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ValiRx PLC
01 July 2020

VALIRX PLC

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

Final Results

London, UK, *1 July 2020*: ValiRx (AIM:VAL) , the clinical stage biotechnology company today announces its final results for the year ended 31 December 2019.

Highlights

Operational Highlights:

- The final patients were recruited into the Phase 1/2 clinical trial of VAL201, with the trial being formally closed to recruitment post-period (27 January 2020). The trial continued to produce good safety and tolerability reports, with data on the disease impact currently undergoing verification and analysis. Headline results impact expected to be released after verification and analysis is complete (estimated Q3 2020 as announced on 19 May 2020).
- ValiSeek reported that it has agreed Letters of Intent with one European and one US partner in relation to the further advancement of VAL401 into the next proposed clinical trial, on a co-financing basis and that ValiSeek will seek external financing towards the next trial (announced 26 March 2019).
- VAL301 was progressed by the initiation of the construct of a clinical development plan (announced 4 July 2019). A Material Transfer Agreement was signed post-period (announced 1 May 2020) to allow an undisclosed Japanese Pharmaceutical Company to evaluate VAL301 to contemplate a potential future license.

Financial Highlights:

- Placings during the period of £1.84m (2018: £3.7m) completed to continue the advancement of the clinical trial of VAL201 and the pre-clinical progress of VAL301;
- Research and developments costs were £984,457 (2018: £1,698,791)
- Administrative expenses were £1,860,379 (2018: £2,166,798)
- Total comprehensive loss for the year of £2,388,707 (2018: £4,298,822);
- Loss before income taxation of £2,719,492 (2018: £4,829,138);
- Loss per share from continuing operations of 0.26p (2018: Loss 0.94p);
- Cash and cash equivalents as at 31 December 2019 of £nil (2018: £372,872).

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

***** ENDS *****

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Notes for Editors

About ValiRx

ValiRx is a biotechnology oncology focused company specialising in developing novel treatments for cancer.

The Company's business model focuses on identifying and in-licensing early stage projects, adding value through scientific development and then out-licensing therapeutic candidates early in the development process. By aiming for early-stage value creation, the Company reduces risk while increasing the potential for realising value.

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.

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

Independent Directors Report for the year ended 31 December 2019

The period from 1 January 2019 to date has marked some profound changes in the composition of the Company's board. It was with great sadness that we reported that the Chairman, Oliver Degiorgio-Miller, passed away suddenly in October 2019. He was a key member of the board and is greatly missed.

In more recent times, the former Chief Executive, Dr Satu Vainikka ceased to be a director, and Chief Operating Officer, Dr George Morris, resigned. They had both been founder-directors of ValiRx since 2006 and had made significant contributions to the selection of the drug candidates which still form a large part of the Company's drug development activities. We wish them well for the future.

Dr Suzanne Dilly has been appointed to the board as Chief Executive to take the Company forward into the future. We were fortunate to have her as an employee within the Group, and for many years she has been a member of our Senior Management Team. She is therefore very familiar with the Company's operations at the time of these significant changes to the board. Her familiarity with the Company has permitted operations to continue with minimum disruption as is indicated in her Chief Executive's Report.

Martin Lampshire, an experienced small cap corporate financier who also knew the Company well, joined the board in May 2020 and will be a valuable source of advice.

Finally, we have also been fortunate to attract a well-respected biotechnology professional, Dr Kevin Cox, as the Non-executive Chairman of the board. We look forward to working with him following his appointment to the board.

The departures from the board led to some financial and organisational disruption but we have been able to stabilise the situation. Since the year end, we have completed three share issues in February, April and May 2020, raising an aggregate of approximately £1.4m, before expenses, and concluded a consolidation and subdivision of the issued share capital to permit the raising of capital.

We very much look forward to the continued development of the Company and supporting the implementation of an exciting and sustainable growth strategy.

K Alexander
Director

Chief Executive's Report for the year ended 31 December 2019

After a brief period of transition at ValiRx, I am pleased to report on our progress over the period of 2019, and to reflect on the post period changes in the first half of 2020.

With the coronavirus SARs-CoV2 pandemic dominating world events in 2020, the public spotlight is on biotech and pharmaceuticals companies as never before. I find it hard to believe that any investigative scientist has been able to resist considering their own area of science to understand the challenges and help to search for solutions.

