

ValiRx Plc

("ValiRx" or the "Company")

### ValiRx announces funding and partnership agreement

ValiRx is pleased to announce that it has entered into a funding and commercial partnership agreement with the Laboratory of Government Chemistry and Horizon Discovery. This partnership provides funding for the development of ValiRx's Hypergenomics technology into new gene activity based diagnostics and screening products. The partners are the end users of such tests and potential long term customers; this provides further product distribution networks for the technology. ValiRx has now completed a pilot development study and the goal of the agreement is to formulate new commercial products in the service and testing arena.

The market potential is considerable for a method that offers whole genome screening. The cancer diagnostics market is predicted to be around \$6Bn in 2010 with the global epigenetic market estimated to be \$1.7Bn and growing 60% by 2012.

ValiRx has worldwide exclusive rights for the Hypergenomics technology and will retain the commercialisation rights for future products that arise under this agreement. Successful tests should enable a variety of products centered on epigenetic mapping to be produced and ValiRx will develop service and product offerings focused on cancer and stem cell diagnostics and monitoring. The principal applications will be the selection of optimal therapy regimes for patients in order to achieve the best medicinal outcomes. This is a key issue for pharmaceutical companies when conducting clinical trials and for follow on studies for companion diagnostics for approved drugs. Development of companion diagnostics is increasingly essential for the registration of new therapeutic products providing a much needed boost to pharma revenues.

Epigenetics, the science behind the Hypergenomics technology, involves the understanding and measurement of changes in gene activity. This is one of the fastest growing areas of life sciences and has wide ranging applications involving cancer and stem cells leading to pharmaceutical development and regenerative medicine. The current tests being developed by ValiRx are focused on cancer diagnostics and stem cell monitoring.

The pharmaceutical industry is increasingly moving towards personalised testing and medicine and epigenomics is at the forefront of this approach. The Company believes that its Hypergenomics technology is well placed to meet this growing trend and is pleased that it has entered into this agreement for the first commercial development contract.

The partners have wide contact networks within the pharmaceutical industry and it is anticipated that the tests will be marketed to these existing networks as well as to the wider pharma/biotech industry.

As previously announced, the Company continues to progress its epigenomic therapeutic approach with its GeneICE Eurostars consortium and has now reached the milestones associated with the 3<sup>rd</sup> quarter of this programme.

Dr Satu Vainikka, CEO commented: “ValiRx is extremely pleased that it has entered into this exciting partnership. This further validates our commercialisation strategy and accelerates the development of commercial diagnostics and screening products towards the marketplace. The partnership further widens the client and distribution base and strengthens the potential for successful technology and product development. This programme is an important milestone in our strategy of building a commercial life science business and becoming a significant player in the arena of personalised medicine.”

**Enquiries:**

**ValiRx plc**

Dr. Satu Vainikka

Tel: +44 (0) 20 3008 4416

**WH Ireland Limited – Nominated Adviser & Broker**

Adrian Kirk

Tel: +44 (0) 161 832 2174