



**For release at 07:00 on 19 August 2014**

**ValiRx Plc**

*("ValiRx" or "the Company")*

**Half Year Results**

ValiRx Plc (AIM: VAL), a life science company with a focus on cancer diagnostics and therapeutics for personalised medicine, announces its interim results for the half year ended 30 June 2014.

**HIGHLIGHTS**

**Operational Highlights**

- Submission of clinical trial application ("CTA") and regulatory authorisation to progress VAL201 in human patient studies. This was accepted in August 2014; patient recruitment will commence on obtaining a favourable opinion on the authorised procedure from the Ethics Committee;
- Expansion of product portfolio with ValiRx entering into a risk-sharing joint venture agreement with Tangent Reprofile Limited ("Tangent Reprofile") to progress the drug VAL401 through its remaining pre-clinical development and towards Phase II trials for the treatment of lung cancer and other oncology indications;
- Confirmation of safety of VAL401 from toxicological studies. We can now plan future detailed regulatory toxicology and pharmacokinetic studies with greater confidence in securing a positive outcome for clinical studies; and
- Securing of patent protection in the major markets. ValiRx now has granted patent protection for the NAV3 gene biomarker in Japan, Europe and Australia, and pending in the US and other territories, alongside granted and pending patents for its therapeutic technologies across Europe, the US, Canada and Australia.

**Financial Highlights**

- Sale of 510,811 shares in VolitionRx for US\$601,578;

- Expenditure on Research and Development was down 43% to £0.56m as a result of forward ordering of the VAL201 compound in 2013 to build robust stability and sterility data ahead of filing the “CTA” application;
- Administration expenses were £0.64m (2013: £0.68m);
- Loss after taxation was £1.34m (2013: £1.49m) or 0.05p per ordinary share (2013: 0.09p);
- Total comprehensive loss for the period of £1.75m (2013: £1.63m);
- Cash and cash equivalents as at 30 June 2014 of £0.76m (2013: £1.17m)

**Oliver de Giorgio-Miller, Non-Exec Chairman of ValiRx, commented:**

*“We have made substantial progress during this period and are very pleased to see both VAL201 now making its way down the regulatory pathway and our portfolio of drug candidates enhanced and enlarged. With the Company’s costs under control and with its lead therapeutics and other assets moving forward, as planned, the Company remains adequately funded to proceed with its current plans. I look forward to updating shareholders on further progress throughout the year.”*

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#### **CHAIRMAN'S STATEMENT FOR THE HALF YEAR ENDED 30 AUGUST 2014**

We are making strong progress this year in delivering our key priorities, which include taking our leading anti-cancer therapeutic VAL201 into clinical trials, expanding our product portfolio and progressing the biomarker side of the business.

This progress particularly applies to VAL201, for which the Company, with the support of its clinical trial project team, has successfully obtained Medicines and Healthcare Products Regulatory Agency ("MHRA") approval to enter the drug in a Phase I/II escalation study in patients with locally advanced or metastatic prostate cancer and other advanced solid tumours. We anticipate this study will commence before the end of this calendar year.

We have also expanded our portfolio of drug candidates through a joint venture arrangement with Tangent Reprofilting to further develop VAL401, a novel combination cancer drug with an already established safety profile. The joint venture has been formed to complete VAL401's remaining pre-clinical development and the Board believe this work will act as the springboard required to take VAL401 to Phase II trials for the treatment of lung cancer and other oncological indications.

We now have three therapeutics in our portfolio, VAL201, VAL101 and VAL401, each having multiple cancer indications. Alongside these, in the case of our GeneICE / VAL101 compounds, we have the potential to spawn a series of treatments for neurological and inflammatory diseases.

The growth in both strength and depth of our business has been replicated at our subsidiary company, ValiFinn, which has developed and validated a range of companion diagnostics or genetic biomarkers to pair with the compounds VAL201 and VAL401.