The area of drug repurposing, where drugs developed for one disease are recycled into another, has become of particular interest as many known drugs are being tested for beneficial effects in patients affected by the viral infection. In ValiRx, this technique is well known, with VAL401 being the repurposing of an anti-psychotic treatment being tested for use in oncology, and our oncology therapeutic, VAL201 also being tested in endometriosis, as well as more latterly being evaluated for use in patients following SARS-CoV2 infection.

The ongoing pandemic presents an unpredictable economic environment, which ValiRx faces with renewed strength by the post-period changes on the board. In particular, we welcome our new chairman, Dr Kevin Cox, and the strength his presence will contribute to the board.

The reporting period saw scientific development in both VAL201 and VAL301, with the final patients being recruited and dosed in the VAL201 clinical trial, and the clinical development plan for VAL301 being defined and developed, leading to a clearer understanding of the steps required.

Commercial development was ongoing for VAL401, with the post-period announcement of a Letter of Intent signed with UK SME, Black Cat Bio Limited ('Black Cat'). This development could see VAL401 move from the ValiRx Joint Venture subsidiary, ValiSeek Limited, into Black Cat for development using third party private financing.

The current status of the scientific programs is shown below and was announced on 19 May 2020.

Clinical Programs:

VAL201 has been subject to an open label Phase 1/2 clinical trial in patients with prostate cancer entitled: **"A Phase I/II, Dose Escalation Study to Assess the Safety and Tolerability of VAL201 in Patients with Locally Advanced or Metastatic Prostate Cancer and Other Advanced Solid Tumours".**

Brief details of this trial are disclosed below. Details can also be found on the Clinical Trials register at www.clinicaltrials.gov, using trial identifier number: NCT02280317; when results are available, these will also be available within this database.

Recruitment open	December 2014 - January 2020
End of Trial Documentation submitted	27 January 2020
Patients dosed	12
Single Site	UCLH (University College London Hospital, UK)

Eligible Patients:

Adult men (over the age of 18), with **incurable locally advanced or metastatic prostate cancer** who have relapsed following radiotherapy treatment, are in 'watchful waiting' or where a policy of intermittent hormone therapy had been decided. Patients were expected to have no or only mild symptoms relating to their prostate cancer.

Primary endpoint:

"To estimate the Maximum Tolerated Dose (MTD) or Maximum Administered Dose (MAD) of VAL201"

This states the principal aim of the clinical trial as assessing how high a dose can or should be given to the patient in order to attempt to elicit a disease relevant response. As a dose escalation trial, as is typical for first in human studies, the dose level was started at a fraction of the dose tested in Pre-clinical studies (in this case 0.5 mg/kg - so a typical 80 kg adult man received 40 mg per dose), and gradually increased to 8 mg/kg.
As well as assessing the tolerability of the dose (MTD) the trial considers the MAD, hence which doses are practical to give, based primarily on pharmacokinetics (a measure of how the body processes the drug) - considering how long the drug stays in the body, at what level, and whether that level continues to increase with increasing dose in a predictable manner.

Secondary endpoints:

"To assess the safety and tolerability of VAL201"

This endpoint requires a listing of adverse events that occur for each patient, regardless of whether or not the event is related to either the drug or the disease. These events are categorised by whether they are "serious", that is they require significant medical intervention to resolve; the severity of the event; whether it is likely to be related to administration of the drug; whether it results in the patient stopping or reducing intake of the drug; and how many patients the event occurs in.

As previously reported, the most common event during VAL201 administration was the occurrence of an injection site reaction, reported varyingly as bruising, rash or pain.

No drug-related events were reported that resulted in the patient being removed prematurely from the clinical trial.

"To evaluate the pharmacokinetics of VAL201"

Full pharmacokinetic profiles were successfully collected and analysed in two patients, on different doses, at multiple time points during their dosing schedule. When the data has been verified and entered into the database, this will be fully analysed to aid understanding of how the drug behaves in the body.

"To assess anti-tumour activity of VAL201"

Although primarily a safety and tolerability focussed trial, the patients involved undergo continuous monitoring of their disease throughout (as they would have regardless of trial participation). This includes **measurement of disease markers** (such as PSA), regular CT or MRI scans and symptom assessments to assess disease progression.

