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ValiRx PLC
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VALIRX PLC

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

Subscription Agreement, Convertible Facility and Issue of Warrants

London, UK, *26 April 2019*: ValiRx Plc (AIM: VAL), the clinical stage biotechnology company, announces that it has entered into a subscription agreement (the "Agreement") with European High Growth Opportunities SF (the "Investor") (the "Subscription"). It is acknowledged by the Company and the Investor that the Subscription is part of a wider financing arrangement to be provided by the Investor to the Company. As such, the terms of the Agreement stipulate that the Investor will also provide the Company with access to further funding by means of convertible funds with attached warrants (the "Convertible Funds"). Further details of both the Subscription and the Convertible Funds can be found below.

The funds from the subscription and initial monies from the convertible facility, will be used to conclude the current VAL201 trial and for general working capital purposes. The funds will also be used in the further development of VAL301, the completion of its pre-clinical studies and in the progression of the compound towards a Clinical Trial Application (CTA). Furthermore, should technology acquisition opportunities arise, ValiRx will apply funds to the strengthening of its pipeline.

Dr Satu Vainikka, CEO of ValiRx, commented*:*
"This investment into the Company at a premium to the recent share price is an exciting endorsement of our work to develop ground-breaking anti-cancer drugs and it will enable us to conclude the current trial of VAL201 and will provide us with a funding pathway to add real value to our VAL301 pre-clinical asset."

"'While a portion of the funding made available as part of this agreement, will be used to both conclude the VAL201 clinical trial and progress VAL301 into the clinic, having access to additional funds will provide ValiRx with the flexibility to invest in further research and development and a strengthened position when negotiating licensing and joint venturing deals with potential partners"."

Subscription
The Agreement stipulates that the Subscription is split into three equal tranches of 71,000,000 shares (the "Subscription Shares"), at a subscription price of 0.6 pence per share, raising gross proceeds of £426,000 per tranche. This represents a total of 213,000,000 shares with gross proceeds of £1,278,000. The Subscription Shares will,

when issued, rank *pari passu* in all respects with the existing ordinary shares of the Company.

The expected timetable for admission for each of the tranches is as follows:

Tranche 1 - on or around 1 May 2019;
Tranche 2 - on or around 21 May 2019; and
Tranche 3 - on or around 14 June 2019.

An aggregate structuring fee totalling £278,000 is payable to the Investor by ValiRx in three equal instalments of £92,666.66 following each of the tranches ("Structuring Fee"), relating both to the Subscription and also the Convertible Funds (as detailed below).

Tranche 1

Application is shortly to be made to the London Stock Exchange for the 71,000,000 Tranche 1 new ordinary shares, and it is expected that the shares will be admitted to trading on AIM on or around 1 May 2019 ("Tranche 1 Admission").

Following Tranche 1 Admission, the Company's enlarged issued share capital will comprise 752,629,382 ordinary shares of 0.1p each with voting rights. The Company does not hold any shares in treasury. This figure of 752,629,382 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.

Tranche 2 and Tranche 3

Further announcements will be made by the Company in due course in relation to Tranche 2 and Tranche 3.

Convertible Funds & Warrants
The Agreement stipulates that the Investor shall provide to the Company additional financing by way of Convertible Funds, subject to signature by both parties to definitive documentation by 21 June 2019. Should definitive documentation not be signed by 21 June 2019, ValiRx shall be required to pay the investor a break fee totalling £150,000 (the "Break Fee") plus an additional amount in the event the Company's share price declines in the period to the date the Break Fee crystallises. This additional amount is to be calculated by multiplying the stock performance of the Company (expressed as a percentage) by £1,000,000.

Terms

Under the terms of the Agreement, the Investor has committed convertible funds of up to £6,000,000 ("Total Commitment") with a 0% coupon. The first tranche of £500,000 will then be subsequently followed by 22 additional tranches of £250,000. The Company may request to suspend the automatic disbursement of these tranches,

but covenants to drawdown up to a maximum of eight tranches on demand of the Investor.

A "make whole amount" provision shall apply to the first tranche of the Convertible Funds such that the subscription price for the £500,000 tranche shall be reduced in the event that the Company's share price declines in the period to the issuance of the first tranche. This is to be calculated by multiplying the stock performance of the Company (expressed as a percentage) by £1,000,000.

The convertible funds may be converted into shares in the company twelve months from issuance at a price equal to 95% of the lowest closing bid price in the 15 days immediately preceding the issuance of a conversion notice by the Investor.

Warrants

The Investor shall have the option to purchase an amount of the Company's shares equivalent to 25% of the Total Commitment during a period of five years. The exercise price is to be calculated as 120% of the lower of either the lowest closing bid price in the 15 days immediately preceding the date of the signing of the letter of intent or immediately preceding the request to issue the first tranche.

Additionally, the Investor shall have the option to purchase an amount of the Company's shares equivalent to 15% of the value of each tranche of convertible funds during a period of five years. The exercise price is to be calculated as 120% of the lowest closing bid price in the 15 days immediately preceding the issuance of a new tranche.

Share Authorities

The directors of the Company have sufficient authority to issue shares and rights to subscribe for shares in relation to the subscription, but will be required to receive authority at a forthcoming shareholders meeting to enable the Convertible Funds, including the attached Warrants, to be implemented.

Should this not have occurred by 21 June 2019, it will prevent the Company from being able to sign the definitive documentation relating to the Convertible Funds, and as such the Break Fee will crystallise.

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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