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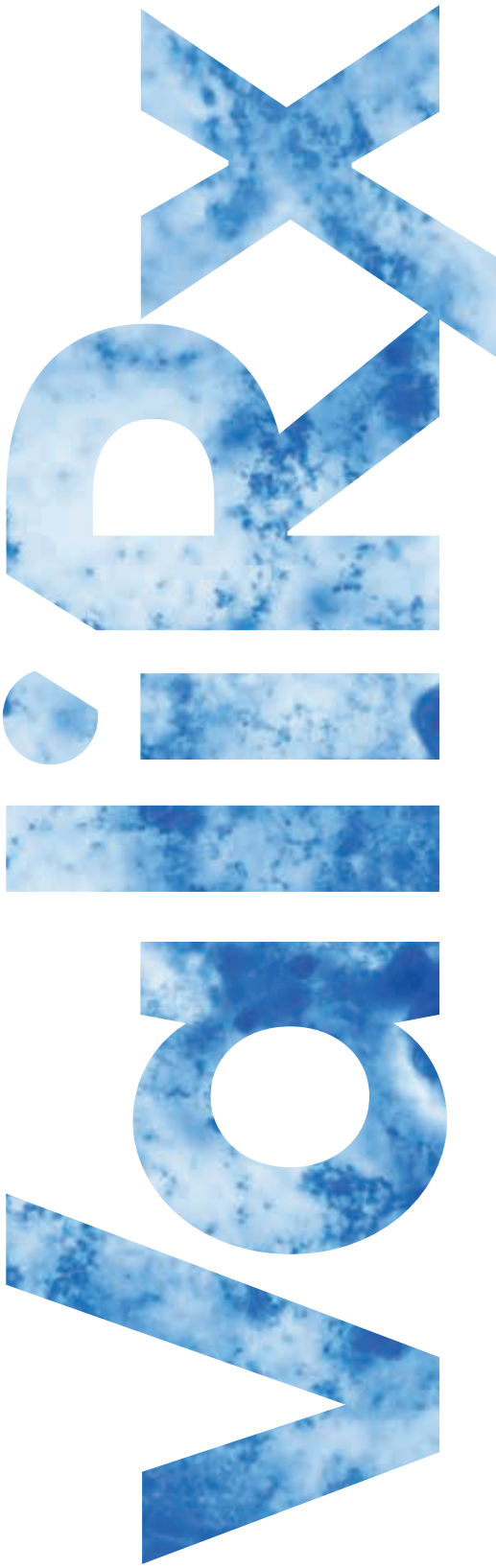
ANNUAL

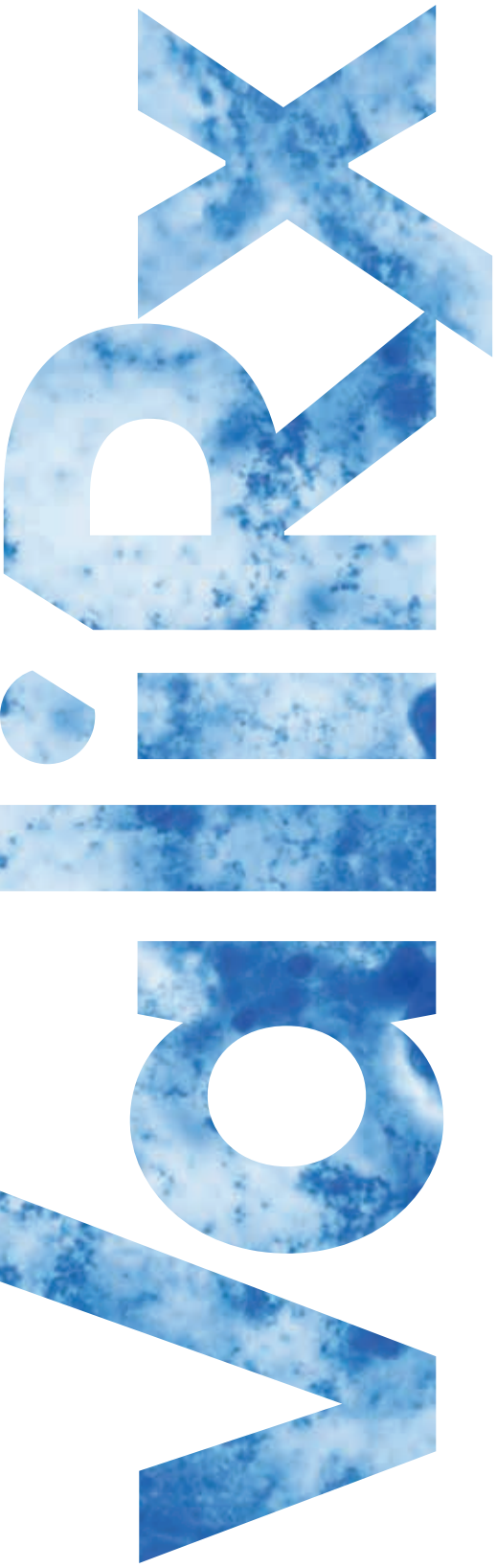
REPORT & ACCOUNTS

TWENTY24



ValiRx

ValiRx



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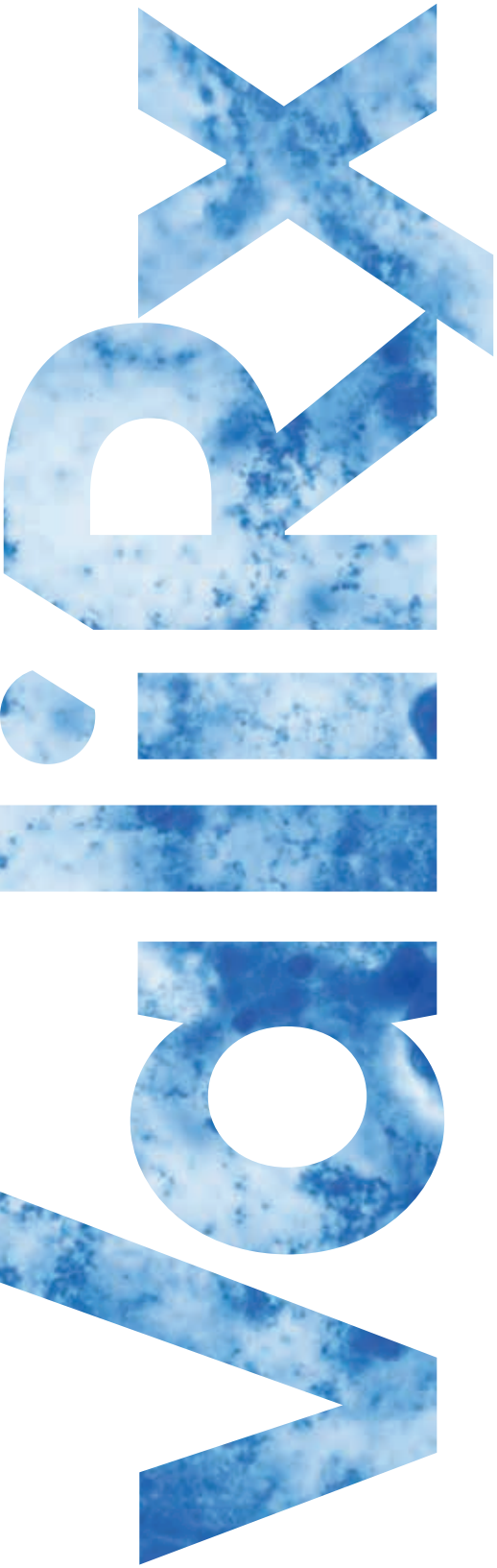

ValiRx

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ValiRx

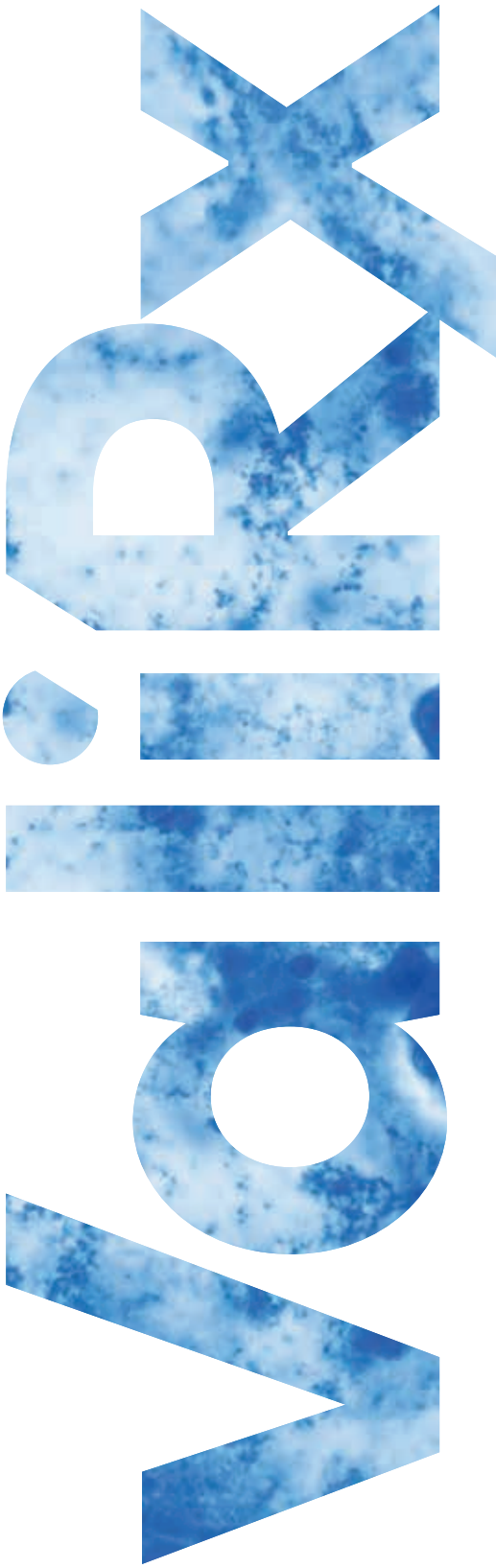
CONNECTED INNOVATION

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS

AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

FOR

VALIRX PLC



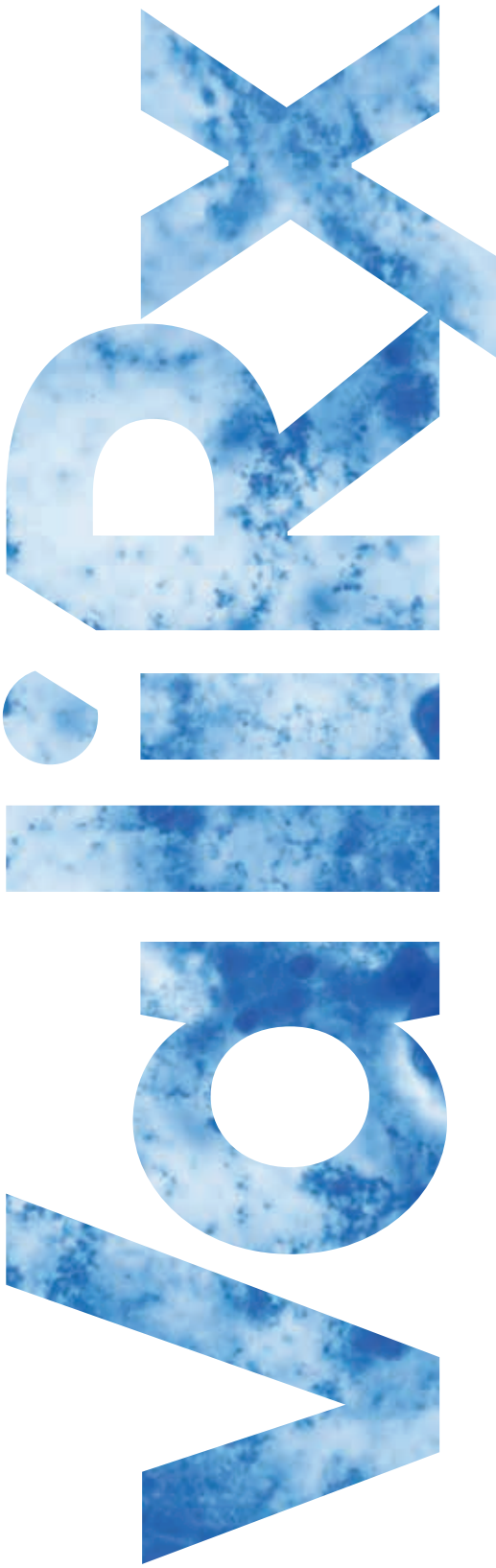
CONNECTED INNOVATION

ValiRx

ValiRx Plc

Contents of the Consolidated Financial Statements for the year ended 31 December 2024

COMPANY INFORMATION



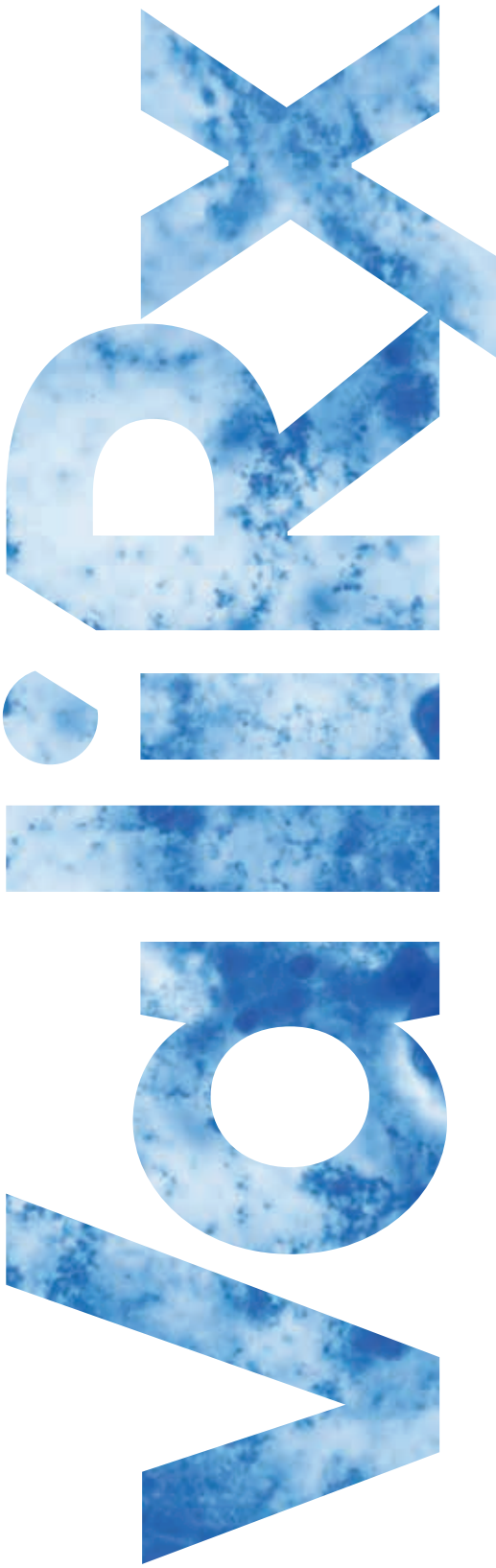
CONNECTED INNOVATION

ValiRx Plc

Company Information
for the year ended 31 December 2024

DIRECTORS:	Dr M Eccleston M Gouldstone G Desler Dr C Tralau-Stewart
SECRETARY:	G Desler
REGISTERED OFFICE:	Stonebridge House Chelmsford Road Hatfield Heath Essex CM22 7BD
REGISTERED NUMBER:	03916791 (England and Wales)
AUDITORS:	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

STRATEGIC REPORT



CONNECTED INNOVATION

ValiRx

ValiRx Plc

Chairman and Chief Executive's Report for the year ended 31 December 2024

In our first joint Annual report, we would like to take the opportunity to review a significant year of transition for ValiRx.

The transition was initiated by several changes to the Board, including the appointments of a new Chairman and CEO followed by the appointment of Cathy Tralau-Stewart, our Chief Scientific Officer, to the Executive Board in August 2024.

We then undertook an immediate review of the business focussing on the scientific and commercial strategy and business model for Inaphaea Biolabs Limited ("Inaphaea"), a wholly owned subsidiary of the Company. The outcome of this review was implemented across the second half of the year and into the first quarter of 2025.

