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ValiRx PLC
04 May 2020

VALIRX PLC

("ValiRx", the "Company" or the "Group")

Conditional Fundraise of £1.2 million

London, UK., *4 May 2020*: ValiRx Plc (AIM: VAL), the clinical stage biotechnology company announces a conditional fundraise (the "**Fundraise**") through the conditional issue of 18,069,467 new ordinary shares to raise £1,174,515 by way of:-

- A placing of 12,500,000 ordinary shares at 6p per share (the "**Placing Price**") raising gross proceeds of £750,000;
- The issue of broker option over 4,166,667 ordinary shares ("**Broker Option**") for the benefit of existing shareholders of the Company which may be exercised at the Placing Price, raising £250,000, and
- The issue of 1,402,800 ordinary shares as a result of the conversion of existing liabilities into ordinary shares at the Placing Price ("**Conversion**") settling in aggregate £84,168 of liabilities.

The Fundraise is conditional, inter alia, on shareholder authorities being granted at a General Meeting that will be convened shortly. The Fundraise has been undertaken by Peterhouse Capital Limited ("**Peterhouse**"), the Company's broker (the "**Broker**").

The Fundraise comprises of the Placing, Broker Option and the Conversion.

Placing

The Company has conditionally placed 12,500,000 new ordinary shares at the Placing Price ("**Placing Share**") raising gross proceeds of £750,000 (the "**Placing**") before expenses. The Placing Shares will have Fundraise Warrants attached - details of which are set out below.

Force Majeure provisions are in place between the Company and Peterhouse, whereby relevant events which may include a range of issues, *inter alia*, financial, monetary, economic, political, environmental or stock market related issues, the effect of which Peterhouse may (at its absolute and sole discretion) elect to terminate the Placing up to the date of admission of the Placing Shares.

Broker Option

The Broker Option is a facility to allow existing shareholders of the Company, being shareholders of the Company who hold shares in the Company as at the

close of business on 1 May 2020 ("Existing Shareholders") to participate in the Fundraise on the same basis as the Placing,

In order to allow Existing Shareholders to have an opportunity to subscribe for new ordinary shares in the Company at the Placing Price ("**Broker Option Shares**"), the Company has granted Peterhouse a Broker Option over 4,166,667 new ordinary shares in the Company exercisable at the Placing Price raising £250,000 before expenses.

The Broker Option will be exercised by Peterhouse by 7 May 2020 to conditionally issue 4,166,666 Broker Option Shares, on the same terms and conditions as the Placing Shares.

Participation in the Broker Option (other than at the discretion of the Broker) is only available to Existing Shareholders and all orders from such Existing Shareholders will be accepted and processed by Peterhouse on a strictly "First Come, First Served" basis. Peterhouse is entitled to participate in the Broker Options as principal and has undertaken to fully exercise the Broker Option.

To subscribe for Broker Option Shares, Existing Shareholders should communicate their bid to Peterhouse via their stockbroker as Peterhouse cannot take direct orders from individual private investors. Existing Shareholders who wish to register their interest in participating in the Broker Option Shares should instruct their stockbroker to call Peterhouse on STX: 76086 or +44 (0) 20 7220 9792. Each bid should state the number of Broker Option Shares the Existing Shareholder wishes to subscribe for at the Placing Price.

Peterhouse may choose not to accept bids and/or to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as Peterhouse may determine. Peterhouse may also, subject to prior consent of the Company, allocate new ordinary shares after the time of any initial allocation to any person submitting a bid after that time.

The Broker Option Shares will have Fundraise Warrants attached - details of which are set out below.

Conversion

In addition, the Company has conditionally agreed to settle existing liabilities amounting to £84,168 through the issue of 1,402,800 new ordinary shares at the Placing Price ("**Conversion Shares**").

Kevin Alexander, a Director of the Company and Suzanne Dilly, a proposed Director of the Company, have agreed to convert existing liabilities of £10,000 each, in aggregate £20,000 into 333,333 ordinary shares at the Placing Price, included within the above figure of 1,402,800 Conversion Shares.

The Conversion Shares will have Fundraise Warrants attached - details of which are set out below.

Fundraise Warrants

Attached to every share issued pursuant to the Fundraise ("**Fundraise Share**") is a warrant ("**Fundraise Warrant**") allowing the holder of a Fundraise Share to conditionally subscribe for an additional ordinary share in the Company for every two Fundraise Shares held at an exercise price of 13 pence per share (the "**Fundraise Warrants**" or "**Warrant Exercise Price**").

The Fundraise Warrants will vest if the closing mid-market share price of the Company exceeds 15p over a 5-consecutive day period within 12 months of the date of the Fundraise Shares are admitted to trading on AIM.

The Company may serve notice ("**Notice**") on the Fundraise Warrant holder to exercise their Fundraise Warrant in the event that the vesting criteria is met. Such Notice will be served by way of a regulatory notification,

In the event the Company serves Notice, any Fundraise Warrants remaining unexercised after 5 business days following the notification of the Notice will be cancelled.

The Fundraise Warrants are not transferable.

Use of proceeds and working capital update

The Company previously announced (10 March 2020, 30 March 2020) that its working capital position was extremely weak.

On 1 April 2020 the Company announced that it had conditionally raised gross proceeds of £200,000 ("**Conditional Placing**") through the issue of 5,714,288 ordinary shares at a price of 3.5p per share, the Conditional Placing became unconditional on 15 April 2020, following the general meeting held on 14 April 2020.

The use of proceeds arising from the Fundraise will provide the Company with additional funds to meet its working capital requirements in the medium term and will enable the Company to fund the close-out period of its clinical trial of VAL201.

Total Voting Rights

The Company's current issued share capital comprise 17,992,906 ordinary shares of 0.1p each with voting rights. The Company does not hold any shares in treasury. This figure of 17,992,906 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

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

For more information, please contact:

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Notes for Editors

About ValiRx

ValiRx is a biotechnology oncology focused company specialising in developing novel treatments for cancer and associated biomarkers. It aims to make a significant contribution in "precision" medicine and science, namely to engineer a breakthrough into human health and well-being, through the early detection of cancer and its therapeutic intervention.

The Company's business model focuses on out-licensing therapeutic candidates early in the development process. By aiming for early-stage value creation, the company reduces risk considerably while increasing the potential for realising value. The group is already in licensing discussions with major players in the oncology field.

ValiRx's two classes of drugs in development, which each have the potential for meeting hitherto unmet medical needs by existing methods, have worldwide patent filings and agreed commercial rights. They originate or derive from World class institutions, such as Cancer Research UK and Imperial College.

Until recently, cancer treatments relied on non-specific agents, such as chemotherapy. With the development of target-based agents, primed to attack cancer cells only, less toxic and more effective treatments are now possible. New drugs in this group-such as those in ValiRx's pipeline-promise to greatly improve outcomes for cancer patients.

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

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