RNS Number : 7524E
ValiRx PLC
10 November 2020

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

Agreement with Kalos Therapeutics

First project under new strategy to develop pipeline of early stage projects

10 November 2020:

London, UK - ValiRx (AIM: VAL) a clinical stage drug development company, announces today that it has entered into an agreement with Kalos Therapeutics (Kalos), a US-based private biotechnology company, to evaluate its peptide KTH222 as a drug candidate for treating patients with ovarian cancer. This project underscores ValiRx's new strategy to grow a pipeline of innovative, early-stage projects in the area of oncology and women's health.

Under the terms of the agreement, ValiRx has the right to perform a defined series of preclinical, cell-based assays to consider the benefit of using KTH222 in combination with standard of care treatment, Paclitaxel. At the conclusion of the estimated six-month evaluation schedule (May 2021), ValiRx has the option to enter a full licensing agreement, with KTH222 anticipated to be integrated into a jointly owned ValiRx subsidiary for further clinical development.

Kalos has completed lead optimisation and proof-of-concept preclinical studies. Kalos will remain actively interested in the programme, contributing scientific expertise during the evaluation period and is expected to be an active partner in the subsequent joint venture. In return, on entering the evaluation agreement, Kalos has been pledged 10,000 ValiRx shares, subject to approval by shareholders at the 2021 Annual General Meeting of the Company.

Dr Suzy Dilly, CEO of ValiRx commented, "I am delighted to announce this new evaluation agreement with Kalos Therapeutics. This project is an excellent example of the assets we are looking to acquire; ovarian cancer sits squarely in our portfolio focused on oncology and women's health, and the peptide nature of the drug is within our development expertise. Importantly, this agreement underscores our new strategy to identify and develop promising early-stage therapies with the aim of progressing such assets to the next stage of development."

George Colberg, CEO of Kalos Therapeutics added, "I'm looking forward to working with the ValiRx team to further our development of KTH222 into ovarian cancer. Our central ethos at Kalos has always been to develop drugs that are kinder to patients, and we were delighted to find a team with comparable ideals."

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

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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-licenced or partnered with investors through ValiRx subsidiary companies for further clinical development and commercialisation. https://www.valirx.com/

About KTH222

KTH222 is an 8 amino acid peptide that has been developed from the study of Atrial Natriuretic Peptide (ANP). By considering the anti-cancer properties of the ANP protein, Kalos have produced a short peptide that represents a

fragment of ANP designed to confer the therapeutically beneficial properties of ANP in an anti-cancer treatment.

In ovarian cancer treatment we are evaluating whether in combination with Paclitaxel, or similar standard of care drugs, a patient could get an equivalent, or potentially longer lasting, benefit with a lower dose of Paclitaxel. This is expected to result in better tolerability of the Paclitaxel treatment, which in turn could allow patients to remain on treatment for a longer period; potentially improving the time for resistance to develop, and conferring continued benefit after Paclitaxel treatment is halted. In addition, further beneficial effects including the reduction of ascites (a type of swelling that is particularly debilitating in ovarian cancer) are expected due to the mechanism of action of KTH222.

About Kalos Therapeutics

Kalos is pursuing a multi-phase strategy to reorient today's therapeutic approach to cancer patients while driving changes to transform therapeutic approaches for unmet and rare medical conditions. Kalos has a lead compound KTH 222, which is more promising than "standard of care" drugs with difficult to treat cancer tumors. Kalos has entered the fight against COVID-19 with a novel peptide therapeutic approach for the most vulnerable of patients.

Kalos is devoted to treating the unmet needs of people living with incurable diseases while doing so with less toxic and debilitating side effects than current standard-of-care treatments; thereby improving the quality of life for the patient and their families. Kalos believes that by leveraging nature and the body's mechanisms, they have created new, safer approaches to cancer and diseases that affect the eye. Kalos has several applications for animal health based on its eight-amino-acid and a 15-amino-acid drug KTV-111. https://www.kalostherapeutics.com/.

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting the Company will be those that it anticipates.

Factors that could cause actual results to differ materially from those in the forward-looking statements include risks relating to unanticipated costs, liabilities or delays; failure or delays in research and development programs; the safety and efficacy of the Company's product candidates and the likelihood of clinical data to be positive and of such product candidates to be approved by the applicable regulatory authorities; unanticipated changes relating to competitive factors in the Company's industry; risks relating to the Company's capitalisation, resources and ownership structure, the availability of sufficient resources for company operations and to conduct or continue planned clinical development programs; the outcome of any legal proceedings; risks related to the ability to correctly estimate operating expenses; risks related to the ability to project future cash utilisation and reserves needed for contingent future liabilities and business operations; risks related to the changes in market prices of the Company's ordinary shares; the Company's ability to hire and retain key personnel; changes in law or regulations affecting the Company; international, national or local economic, social or political conditions that could adversely affect the Company and its business; conditions in the credit markets; risks associated with assumptions the Company makes in connection with its critical accounting estimates and other judgments.

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