In addition to identifying several cost-reduction measures involving external service providers, we faced the difficult decision to restructure the organisation. This restructuring aimed to optimise efficiency and reduce cash burn, which unfortunately led to fewer available positions within the Company. In December 2024, the Inaphaea team was reduced by one Senior Scientist, and, after a redundancy consultation process, three additional positions were eliminated across the Group post-period end.

A Senior Director of Research was recruited and joined the team post period to replace our part-time CSO, Cathy Tralau-Stewart. Cathy transitioned to a Non-Executive Director and Adrian de Courcey stepped down as a Non-Executive Director, streamlining the board to two Executive Directors, one Non-Executive Director, and a Non-Executive Chairman. The operational overhaul was completed in March 2025, with the hiring of a new technician to support Inaphaea. These combined changes represent a saving of £200,000 in salaries going forward.

As part of the Group operational review, we also looked at Inaphaea's business model. Inaphaea saw some significant milestones throughout 2024 including the signing of two, multiphase, service contracts including its first US contract. This immune-oncology focussed service contract leveraged Inaphaea's biobank RNA-seq data for the selection of Patient Derived Cell models with high PD-L1 checkpoint expression. The second contract, with a total potential value of over £100,000, was focussed on Triple Negative Breast Cancer PDCs and builds on biobank development work carried out to support the in house Cytolytix program. This second contract demonstrates the value of partner strategy with the final optional part of the multiphase project to be performed by one of Inaphaea's in-vivo partners.

The pipeline of client prospects within Inaphaea is looking strong, with a steady build of prospects throughout the second half of 2024. Although the nature of our industry is of long-term research budget planning with associated long lead times, our current pipeline of prospects is progressing well. As the catalogue of characterised PDCs is developed we expect this to grow further with product license as well as service opportunities.

The second half of 2024 saw a rapid expansion of the evaluation and co-marketing approach to include a range of in-vivo and ex vivo partners, broadening both capabilities and global market reach. The partnerships are set up as "force multipliers" to expand lead identification of new potential clients whilst providing the opportunity to offer extended service packages that leverage Inaphaea's PDC models. We added new partner capabilities including in-silico toxicity testing, "system on a chip" 3D models, Patient Derived Organoid models as well as higher throughput zebra fish and standard mouse models. The expansion of access to sophisticated, ex-vivo predictive systems, builds on key features of the "closer to patient", more representative PDC biobank with its combination of Cancer Cells and Cancer Associated Fibroblasts (CAFs). This heterogeneity differentiates our PDC models from standard, homogeneous cell lines and was a key driver for the development of our Assay Ready Reagent product line. These vials of mixed cells are designed for direct biomarker analysis, with the first sale achieved in November 2024 with the combined Bank of 5,000 vials underpinning the value of the Biobank as a major asset. The development of more sophisticated screening capabilities, in keeping with the 3R principles of Replacement, Reduction and Refinement for ethical animal research, is a key market opportunity supported by the FDA's significant announcement to phase out animal testing post period in April 2025.

Restrictions on supplying PDCs to competitive service providers were removed, recognising a significant opportunity to build value through supplying CROs with established client bases. Several additional co-marketing agreements are under discussion and expected to be signed in 2025. A simplified pricing structure was introduced for direct purchase of the PDCs focussed on commercial research and

commercial service use with options for annual payment, one off payment and limited use licenses for one off services.

In addition to the commercial partnerships, ValiRx secured additional grant funding to support development and characterisation of Prostate Cancer PDCs through its established academic partnership with the Open University. This relationship was strengthened with a ValiRx sponsored PhD studentship over four years to develop high value, Neuroendocrine Prostate Cancer Cell lines.

These lines represent a significant development for the field, particularly in the development of new drugs in this highly aggressive form of prostate cancer. This academic collaboration is expected to lead to publications exemplifying the utility of the PDC models as well as additional grant applications, following a model we established at the ValiRx spin out Volition. Further academic partnerships are being explored with universities local to Inaphaea. These new relationships are a cost-effective approach to leverage access to specialist facilities to add further value to our Biobank, including cell sorting and characterisation.

In addition to development of products and services based on the Biobank, the second key objective for Inaphaea was the provision of rapid and flexible initial assessment for each of the evaluation programmes as well as development of Cytolytix. Both exemplify how we have leveraged Inaphaea's commercial and academic partner network, established as part of the tCRO® service offering, for example, in-silico toxicity screening of the Stingray compounds and peptide formulation and screening of CLX001.

The in-house research pipeline comprised 4 evaluation programmes with assets from Barcelona University, Stingray Bio, Imperial College and Dundee University as well as our SPV Cytolytix. The pipeline represented a range of early stage, small molecule and peptide-based assets with a combination of validated, novel and unknown mechanisms of action. Assets at this stage of development have a high attrition rate, up to 90%. Development of in-licensed assets, for example Cytolytix, through preclinical development and into Investigational New Drug (IND) enabling studies, take significant time and resources so a high attrition rate should be expected with earlier stage programmes. A key consideration is to generate a balanced portfolio with scientifically robust data and a strong commercialisation potential and, going forward, we are applying a strict set of criteria for selection and progression of evaluation assets. Evaluation agreements with Barcelona and, post period Imperial, have been terminated despite initially promising data generated by Inaphaea, as they did not meet these criteria. Whilst the Dundee evaluation did not meet a key decision point for in-licensing in 2024, £50,000 grant funding was secured through Queen Mary Impact fund, supported and a one-year extension to the evaluation agreement was signed to develop precise mechanism of action for this asset. The Stingray evaluation was completed on time and, whilst a key decision point was not reached, we are in further negotiation to progress this asset under a slightly different model.

Several new evaluation programmes remained under discussion throughout 2024 with the first signed post period in January 2025. The agreement with Altus Therapeutics is based on repositioning an established CB2 agonist in oncology and, in a first for ValiRx, bringing new formulation capabilities. A key aspect of the evaluation programmes is to leverage Inaphaea's in-house capabilities. Inevitably, some of the work will require external support, either through our partner network or from additional Contract Research Organisations which can add significant costs. This is particularly true for later stage, more developed projects which may be lower risk but require higher initial investment. In order to deliver a more balanced portfolio, we are exploring shorter, more nimble evaluations over a 3-6-month period where we can add significant value through our PDC biobank or through support of external preclinical work on a shared risk, costs plus basis. Under this type of arrangement, ValiRx would be compensated for work performed if the asset is returned and subsequently licensed.

Significant progress was made with Cytolytix during the period. A new stable, liposomal formulation was developed and evaluated as part of an ongoing formulation evaluation program. Three further formulations are under development with specific characteristics suited for particular routes of administration and final selection is expected in Q2 2025. Initial data showing efficacy in Prostate Cancer cell lines was obtained with grant funding through our Academic Partner at the Open University.

Chairman and Chief Executive's Report for the year ended 31 December 2024

Legacy Assets

At the start of 2024, VAL201 was subject to an open-ended Letter of Intent with TheoremRx. When I took over as CEO we initially restricted this to the end of the period, 31 December 2024. A final extension was then granted until May 2025 to allow time to complete an M&A transaction with an unnamed NASDAQ company announced by TheoremRx on 30 December 2024. Post period end in April 2025, the Letter of Intent was terminated after TheoremRx elected not to proceed with an agreed amendment to return the territory of Taiwan and maintain exclusivity in return for a $200,000 payment. This is clearly a disappointing outcome after a protracted period but contingency planning has been in place since I took over as CEO. VAL201 will be placed in an SPV along with other ValiRx assets focussed on prostate cancer.

VAL401 remains under an optional agreement with Ambrose Healthcare who exercised their right to a 6-month extension on 4 December 2024. No further extensions will be granted.

Outlook

In 2025 ValiRx now comprises a lean, highly motivated, cross-functional team of nine, supported by industry expert advisors as part of a new Advisory Board, which replaced the existing Scientific Advisory Board in March 2025.

Indication expansion for CLX001 is underway within Inaphaea labs and synergy testing with small molecule and immune-oncology drugs is expected to begin in H2 2025.

Contract Development and Manufacturing Organisations have been identified for cGMP production of clinical grade CLX001 peptide and delivery system and the lead formulation is anticipated to be sent for manufacture prior to IND enabling studies in H2 2025.

New patents, on various aspects of VAL201 will be filed at minimal cost and exemplified in house as well as through established academic partnerships in the prostate cancer space. An internal commercial review shows that VAL201 is still relevant despite clinical advances in other areas of prostate cancer therapy and partners for the Prostate cancer portfolio will be sought based on the new application patents.

Two Evaluation projects were in discussion in 2024 and negotiations for a further asset also began post period. Whilst negotiations are ongoing, we are targeting 2-3 projects to sign in 2025 alongside the Altus CB2 asset evaluation and continued Dundee evaluation.

Financial overview

Our financial results show the total comprehensive loss for the year ended 31 December 2024 of £1,915,693 (2023: £2,037,701) and a loss per share of 1.45p (2023: Loss - 2.01p).

Research and developments costs were £245,163 for the year ended 31 December 2024 (2023: £383,362), a reduction of £138,199. In addition, total wage costs of £459,499 (2023: £462,862) were expended on research and development during the year.

Administrative expenses were £1,976,283 (2023: £1,886,401) reflecting an increase of £89,882.

Cash at the bank at 31 December 2024 was £1,555,986 compared to £174,684 in 2023.

We would like to recognise the contributions of all the staff, Board members and shareholders for their continued support during this transitional period. The Company has gone through significant change and refinement of strategy to maximise the potential for growth from our current position.

Martin Gouldstone
Director
Date: 4 June 2025
ValiRx Plc

Dr M Eccleston
Director
Date: 4 June 2025

ValiRx Plc

Group Strategic Report
for the year ended 31 December 2024

The Directors present the strategic report and financial statements for the year ended 31 December 2024.

Company information and highlights

ValiRx operates a dual strategy of building a risk-diversified portfolio pipeline of preclinical therapeutic assets alongside the operation of a revenue-generating products and services division through Inaphaea BioLabs.

By providing a scientific, financial and commercial framework around innovative, early-stage science we can accelerate therapeutic assets through preclinical development to find appropriate partners for the clinical development pathway.

Through Inaphaea, our expertise in handling patient derived cells (PDCs) is applied to all of our in-house pipeline programmes in addition to being offered to external service users. Such service users can access the PDCs via our service offerings, using standard or bespoke protocols to assess their own therapeutic candidates, or they can purchase the PDCs as Assay Ready Reagents, or for culture via a license for use in their own facilities.

Strategy and Vision

We identify, incubate and accelerate innovations that focus on the needs of those who matter most – patients. With a sense of urgency and determination, we select molecules with the highest potential to improve patient lives throughout treatment. With Inaphaea's PDCs now available and a range of strategic partners to provide efficient and humanised assessment of therapeutic candidates at the earliest stages of drug discovery, our capabilities to progress these translational assets has been greatly enhanced.

Prior to in-licensing projects in full, ValiRx carries out a rigorous scientific and commercial evaluation programme on the project at its own expense. During the evaluation period (typically 6-12 months) ValiRx is able to assess whether the project is a good fit for the preclinical pipeline. If the evaluation is a success, a full license will be executed with the innovator and the asset will be incorporated into a dedicated SPV, most likely a ValiRx subsidiary.

The scientific assessment typically consists of a range of cell-based assays conducted predominantly at Inaphaea to understand the biology and demonstrate the mechanism of action of the lead drug candidate and to determine the disease area of highest potential for further development. Success at Evaluation stage indicates that we have achieved a high level of confidence in progression of the drug candidate into preclinical studies.

We develop treatments derived from diverse and disruptive innovations that have the potential to progress rapidly upstream and deliver value to all of our stakeholders. Our model and industry expertise enables us to accelerate the translation of promising new drug candidates to clinic ready assets. Strategic partnering to co-develop and fund clinical trials, allows ValiRx to continue to build a risk-balanced pipeline of novel projects.

Business Structure

Previously operating as a virtual biotech company, ValiRx has preclinical testing services in-house with partners providing advanced data analysis and data implementation technologies, 3D tissue culture technology and a range of in-vivo capabilities operating to optimally process our own pipeline and offering an integrated service to external parties to generate revenues.

In Q1 2023, ValiRx launched its wholly owned subsidiary, Inaphaea BioLabs Limited. Headquartered in the ValiRx laboratory in MediCity (Nottingham, UK), Inaphaea is the cornerstone facility of the Translational Contract Research Organisation (tCRO®) with the acquisition of the scientific assets of Imagen Therapeutics, including a biobank of over 450 patient-derived cell models in H2 2023.

This laboratory, together with new testing services enables our in-house pipeline growth to be supported through both the expanding expertise within the laboratory team and revenue generated. The tCRO® operates as a wholly owned ValiRx subsidiary alongside a growing network of complementary service providers.

We will continue to seek collaborations with academic innovators in oncology and women's health and build a risk-balanced preclinical pipeline for future out-licencing.

The Group retains the following divisional companies:

1. **ValiPharma Limited**: a biopharmaceutical company which holds patents and licences for Valirx in respect of the development of medicines to bring advanced therapeutic options for the treatment of cancer.
2. **ValiSeek Limited**: a joint venture company with Tangent Reprofiling Limited (a SEEK group company) holding the IP for VAL401.
3. **Cytolytix Limited**: a majority owned company holding the IP for CLX001.
4. **Inaphaea BioLabs Limited**: a wholly owned subsidiary providing laboratory facilities to the ValiRx Group and offering products and services associated with patient derived cells.

The Company listed on the Alternative Investment Market ("AIM") of the London Stock Exchange in October 2006.

THERAPEUTIC AREAS

Women's Health

Diseases associated with Women's Health are one of our key focus areas for in-house preclinical research although all assets that are evaluated have multi-cancer potential. The discussions with universities across the world, typically identify a wealth of opportunity in oncology, including female-centric oncology, such as the gynaecological cancers. However, there is a clear dearth of innovative research ready for translation in other areas of women's health.

The VAL301 project is a good example of a drug candidate for women's health. Initially developed as a subset of the VAL201 programme for the treatment of men with prostate cancer, the overlap in biological mechanisms, i.e. the prevention of hormone stimulated cell proliferation, also affords the potential for the peptide to be a candidate for the treatment of endometriosis. Endometriosis is not a cancerous condition, but is characterised by benign, inappropriate growth of hormone dependent tissue.

Candidates for the treatment of conditions such as endometriosis, along with Poly Cystic Ovary Syndrome (PCOS) and symptoms of menopause clearly all fall into our target area of women's health. Most drug candidates are optimised for dose levels, tolerability, pharmacokinetics and drug metabolism during early-stage clinical trials, initially in healthy volunteers for Phase 1 and then typically in carefully selected patients in Phase 2. The vast majority of patients recruited for these early-stage trials are either women who are post-menopausal or men unless there is a strong rationale explained to the regulators to include younger women (for example if the disease only occurs in young women) and a technique to avoid risk to an unborn child.

Although it is now widely acknowledged that pre-menopausal women can respond very differently to drugs in comparison to both men and post-menopausal women, drugs are still routinely clinically optimised for men. This results in a higher than necessary clinical risk during Phase 3 clinical trials, when the drug is provided and tested in a much broader range of patient volunteers, as the women now being included may display unexpected tolerability or lack of efficacy purely due to the gender-specific optimisation process.

Although the rationale for these restrictions was well founded, in particular in the light of the damage to unborn children of thalidomide, the technologies to better understand a drug candidate's potential for reproductive toxicological impacts, as well as better monitoring of women within early-stage clinical trials – including very early pregnancy detection methods – enables these restrictions to be reconsidered.

Endometriosis

Endometriosis is a gynaecological medical condition in which cells from the lining of the uterus (endometrium) appear and grow outside the uterine cavity. This growth fluctuates in a pattern alongside the menstrual cycle, under the influence of female hormones.

These misplaced endometrial-like cells are influenced by hormonal changes and respond in a way that is similar to the cells found inside the uterus; hence symptoms often worsen with the menstrual cycle.

The treatments chosen will depend on symptoms, age, and lifestyle plans, currently centring around pain relief and hormone suppression; the latter leading to potential infertility and bone weakening side effects.