In sum, we have made substantial progress during this period and are very pleased to see both VAL201 now making its way down the regulatory pathway and our portfolio of drug candidates enhanced and enlarged. With the Company's costs under control and with its lead therapeutics and other assets moving forward, as planned, the Company remains adequately funded to proceed with its current plans. I look forward to updating shareholders on further progress throughout the year.

**Oliver de Giorgio-Miller**

**Non-Executive Chairman**

19 August 2014

## Consolidated statement of comprehensive income

	Note	Six months ended 30 June 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
<b>Revenue</b>		59,574	103,999	124,868
Cost of sales		-	(25,179)	(51,618)
<b>Gross profit</b>		59,574	78,820	73,250
Research and development		(558,202)	(972,219)	(1,622,383)
Administrative expenses		(640,400)	(683,593)	(1,361,954)
<b>Operating loss</b>		(1,139,028)	(1,576,992)	(2,911,087)
Finance income		7,214	4,319	5,552
Fair value loss on derivative financial assets		(361,218)	-	-
Finance costs		-	(26)	(180)
<b>Loss before income taxation</b>		(1,493,032)	(1,572,699)	(2,905,715)
Income tax credit	3	150,000	75,000	308,477
<b>Loss on ordinary activities after taxation</b>		(1,343,032)	(1,497,699)	(2,597,238)
Non-controlling interests		32,044	-	-
		(1,310,988)	(1,497,699)	(2,597,238)
<b>Other comprehensive income</b>				
Loss on sale of/ change in fair value of available-for-sale assets		(437,493)	(134,400)	(105,020)
<b>Loss for the period and total comprehensive income attributable to owners of the parent</b>		(1,748,481)	(1,632,099)	(2,702,258)
<b>Loss per share - basic and diluted</b>	4	(0.05)p	(0.09)p	(0.15)p

## Statement of changes in shareholders' equity

	Share capital £	Share premium £	Retained earnings £	Merger reserve £	Share option reserve £	Reverse acquisition reserve £	Non-controlling interest	Total £
<i>Unaudited</i>								
Balance at 1 January 2014	6,359,357	5,925,231	(10,367,941)	637,500	73,852	602,413	-	3,230,412
Loss for the period	-	-	(1,310,988)	-	-	-	(32,044)	(1,343,032)
On acquisition of subsidiary	-	-	-	-	-	-	30	30
Loss on sale of available-for-sale assets	-	-	(437,492)	-	-	-	-	(437,492)
Issue of shares	922,448	2,069,702	-	-	-	-	-	2,992,150
Movement in period	-	(390,201)	-	-	-	-	-	(390,201)
Share based payment	-	-	-	-	1,658,800	-	-	1,658,800
<b>Balance at 30 June 2014</b>	<b>7,281,805</b>	<b>7,604,732</b>	<b>(12,116,421)</b>	<b>637,500</b>	<b>1,732,652</b>	<b>602,413</b>	<b>(32,014)</b>	<b>4,106,409</b>
<i>Unaudited</i>								
Balance at 1 January 2013	6,051,607	5,337,152	(7,665,683)	637,500	73,852	602,413	-	5,036,841
Loss for the period	-	-	(1,497,699)	-	-	-	-	(1,497,699)
Change in fair value of available-for-sale assets	-	-	(134,400)	-	-	-	-	(134,400)
Issue of shares	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	21,002	-	-	21,002
<b>Balance at 30 June 2013</b>	<b>6,051,607</b>	<b>5,337,152</b>	<b>(9,297,782)</b>	<b>637,500</b>	<b>94,854</b>	<b>602,413</b>	<b>-</b>	<b>3,425,744</b>
<i>Audited</i>								
Balance at 1 January 2013	6,051,607	5,337,152	(7,665,683)	637,500	73,852	602,413	-	5,036,841
Loss for the year	-	-	(2,597,238)	-	-	-	-	(2,597,238)
Change in fair value of available-for-sale assets	-	-	(105,020)	-	-	-	-	- 105,020
Issue of shares	307,750	692,437	-	-	-	-	-	1,000,187
Movement in period	-	(104,358)	-	-	-	-	-	(104,358)
Share based payment	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>6,359,357</b>	<b>5,925,231</b>	<b>(10,367,941)</b>	<b>637,500</b>	<b>73,852</b>	<b>602,413</b>	<b>-</b>	<b>3,230,412</b>