Outlook

When the datasets have been formally verified and locked against further alteration, analysis and success against each endpoint can be assessed. ***Until the analyses are complete it would be premature to remark with confidence on the achievement or the content of any of the endpoints.***

Headline data will be released on completion of the initial analysis; after which the clinical study report will be compiled and submitted to the relevant regulatory authorities; the clinicialtrial.gov database will be updated according to regulatory requirements; and finally details of the results will be assembled into research papers - authored by ValiRx and the clinical trial team for publishing in peer-reviewed journals.

Data verification requires access to the clinic by staff on our behalf, which is currently restricted due to the ongoing Coronavirus pandemic. Dependent on this access, it is anticipated that headline results will be available and announced in Q3. Reporting will then be completed in line with regulatory requirements.

VAL401

VAL401 has been developed by ValiSeek Limited, a 55% owned ValiRx subsidiary. ValiSeek was set up in 2014 as a Joint Venture between ValiRx and Tangent Reprofiling Limited (a SEEK group company) whereby ValiRx provided funding and Tangent Reprofiling provided a licence to the patents for VAL401.

VAL401 has completed an open label, **pilot phase 2 clinical trial** in late stage non-small cell lung cancer patients. Although in a small patient group, with just 8 patients receiving VAL401, data indicated that some patients benefited from an **improved quality of life,** in particular in measures of pain and nausea; and when compared to a case-matched group of 20 patients from the same clinic who did not participate in the trial, demonstrated **statistically significant improved overall survival** from time of diagnosis.

Pharmacokinetic data was collected in all patients, and the analysis of this data published in 2019 *Eur J Drug Metab Pharmacokinet* **44,** 557-565 (2019). https://doi.org/10.1007/s13318-018-00538-4

A **randomised, placebo controlled clinical trial** has been planned to test VAL401 in recently diagnosed patients with **pancreatic ductal adenocarcinoma** in combination with standard of care therapy.

ValiRx recently announced (14th January 2020) an arrangement with UK SME, Black Cat, whereby on completion of successful fund-raising by Black Cat, the VAL401 project will be exclusively licenced to Black Cat with the ValiSeek shareholders each holding a share in the equity of Black Cat; and the ValiSeek shareholders having an entitlement to future royalty payments.

Under this agreement Black Cat would be solely responsible for the funding and execution of the next VAL401 clinical trial.

Outlook

Confirmation of funding is expected within Q2 or Q3 2020, with licensing to be completed shortly after. If this arrangement is unsuccessful, alternative exploitation will be sought.

Pre-clinical Programs

VAL301

VAL301 uses the same active drug as VAL201 but is focussed on the treatment of women with endometriosis.
On 4 July 2019 it was announced that Aptus Clinical had been engaged to work with ValiRx to develop an outline of the work required to **prepare VAL301 for a clinical trial**.

Endometriosis typically affects women of child-bearing potential who are otherwise healthy, therefore **different Pre-clinical toxicology requirements** are considered than were required for the clinical trial of men with prostate cancer. Aptus has helped to identify these requirements, and to outline appropriate clinical trial designs.

Outlook

On 1 May 2020 it was announced that a Japanese pharma company has agreed a Material Transfer Agreement with ValiRx whereby ValiRx are supplying the VAL301 drug material, and the Japanese company will carry out a series of Pre-clinical proof of concept and efficacy studies of VAL301.

VAL201 in treatment of patients following SARS-CoV2 infection

On 2 June 2020, ValiRx announced entering into a collaboration agreement with Oncolytika Limited ("Oncolytika") and Black Cat Bio Limited ("Black Cat") to evaluation the potential use of VAL201 in a combination treatment for patients suffering a hyperimmune response to Coronavirus SARS-CoV2 infection.

Many patients infected with Coronavirus SARS-CoV2 exhibit more severe symptoms, with significant damage believed to be caused by an excessive response of the immune system, even after the viral infection has reduced. This is known as a hyperimmune response.

Oncolytika, a private UK based technical consultancy, has proposed a combination therapy which includes a selective SRC kinase inhibitor, such as VAL201 (which inhibits a potential oncogenic pathway), alongside one or two complementary treatments to treat the excessive response of the immune system. Oncolytika and Black Cat have filed a patent to protect the proposed use of the combination therapy.