VAL301 in endometriosis

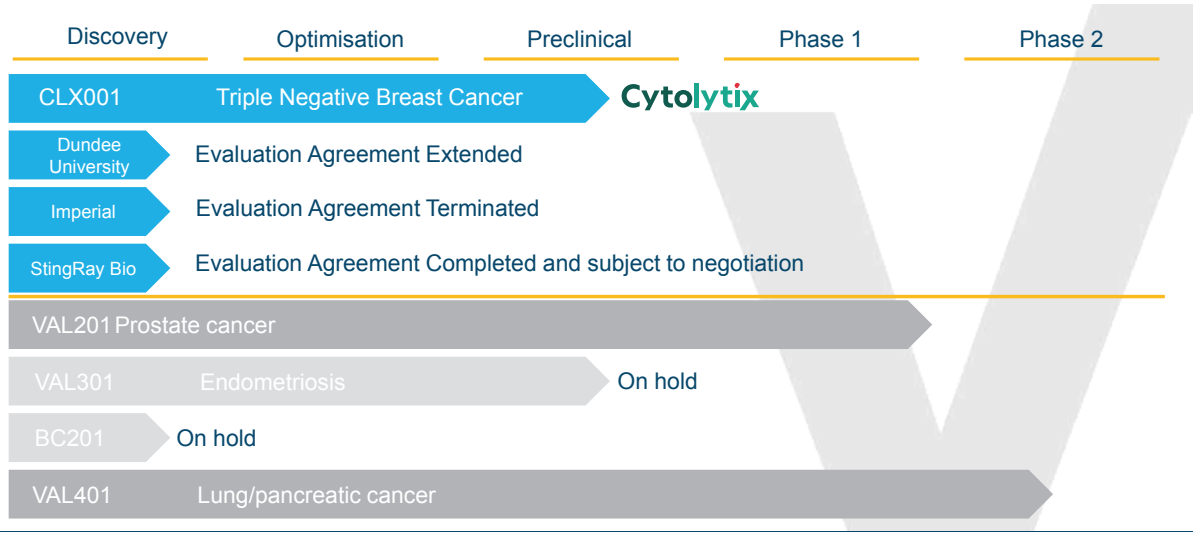
VAL301 presents an opportunity to suppress hormone-driven cellular growth in the absence of outright hormone suppression. By interrupting only the hormone driven cell growth while sparing the other hormone activities, the infertility and related side effects are expected to be avoided.

Progress with VAL301 is hampered by a lack of effective preclinical models for endometriosis and development was suspended pending outcome of the VAL201 licensing negotiations.

Cancer

ValiRx is focused on developing treatments for difficult-to-treat types of cancer that extend survival and improve patient experience. Traditional approaches, such as chemotherapy, extend patient survival but also bring high side effect burdens and complex combination treatment regimens.

Whilst individualised treatments and target therapies have improved outcomes for some types of cancer, many types of cancer have insufficient treatment options and rely on drugs that have remained unchanged for decades. By targeting differentiated biological mechanisms, we aim to improve the patient experience in terms of both survival and quality of life.



Clinical Assets (to be out-licenced)

VAL201 in prostate cancer

VAL201 is a short peptide being studied for the treatment of prostate cancer. The peptide structure is inspired by the structure of the naturally occurring androgen receptor and is designed to intercept and prevent the binding of the androgen receptor to SRC kinase; an enzyme implicated in cancerous cell growth pathways. By preventing the androgen-mediated activation of SRC kinase, VAL201 can prevent cancerous cell proliferation (or growth) without interfering with other functions of the androgen receptor or SRC kinase. This precision method, mimicking a natural process, proposes a high specificity of cancer treatment, with a lower side effect profile.

VAL201 has completed a Phase 1/2 clinical trial in the UK, investigating the effects of different dose levels of the drug to establish the safety, tolerability and first indications of disease impact. VAL201 was the subject of a Letter of Intent to sub-license to TheoremRx Inc. with finalisation subject to a successful fund raise by TheoremRx, targeted to be completed before end-June 2024. The LoI was amended in October 2024 to limit exclusivity until 31 December 2024 with a final extension granted on December 31 until May 31.

Post period the letter of Intent was terminated by ValiRx following notification by TheoremRx of a decision not to proceed with an amendment to the LOI to return the territory of Taiwan and maintain exclusivity in exchange for a non-refundable payment of $200,000.

VAL201 will be placed in a Special Purpose Vehicle with other Prostate cancer applied assets, new IP filed to extend patent life. A limited series of preclinical testing will be performed to demonstrate improved preclinical performance and position for licensing.

VAL401 in adenocarcinoma

VAL401 is the reformulation of the established anti-psychotic drug risperidone. Formulated into a lipid-filled capsule for oral, once daily administration, VAL401 enables an anti-cancer activity, via cancer cell metabolism enzyme, Hydroxysteroid-dehydrogenase type 10 (HSD10), not seen with conventional risperidone.

VAL401 has completed a pilot Phase 2 clinical trial, treating patients with end-stage non-small cell lung cancer. These patients demonstrated a statistically significant improvement in overall survival from diagnosis over case-matched control patients in the same clinics; and showed improvements in quality of life during treatment.

Identifying quality of life improvement in nausea, pain and appetite, has identified pancreatic adenocarcinoma to be a preferred disease to assess in the next clinical trial of VAL401.

VAL401 is subject to an Option Agreement, extended until June 2025, with Ambrose Healthcare which details the proposed sub-license of the project from ValiSeek to Ambrose. This sub-license is subject

to upfront and milestone payments totalling a value of up to £16 million plus royalties; and covers the period remaining in the development and commercialisation of VAL401 as a treatment of cancer patients.

CLX001 in triple negative breast cancer

Triple negative breast cancer accounts for 15% of breast cancers. However, this type of cancer requires new research, as it is more aggressive, harder to treat and more likely to return.

CLX001 is a peptide in a nanoparticle formulation and is designed for precision destruction of cancer cells to avoid excessive side effects. CLX001 is at the preclinical trial stage in the drug development process. The investigation of the candidate peptide with a battery of in vitro and in vivo tests concluded that there was good evidence of biological activity and a strong rationale for further development.

CLX001 has been developed into freeze dried nanoformulation, an essential step for continued evaluation. Biological activity has been confirmed in Inaphaea's lab using a range of cell lines. Cytolytix also received funding for a pilot study in prostate cancer cells via a collaboration with the Open University. Encouragingly, the results demonstrated increased activity of CLX001 under low oxygen conditions often seen within tumours. This collaboration has led to additional non-dilutive grant funding applications in prostate cancer and is a good opportunity to expand evaluation of our therapeutic approaches outside of our internal women's health focus.

Additional formulation options are being examined with the aim of identifying application specific versions to target various routes of administration with new IP anticipated to be filed post period in Q2 2025. Lead formulation selection and confirmation of biologically activity are expected by the end of H1 2025, followed by a full preclinical programme including manufacturing, toxicology, disease impact and Investigational New Drug enabling studies as well as regulatory activities. In parallel, combination therapy studies with small molecule chemotherapeutics and immune-oncology approaches are planned for H2 2025.

Preclinical Projects Under Evaluation

University of Barcelona, KRAS2 Evaluation Project

As part of a broader collaboration agreement with Barcelona University signed in June 2023, a barrage of in silico and in vitro tests were used to assess the "KRAS2" series. After expanding the series of molecules through in silico study, a selection of candidates were synthesised and tested for anti-cancer activity as a monotherapy and in combination with standard chemotherapy agents within the laboratory at Inaphaea BioLabs.

Although initial results showed promise, the development programme was deemed to be at an early stage and did not meet developability timelines, so the project was returned to the university researchers for further development, with no further financial commitment from the ValiRx. The parties have agreed to terminate the current collaboration agreement and revert responsibility for maintaining the intellectual property to Barcelona University as announced 26 September 2024.

Imperial College London

Initiated in March 2024, the Agreement specifically focused on investigating a lead series of dual-kinase inhibitor candidates that show promise in reversing resistance to current standard of care therapeutics in ovarian and other types of cancer. Importantly, a similar approach has already been validated in clinical studies with other assets across a range of tumour types and it holds significant potential as a novel combination treatment.

Chemical synthesis of the lead molecules was commissioned in March 2024 and efficacy testing performed at Inaphaea. A drug-resistant cancer cell line was developed at Inaphaea to support the project which had cis-platin resistant ovarian cancer as its primary indication.

Although initial results showed promise, the development programme is at an early stage, and the Company decided to return the project to the university researchers for further development, with no further financial commitment from the Company. The parties agreed to terminate the current collaboration agreement and revert responsibility for maintaining the intellectual property to Imperial College London as announced 24 February 2025.

University of Dundee Evaluation Project and Over-arching Agreement

In February 2025, the first evaluation agreement under a new over-arching agreement was signed with the University of Dundee. This agreement is scheduled to be active for a period of five years, during which time, the Company will have the opportunity to review research projects from the Dundee Drug Discovery Unit in areas aligned with the strategy of ValiRx with a view to initiating additional evaluation projects on pre-defined terms.

The first Evaluation Agreement under the framework focuses on investigating a lead series of pro-senescence inducing compounds. Senescence in a state in which cells stop dividing and pro-senescence drugs can be used in combination with "senolytic" compounds or immune activation in order to remove the senescent cells. As such, pro-senescence drugs offer natural partnering opportunities for commercialisation. Several compounds across multiple series provided by Dundee have been screened using an assay developed at Dundee and transferred to our tCRO® Inaphaea. This process was used to identify the best compound to take forward into in-silico screening to better understand the mechanism of action.

This work builds upon previous ground-breaking research by Dundee and Barts Charity funded research by Prof Cleo Bishop, Professor of Senescence and Director of the Queen Mary University London Phenotypic Screening Facility. Post period in January 2025, ValiRx agreed a one-year extension with the University of Dundee until 9 February 2026 to continue the mechanism of action studies with the research group of Professor Bishop, supported by a £50,000 grant from the Queen Mary University London Impact Fund and £9,000 from ValiRx.

StingRay Bio Evaluation Project

Initiated in November 2023, the Company has an agreement with StingRay Bio Limited. This agreement proposes the evaluation of a lead series of molecules which has been developed using a target-based drug design approach, to create novel candidate drugs for kinases with well-validated links to cancer. Under the agreement, the Company has carried out a defined series of preclinical tests on the molecules through 2024 to validate the technology and determine suitability for commercialisation.

The Stingray evaluation was completed on time in December 2024 and further Medicinal Chemistry optimisation was required to progress the asset. Further negotiations are underway to progress this asset with Stingray.

BC201 in Covid-19

Coronavirus SARS-CoV2 is the causative pathogenic virus of Covid-19. This highly contagious virus causes Acute Respiratory Distress Syndrome (ARDS) in many patients, which can lead to hospitalisation and death.

The pandemic was declared in March 2020, and the world is now fully aware of the prevalence and serious nature of the virus. This project is on hold.

Patients displaying ARDS can respond well to supportive treatment including administration of positive pressures of oxygen, however, despite this, a proportion still go on to experience more severe symptoms.

These symptoms are believed to be caused by the significant, multi-organ damage that can be caused by an excessive response of the immune system, even after the viral infection has reduced. This is known as a hyperimmune response.

BC201 is a combination of the peptide ingredient of VAL201/VAL301 with complementary active components to dampen this excessive immune response and consequently improve severe symptoms of Covid-19.

The theoretical action of the peptide is two-fold: by blocking the Androgen Receptor mediated activity of SRC Kinase, the peptide is postulated to down-regulate the expression of TMPRSS2 a transmembrane protein believed to be required for Coronavirus cell entry; and by directly dampening the immune response.

BC201 has been deprioritised pending development of VAL201 new formulation.

Translational Research Organisation (tCRO®)

ValiRx's strategic moved towards a more integrated approach to early-stage drug development through its wholly owned subsidiary tCRO®, Inaphaea biolabs. By moving away from a fragmented model of outsourcing to various contract research organizations (CROs), the company aims to create a cohesive translational drug development service.

This shift can offer several advantages:

- **Access to Advanced Technologies**: The acquisition of technologies, such as patient-derived cells from Imagen Therapeutics, expands ValiRx's capabilities and enhances its offerings, positioning the company as a more attractive partner in the biotech space.
- **Cost Savings**: In house pipeline development at favourable FTE rates compared to outsourcing and discounted partnered service access.
- **Increased Efficiency**: By consolidating testing and development under one umbrella, ValiRx can reduce delays caused by coordinating between multiple CROs. This can lead to faster timelines for bringing new therapies to market.
- **Enhanced Quality Control**: A single point of management allows for consistent quality oversight and better alignment with the company's standards and goals.
- **Stronger Collaborative Networks**: Through collaborative services agreements, ValiRx can streamline access to services but also leverage expertise and resources of industry partners, enhancing the overall development process.

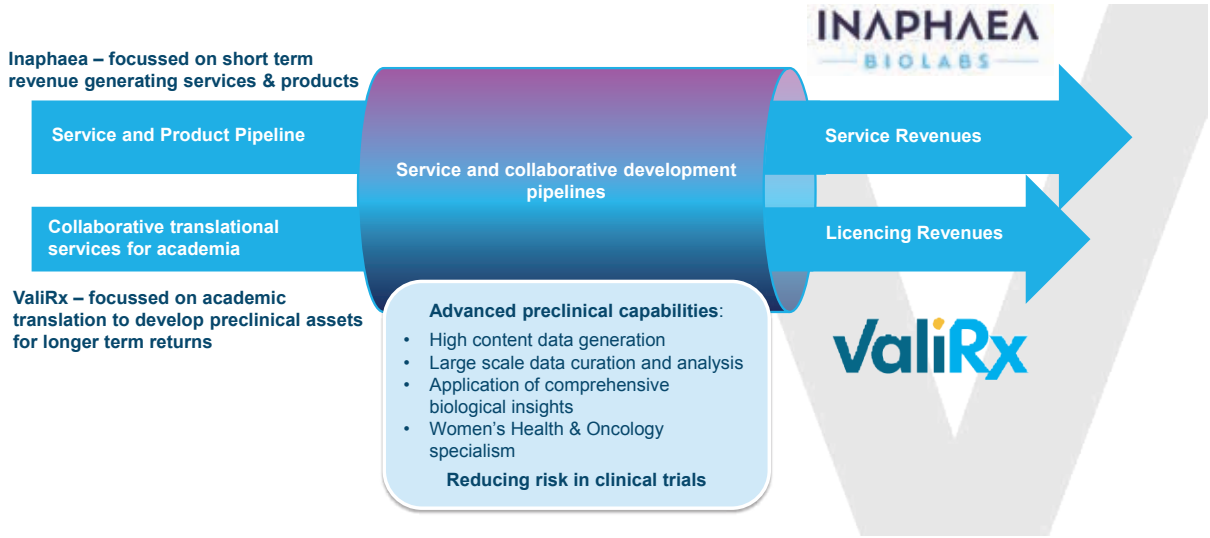
Overall, this strategic realignment positions ValiRx to better meet pipeline development as well as service client demands while fostering innovation and collaboration within the industry. Inaphaea's partnership further enriches this ecosystem by providing access to a broader client base, creating mutual benefits and expanding market reach.

Throughout 2024, Inaphaea integrated service approach has delivered on two key objectives.

The first is to service the expanding internal ValiRx pipeline. This has been achieved through provision of rapid and flexible initial assessment for each of the evaluation projects as well as a significant amount of development work for Cytolytix. In addition, the partner network established as part of the tCRO® service offering has been utilised for peptide formulation of CLX001 and in-silico toxicity screening of the Stingray compounds.

As part of its second objective, revenue generation, Inaphaea broadened its marketing activities into the US. The Bio International Convention generated 23 leads as part of an expanding deal pipeline. In the same month, the first US customer signed up with a multi-stage, revenue generating contract leveraging both RNA-sequence data and bespoke screening using Inaphaea's Patient Derived Cell (PDC) bank. The deal was enabled by the scientific insight and technical expertise of the Inaphaea team and addresses the rapidly growing immune-oncology sector of the market. The specialist services required by the client builds on the PDC cells to provide both 2 dimensional and 3-dimensional cell systems grown in co-culture with human immune cells to model human disease states.

A second contract, with a total potential value of over £100k, focussed on Triple Negative Breast Cancer PDCs, builds on biobank development work carried out to support the in house Cytolytix program was signed in November 2024.