## Consolidated statement of financial position

	As at 30 June		31 December
	2014 (unaudited) £	2013 (unaudited) £	2013 (audited) £
<b>ASSETS</b>			
<b>Non current assets</b>			
Intangible assets	2,074,111	1,850,735	1,882,762
Property, plant and equipment	657	1,126	685
Derivative financial assets	63,440	-	-
Financial assets: available-for-sale investments	-	738,943	768,323
	<u>2,138,208</u>	<u>2,590,804</u>	<u>2,651,770</u>
<b>Current assets</b>			
Inventories	6,255	3,789	4,078
Trade and other receivables	568,670	477,928	490,395
Derivative financial assets	761,282	-	-
Cash and cash equivalents	757,589	1,172,191	960,267
	<u>2,093,796</u>	<u>1,653,908</u>	<u>1,454,740</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	(125,595)	(818,968)	(876,098)
<b>NET CURRENT ASSETS</b>	<u>1,968,201</u>	<u>834,940</u>	<u>578,642</u>
<b>NET ASSETS</b>	<u>4,106,409</u>	<u>3,425,744</u>	<u>3,230,412</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7,281,805	6,051,607	6,359,357
Share premium account	7,604,732	5,337,152	5,925,231
Merger reserve	637,500	637,500	637,500
Reverse acquisition reserve	602,413	602,413	602,413
Share option reserve	128,394	94,854	73,852
Retained earnings	(12,116,421)	(9,297,782)	(10,367,941)
	<u>4,138,423</u>	<u>3,425,744</u>	<u>3,230,412</u>
Non-controlling interest	(32,014)	-	-
<b>Total equity</b>	<u>4,106,409</u>	<u>3,425,744</u>	<u>3,230,412</u>

## Cash flow statement

	Six months ended 30 June		Year ended
	2014 <i>(unaudited)</i> £	2013 <i>(unaudited)</i> £	31 December 2013 <i>(audited)</i> £
<b>Operating activities</b>			
Operating loss	(1,139,028)	(1,576,992)	(2,911,087)
Depreciation of property plant and equipment	-	3,277	5,623
Amortisation of intangible assets	26,998	22,490	55,537
Increase in inventories	(2,177)	(1,062)	(1,351)
Decrease/(increase) in receivables	71,725	(49,073)	7,045
(Decrease)/increase in payables within one year	(718,353)	557,333	614,463
Other non-cash movements	4,593	627	(2,782)
Share option charge	54,542	21,002	-
<b>Cash outflows from operating activities</b>	<b>(1,701,700)</b>	<b>(1,022,398)</b>	<b>(2,232,552)</b>
<b>Taxation</b>	-	-	164,892
<b>Investing activities</b>			
Interest received	7,214	4,319	5,552
Interest paid	-	(26)	(180)
Payments to acquire intangible assets	(162,881)	(70,447)	(132,135)
Payments to acquire property plant and equipment	-	(40)	(1,922)
Receipts from sale of available- for- sale investments	330,830	-	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>175,163</b>	<b>(66,194)</b>	<b>(128,685)</b>
<b>Financing activities</b>			
Issue of ordinary share capital	2,900,000	-	1,000,187
Cost of share issue	(390,201)	-	(104,358)
Payments to acquire derivative financial assets	(1,500,000)	-	-
Receipts from issue of derivative financial assets	314,060	-	-
<b>Net cash generated from financing activities</b>	<b>1,323,859</b>	<b>-</b>	<b>895,829</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(202,678)</b>	<b>(1,088,592)</b>	<b>(1,300,516)</b>
Cash and cash equivalents at start of period	960,267	2,260,783	2,260,783
<b>Cash and cash equivalents at end of period</b>	<b>757,589</b>	<b>1,172,191</b>	<b>960,267</b>

## Notes to the interim financial statements

### 1 General information

ValiRx Plc is a company incorporated in the United Kingdom, which is listed on the AIM Market of the London Stock Exchange Plc. The address of its registered office is 24 Greville Street, London EC1N 8SS.