ValiRx's contribution to the collaboration is to provide samples of its proprietary SRC kinase inhibitor, VAL201, for preclinical testing, and provide access to safety and tolerability data collected in the recently completed clinical trial in men with prostate cancer. No cash funding is committed to the project by ValiRx under this agreement.

Under this agreement, ValiRx will receive 40% of all licensing income generated. The collaboration addresses an emergent and immediate unmet medical need and details the commencement of a short-term experimental plan, with the agreement covering a maximum of two years.

Non-core Programs

GeneICE

GeneICE is a **technology platform** designed to control expression levels of genes that may be over or under expressed in disease states. VAL101 is the lead candidate produced by the platform, proposed to modulate BCl2 expression - implicated in many cancers.

At an **early discovery/Pre-clinical** stage of development, the GeneICE program requires further significant scientific development. As announced on 30th April 2020, **GeneICE was considered a "non-core" program** and as announced on 16th June 2020 will not be further maintained by the Company.

TRAC

TRAC is a technology acquired by ValiRx for 75,000 Euros on 5 February 2015. Announced as conditionally sold for 800,000 Euros on 7 July 2016, 202,000 Euros was received, and, following the failure of the purchaser to settle the balance, the technology reverted to ValiRx in 2018, as reported in the 2018 financial statements.
TRAC is a tool to study expression characteristics of genes and has potential use in the diagnostics arena - and has been used by a previous owner as part of a commercial service provision. As announced on 30th April 2020, **TRAC was considered a "non-core" program** and was transferred out of the ValiRx pipeline under the patent assignment announced on 29th May 2020.

FitBio

The Intellectual Property assets acquired from FitBiotech Oy by ValiRx for 5,000 Euros on 2 May 2019 encompass a gene transfer unit, initially envisaged to be paired with the GeneICE products to create potential therapeutic products. As announced on 30 April 2020, **FitBio was considered a "non-core" program** and was transferred out of the ValiRx pipeline under the patent assignment announced on 29 May 2020.

Financial overview

Our financial results show the total comprehensive loss for the year ended 31 December 2019 of £2,388,707 (2018: £4,298,822) and a loss per share of 0.26p (2018: Loss 0.94p).

Research and developments costs were £984,457 for the year ended 31 December 2019 as compared to £1,698,791 in 2018, a decrease of £714,334.
Administrative expenses were £1,860,379 for the year ended 31 December 2019 as compared with £2,166,798 in 2018, a decrease of £306,419.

I would like to thank the staff and Board members for all their contributions and shareholders for their continued support during these difficult times.

Dr S J Dilly
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019

	2019	2018
	£	£
CONTINUING OPERATIONS		
Other operating income	**146,517**	-
Research and developments	**(984,457)**	(1,698,791)
Administrative expenses	**(1,860,379)**	(2,166,798)
OPERATING LOSS	**(2,698,319)**	(3,865,589)
Fair value loss on derivative financial assets	**-**	(442,229)
Provision for bad debt	**-**	(506,755)
Finance costs	**(21,175)**	(14,565)
LOSS BEFORE INCOME TAX	**(2,719,494)**	(4,829,138)
Income tax credit	**293,738**	461,296
LOSS AFTER INCOME TAX	**(2,425,756)**	(4,367,842)
Non-controlling interest	**37,049**	69,020
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(2,388,707)**	(4,298,822)
LOSS PER SHARE - BASIC AND DILUTED	**(0.26p)**	(0.94)p

Consolidated Statement of Financial Position - continued 31 December 2019

	2019	2018
	£	£
ASSETS		
NON-CURRENT ASSETS		
Goodwill	**1,602,522**	1,602,522
Intangible assets	**1,620,207**	1,623,950
Property, plant and equipment	**-**	-
Investments	**-**	-