The Collaborative Services model that Inaphaea is developing with partners presents the opportunity for clients to access a wider range of services seamlessly through a single master services agreement. These partner companies have agreed to collaborate by offering their services to Inaphaea clients and by introducing their established clients to Inaphaea's cell-based assays. Partners offering ex-vivo and in-vivo models can deploy Inaphaea's PDC models.

This enables the implementation of the tCRO® to commence through collaborative methods, whereby the clients benefit from the continuity provided by one service provider but accessing the breadth of highly specialised expertise of the group.

Agility Life Sciences

Agility develops formulations to overcome the problematic properties of the molecule making sure that these products are fit for the current and future purpose. These formulation specialisms include oral, ocular, intravenous, intranasal, topical and subcutaneous products.

Altus Formulation

Altus Drug Development designs, develops and delivers Value-Added Medicines based on a range of proprietary drug delivery technologies including SmartCelle micellar technology and MicroSpheres+ immediate and modified release particles to enable efficient bioavailability-enhancing formulations for oral and intranasal drug delivery.

BioReparia

BioReperia has a unique in-vivo ZTX® platform (zebrafish tumour xenograft), with this platform, and their in-vivo toxicology services, it is possible to accelerate drug discovery.

DefiniGEN

DefiniGEN is a game-changing company headquartered in Cambridge, UK, with a mission to navigate drug development programs through uncertain terrain, minimising risk while reducing costs and paving the way for a more efficient and effective future in the field of drug discovery. The technology is revolutionising liver models for efficacy and toxicology screening, utilising a platform that enables the large-scale generation of hepatocyte-like cells (Opti-Heps) with functional relevance comparable to human primary cells.

DLOC

DLOC are developing a unique in-vitro 3D human-on-chip platform which utilises microfluidic biochips comprising proprietary ultrathin 3D porous scaffolds to create accurate biomimetic models of mammary, pancreatic, renal and other ductal tissues.

Dominion
Dominion provides pharmaceutical companies with highly predictive patient-derived 3D tumoroid models and assays, ultimately improving clinical trial success rates and accelerating the development of effective cancer therapies.

Histologix
Histologix is a leading provider of professional histology services immunohistochemistry and contract histopathology in a range of species from early discovery and regulatory preclinical toxicology through to clinical trials. The Histologix team is experienced in taking samples from wet or frozen tissue through to slide, ensuring optimum presentation of regions of interest.

Ignota
Ignota Labs specialises in AI toxicity prediction. Their services combine the best of technology and people with expert scientists operating world-leading AI tools. Their tools provide complex machine-learning outputs, which are distilled by expert scientists into powerful insights and guidance to support your drug discovery programme.

Inspiralis
Inspiralis's aim is to provide pharmaceutical companies, academic researchers and others involved in drug development, with the necessary tools to aid in the preclinical development of novel anti-infective and anti-cancer compounds. Either through the use of their easy-to-use assay kits or through their contract research services. These services include compound screening (hit identifications), IC50s to evaluate the outcomes of hit-to-lead and lead optimisation endeavours, mode of action studies and custom protein production.

OncoBone
OncoBone representatives have a long history of working in CRO business and a large global network of high-quality CRO partners. OncoBone now offers this expertise to our clients as a Virtual CRO combining services that stretch further into the drug development pathway than Inaphaea's in-house capabilities.

Physiomics
Provided by our collaboration partner Physiomics, data generated by Inaphaea may be seamlessly integrated into the Physiomics modelling capability for biological modelling and advanced data interpretation.

ScreenIn3D
ScreenIn3D has a proprietary UpScale3D lab-on-a-chip technology with associated image analysis software, offering preclinical in-vitro research and drug screening services based on in-vitro 3D models.

Spanios
Spanios provides advanced preclinical drug testing using patient-derived 3D tumoroid (PDT) platforms and bringing patient diversity and biological complexity of solid tumors to therapeutic validation as well as to the earliest stages of drug discovery.

Xenopat
Xenopat offers its Patient-derived xenografts, several orthotopic models of different tumour types, characterized at histological and genetic levels, with different sensitivity to diverse chemotherapies, to researchers for drug development.

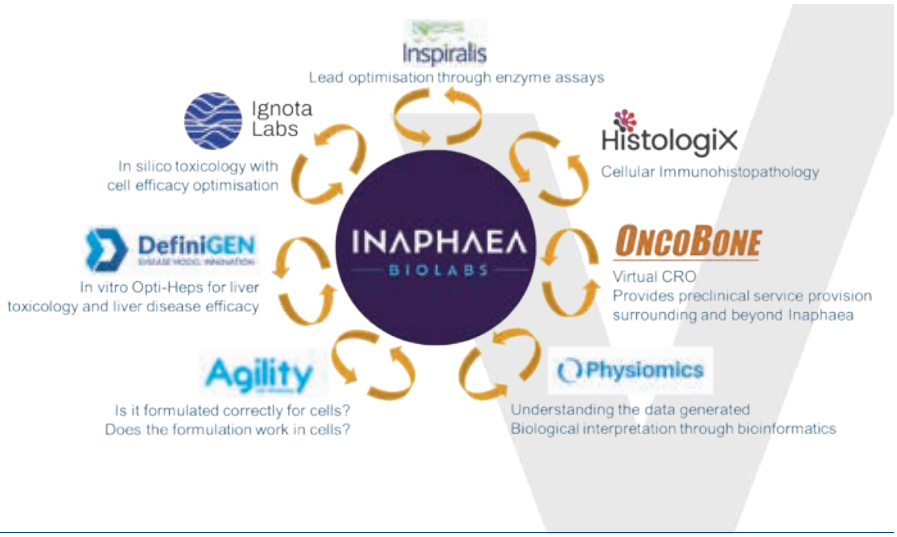
BioReperia
Zebrafish model

XENOPAT
Mouse model

SPANIOS
Organoid model

SCREEN IN 3D
Tumoroid model

dominionbio
Patient Derived model



MANAGEMENT TEAM AND BOARD OVERVIEW

ValiRx comprises a multi-disciplinary team of scientists, technologists and business leaders, committed to providing the framework required for successful drug development. Collaboration is the key to making this happen; each member of the ValiRx team plays a vital role in the strength and success of company programmes, which are focused on achieving the improved outcomes and quality of life for patients, in the most effective and efficient way.

Board

Dr Mark Eccleston

Chief Executive Officer (appointed 12 August 2024)

Mark is a polymer chemist and biotechnology entrepreneur with over 30 years experience working in translation science in both drug and biomarker development. Mark is a former BBSRC Enterprise fellow and holds an MBA (Entrepreneurship).

He is an inventor on over 30 patents ranging from peptide and CAR-T dell therapies to nucleosome enrichment as well as biodegradable chewing gum.

Gerry Desler

Chief Financial Officer and Company Secretary (appointed May 2006)

Gerry is a chartered accountant, who qualified in 1968 with a City firm, before becoming a partner (1970) and Senior Partner (1985). During his time in the City, he has specialised in consultancy work, much of it involving funding and venture capital.

Gerry was previously the Finance Director of Premier Management Holdings plc, an AIM listed company and is on the board of a number of private companies. Gerry also held the position as Company Secretary at the AIM listed company Prospex Energy PLC.

Martin Gouldstone

Non-Executive Chairman (appointed 22 April 2024)

Martin has over 30 years' experience in the Pharmaceutical sector with senior commercial roles across drug discovery, clinical CROs, and corporate Finance M&A.

During the period, Martin served as CEO of Oncimmune Holdings Plc, an AIM listed Biotech company and as a director on the Board of hVIVO Plc, a viral challenge business which is also AIM listed.

Dr Cathy Tralau-Stewart

Executive Director (appointed 25 July 2024; resigned 31 March 2025)

Cathy is an experienced therapeutics development scientist and pharmacologist. Working within some of the world's leading pharma and academic research establishments she has developed a broad knowledge of drug discovery and the translation of early research innovation into developable drug discovery programs. Cathy is an Executive Director of The Milner Therapeutics Institute, University of Cambridge. Post Period Cathy stepped down as an Executive Director and CSO to become a Non-executive Director.

Adrian de Courcey

Non-Executive Director (appointed 22 April 2024; resigned 31 March 2025)

Adrian is a seasoned business executive with experience in both corporate and entrepreneurial environments in the UK and internationally. He began his career with KPMG and held strategy roles with Shell and Johnson & Johnson. Adrian has experience within the SME sector and helped transform a transport business to become the fastest-growing company in its sector and introduced the first fast-charging electric buses to the UK.

Management Team

Mr Mark Treharne
Corporate Development Manager

Mark has built a solid career in the City since 2011, focusing on Corporate Broking and Equity sales across various firms, including Daniel Stewart, Northland Capital Partners, and Pello Capital. His expertise lies in enhancing ValiRx's company reputation in the city, identifying new therapeutic assets for the ValiRx portfolio, and overseeing contract negotiation and management.

In addition to his primary responsibilities, Mark has expanded his role to include marketing activities. He coordinates with our PR agency, manages the Investorhub interactive website, ensures compliance with Article 26, and oversees IT service providers. His multifaceted approach not only strengthens ValiRx's market presence but also streamlines operations across different departments.

Mr Kumar Nawani
Head of Operations

Kumar has been working over 20 years in international trade, client & vendor management, business development, brand development, e-commerce, procurement, IT management & compliance roles with established public and private companies in the UK and previously in Hong Kong. Kumar has been with the ValiRx Group since January 2008 as an active member of the ValiRx management team.

Zai Ahmad
Preclinical Project Manager

Zai has over 25 years' experience in the life science industry. Originally in Neuroscience, looking at synaptic junctions associated with memory and neurotransmitter release and pathways associated with Parkinson's Disease and cardiovascular regulation. Zai moved to oncology as an opportunity to be closer to patients and to have a direct impact on patient survival. Working at the Institute of Cancer Research (ICR) for 14 years, Zai established a specialism in xenograft and transgenic models for use in drug development.

Dr Andrew Carnegie
Head of Strategic Commercial Development

Andrew has been working in the area of business development since 2006, after finishing a Ph.D. in Cell & Molecular Biology and a PostDoc studying Dopamine Receptors. During his career, he has worked for companies in the R&D space, preclinical and biomarkers for clinical support, winning multiple back to back sales awards in several companies. Company history includes: Organovo for 3D cell technologies, Aptuit for preclinical services projects and Millipore for early-stage screening studies. Since moving into Business Development, Andrew has never lost his passion for science and science-based technologies, and that forms the basis of his approach when talking with project partners.

Post Period Changes

A full strategic review was implemented in Q3 2024 to enhance operational efficiency and reduce overheads. A notification of formal redundancy processes initiated in Q4 completing in Q1 2025 with the loss of three positions held by Zai Ahmad, Andrew Carnegie and Kumar Nawani. We also terminated employment for one of the Inaphaea senior Scientists. In addition, a new position for Director of Research was created to replace the part time CSO position formerly held by Dr Cathy Tralau-Stewart. Together with the board changes and the creation of a new technician role at Inaphaea post period we have a lean, interdisciplinary team of just 9 employees and board members with forward savings of around £200,000 in salary costs.

Michelle Barnard
Director of Research

Michelle is an experienced biologist and drug discovery scientist with 19 years of expertise in both small molecules and biotherapeutics development. She has knowledge across the pharmaceutical, academic, not-for-profit, and biotechnology sectors in developing therapeutics for oncology and rare diseases.

Michelle joins ValiRx having worked as a Senior Scientist for nearly 10 years at Cancer Research Horizons (CRH), the innovation engine complementing Cancer Research UK's network of academic researchers and as a freelance consultant for CRO specialist, DefiniGEN.

Post period, Michelle will be heading up ValiRx's scientific programmes and co-ordinating client projects with Inaphaea BioLabs, providing technical and commercial expertise and scientific oversight.

Scientific Advisors

ValiRx retains the services of a core team of advisors to provide expert opinions on all pipeline projects in a wide range of therapeutic areas. The Science Advisory Board (SAB) met twice in 2024 to critically review all projects and identify future trends in biomedical research, in addition to holding meetings with individual members of the ValiRx team in between.

The core team of advisors for the period is summarised below, with additional consultancy from other individuals obtained as required:

Dr Wilson Caparrós-Wanderley *(Independent Consultant)*
Dr Wilson Caparrós-Wanderley is a pharmaceutical executive with 25 years' experience in biomedical R&D. He obtained a first degree from the University of Barcelona and a PhD from the University of London. Upon receiving his PhD in the 90's, he completed postdoctoral fellowships at King's College London and Imperial College before moving to industry. During this time, he worked on viral vaccines, gene therapy vectors, cancer treatments and immunomodulatory therapies.

In the mid 2000's Dr Caparrós-Wanderley was appointed Chief Scientific Officer of PepTcell Ltd (later the SEEK Group). During his 11-year tenure as CSO, he oversaw the expansion and progression of the company's intellectual property into viable vaccine, respiratory and oncology therapies. At the time of his leaving SEEK in 2015, the company had two pharmaceutical products in the market and several others in late stage of development. Dr Caparrós-Wanderley has authored multiple patents, scientific articles and book chapters and has been an invited speaker at conferences and WHO events. He is currently acting as a consultant to the biopharmaceutical industry.

Dr Christophe Chassagnole *(Physiomics PLC)*
Christophe is a Biochemist and Systems Biologist (Pathway modelling) by training. After completing his PhD, he had held a number of academic positions in metabolic engineering, before joining Physiomics in 2004 where he leads the science and oversees customer projects. Physiomics provides consulting services in PK/PD and other mathematical modelling including to large pharmaceutical companies.

For ValiRx, Physiomics have performed two large projects, which have also included working with Mark Eccleston during his historic position at ValiRx:

- Systems biology project (apoptosis model) to validate potential GeneICE targe t (Go/No Go decision).
- PK/PD modelling to support VAL201 development, initially preclinical modelling and first in man dose prediction, project has resumed with availability of clinical data.

Professor Paul Taylor *(University of Leeds)*
Professor Paul Taylor is part of the Chemical Biology & Medicinal Chemistry research group and a member of the Astbury Centre for Structural Molecular Biology at the University of Leeds. Paul is also a Pro-Dean in the Faculty of Engineering & Physical Sciences. He is an experienced leader in Higher Education where he seeks to build effective, collaborative teams to drive innovation.

Paul's research career is marked by transdisciplinary, collaborative projects and he has published widely with colleagues from Biological Sciences, Engineering, Medicine and Social Sciences as well as within his core discipline of Chemistry. Paul's current research interests include molecular evolution and cancer therapy, where he uses a combination of computational and experimental approaches.

Professor Martin Ulmschneider

Professor Ulmschneider is a Professor of Computational Chemistry in the Department of Chemistry at King's College London. Martin studied Physics at Oxford University, followed by a DPhil at the Laboratory of Molecular Biophysics working on membrane protein simulations. International fellowships from the Wellcome Trust, Human Frontiers (Short Term), and the EU (Marie Curie) allowed him to work on membrane protein folding and membrane active peptides at the Indian Institute of Science in Bangalore, the University of Rome La Sapienza, Oxford University, Utrecht University, the University of California, Irvine, and Birkbeck College, London, before becoming an Assistant Professor at Johns Hopkins University working on biomaterials.

He joined the Department of Chemistry at King's in 2017 and is currently working on membrane active peptide design for diagnostic and therapeutic applications. Martin is a scientific founder and shareholder in CytoLytix and works to support CytoLytix as a scientific consultant.

Dr Gareth Griffiths

Gareth holds a PhD in Immunology/oncology from the University of Birmingham and is now a scientific specialist in the isolation and growth of patient derived tumour cells. He has several years postdoctoral experience at the University of Manchester which was followed by a role as a specialist in high content imaging assay development at AstraZeneca.

Following this, he cofounded Imagen Therapeutics, a company providing a CRO service to pharma and biotech. An entrepreneurial driven scientist, he developed Imagen successfully over a 14 year period. He has proven expertise at every level of developing a company, encompassing commercial activities all the way to scientific project delivery. Combining his knowledge of advanced cell image analysis, patient derived tumour development and expertise in Immunology, he is now working to support Inaphaea as a scientific consultant.

Post Period the Scientific Advisory Board was dissolved and a new broader Advisory board established. Dr Gareth Griffiths and Professor Martin Ulmschneider are joined by Dr Andrew Carnegie and three new members bringing a range of scientific, commercial and regulatory expertise in both human and veterinary medicine. A key objective for the new advisory board is to review and aid in the positioning of current, as well as future, assets for partnering across human and animal health applications.