### 2 Financial information

The interim consolidated financial information for the six months ended 30 June 2014 has not been audited or reviewed and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's statutory accounts for the year ended 31 December 2013 have been delivered to the Registrar of Companies. The report of the independent auditors on those financial statements was unqualified and did not contain a statement under Sections 498 (2) or (3) of the Companies Act 2006.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS and under the historical cost convention. The accounting policies applied in preparing the interim financial information are consistent with those set out in the statutory accounts of the Company for the year ended 31 December 2013.

The interim consolidated financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

### 3 Taxation

	Six months ended 30 June 2014 (unaudited) £	Six months ended 30 June 2013 (unaudited) £	Year ended 31 December 2013 (audited) £
United Kingdom corporation tax at 20%			
Current period - R & D Tax credit	(150,000)	(75,000)	(309,541)
Foreign corporation tax	-	-	127
<b>Income tax credit</b>	<b>(150,000)</b>	<b>(75,000)</b>	<b>(165,956)</b>

### 4 Loss per ordinary shares

The loss and number of shares used in the calculation of loss per share are as follows:

	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)	Year ended 31 December 2013 (audited)
Basic:			
Loss for the financial period	(1,748,481)	(1,497,699)	(2,597,238)
Weighted average number of shares	2,941,382,514	1,711,184,409	1,733,106,298
Loss per share	<b>(0.05)p</b>	<b>(0.09)p</b>	<b>(0.15)p</b>

### 5 Dividends

The directors do not propose to declare a dividend in respect of the period.

## 6 Share capital

	30 June 2014		30 June 2013	
	Number <i>(unaudited)</i>	£ <i>(unaudited)</i>	Number <i>(unaudited)</i>	£ <i>(unaudited)</i>
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 0.1p each	2,941,382,514	2,941,383	1,711,184,409	1,711,184
Deferred shares of 5.0p each	58,378,365	2,918,918	58,378,365	2,918,918
Deferred shares of 0.9p each	157,945,030	1,421,505	157,945,030	1,421,505
		<u>7,281,805</u>		<u>6,051,607</u>
	31 December 2013			
	Number <i>(unaudited)</i>	£ <i>(unaudited)</i>		
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 0.1p each	2,018,934,009	2,018,934		
Deferred shares of 5.0p each	58,378,365	2,918,918		
Deferred shares of 0.9p each	157,945,030	1,421,505		
		<u>6,359,357</u>		

The deferred shares effectively have no rights or value.

## 7 Copies of interim results

Copies of the interim results can be obtained from the website [www.valirx.com](http://www.valirx.com). From this site you may access our financial reports and presentations, recent press releases and details about the company and its operations.

## Notes for Editors

### ValiRx Plc

ValiRx Plc is a biopharmaceutical company developing novel technologies and products in oncology therapeutics and diagnostics. The product focus is in the epigenomic analysis and treatment of cancer, but the technologies can be applied to other fields as well, such as neurology and inflammatory diseases.

The Company listed on AIM in October 2006 and is creating a portfolio of innovative products through investment in specific development projects. It actively manages projects within this portfolio as a trading company and is not an investment vehicle. The ValiRx business model spreads the risks of life science technology developments by minimising financial exposure and running a set of projects to defined commercial endpoints. This maximises returns to shareholders by adding value at the earlier stages where value increases per investment unit are the greatest.

The Company operates through the following divisional companies:

1. ValiFinn is the biomarkers and diagnostic development division

2. ValiPharma is the therapeutics division with two embedded technologies primarily directed at the treatment of cancers.