RNS Number : 1205P
ValiRx PLC
20 May 2024

20 May 2024

VALIRX PLC

("ValiRx" or the "Company")

Business Update

ValiRx plc (the "Company") (AIM: VAL), a life sciences company focusing on early-stage cancer therapeutics and women's health, is today pleased to provide an operational update.

Development Pipeline Update

Cytolytix (CLX001)

The assessment of formulation options for CLX001 has progressed during Q1 2024, with the lead formulation now demonstrated to have activity against cancer cells. Testing is ongoing to assess the safety of the formulated product.

ValiRx is also pleased to announce that Cytolytix has been awarded a Knowledge Transfer Voucher ("KTV") grant in conjunction with the Open University. This initial grant is being used in a pilot study to assess the effectiveness of Cytolytix's cancer-specific lytic peptides in Neuroendocrine Prostate Cancer ("NEPC"). NEPC is a highly aggressive form of cancer with a typical survival rate of less than one year. Unfortunately, there are currently no available therapies for NEPC which shares similar characteristics with triple-negative breast cancer, such as hormone independence, and a high likelihood of metastasis. This research will assess CLX001 with and without the formulation to better understand the mechanism and to assess the breadth of activity of the product against an additional cancer type.

These assessments will assist in defining whether the lead formulation is appropriate for further development and progression into formal preclinical studies.

Evaluation Projects

During the first quarter of 2024, two new evaluation projects have been added, from Dundee University to study a series of molecules proposed with proposed pro-senescence activity and from Imperial College London to evaluate a series of dual kinase inhibitor candidates. The agreement with Dundee announced on 12 February 2024 also includes an over-arching agreement to assess and routinely evaluate further opportunities originating from the Dundee Drug Discovery Unit. Testing on both new programmes has commenced in Inaphaea BioLabs and at external partners.

The evaluation work continues on the projects from StingRay and the University of Barcelona, with the latter expected to conclude in Q2 2024. Due diligence is underway on additional potential pipeline projects.

We are pleased with the continued interest shown in the ValiRx approach to assessing innovative technology, which has resulted in broadening of the evaluation pipeline into some exciting new approaches for the treatment of cancer.

Clinical Stage Assets

VAL201 remains subject to the Letter of Intent ("LoI") with TheoremRx Inc. The Board maintains regular communication with the TheoremRx team to determine whether there is continuing progress to secure the necessary financing, which will enable the proposed merger with EUDA Health and the VAL201 sub-license to complete. The sub-license contains provisions for upfront and early-stage milestone payment and will release the payment for work already conducted under the previously announced service agreement as well as a commitment for future service provision.

In June 2023, ValiRx announced the carve-out of the Greater China region from the exclusivity clause in the TheoremRx LOI. This enables the Company to re-commence active marketing of the project in this region in order to explore additional sources of revenue.

VAL401 is subject of an Option Agreement LoI with Ambrose Healthcare as announced on 5 December 2023. Under this Option Agreement, Ambrose Healthcare has a 12-month period in which to exercise their option to license VAL401. During the first quarter of 2024, the Company has provided assistance to Ambrose with due diligence for potential investors and to commence strategic planning for their subsequent clinical trials.

Inaphaea BioLabs

Commercial Update

The number of prospective clients in the sales pipeline for Inaphaea's services and products is continuing to grow, with 11 at an advanced stage of discussion. This includes both screening and licencing of patient derived cells ("PDC"). Interest has been expressed from a range of end users, including biotech companies, large pharma and large CROs. The latter sector is of particular importance as we believe their requirements are substantive and likely to lead to longer term product supply relationships. Although the needs of the individual clients are varied, their decision-making timelines have been impacted by a number of factors, both internal and external, and generally characterised by longer lead times. We maintain regular dialogue with all key clients and, subject to their indicated decision processes and timelines, anticipate that several of the pipeline opportunities could be executed in H2 2024.

To-date, business development activities have been primarily focused on the UK and Europe. To supplement this, the commercial team is now extending activities into the US where the regulatory environment for PDCs and related services is restrictive for local suppliers, which could provide significant opportunities for Inaphaea. In support of this initiative, Inaphaea will be attending the BIO conference in San Diego in June 2024, which is one of the world's largest biopharma partnering forum.

The sales pipeline also includes several opportunities that would incorporate services provided through our collaborators and also includes clients introduced through this network. A new collaborative services agreement has been signed with DefiniGEN, which enables Inaphaea clients to seamlessly access the DenfiGEN Opti-heps, a hepatocyte cellular model for testing toxicity of drug candidates, and also efficacy against liver diseases.