Dr Sheuli Porkess

Dr Sheuli Porkess is a pharmaceutical physician with expertise across pharmaceutical medicine including medical affairs, clinical development and health & life science policy. Sheuli is a Director of Actaros Consultancy Ltd and is the current President of the Faculty of Pharmaceutical Medicine alongside holding a number of other advisory roles.

Sheuli's career began in clinical medicine in the NHS and subsequently has included a number of medical leadership roles at a national, regional and international level. She has held Medical Director roles for pharmaceutical companies in the Netherlands, Nordics and UK including the Global Head of Quality Management for Medicine and Regulatory, for Boehringer Ingelheim in Germany.

Sheuli is a Fellow of the Faculty of Pharmaceutical Medicine and a Fellow of the Royal College of Physicians of London.

Dr Heather Wilson Robles

Dr. Heather Wilson-Robles received her DVM from the University of Tennessee in 2003. She completed an internship in Small Animal Medicine and Surgery at the University of Minnesota in 2004 and a residency in Medical Oncology at the University of Wisconsin-Madison in 2007.

Dr. Robles joined the Veterinary Small Animal Clinical Sciences Department at Texas A&M University in 2007 as a Clinical Assistant Professor, converted to a tenure track position in 2008 and was awarded tenure in 2014. She held the rank of Professor and served as the assistant department head of research before joining Ethos Discovery and The Oncology Service (an affiliate of United Veterinary Care) in 2022.

Dr. Robles' research includes bench-based discovery targeting tumour initiating cells while exploiting common druggable pathways between canine and human cancers, diagnostic development in the area of Nucleosomics® and clinical research using dogs as a model for paediatric cancer. She was recently awarded the TVMA Medical specialist of the year award and is the President of the Veterinary Cancer Society.

Dr Simon Wheeler

Simon Wheeler, BVSc, PhD, DECVN, MBA, FRCVS, graduated from the University of Bristol and is a European specialist in veterinary neurology. He was a house surgeon at the University of Glasgow before he went on to complete a PhD in neurology at the University of London. Subsequently, he held faculty positions at North Carolina State University and The Royal Veterinary College.

He has been made a fellow of the Royal College of Veterinary Surgeons for meritorious contributions to learning in neurology. He was also a founder member and subsequent president of the European College of Veterinary Neurology. Simon is a former member of Novartis Ventures tasked with finding Veterinary medicine investments and now an Independent Animal Health and Veterinary Consultant.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

ValiRx maintains a strong communication process to standardise and improve shareholders' experience of communicating with the Company. ValiRx subscribes to Investorhub allowing direct shareholder engagement with the company through an interactive portal for announcements, Q&A and active two-way conversations between shareholders and management.

The Board recognises the importance of effective and timely communication with all stakeholders, including shareholders, investors, innovators and staff. The business and science of biomedical development can be complex and difficult to articulate in a clear and concise way through regulated channels. The Company understands and encourages the desire of shareholders to ask questions about scientific or corporate progress and is mindful of the need to ensure all shareholders have fair and equal access to information about the Company, as required by the AIM Rules and the Market Abuse Regulations.

SECTION 172(1) STATEMENT

Each Director is required by the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so are required to have regard for the following:

- the likely long-term consequences of any decision;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

The Company adopted the Corporate Governance Code for Small and Mid-Sized Quoted Companies from The Quoted Companies Alliance (the "QCA Code") in 2018 as an appropriate code of conduct for the Company's size and stage of development. In the Corporate Governance Report, on page 30 are comments regarding the application of the ten principles of the QCA Code. Some s.172 considerations are addressed in more detail in the Corporate Governance Report.

The Board considers the Company's major stakeholders to include employees, suppliers, partners and shareholders. When making decisions, the interest of each stakeholder group individually and collectively is considered. Certain decisions require more weight attached to some stakeholders than others and while generally seeing the long-term interest of the shareholders is of primary importance, the Directors consider those interests are best served by having regard to the interests of the other key stakeholder groups and, in fact, to all the s. 172 considerations.

Long-term value

The aim of all business resources allocation is to create long-term value through the management of a balanced but dynamic portfolio of preclinical projects for development towards clinical readiness and partnering.

The Chairman and Chief Executive's Report on page 5 describes the Company's activities, strategy and future prospects. Some s. 172 considerations are also addressed in the Chief Executive's Report, including the considerations for long term strategic development.

Our people

It is imperative that the core team has the right breadth of experience to manage all facets of early drug development, including scientific, commercial and operational considerations. The Company has and will continue to ensure appropriate training and engagement of employees to ensure successful delivery of the strategy. Effective project management processes will be employed so that all employees are clearly aware of the role they play in achieving the business objectives. As the number of employees grows the Company will ensure that relevant processes and procedures will be extended for the benefit of all staff.

Business relationships

ValiRx continues to maintain good relationships with its suppliers and customers for its tCRO products and services by taking a collaborative approach and abiding by commercially acceptable business terms that benefit all parties. The company has entered five evaluation and/or comarketing agreements related to its Patient derived cell models and data sets with a further three agreements signed post period.

Community and environment

At present, the Group's impact on the community and the environment is modest but the Board endeavours to ensure that the business and suppliers act in an ethically and in an environmentally conscious manner. The Company is also committed to the 3R's principles in all its preclinical studies and has built additional capabilities in ex-vivo and in-silico testing through its partnerships.

Business conduct

The Board recognises its responsibility for setting and maintaining a high standard of behaviour and business conduct. The Company operates within the QCA Code framework and complies with all relevant regulatory requirements for developing new treatments for human use. The Company maintains a suite of standard operating procedures (SOPs) that describe the management system. All employees are trained regularly on these procedures. All material information is disseminated though appropriate channels and is available to all stakeholders through the Company's corporate presentations, news releases and website, www.ValiRx.com. This is described in more detail in the Corporate Governance Report Principle 8.

Shareholders

The Directors are committed to treating all shareholders equally. As part of its decision-making process, the Board considers the interests of shareholders as a whole. All shareholders are provided with equivalent information through RNS announcements, and the ValiRx website. The Company has also introduced a regular Investorhub updates and Q&A process with shareholders to help improve clarity of business activities in a timely manner. For more information see Principles 2 and 3 in the Corporate Governance Report.

PRINCIPAL RISKS AND UNCERTAINTIES

ValiRx is a biopharmaceutical development Company and, in common with other companies operating in this field, is subject to a number of risks and uncertainties. The principal risks and uncertainties identified by ValiRx for the year ended 31 December 2024 are below.

Risk Area	Description	Mitigation
Research and development	The Company has embarked on a new R&D strategy to develop preclinical assets and may not be successful in building a balanced pipeline of product candidates for subsequent out-licencing.	High levels of business development activity to identify a range of promising candidates. Rigorous assessment and selection processes for any candidate entering the development pipeline. Effective project management processes and stage-gates to review suitability for further development and eventual out-licencing the Company utilises a range of external scientific, regulatory and clinical experts to help guide its development programmes. The progress of the development programmes and identification of commercial partners for clinical development represents the best indicator of performance.
Commercial (current clinical programmes)	Failure to complete out-licencing of current clinical projects on acceptable commercial terms. The strategic shift towards projects at an earlier stage means that ValiRx will no longer lead and fund clinical studies. VAL201 and VAL401 will require out-licencing partners for continued development.	The Company is vigorously pursuing all business development avenues to identify out-licencing options.
Commercial (Inaphaea sales and revenue risks)	The Company's strategy includes the creation of a tCRO® with high growth potential to generate income and (in-part) provide financial support to progress the internal preclinical development pipeline. This was completed with the question of the assets from Imagen Therapeutics and no further acquisitions are planned. Building a customer base from the ground up carries risks of slow uptake, customer retention, reputational risks from experimental science; and commercial risks of slow payment from successfully completed projects. Product development risks include maintenance of quality of products provided	Extensive study of the competitive landscape and intensive marketing campaigns are enabling outreach. Use of industry standard platforms such as scientist.com and expansion of our collaborator network including other CROs offering related services but utilising PDCs under license. Ensuring products are developed and tested to industry standard, with our in-house and advisors being appropriately trained to monitored and control quality. Development of data sheets and publication of exemplification data.

Risk Area	Description	Mitigation
Cash flow	The cash required to continue development of the preclinical pipeline is greater than can be generated from the tCRO®.	It is anticipated that out-licencing of VAL201 and VAL401 will provide additional reserves to support the strategy. The Company will maintain an efficient overhead structure to minimise non-productive costs. The tCRO® provides service and product revenues to the ValiRx cash flow. The preclinical development pipeline will be balanced to ensure cash demands are commensurate with that generated from the tCRO®.
Regulatory	The Company's operations are subject to laws, regulatory approvals and certain governmental directives, recommendations and guidelines relating to, amongst other things, product health claims, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of illness and injury, environmental protection and human clinical studies. There can be no assurance that future legislation will not impose further government regulation, which may adversely affect the business or financial condition of the Company.	The Company manages its regulatory risk by working closely with its expert regulatory advisors and, where appropriate, seeking advice from bodies on regulatory risk relevant to the Company's programmes and activities.
Intellectual property	The Company's success depends on its ability to obtain and maintain protection for its intellectual and proprietary information Patent applications may not be granted, and existing patent rights may be successfully challenged and revoked.	The Company invests in maintaining and protecting this intellectual property to reduce risks over the enforceability and validity of patents. The Company works closely with its legal advisors and obtains where necessary opinions on the intellectual property landscape relevant to all programmes and activities.
Operational	The Company's development and future prospects depend to a significant degree on the experience, performance and continued service of its senior management team, including the Directors. The unplanned loss of the services of any of the Directors or other members of the senior management team and the costs of recruiting replacements may have a material adverse effect on the Group and its commercial and financial performance.	The Company has invested in its management team at all levels. The Directors also believe that the senior management team is appropriately structured for the Company's size and is not overly dependent upon any particular individual. The Company has entered into contractual arrangements with these individuals with the aim of retaining their ongoing commitment.

Risk Area	Description	Mitigation
Environmental matters	The Board is committed to minimising the Group's impact on the environment and ensuring compliance with environmental legislation. The Board considers that its activities have a low environmental impact. The Group strives to ensure that all emissions including the disposal of gaseous, liquid and solid waste products are controlled in accordance with applicable legislation and regulations. Disposal of hazardous waste is handled by specialist agencies.	The Group recognises its responsibility towards the environment and in the way it conducts its business. It works closely with all its expert scientific advisors to ensure its compliance with environmental legislation and to ensure that all emissions including the disposal of gaseous, liquid and solid waste products are controlled in accordance with applicable legislation and regulations.

Key performance indicators

The Group's KPIs include a range of financial and non-financial measures. The Board considers pipeline progress, and in particular progress towards the clinic, to be the main KPI, and updates about the progress of our research programmes are included in the joint Chairman's and Chief Executive's Report. Below are the Financial KPIs considered pertinent to the business.

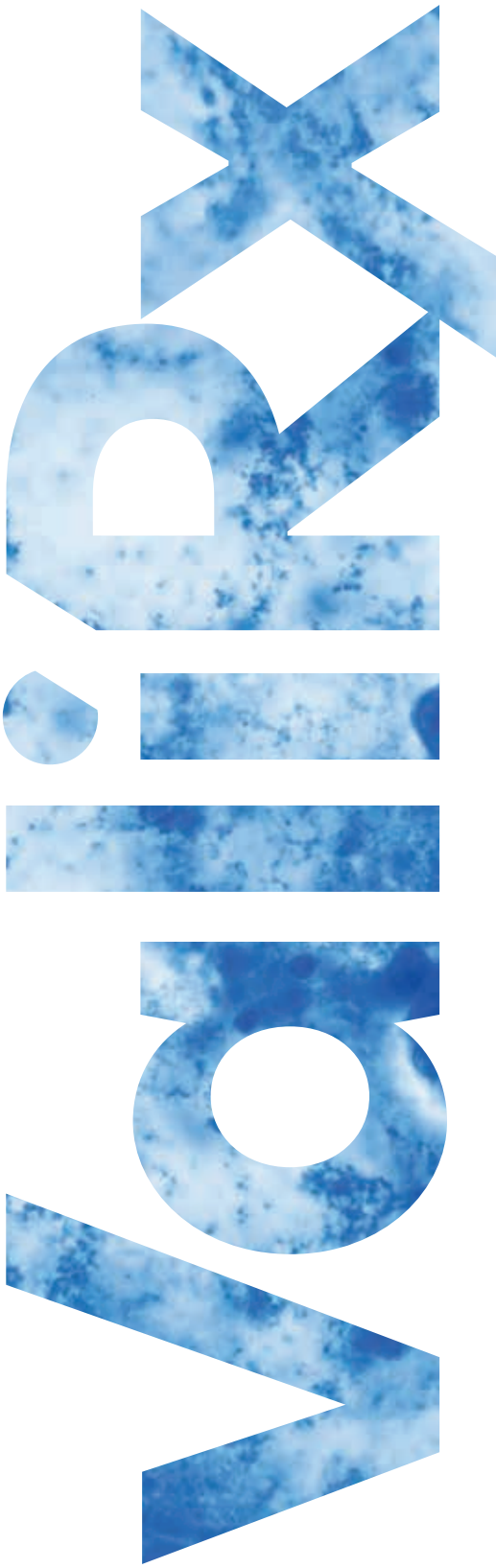
	2024	2023
	£	£
Cash balances	**1,555,986**	174,684
Research and developments, including related wages	**704,662**	846,224
Operating expenses, excluding R&D wages	**1,516,784**	1,423,539

ON BEHALF OF THE BOARD:

gerry desler

G Desler
Director, Chair Audit and Risk Committee
Date: 4 June 2025

Governance



CONNECTED INNOVATION

ValiRx

ValiRx Plc

Governance
for the year ended 31 December 2024

The Board recognises that good corporate governance is essential to building a successful business that is sustainable for the long term.

The Corporate Governance Statement that follows, explains how our governance framework works and how the Company has applied the 10 principles of the QCA Code this year.

Corporate Governance Statement

The Board has adopted the Quoted Companies Alliance Corporate Governance Code (QCA Code). The Board believes that this Code provides an appropriate and suitable governance framework for a Group of our size and complexity.

We believe the Company is in full compliance with each of the 10 principles of the Quoted Companies Alliance Corporate Governance Code (QCA Code) and that our governance framework ensures that the Company operates effectively and with integrity. In 2024, the Company continued a number of organisational and strategic changes that re-defined our purpose, values and culture. All changes were implemented in full compliance with the principles of the QCA Code.

This Corporate Governance Statement addresses how the Group complies with each of the 10 principles of the QCA Code.

Principle	How the Company complies
1. Establish a strategy and business model which promote long-term value for shareholders	ValiRx is a biopharmaceutical company focused on developing novel medicines to bring more advanced therapeutic options for the treatment of cancer and improve patient experience. For many years the Company has conducted research on a pipeline of early-stage therapeutic candidates, that may prove in clinical trials to treat, among other conditions, cancer safely and more effectively than currently used chemotherapeutics, which act indiscriminately, attacking the whole body and causing irreparable damage to normal cellular processes. ValiRx has lead drug candidates at varying stages of development for multiple indications. 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 costs considerably while increasing the potential for realising value.

