on the basis of allocations determined at their sole discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as Turner Pope may determine. If the Broker Option is not fully subscribed by 1200 BST on 4 July 2022 orders from eligible investors will be satisfied in full, and the balance of the Broker Option shall lapse.

It is expected that, following allocations by Turner Pope (in consultation with the Company), application will be made to the London Stock Exchange for the relevant amount of Broker Option Shares to be admitted to trading on AIM ("Admission"). Admission is expected to become effective and trading of the Broker Option Shares will commence at 8.00 a.m. on 7 July 2022. Following Admission, such Broker Option Shares will rank *pari-passu* with the existing Ordinary Shares.

Directors' Intention to Participate

The Directors of the Company have confirmed their intention to subscribe through the Fundraise an amount of £32,500 in aggregate. A further announcement will be made in due course confirming the Directors' participations.

FUNDRAISING STATISTICS

Number of Existing Shares	65,049,156
Number of Placing Shares	15,000,000
Number of Fee Shares	125,000
Maximum number of Broker Option Shares[(1)]	10,000,000
Issue Price	10 p per share
Number of Ordinary Shares in issue following Admission[(1)]	90,174,156
Percentage of the Enlarged Share Capital represented by the Placing Shares[(1)]	16.63%
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares[(1)]	27.86%
Gross proceeds of the Placing	£1,500,000
Maximum gross proceeds of the Broker Option[(1)]	£1,000,000
Gross proceeds of the Fundraising[(1)]	£2,500,000
Ordinary Share ISIN	GB00BLH13C52

(1) Assuming the Broker Option Shares are subscribed for in full and authority is granted at the Annual General Meeting to issue such shares

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2022
Announcement of the Fundraising	30 June
Latest time and date for applications under the Broker Option (if not closed beforehand)	12.00 BST on 4 July
Admission and dealings in the Placing Shares and Broker Option Shares and Fee Shares expected to commence on AIM	8.00 a.m. on 7 July
Expected date for CREST accounts to be credited for Placing Shares and Broker Option Shares and Fee Shares to be held in uncertified form	8.00 a.m. on 7 July

Despatch of definitive share certificates in respect of the New Ordinary Shares to be held in certificated form, if applicable	by 21 July

Notes:

1. Each of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.

2. All of the above times refer to London time unless otherwise stated.

3. All events listed in the above timetable related to the Broker Option are conditional on the passing at the Annual General Meeting of the Resolutions to provide the relevant authorities.

DEFINITIONS

The following words and expressions shall have the following meanings in this Announcement unless the context otherwise requires:

"**Admission**"	admission of the Placing Shares and Broker Option Shares and Fee Shares to trading on AIM becoming effective in accordance with the AIM Rules which is expected to occur at 8.00 a.m. on 7 July 2022
"**AIM**"	AIM, the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"**Business Day**"	any day other than a Saturday, Sunday or public holiday in England and Wales on which clearing banks in London are open for general banking business
"Broker Option"	the option to allow subscriptions by new and existing investors of up to £1.0 million at the Issue Price
"**Broker Option Shares**"	up to 10,000,000 new Shares being made available to investors pursuant to the Broker Option
"**Cairn**"	Cairn Financial Advisers LLP
"**Cenkos**"	Cenkos Securities plc
"**certificated**" or "**in certificated form**"	not in uncertificated form
"City Code"	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers in the UK
"**Company**" or "**ValiRx**"	ValiRx PLC
"**CREST**"	the facilities and procedures for the time being of the relevant system of which Euroclear has been

	approved as operator pursuant to the CREST Regulations
"**Directors**" or "**Board**"	the directors of the Company, or any duly authorised committee thereof
"**Enlarged Share Capital**"	the issued ordinary share capital of the Company immediately following Admission
"**Existing Shares**"	the 65,049,156 Shares in issue as at the date of this Announcement
"**FCA**"	Financial Conduct Authority
"Fee Shares"	the 125,000 new Shares to be issued by the Company at the Issue Price at Admission
"**Fundraising**"	the Placing and the Broker Option
"**Group**"	the Company and its subsidiary undertakings from time to time
"**Issue Price**"	10 pence per New Share
"**Neville Registrars**" or "**Receiving Agent**"	the trading name of Neville Registrars Limited
"**London Stock Exchange**"	London Stock Exchange plc
"**New Ordinary Shares**"	the Placing Shares and the Broker Option Shares and the Fee Shares
"**Placing**"	the placing of the Placing Shares at the Issue Price pursuant to the Placing Agreement
"**Placing Agreement**"	the conditional placing agreement dated 30 June 2022 and made between the Company and Cenkos in relation to the Fundraising
"**Placing Shares**"	the 15,000,000 new Shares to be issued by the Company at the Issue Price at Admission
"**Qualifying CREST Shareholders**"	Qualifying Shareholders holding Existing Shares in uncertificated form on the Register on the Record Date
"**Qualifying Non-CREST Shareholders**"	Qualifying Shareholders holding Existing Shares in certificated form on the Register on the Record Date
"**Qualifying Shareholders**"	holders of Existing Shares on the register of members of the Company at the Ex-entitlement Date that are not Restricted Shareholders
"**Register**"	the register of members of the Company
"**Regulatory Information Service**"	a regulatory information service approved by the FCA and on the list of regulatory information services maintained by the FCA

"**Shareholders**"	holders of Shares
"**Shares**"	ordinary shares of 0.1 pence each in the capital of the Company
"**uncertificated form**" or "**in uncertificated form**"	recorded in the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"**United Kingdom**" or "**UK**"	the United Kingdom of Great Britain and Northern Ireland
"**United States**" or "**US**"	the United States of America, its jurisdictions and possession, any state of the United States and the District of Columbia
"US Dollar"	the lawful currency of the United States
"US Securities Act"	the U.S. Securities Act of 1933, as amended

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