Service contracts for internal ValiRx evaluation projects and Cytolytix conducted through Inaphaea have generated savings of approximately £247,000 relative to the use of external laboratories. This is distributed such that £115,000 savings were recognised during 2023 and £132,000 from 1 January 2024 to 30 April 2024. There is an expectation by the Board of continued increases in savings as additional work is conducted on the recently initiated evaluation projects. This work benefits from access to Inaphaea's PDCs and other related experiments and assesses safety, anti-cancer activity and the mechanism of action of the drug candidates being evaluated.

Scientific Update

As described in the placing in December 2023, Inaphaea is progressing the necessary work to fully characterise PDCs which have greatest commercial interest. An important component of the required data is the testing of PDCs against a panel of 'standard of care' agents (chemotherapy drugs). Additionally, each PDC has been extensively tested for cell expansion, optimisation of growth conditions and composition analysis to establish the ratio of cancerous to non-cancer supporting cells.

Completed assessments have been incorporated into detailed product information sheets, which can be readily accessed on the Inaphaea website for ease of identification and selection by prospective clients. The first completed set comprises samples from patients treated for glioblastoma multiforme (GBM), a type of brain cancer. Product information sheets for PDCs from ovarian, head & neck and breast cancer are expected to be added to the active catalogue over the next quarter.

Operational Efficiency

Having secured funding of £1.8m (gross) at the beginning of 2024, the Company has been reviewing all corporate activities to optimise cash efficiency and direct its resources towards building value in both the Inaphaea service offering and progressing the development pipeline. To this end, ValiRx has closed the Nuneaton office and is consolidating the central operating office into the Inaphaea facility at MediCity in Nottingham. In addition, the Company is assessing options for streamlining a range of back-office functions. Progress has already been made in reducing the costs of IP management, PR and IT services.

Shareholder Communication and AGM arrangements

The Annual General meeting will be live streamed by BRR media ensuring that all shareholders can watch proceedings online, with the recording of the event scheduled to be made available via the website shortly afterwards.

A shareholder Q&A webinar will also be held prior to the AGM with members of the senior management team being online to answer live audience questions; ensuring that shareholders have ample opportunity to discuss the shareholder resolutions before the voting deadline. Questions will also be welcomed around all operational aspects of the company.

Both events will require prior registration, with registration links and full details available for the AGM, and shortly to be available for the webinar on the Company's website on https://www.valirx.com/contact.

Summary

The Board believes that the combination of building the evaluation pipeline and additional sales and marketing initiatives for Inaphaea, together with prudent management of cash resources, including funds raised in the last placing, will bear fruit in the second half of 2024 and beyond.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). The Directors of the Company take responsibility for this announcement

For more information, please contact:

ValiRx plc Dr Suzanne Dilly, CEO	**Tel: +44 (0) 2476 796496** **www.valirx.com** Suzanne.Dilly@valirx.com
V Formation (Public Relations) Lucy Wharton - Senior PR Executive Sue Carr - Director	**+44 (0) 115 787 0206** **www.vformation.biz** lucy@vformation.biz sue@vformation.biz
Cairn Financial Advisers LLP (Nominated Adviser) Liam Murray/Jo Turner/Ludovico Lazzaretti	**Tel: +44 (0) 20 7213 0880**
Shard Capital Partners LLP (Sole Broker) Damon Heath	**Tel: +44 (0) 20 7186 9000**

Notes for Editors

About ValiRx

ValiRx is a life science company focused on early-stage cancer therapeutics and women's health, accelerating the translation of innovative science into impactful medicines to improve patient lives.

ValiRx provides the scientific, financial, and commercial framework for enabling rapid translation of innovative science into clinical development.

Using its extensive and proven experience in research and drug development, the team at ValiRx selects and incubates promising novel drug candidates and guides them through an optimised process of development, from pre-clinical studies to clinic and investor-ready assets.

ValiRx connects diverse disciplines across scientific, technical, and commercial domains, with the aim of achieving a more streamlined, less costly, drug development process. The team works closely with carefully selected collaborators and leverages the combined expertise required for science to advance.

Lead candidates from ValiRx's portfolio are outlicensed or partnered with investors through ValiRx subsidiary companies for further clinical development and commercialisation.

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

For further information, visit: www.valirx.com

Cautionary statement

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

UPDBGGDUBXDDGSG