Principle	How the Company complies
2. Seek to understand and meet shareholder needs and expectations	The Board is accountable to shareholders and other stakeholders and is ultimately responsible for the implementation of sound corporate governance practices throughout the Group. Our Board of Directors is committed to ensuring that the Group adheres to high standards of corporate governance in the conduct of its business. The Board attaches considerable importance to providing shareholders with clear and transparent information on the Group's activities, strategy, and financial position. Details of all shareholder communications are provided on the Group's website. Private shareholders currently constitute the main body of investors in ValiRx. As such, the Board regards regular and interactive meetings as a good opportunity for shareholders to seek clarity on the Company's activities. Virtual Q&A sessions are now held on an ad hoc basis. The annual general meeting provides an additional opportunity for shareholders to meet and discuss the Group's business with the Directors. Announcements on the Group's half and full-year results presenting all shareholders with an assessment of the Group's position and prospects are found on the website. Shareholders vote on each resolution, by way of a poll. For each resolution we announce the number of votes received for, against and withheld and subsequently publish them on our website. The Directors actively seek to build a mutual understanding of objectives with institutional shareholders. The Chair and CEO make presentations to institutional shareholders and analysts immediately following the release of the full-year and half-year results. We communicate with institutional investors frequently through a combination of formal meetings, roadshows and informal briefings with management. The majority of meetings with shareholders and potential investors are arranged by the Company's broker. Following meetings, the broker provides feedback to the board from all fund managers met, from which sentiments, expectations and intentions may be gleaned. In addition, Valirx has initiated a new interactive website feature through Investorhub to keep our shareholders informed and engaged throughout our journey. This new corporate website enables us to identify and understand our investor base more clearly, allowing us to tailor communications that highlight key milestones, clinical developments, and the value of our progress. This ensures our shareholders remain aligned with our mission to deliver innovative solutions in healthcare. We also review analysts' notes to achieve a wide understanding of investors' views.

Principle	How the Company complies
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Board recognises its prime responsibility under UK corporate law is to promote the success of the Company for the benefit of its members as a whole. The Board also understands that it has a responsibility towards employees, partners, customers, suppliers, and the patients who ultimately benefit from its research and drug development programmes. Our corporate social responsibility approach continues to meet these expectations. The Board also understands that it has a responsibility to take into account, where practicable, the social, environmental and economic impact of its approach. Responsibility for the Company's corporate activities lies with the Senior Management Team ('SMT') who set the Group's strategic approach and develop key policies. The Company engages with stakeholders through a number of channels, which include shareholder communications via the Regulatory News service ('RNS'), the Company's website and its Annual Report & Accounts, results presentations and the Annual General Meeting and via interviews in the broadcast media and attendance at investor shows around the country. Corporate communication and shareholder engagement through these channels not only gives shareholders a deeper insight into and understanding of the Company's activities and of its development, but it also invites feedback, either face-to-face at such meetings or via email, on how the Company can improve its communications with stakeholders to better support their needs. By so doing, such engagement enables the SMT to more effectively work with stakeholders in the future to their mutual advantage. The Board receives formal feedback from the SMT on a quarterly basis on the nature of interaction with the stakeholders they meet during each period. The SMT comprises of the Chief Executive Officer and the Chief Financial Officer who take leading roles in key strategic areas such as Gender, HR, and Environmental Management. The SMT is also responsible for ensuring global compliance with key internal and external policies including: • Anti-human trafficking and slavery policy • Diversity policy • Anti-corruption and bribery policy • Whistleblowing policy • UK modern slavery act.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	An important aspect of risk management is to put in place and consistently work according to unambiguous Standard Operating Procedures (SOPs). A SOP is a compulsory instruction to carry out a series of operations correctly and always in the same manner, avoiding deviations or non-conformances to ensure that the integrity of scientific investigations and drug manufacture are consistently maintained. ValiRx operates an internal Quality Management System (QMS) comprising 14 SOPs to comply with the most stringent quality standards expected of a drug development company. Furthermore, the Company regularly audits its suppliers to ensure the manufacturing process, quality process, and also the drug's shipment process all conform to the standard required.

Principle	How the Company complies
5. Maintain the Board as a well-functioning, balanced team led by the chair	**Board Composition -** The Board currently consists of two Executive Directors, a Non-Executive Chairman, and one Non-Executive Director. Collectively the Board has scientific, financial, legal, and business experience necessary to advance the Company and apply corporate governance best practices. The Board is satisfied with its composition and the balance between Executive and Non-Executive Directors. These are: **Martin Gouldstone** (Independent Non-Executive Chairman) **Dr Mark Eccleston** (Chief Executive Officer) **Gerry Desler** (Executive Chief Financial Officer) **Dr Cathy Tralau-Stewart** (Non-Executive Director) **Role of the CEO** • Leads and manages the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board; • Leads the management to ensure effective working relationships with the Board by meeting or communicating on a regular basis to review key developments, issues, opportunities and concerns; • Develops and proposes the Group's strategies and policies for the Board's consideration; • Implements, with the support of the management team, the strategies and policies as approved by the Board and its committees in pursuit of the Group's objectives; • Maintains regular dialogue with the Chairman on important and strategic issues facing the Group, and ensures bringing these issues to the Board's attention; • Ensures that the management gives appropriate priority to providing reports to the Board which contain relevant, accurate, timely and clear information necessary for the Board to fulfil its duties; • Ensures that the Board is alerted to forthcoming complex, contentious or sensitive issues affecting the Group; • Leads the communication programme with stakeholders including shareholders; • Conducts the affairs of the Group in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity and corporate governance within the Group. **Role of the Non-Executive Directors** As members of the Board, all Non-Executive directors have key accountabilities, which include the following: • Provision of leadership of the Company within a framework of prudent and effective controls, which enable risk to be assessed and managed; • Setting the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance; • Setting the Company's values and standards and ensure that its obligations to shareholders are understood and met;

Principle	How the Company complies
	• Constructively challenge and help develop strategy, participate actively in the decision-making process of the Board, and scrutinise the performance of management in meeting agreed goals and objectives.
	Independence As recommended in the QCA Code, the Board will identify in the annual report each Non-Executive Director it considers to be independent. The Board will determine whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. The Board will state its reasons if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which are relevant to its determination, including if the Director: • Has been an employee of the Company or group within the last five years; • Has, or has had within the last three years, a material business relationship with the Company either directly, or as a Director or senior employee of a body that has such a relationship with the Company; • Has received or receives additional remuneration from the Company apart from a Director's fee; • Has close family ties with any of the Company's advisers, directors or senior employees; • Holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; or • Has served on the Board for more than nine years form the date of their first election.
	Role of the Board Committees The Board has established three committees: remuneration, audit and risk and nomination and governance. All of these committees have terms of reference, which set out clearly their role, stating whether it is to take decisions or make recommendations to the Board of Directors. These are available on the Company's website (see below).
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	Biographical details of the Directors & Management can be found on the Company's website at https://www.valirx.com/board-directors-and-management-team ValiRx seeks to recruit the best candidates at Board level and considers candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board (including gender), taking care that appointees have the necessary experience and time available to allocate to the position. Each Director appointed by the Board is subject to election by the shareholders at the first AGM after their appointment. Following advice from the Nomination and Governance Committee, the Board has concluded that each Director is qualified for election or re-election. The current Board members are individuals with extensive industry-specific experience as well as professionals that bring to the Board the skill sets required to meet its strategic, operational and compliance objectives. Their suitability as Directors has therefore been determined largely on the basis of their ability to deliver outcomes in accordance with the company's short and longer-term objectives and thus add value to shareholders.

Principle	How the Company complies
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	ValiRx considers that assessments of the performance of the Board, the Board committees, the Chief Executive, the Company Secretary and each of the individual Non-Executive Directors are pivotal to good corporate governance, bringing significant benefits and performance improvements on three levels: organisational; board and individual member level. Establishing an effective process for board evaluation sends a positive signal to the organisation that board members are committed to acting professionally. Performance assessments are conducted annually across the board, applying a matrix of key areas of focus to identify collective and individual strengths and weaknesses within the Company for continuous improvement. **Board Composition** • Appropriate ratio between Executive and Independent Directors; • Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation. • Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; • Negotiation skills to engender stakeholder support for implementing Board decisions; and • Experienced with the mechanisms, controls and channels to deliver effective governance and manage risks. **Effectiveness of the Board of Directors in:** • Monitoring financial performance against agreed financial objectives; • Monitoring the implementation of the strategy approved by the Board; • Appointing, removing and monitoring the performance of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary; • Ensuring appropriate succession planning for Board members and senior management via the Nomination and Governance Committee; • Approving and monitoring financial and other reporting; • Approving and monitoring major capital expenditure, capital management, funding, acquisitions and divestments; • Overseeing risk management, control, accountability and compliance systems; • Setting standards of behaviour to enhance the reputation of the Company in the market and the community; • Ensuring proper organisation and management so as to achieve conformity goals across all aspects of the business; • Setting appropriate delegated powers between CEO and Board of Directors; • Ensuring quality and continuity of relations with the Group CEO, members of Committees, managers and heads of control functions; and • Setting clear strategy for the Company reflecting goals short to mid-long term.

Principle	How the Company complies
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement (Cont)	**Effectiveness of Executive Management in:** • Implementing the strategic objectives set by the Board; • Operating within the risk parameters set by the Board; • Operational and business management of the Company; • Managing the Company's reputation and operating performance in accordance parameters set by the Board; • The day-to-day running of the Company; • Providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities; • Interfacing with shareholders and stakeholders, Nomad and Broker; and • Approving capital expenditure (except acquisitions) within delegated authority levels. **Structure and competency of Committees to:** • Advise the Board on the suitability of external auditors and critical accounting policies for financial reports, in particular the year end audited accounts, and the Company's risk management and internal control systems; • Provide independent and transparent pay arrangements linked to achievements over a given period; and • Lead the Board appointment and succession planning process considering the requirements of the Company.
8. Promote a corporate culture that is based on ethical values and behaviours	The Board understands the importance of setting the right culture for a biotechnology oncology-focused company specialising in developing novel treatments for cancer that will provide a breakthrough into human health and wellbeing through the early detection of cancer and its therapeutic intervention. Moreover, it ensures that the Company's strategies and requirements for excellence and good governance are instilled into the culture of our business. The Executive Directors interface regularly with all personnel within ValiRx. In this way we encourage them to take responsibility for advancing their projects within parameters and controls set by the Board. This approach creates a culture that motivates and enables our personnel to develop and express their talents and skills. Moreover, in the performance of its duties the Board listens to the views of key stakeholders, including scientists, clinicians, regulators and suppliers and is mindful of the potential impacts of decisions it makes.

Principle	How the Company complies
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	The Board of Directors, with the support of the Executive Management and Committees, is ultimately responsible for establishing and maintaining good standards of governance. This can be achieved by creating conditions that enhance overall Board's and individual Directors' effectiveness in order that all key issues are addressed, and sound decisions are taken in a timely manner. Other responsibilities of the Board of Directors include: • Promoting effective relationships and open communication, and creates an environment that allows constructive debates and challenges, both inside and outside the boardroom, between Non-executive Director(s) and the management; • Ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategies and policies, and that Board decisions taken are in the Group's best interests and fairly reflect Board's consensus; • Setting, in consultation with the Chief Executive and Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the Group and the concerns of all Directors, and ensures that adequate time is available for thorough discussion of critical and strategic issues; • Ensuring that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management; and • Ensuring that there is effective communication with shareholders, and that each Director develops and maintains an understanding of the stakeholders' views.

Principle	How the Company complies
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Board recognises the importance of sound corporate governance. The Board is satisfied with its composition. The Non-Executive Directors bring a wide range of skills and experience to the Company, as well as independent judgement on strategy, risk and performance. The independence of each Non-Executive Director is assessed at least annually, and both are considered to be independent at the date of this report. **Attendance at Board meetings** A minimum of ten Board meetings are held each year at which it is expected that all Directors attend in addition to relevant Committee meetings, General Meetings and the Annual General Meeting. Where Directors are unable to attend meetings due to conflicts in their schedules, they will receive the papers scheduled for discussion in the relevant meetings, giving them the opportunity to relay any comments to board members in advance of the meeting. Directors are required to leave the meeting where matters relating to them, or which may constitute a conflict of interest to them, are being discussed. The number of Board Meetings attended by each Director during the year was:

Director	Number of meetings held whilst a board member	Number of meetings attended
Gerry Desler	17	15
Martin Gouldstone (appointed 22/04/24)	10	8
Dr Mark Eccleston (appointed 12/08/24)	6	6
Dr Cathy Tralau-Stewart (appointed 25/07/24)	7	6
Adrian de Courcey (appointed 22/04/24; resigned 31 March 2025)	10	9
Martin Lampshire (resigned 17/10/24)	13	12
Dr Suzy Dilly (resigned 15/08/24)	11	10
Dr Kevin Cox (resigned 19/06/24)	10	9
Stella Panu (resigned 15/04/24)	7	6

Principle	How the Company complies

Matters reserved for the Board

- Approval of the Group vision, values and overall governance framework;
- Approval of the Company's Annual Report and Accounts and Half Yearly Financial Statements;
- Approval of Group financial policy;
- Approval to enter into discussions with Biotech companies reference potential joint-partnering projects or licensing of Company's preclinical and clinical assets;
- Approval of the Company's long-term finance plan and annual capital budget;
- Approval of any significant change in Group accounting policies or practices;
- Approval of all circulars, listing particulars, resolutions and corresponding documentation sent to shareholders;
- Establishing committees of the Board, approving their terms of reference (including membership and financial authority), reviewing their activities and, where appropriate, ratifying their decisions;
- Approval of this schedule of Matters Reserved to the Board.

The Board is responsible to the Company's shareholders with its main objective to increase the value of assets and long-term sustainability of the Company. The Board reviews business opportunities and determines the risks and control framework. It also makes decisions on budgets, Group strategy and major capital expenditure. The day-to day management of the business is delegated to the Executive Directors.

The Board meets monthly with agendas, Committee papers and other appropriate information distributed prior to each meeting to allow the Board to meet its duties. Effective procedures are in place to deal with conflicts of interest. The Board knows other interests and commitments of Directors and any changes to their commitments are reported.

In addition to the Executive Committee, the Board has established a Remuneration Committee, an Audit and Risk Committee, and a Nomination and Governance Committee, which also report into ValiRx's Board.

The Executive Committee is in charge of the daily management of the Group and is mandated to prepare and plan the overall policies and strategies of the Company for approval by the Board. It may approve intra-group transactions, provided that they are consistent with the consolidated annual budget of the Company, as well as specific transactions with third parties provided that the cost per transaction is within specified spending limits. It informs the Board at its next meeting on each such transaction.

Principle	How the Company complies

Prior to the beginning of each fiscal year, the Executive Committee submits to the Board those measures that it deems necessary to be taken in order to meet the objectives of the Company and a consolidated budget for approval. This committee comprises:

- **Dr Mark Eccleston** (Chief Executive Officer)
- **Dr Cathy Tralau-Stewart** (CSO, Non-Executive Director) – resigned 31 March 2025 and appointed as Non-Executive director
- **Gerry Desler** (Executive Chief Financial Officer, Company Secretary)

The Audit and Risk Committee meets at least twice per annum and is responsible for assisting the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit and financial and regulatory reporting practices. The Committee has an oversight function, providing a link between the external auditors and the Board; it also determines the terms of engagement of the Company's auditors. The current members of the Audit and Risk Committee are:

- **Gerry Desler** (Executive Chief Financial Officer, Company Secretary)
- **Dr Mark Eccleston** (Chief Executive Director)
- **Adrian de Courcey** (Non-Executive Director) – resigned 31 March 2025
- **Cathy Tralau-Strewart** (Non-Executive Director) – from 31 March 2025

The Remuneration Committee meets at least twice per annum to determine and agree with the Board the framework or broad policy for the remuneration of executive directors of the Company and advises on the overall remuneration policies applied throughout the Company. The objective of this committee is to attract, retain and motivate executives capable of delivering the Company's objectives. Agreed personal objectives and targets including financial and non-financial metrics are set each year for the executive directors and other personnel and performance measured against these metrics. The committee is made up of Non-Executive Director(s), namely:

- **Martin Gouldstone** (Non-Executive Chairman)
- ***Dr Mark Eccleston** (Chief Executive Director)
- **Gerry Desler** (Executive Chief Financial Officer, Company Secretary)

*The Chief Executive Officer is consulted on remuneration packages and policy but does not attend discussions regarding his own package.

The Board determines the remuneration and terms and conditions of the appointment of Non-Executive Directors.

The **Nomination Committee** is a sub-committee of the whole Board responsible for the selection and proposal to the Board of suitable candidates for appointment as Executive and Non-Executive Director(s). The Committee may engage external search consultants to identify candidates for Board vacancies before recommending a preferred candidate to the Board for consideration. The Committee comprises:

Martin Gouldstone (Non-Executive Chairman)

Gerry Desler (Executive Chief Financial Officer, Company Secretary)

Dr Mark Eccleston (Chief Executive Director)

Report of the Directors for the year ended 31 December 2024

The Directors present their report and financial statements for the year ended 31 December 2024.