	3,222,729	3,226,472
CURRENT ASSETS		
Trade and other receivables	**90,083**	174,089
Tax receivable	**291,787**	461,193
Cash and cash equivalents	**-**	372,872
	381,870	1,008,154
TOTAL ASSETS	**3,604,599**	4,234,626
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	**9,417,225**	8,680,694
Share premium	**20,596,143**	19,779,905
Merger reserve	**637,500**	637,500
Reverse acquisition reserve	**602,413**	602,413
Share option reserve	**830,449**	885,963
Retained earnings	**(29,729,817)**	(27,461,771)
	2,353,913	3,124,704
Non-controlling interests	**(130,813)**	(93,764)
TOTAL EQUITY	**2,223,100**	3,030,940
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**1,182,084**	889,987
Bank overdraft	**5,634**	-
Borrowings	**193,781**	313,699
TOTAL LIABILITIES	**1,381,499**	1,203,686
TOTAL EQUITY AND LIABILITIES	**3,604,599**	4,234,626

Consolidated Statement of Changes in Equity for the year ended 31 December 2019

	Share capital	Share premium	Merger reserve	Reverse acquisition reserve	Share-based payment reserve	Non-controlling interest	Retained earnings	Total
	£	£	£	£	£	£	£	£
Balance at 1 January 2018	8,432,708	16,419,494	637,500	602,413	464,000	(24,744)	(23,378,744)	3,152,627
Changes in equity								
Loss for the year	-	-	-	-	-	(69,020)	(4,298,822)	(4,367,842)
Issue of shares	247,986	3,861,177	-	-	-	-	-	4,109,163
Costs of shares issued	-	(500,766)	-	-	-	-	-	(500,766)
Lapse of share	-	-	-	-	(215,795)	-	215,795	-

options and warrants								
Movement in year	-	-	-	-	637,758	-	-	637,758
Balance at 31 December 2018	8,680,694	19,779,905	637,500	602,413	885,963	(93,764)	(27,461,771)	3,030,940
Changes in equity								
Loss for the year	-	-	-	-	-	(37,049)	(2,388,707)	(2,425,756)
Issue of shares	736,531	1,105,969	-	-	-	-	-	1,842,500
Costs of shares issued	-	(289,731)	-	-	-	-	-	(289,731)
Lapse of share options	-	-	-	-	(120,661)	-	120,661	-
Movement in year	-	-	-	-	65,147	-	-	65,147
Balance at 31 December 2019	**9,417,225**	**20,596,143**	**637,500**	**602,413**	**830,449**	**(130,813)**	**(29,729,817)**	**2,223,100**

Merger reserve

The merger reserve of £637,500 exists as a result of the acquisition of ValiRx Bioinnovation Limited. The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the fair value of ValiRx Bioinnovation at 3 October 22, the date of acquisition.

Reverse acquisition reserve

The reverse acquisition reserve exists as a result of the method of accounting for the acquisition of ValiRx Bioinnovation Limited and ValiPharma Limited.

Consolidated Statement of Cash Flows for the year ended 31 December 2019

	2019	2018
	£	£
Cash flows from operations		
Cash outflow from operations	**(1,801,714)**	(3,776,840)
Interest paid	**(3,093)**	(866)
Tax credit received	**463,144**	424,197
Net cash outflow from operating activities	**(1,341,663)**	(3,353,509)
Cash flows from investing activities		
Proceeds from sale of investments	**146,517**	-
Purchase of intangible fixed assets	**(396,776)**	(324,028)
Net cash outflow from investing activities	**(250,259)**	(324,028)
Cash flows from financing activities		
Loan repayments	**(138,000)**	(25,000)
Share issue	**1,576,000**	3,720,000
Costs of shares issued	**(224,584)**	(346,001)
Net cash inflow from financing activities	**1,213,416**	3,348,999
Decrease in cash and cash equivalents	**(378,506)**	(328,538)

Cash and cash equivalents at beginning of year	**372,872**	701,410
Cash and cash equivalents at end of year	**(5,634)**	372,872

Notes to the Consolidated Financial Statements for the year ended 31 December 2019

1) STATUTORY INFORMATION

ValiRx Plc is a company incorporated in the United Kingdom under the Companies Act 1985, which is listed on the AIM market of the London Stock Exchange Plc. The address of its registered office is Stonebridge House, Chelsmford Road, Hatfield Heath, CM22 7BD.

The registered number of the Company is 03916791.

The principal activity of the Group is the development of oncology therapeutics and companion diagnostics.
The presentation currency of the financial statements is the Pound Sterling (£).

Basis of preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union ('IFRSs'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The Group financial statements have been prepared under the historical cost convention or fair value where appropriate.

Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency Risks - Guidance for directors of companies that do not apply the UK Corporate Governance Code".

The Group and Parent Company are subject to a number of risks similar to those of other development stage pharmaceutical companies. These risks include, amongst others, generation of revenues in due course from the development portfolio and risks associated with research, development, testing and obtaining related regulatory approvals of its pipeline products. Ultimately, the attainment of profitable operations is dependent on future uncertain events which include obtaining adequate financing to fulfil the Group's commercial and development activities and generating a level of revenue adequate to support the Group's cost structure.
The current economic environment is challenging, and the Group has reported an operating loss for the year. These losses will continue in the current accounting year to 31 December 2020.

In addition, there are significant uncertainties around the impact of the COVID-19 pandemic including the extent and duration of social distancing measures, the inability to travel, the closure of academic institutions and the impact on the economy. Management has considered the current economic uncertainty and market volatility caused by the COVID-19 outbreak. In assessing whether the going concern assumption is appropriate, management has reviewed

the impact on the business to date and developed a range of downside scenarios that could impact the business together with mitigating actions.

In the downside scenarios a liquidity shortfall would result. Accordingly, a series of cost saving and cashflow measures have been implemented. These actions include, temporary pay cuts, delaying non-essential capital expenditure and tightening of working capital. This is supplemented by additional funding in respect of share placings, explained further in note 22. The net proceeds of the placings have been used to strengthen the Group's balance sheet, working capital and liquidity position.

The company carries out regular fund-raising exercises in order that it can provide the necessary working capital for the Group. Further funds will be required to finance the Group's work programme. As detailed in note 22, since the year end, the Group has raised approximately £1.4m before expenses through 3 issues of new ordinary shares. The board expects to continue to raise additional funding as and when required to cover the Group's development, primarily from the issue of further shares.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that are expected to prevail over the forecast period. The Directors estimate that the cash held by the Group together with known receivables will be sufficient to support the current level of activities into the fourth quarter of 2020. The Directors are continuing to explore sources of finance available to the Group and based upon initial discussions with a number of existing and potential investors they have a reasonable expectation that they will be able to secure sufficient cash inflows for the Group to continue its activities for not less than 12 months from the date of approval of these financial statements; they have therefore prepared the financial statements on a going concern basis.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries ("the Group"). Subsidiaries include all entities over which the Group has the power to govern financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

On 3 October 2006, ValiRx Bioinnovation Limited ('Bioinnovation') acquired 60.28% of the issued share capital of ValiPharma Limited ('ValiPharma') in exchange for shares in Bioinnovation. Concurrently, the Company, ("ValiRx"), acquired the entire issued share capital of Bioinnovation in a share for share transaction. As a result of these transactions, the former shareholders of ValiPharma became the majority shareholders in ValiRx. Accordingly, the substance of the transaction was that ValiPharma acquired ValiRx in a reverse acquisition. Under IFRS 3 "Business Combinations", the acquisition of ValiPharma has been accounted for as a reverse acquisition.

In May 2008 the Company acquired the remaining 39.72% of the issued share capital of ValiPharma, which is now wholly owned by the Group. This acquisition was accounted for using the acquisition method of accounting.

In November 2013 ValiSeek Limited was formed to enable the company to enter into a joint venture agreement. The company has a 55.5% holding in the issued share capital of ValiSeek.

2) LOSS PER SHARE

The loss and number of shares used in the calculation of loss per ordinary share are set out below:

	2019	2018
	£	£
Loss for the financial period	**(2,425,756)**	(4,367,842)
Non-controlling interest	**37,049**	69,020
Loss attributable to owners of Parent Company	**(2,388,707)**	(4,298,822)
Basic:		
Weighted average number of shares	**902,637,711**	458,715,753
Loss per share	**(0.26p)**	(0.94p)

The loss and the weighted average number of shares used for calculating the diluted loss per share are identical to those for the basic loss per share. The outstanding share options and share warrants would have the effect of reducing the loss per share and would therefore not be dilutive under IAS 33 'Earnings per Share'.

3) Publication of report and accounts

The report and accounts for the year ended 31 December 2019 will be posted to shareholders shortly and will be available from the Company's website: http://valirx.com/

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