DIVIDENDS

No dividends will be proposed for the year ended 31 December 2024 (2023-£Nil).

RESEARCH AND DEVELOPMENT

The Group will continue its policy of investment in research and development. In accordance with International Financial Reporting Standards (IFRS), during the year the Group expensed to the income statement £245,163 (2023: £383,362) on research and development. In addition, wage costs of £354,788 (2023: £462,862) were expended on research and development. Further details on the Group's research and development are included in the Chief Executive's Report on page 5.

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on pages 8 to 28.

DIRECTORS

G Desler has held office during the whole of the period from 1 January 2024 to the date of this report.

Other changes in Directors holding office are as follows:

M Gouldstone – appointed 22 April 2024
A de Courcey - appointed 22 April 2024; resigned 31 March 2025
Dr C Tralau-Stewart – appointed 25 July 2024
Dr M Eccleston – appointed 12 August 2024
M Lampshire – resigned 17 October 2024
Dr S J Dilly - resigned 15 August 2024
Dr K Cox – resigned 19 June 2024
S Panu - resigned 15 April 2024

DIRECTORS' SHAREHOLDINGS

The Directors of the Company held the following beneficial interests in the ordinary shares of the Company at the balance sheet date:

	2024 No. of shares	2023 No. of shares
G Desler	**964,565**	128,668
M Gouldstone – appointed 22 April 2024	**769,231**	N/A
A de Courcey - appointed 22 April 2024; resigned 31 March 2025	**2,409,497**	N/A
Dr C Tralau-Stewart – appointed 25 July 2024	**835,897**	N/A
*Dr M Eccleston – appointed 12 August 2024	**22,746,187**	N/A
M Lampshire – resigned 17 October 2024	**N/A**	144,000
Dr S Dilly - resigned 15 August 2024	**N/A**	416,668
Dr K Cox – resigned 19 June 2024	**N/A**	372,333
S Panu - resigned 15 April 2024	**N/A**	–

*15,592,341 shares are held by Dr Eccleston personally, 3,307,692 are held by Dr Eccleston's partner and 3,846,154 shares are held by Oncolytika, a company in which Dr Eccleston is interested in.

DIRECTORS' SHARE OPTIONS AND WARRANTS

The Directors of the Company held share options granted under the Company share option scheme, and warrants to subscribe for shares, as indicated below. No share options or warrants were exercised during the year. Full details of the share options and warrants held are disclosed in note 25 to the financial statements.

OPTIONS	**2024 No. of shares**	2023 No. of shares
G Desler	**25,518**	228,334
M Gouldstone – appointed 22 April 2024	**-**	N/A
A de Courcey - appointed 22 April 2024; resigned 31 March 2025	**-**	N/A
Dr C Tralau-Stewart – appointed 25 July 2024	**-**	N/A
Dr M Eccleston – appointed 12 August 2024	**2,000**	N/A
M Lampshire – resigned 17 October 2024	**N/A**	150,000
Dr S Dilly - resigned 15 August 2024	**N/A**	604,752
Dr K Cox – resigned 19 June 2024	**N/A**	500,000
S Panu - resigned 15 April 2024	**N/A**	150,000

WARRANTS	**2024 No. of shares**	2023 No. of shares
G Desler	**769,231**	-
M Gouldstone – appointed 22 April 2024	**769,231**	N/A
A de Courcey - appointed 22 April 2024; resigned 31 March 2025	**1,561,416**	N/A
Dr C Tralau-Stewart – appointed 25 July 2024	**769,231**	N/A
*Dr M Eccleston – appointed 12 August 2024	**20,769,230**	N/A
M Lampshire – resigned 17 October 2024	**N/A**	-
Dr S Dilly - resigned 15 August 2024	**N/A**	-
Dr K Cox – resigned 19 June 2024	**N/A**	-
S Panu - resigned 15 April 2024	**N/A**	-

*12,923,068 warrants are held by Dr Eccleston personally, 2,307,692 are held by Dr Eccleston's partner and 5,538,470 warrants are held by Oncolytika, a company in which Dr Eccleston is interested in.

COMPANY SHARE PRICE

The market value of the Company's shares at 31 December 2024 was 0.625p and the high and low share prices during the period were 6.05p and 0.625p respectively.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Note 26 to the financial statements gives details of the Group's objectives and policies for risk management of financial instruments.

SIGNIFICANT SHAREHOLDERS

As at 19 May 2025, so far as the Directors are aware, the following shareholders held more than 3% of the Company's issued share capital:

	Number of shares	**% of issued share capital held**
Peel Hunt LLP	Undisclosed	Below 10%
Jaspal Singh	30,000,000	8.01%
Stephen & Danielle Wolstenhulme	21,875,000	5.84%

DIRECTORS' INSURANCE

The Directors and officers of the Company are insured against any claims against them for any wrongful act in their capacity as a Director, officer or employee of the Group, subject to the terms and conditions of the policy.

CREDITOR PAYMENT POLICY

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year-end represented 30 days' purchases.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

The auditors, Adler Shine LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

gerry desler

G Desler
Director
Date: 4 June 2025

ValiRx Plc

Statement of the Directors Responsibilities for the year ended 31 December 2024

The Directors are responsible for preparing the Strategic Report, Directors' Report, Corporate Governance Statement and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK adopted International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act and have elected under company law to prepare the Parent Company financial statements in accordance with UK adopted International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006.

The Group financial statements are required by law and UK adopted IAS to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing each of the Group and Parent Company financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether they have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act, subject to any material departure disclosed and explained in the Parent Company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business; and
- prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein. The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

ValiRx Plc

Report of the Independent Auditors to the Members of ValiRx Plc

Opinion

We have audited the financial statements of ValiRx Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statements of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards, in conformity with the requirements of the Companies Act 2006.

In our opinion:

- select suitable accounting policies and then apply them consistently;
- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group's financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the value of goodwill in the Consolidated Statement of Financial Position and the value of investments in the Company Statement of Financial Position. The value of investments represents the historic cost of acquisition of investments less provisions for impairment. The value of goodwill arises on consolidation and represents the excess between the value of the underlying subsidiary on acquisition and the cost of investment, less provisions for impairment.

Management's assessment of impairment includes a review of the net present value of future potential cashflows of the underlying assets. The basis of these valuations include a number of variables within the calculations that are subjective and based on professional judgements of expectations and estimates. This also includes the expected potential around the success of the future development and commercialisation of the Group's products, VAL 201 and VAL 401.

While we have assessed management's judgements and application of estimates in their calculations and consider these to be reasonable, as set out in the key audit risks below, there are several factors that could result in a material change in the valuation of the underlying investments which could result in an impairment of the investments and associated goodwill.

Our opinion is not modified in respect of this matter.

Statement of the Directors Responsibilities to the Members of ValiRx Plc

Material uncertainty relating to going concern

We draw your attention to the policy on Going Concern within note 2 to the financial statements, which indicates that the accounts have been prepared on the going concern basis. The Board has referred to the fact that the Group and Parent Company are reliant on future fund raisings to continue their activities as budgeted. Should future fund raisings be unsuccessful, this may cast significant doubt on the Group and parent Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified were:

Impairment of goodwill and intangibles

Area of focus

The Group has goodwill of £1.60 million and intangible assets of £0.72 million.

IAS 36 requires at least annual impairment assessments in relation to goodwill, indefinite-lived intangible assets and intangible assets that are not yet ready for use, with more regular assessments should an impairment trigger be identified.

The determination of recoverable amount, being the higher of value-in-use and fair value less costs of disposal, requires judgement on the part of management in identifying and then estimating the recoverable amount for the relevant CGUs.

Recoverable amounts are based on management's view of future cash flow forecasts and external market conditions such as future pricing and the most appropriate discount rate.

Management engaged an expert to assist them in performing an annual impairment assessment which included the assumptions and estimates around the success of the future development and commercialisation of its products VAL 201 and VAL 401. Changes in these assumptions might give rise to a change in the carrying value of intangibles and goodwill.

How our audit addressed the area of focus

We obtained the report prepared by the expert and gained an understanding of the key assumptions and judgements underlying the assessment. We assessed the appropriateness of the methodology applied and tested the mathematical accuracy of the models.

We obtained an understanding of the stage of product development and management's expected timelines for product commercialisation, including updates on the achievement of expected milestones.

We determined the judgement made by the Directors that no impairment was required, and that the disclosures made in the financial statements to be reasonable.

Going concern

Area of focus

Refer to note 2 of the financial statements for the Directors' disclosures of related accounting policies, judgements and estimates. The Directors have concluded that they have a reasonable expectation that the Group will have sufficient cash resources and cash inflows to continue its activities for not less than twelve months from the date of approval of these financial statements and have therefore prepared these financial statements on a going concern basis.

The Group had cash and cash equivalents of £1,555,986 as at 31 December 2024.

Management produces a cash flow forecast based on the board plans.

The key judgements within the cash flow forecast that we particularly focused on were:

- The continued availability of funding.
- The likely recovery of other receivables.
- Cash flows expected from research and development tax credits.
- Flexibility of development programme.

How our audit addressed the area of focus
We assessed the reasonableness and support for the judgments underpinning management's forecast, as well as the sensitivity of projections to these judgements.

We reviewed management's financing plans and considered the reasonableness of the assumptions within management's proposed cost reduction actions, should future fund raisings be lower than anticipated.

Our conclusion on management's use of the going concern basis of accounting is included in the going concern section of the report above.

Our application of materiality
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures and to evaluate the effects of misstatements, both individually and on the financial statements as a whole.

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce the probability that any misstatement exceeds materiality to an appropriately low level, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect of the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Group and Parent Company materiality were set at £158,500 and £134,500 respectively, based on 8% of loss before tax and amortisation. In our professional judgement, this benchmark is considered appropriate as it reflects the ongoing operational requirements of the business to develop and build the business.

Group and Parent Company performance materiality were set at £119,000 and £101,000 respectively, based on 75% of materiality. In setting the level of performance materiality, we consider a number of factors including the control environment, our testing strategy, the total value of known and likely misstatement (based on past experience and other factors) and management's attitude towards proposed adjustments.

Component materiality
For the purposes of our Group audit opinion, we set materiality for each significant component of the Group based on a percentage of Group materiality, dependent on the size and our assessment of the risk of material misstatement of that component.

Reporting thresholds
We agreed with the Audit Committee that we would report to them all unadjusted audit differences in excess of £5,000, as well as differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
The audit was scoped to ensure that the audit team obtained sufficient and appropriate audit evidence in relation to significant operations of the Group during the year ended 31 December 2024. In particular,

we looked at areas involving significant accounting estimates and judgement by the Directors. We also addressed the risk of management override of internal controls, including an evaluation of whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

As part of our planning, we assessed the risk of material misstatement including those that required significant auditor consideration at the component and group level. Procedures were designed and performed to address the risk identified and for the most significant assessed risks of material misstatement, the procedures performed are outlined above in the key audit matters section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Annual Report but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 44 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We are not responsible for preventing irregularities. The primary responsibility for the prevention and detection of fraud rest with both those charged with governance of the entity and management.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations included, but was not limited to, the following:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our commercial knowledge and experience of the medical research and development sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law and regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

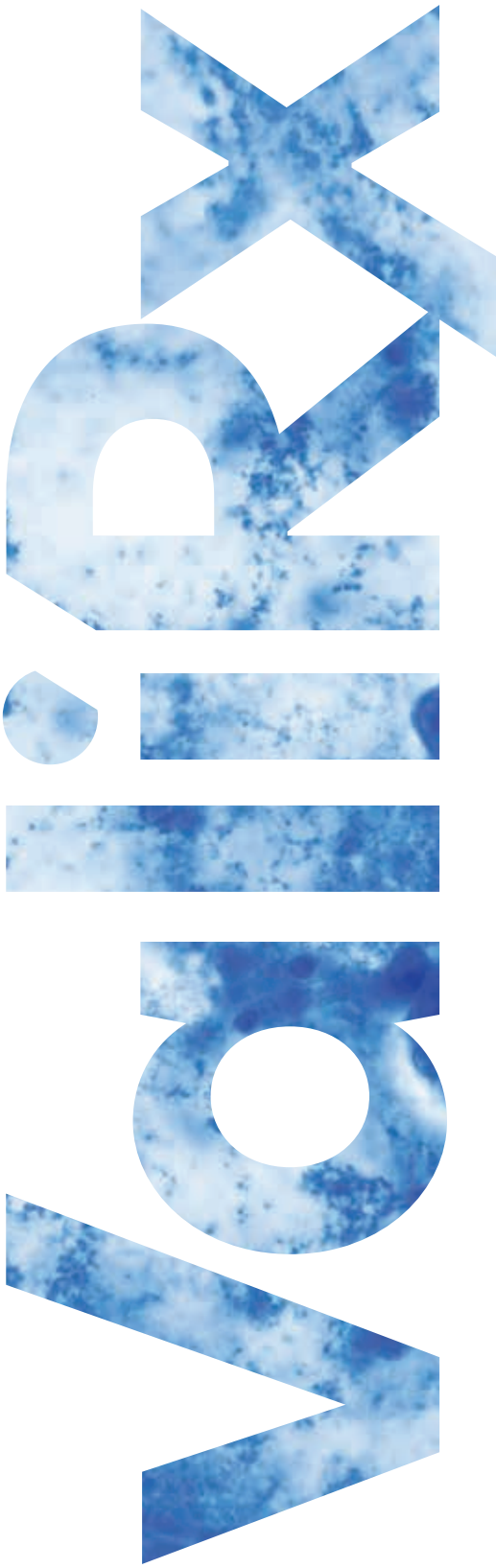
Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Chrysaphiades FCA (Senior Statutory Auditor)
for and on behalf of Adler Shine LLP
Chartered Accountants & Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

Date:4 June 2025

FINANCIAL STATEMENTS



CONNECTED INNOVATION

ValiRx

ValiRx Plc

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

	Notes	2024 £	2023 £
Continuing Operations			
Turnover	4	**49,775**	9,600
Cost of sales		**-**	(1,440)
Gross profit		**49,775**	8,160
Other operating income	7	**30,000**	-
Research and development		**(245,163)**	(383,362)
Administrative expenses		**(1,976,283)**	(1,886,401)
Share-based payment charge		**-**	(36,936)
Operating Loss		**(2,141,671)**	(2,298,539)
Finance costs	6	**(1,279)**	(4,419)
Finance income	6	**12,495**	-
Loss Before Income Tax	8	**(2,130,455)**	(2,302,958)
Income tax credit	8	**127,696**	175,173
Loss After Income Tax		**(2,002,759)**	(2,127,785)
Non-controlling interest		**87,066**	90,084
Total Comprehensive Loss For The Year		**(1,915,693)**	(2,037,701)
Loss Per Share - Basic And Diluted	10	**(1.45p)**	(2.01p)

ValiRx Plc (Registered number : 03916791)

Consolidated Statement of Financial Position
31 December 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	**1,602,522**	1,602,522
Intangible assets	12	**530,937**	718,814
Property, plant and equipment	13	**201,662**	242,625
Right-of-use assets	20	**-**	-
Investments	14	**30,000**	-
		2,365,121	2,563,961
CURRENT ASSETS			
Inventory		**69,002**	69,002
Trade and other receivables	15	**134,592**	147,618
Tax receivable		**137,405**	175,173
Cash and cash equivalents	16	**1,555,986**	174,684
		1,896,985	566,477
TOTAL ASSETS		**4,262,106**	3,130,438
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	**9,979,295**	9,707,266
Share premium		**30,613,044**	27,870,548
Merger reserve		**637,500**	637,500
Reverse acquisition reserve		**602,413**	602,413
Share option reserve		**976,920**	1,082,163
Retained earnings		**(38,491,790)**	(36,681,340)
		4,317,382	3,218,550
Non-controlling interests		**(401,689)**	(314,623)
TOTAL EQUITY		**3,915,693**	2,903,927
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	19	**1,390**	11,857
		1,390	11,857
CURRENT LIABILITIES			
Trade and other payables	18	**334,551**	204,441
Borrowings	19	**10,472**	10,213
		345,023	214,654
TOTAL LIABILITIES		**346,413**	226,511
TOTAL EQUITY AND LIABILITIES		**4,262,106**	3,130,438

The financial statements were approved by the Board of Directors on 4th Juneand were signed on its behalf by: G Desler - Director

gerry desler

ValiRx Plc (Registered number : 03916791)

Company Statement of Financial Position
31 December 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	**2,000**	20,000
Property, plant and equipment	13	**948**	-
Right-of-use assets	20	**-**	-
Investments	14	**3,615,969**	3,615,969
		3,618,917	3,635,969
CURRENT ASSETS			
Trade and other receivables	15	**4,412,783**	4,201,355
Tax receivable		**110,968**	140,534
Cash and cash equivalents	16	**1,546,108**	164,584
		6,069,859	4,506,473
TOTAL ASSETS		**9,688,776**	8,142,442
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	**9,979,295**	9,707,266
Share premium		**30,613,044**	27,870,548
Merger reserve		**637,500**	637,500
Share option reserve		**976,920**	1,082,163
Retained earnings		**(33,251,836)**	(31,803,431)
TOTAL EQUITY		**8,954,923**	7,494,046
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	19	**1,390**	11,857
		1,390	11,857
CURRENT LIABILITIES			
Trade and other payables	18	**721,991**	626,326
Borrowings	19	**10,472**	10,213
		732,463	636,539
TOTAL LIABILITIES		**733,853**	648,396
TOTAL EQUITY AND LIABILITIES		**9,688,776**	8,142,442

The financial statements were approved by the Board of Directors on 4th June 2025 and were signed on its behalf by:

G Desler - Director

gerry desler

ValiRx Plc

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Notes	Share capital £	Share premium £	Merger reserve £	Reverse acquisition reserve £
Balance at 1 January 2023		9,695,120	26,772,630	637,500	602,413
Changes in equity					
Loss for the year		-	-	-	-
Issue of shares		12,146	1,323,854	-	-
Costs of shares issued		-	(167,525)	-	-
Movement in year		-	(58,411)	-	-
Balance at 31 December 2023		9,707,266	27,870,548	637,500	602,413
Changes in equity					
Loss for the year		-	-	-	-
Issue of shares	17	272,029	3,102,715	-	-
Costs of shares issued		-	(360,219)	-	-
Lapse of share options and warrants		-	-	-	-
Balance at 31 December 2024		**9,979,295**	**30,613,044**	**637,500**	**602,413**

	Share-based payment reserve £	Non-controlling interest £	Retained earnings £	Total £
Balance at 1 January 2023	986,816	(224,539)	(34,643,639)	3,826,301
Changes in equity				
Loss for the year	-	(90,084)	(2,037,701)	(2,127,785)
Issue of shares	-	-	-	1,336,000
Costs of shares issued	-	-	-	(167,525)
Movement in year	95,347	-	-	36,936
Balance at 31 December 2023	1,082,163	(314,623)	(36,681,340)	2,903,927
Changes in equity				
Loss for the year	-	(87,066)	(1,915,693)	(2,002,759)
Issue of shares	-	-	-	3,374,744
Costs of shares issued	-	-	-	(360,219)
Lapse of share options and warrants	(105,243)	-	105,243	-
Balance at 31 December 2024	**976,920**	**(401,689)**	**(38,491,790)**	**3,915,693**

Reverse acquisition reserve

The reverse acquisition reserve exists as a result of the method of accounting for the acquisition of ValiRx Bioinnovation Limited and ValiPharma Limited.

Non-controlling interest reserve

Represents the ownership stakes in subsidiary undertakings Valiseek Limited and Cytolytix Limited that are not owned by the Valirx Plc.

Details of the remaining reserves are set out on the Company Statement of Changes in Equity.

ValiRx Plc

Company Statement of Changes in Equity for the year ended 31 December 2024

	Notes	Share capital £	Share premium £	Merger reserve £
Balance at 1 January 2023		9,695,120	26,772,630	637,500
Changes in equity				
Loss for the year		-	-	-
Issue of shares		12,146	1,323,854	-
Costs of shares issued		-	(167,525)	-
Movement in year		-	(58,411)	-
Balance at 31 December 2023		9,707,266	27,870,548	637,500
Changes in equity				
Loss for the year		-	-	-
Issue of shares	17	272,029	3,102,715	-
Costs of shares issued		-	(360,219)	-
Lapse of share options and warrants		-	-	-
Balance at 31 December 2024		**9,979,295**	**30,613,044**	**637,500**

	Share-based payment reserve £	Retained earnings £	Total £
Balance at 1 January 2023	986,816	(30,241,768)	7,850,298
Changes in equity			
Loss for the year	-	(1,561,663)	(1,561,663)
Issue of shares	-	-	1,336,000
Costs of shares issued	-	-	(167,525)
Movement in year	95,347	-	36,936
Balance at 31 December 2023	1,082,163	(31,803,431)	7,494,046
Changes in equity			
Loss for the year	-	(1,553,648)	(1,553,648)
Issue of shares	-	-	3,374,744
Costs of shares issued	-	-	(360,219)
Lapse of share options and warrants	(105,243)	105,243	-
Balance at 31 December 2024	**976,920**	**(33,251,836)**	**8,954,923**

Share capital

The nominal value of the issued share capital.

Share premium account

Amounts received in excess of the nominal value on the issue of share capital less any costs associated with the issue of shares.

Merger reserve

The difference between the nominal value of the share capital issued by the Company and the fair value of ValiRx Bioinnovation at the date of acquisition.

Share-based payment reserve

The fair value of the share-based payment, determined at the grant date, and expensed over the vesting period.

Retained earnings

Accumulated comprehensive income for the year and prior periods.

ValiRx Plc

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operations			
Cash outflow from operations	1	**(1,761,539)**	(1,961,697)
Interest paid		**(1,279)**	(3,325)
Interest received		**12,495**	-
Tax credit received		**165,464**	192,671
Net cash outflow from operating activities		**(1,584,859)**	(1,772,351)
Cash flows from investing activities			
Purchase of intangible fixed assets		**-**	(15,000)
Purchase of property, plant and equipment		**(38,156)**	(291,181)
Net cash outflow from investing activities		**(38,156)**	(306,181)
Cash flows from financing activities			
Bank loan repayment		**(10,208)**	(9,962)
Repayment of lease liabilities		**-**	(6,774)
Share issue		**3,374,744**	1,300,000
Costs of shares issued		**(360,219)**	(167,525)
Net cash inflow from financing activities		**3,004,317**	1,115,739
Increase/(decrease) in cash and cash equivalents		**1,381,302**	(962,793)
Cash and cash equivalents at beginning of year	2	**174,684**	1,137,477
Cash and cash equivalents at end of year	2	**1,555,986**	174,684

Notes to the Consolidated Statement of Cash Flows for the year ended 31 December 2024

1. RECONCILIATION OF OPERATING LOSS TO CASH GENERATED FROM OPERATIONS

	2024 **£**	2023 £
Operating loss	**(2,141,671)**	(2,298,539)
Amortisation and impairment of intangible assets	**187,877**	200,086
Depreciation of right-of-use assets	**-**	5,561
Depreciation of property, plant and equipment	**79,119**	48,556
Increase in inventory	**-**	(69,002)
Decrease/(increase) in trade and other receivables	**13,026**	(13,803)
Increase in trade and other payables	**130,110**	128,508
Acquisition of investment for non-cash consideration	**(30,000)**	-
Share-based payments charge	**-**	36,936
Net cash outflow from operations	**(1,761,539)**	(1,961,697)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	31 December 2024 **£**	**1 January 2024** **£**
Cash and cash equivalents	**1,555,986**	**174,684**

	31 December 2023 £	1 January 2023 £
Cash and cash equivalents	174,684	1,137,477

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1. STATUTORY INFORMATION

ValiRx Plc is a public company limited by shares, 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 Stonebridge House, Chelmsford Road, Hatfield Heath, CM22 7BD.

The registered number of the Company is 03916791.

The principal activity of the Group is the development of oncology therapeutics and companion diagnostics.

The presentation currency of the financial statements is the Pound Sterling (£), rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparation

The Group's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as they apply to the financial statements of the Group for the year ended 31 December 2024. The principal accounting policies adopted by the Group and by the Company are set out in note 2.

The Group financial statements have been prepared under the historical cost convention or fair value where appropriate.

Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency Risks – Guidance for directors of companies that do not apply the UK Corporate Governance Code".

The Group and Parent Company are subject to a number of risks similar to those of other development stage pharmaceutical companies. These risks include, amongst others, generation of revenues in due course from the development portfolio and risks associated with research, development, testing and obtaining related regulatory approvals of its pipeline products. Ultimately, the attainment of profitable operations is dependent on future uncertain events which include obtaining adequate financing to fulfil the Group's commercial and development activities and generating a level of revenue adequate to support the Group's cost structure.

The current economic environment is challenging, and the Group has reported an operating loss for the year. These losses are expected to continue in the current accounting year to 31 December 2025.

The Directors have prepared detailed financial forecasts and cashflows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that are expected to prevail over the forecast period. The Directors estimate that the cash of £1,555,986 held by the Group as at 31 December 2024 will be sufficient to support the current level of activities for at least the next 12 months from the date of approval of these financial statements. The Directors are continuing to explore sources of finance available to the Group and based upon initial discussions with a number of existing and potential investors they have a reasonable expectation that they will be able to secure sufficient cash inflows for the Group to continue its activities beyond the 12 months from the date of approval of these financial statements.

The Company carries out regular fund-raising exercises in order that it can provide the necessary working capital for the Group. Further funds may be required to finance the Group's work programme. The Board expects to continue to raise additional funding as and when required to cover the Group's development, primarily from the issue of further shares.

In the event that additional financing is not secured when it is required, the Group would need to consider:

- reducing and/or deferring discretionary spending on one or more research and development programmes; and/or
- restructuring operations to change its overhead structure.

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries ("the Group"). Subsidiaries include all entities over which the Group has the power to govern financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

On 3 October 2006, ValiRx Bioinnovation Limited ('Bioinnovation') acquired 60.28% of the issued share capital of ValiPharma Limited ('ValiPharma') in exchange for shares in Bioinnovation. Concurrently, the Company, ("ValiRx"), acquired the entire issued share capital of Bioinnovation in a share for share transaction. As a result of these transactions, the former shareholders of ValiPharma became the majority shareholders in ValiRx. Accordingly, the substance of the transaction was that ValiPharma acquired ValiRx in a reverse acquisition. Under IFRS 3 "Business Combinations", the acquisition of ValiPharma has been accounted for as a reverse acquisition.

In May 2008 the Company acquired the remaining 39.72% of the issued share capital of ValiPharma, which is now wholly owned by the Group. This acquisition was accounted for using the acquisition method of accounting.

In November 2013 ValiSeek Limited was formed to enable the company to enter into a joint venture agreement. The company has a 55.5% holding in the issued share capital of ValiSeek.

In October 2023 the Company acquired 60% of the issued share capital of Cytolytix Limited.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Group generates revenue from the provision of research and preclinical development services under contracts. Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. Where the Group provides ongoing services, revenue in respect of this element is recognised over the duration of those services.

Performance obligations for research and preclinical development services are satisfied over time as services are rendered. Invoices are presented monthly. Consideration is made up of multiple elements, being an agreed full-time equivalent ('FTE') charge out rate and recharges of direct costs, both of which are variable based on the amount of time and cost incurred. Revenue is recognised over the duration of the contract based on the delivery of FTE services and actual incurrence of rechargeable costs.

Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets and contingent liabilities acquired. Identifiable assets are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested annually, or when trigger events occur, for impairment and is carried at cost less accumulated impairment losses.

2. ACCOUNTING POLICIES - continued

Other intangible assets
Acquired licences, trademarks and patents and directly associated costs are capitalised at cost and are amortised on a straight-line basis over their useful life. Patents are amortised over 11 years and licences between 10 and 20 years.

Impairment of non-current assets
At each reporting date, the Directors review the carrying amounts of property, plant and equipment assets, goodwill and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Property, plant and equipment
Property, plant and equipment are stated at cost less depreciation.

Depreciation is provided at the following rates per annum to write off the cost of property, plant and equipment, less estimated residual value, on a straight-line basis from the date on which they are brought into use:

Plant and machinery	33% per annum straight line
Computer equipment	33% per annum straight line

Leases and right-of-use assets
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets (e.g. tablets and personal computers, small items of office furniture). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

Investments
Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

Investments are presented in Valirx Plc company figures, not in the consolidated financial statements.

2. ACCOUNTING POLICIES - continued

Financial assets
The Company classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The principal financial assets of the Company are loans and receivables. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets.

The Group's loans and receivables are recognised and carried at the lower of their original amount less a provision for impairment. A provision is made when collection of the full amount is no longer considered possible.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity of three months or less. The Company considers overdrafts (repayable on demand) to be an integral part of its cash management activities, and these are included in cash and cash equivalents for the purposes of the cash flow statement.

Inventories
Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Net realisable value is calculated based on the selling price in the normal course of business less any costs to sell.

Derivative financial instruments
Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently carried at fair value with the changes in fair value recognised in the Income Statement.

Financial liabilities
The Group does not have any financial liabilities that would be classified as fair value through the profit or loss. Therefore, all financial liabilities are classified as other financial liabilities.

The Group's financial liabilities include borrowings, trade and other payables and are recognised at their original amount.

Finance income and finance costs
Finance income is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. It is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Borrowing costs are recognised as an expense in the period in which they are incurred.

2. ACCOUNTING POLICIES - continued

Taxation

The taxation charge represents the sum of current tax and deferred tax.

The tax currently payable is based on the taxable profit for the period using the tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised of the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

All on-going development expenditure is currently expensed in the period in which it is incurred. Due to the regulatory and other uncertainties inherent in the development of the Group's programmes, the criteria for development costs to be recognised as an asset, as prescribed by IAS 38, 'Intangible assets', are not met until the product has been submitted for regulatory approval, such approval has been received and it is probable that future economic benefits will flow to the Group. The Group does not currently have any such internal development costs that qualify for capitalisation as intangible assets.

Development costs are capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

- technical feasibility of the completed intangible asset has been established;
- it can be demonstrated that the asset will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development;
- the expenditure attributable to the intangible asset can be reliably measured; and
- the Group has the ability and intention to use or sell the asset.

Expenses for research and development include associated wages and salaries, material costs, depreciation on non-current assets and directly attributable overheads.

All research and development costs, whether funded by third parties under licence and development agreements or not, are included within operating expenses and classified as such.

Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary and deferred shares are classified as equity instruments.

2. ACCOUNTING POLICIES – continued

Foreign currencies

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company and its subsidiaries operate (the functional currency) which is UK sterling (£). The Financial Statements are accordingly presented in UK sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Share-based payments

IFRS 2 "Share-based Payments" requires that an expense for equity instruments granted is recognised in the financial statements based on their fair values at the date of the grant. This expense, which is in relation to employee share options, is recognised over the vesting period of the scheme. The fair value of employee services is determined by reference to the fair value of the awarded grant calculated using the Black Scholes model.

At the year-end date, the Group revises its estimate of the number of share incentives that are expected to vest. The impact of the revisions of original estimates, if any, is recognised in the Statement of Comprehensive Income, with a corresponding adjustment to equity, over the remaining vesting period.

When options expire or are cancelled the expensed value of these lapsed options is transferred from the share-based payment, reserve to retained earnings.

New and amended standards and interpretations

As at the date of approval of these financial statements, the following standards were in issue but not yet effective. These standards have not been adopted early by the Company as they are not expected to have a material impact on the financial statements other than requiring additional disclosure or alternative presentation.

		Effective date (period beginning on or after)
IFRS 18	Presentation and disclosures in financial statements	01/01/2027
IFRS 19	Subsidiaries without public accountability: disclosures	01/01/2027
IAS 21	Amendment – Lack of Exchangeability	01/01/2025
SASB Standards	Amendment – To enhance SASB standards international applicability	01/01/2025
IFRS 9 and IFRS 7	Amendment – Classification and measurement of financial instruments	01/01/2026
IFRS 1	Amendment – Hedge accounting for first-time adopter	01/01/2026
IFRS 7	Amendment – Financial instruments disclosures: Gain or loss on derecognition	01/01/2026
IFRS 7	Amendment – Financial instruments disclosures: deferred difference between fair value and transaction price	01/01/2026
IFRS 7	Amendment – Financial instruments disclosures: Introduction and credit risk disclosures	01/01/2026
IFRS 9	Amendment – Financial instruments: Lessee derecognition of lease liabilities	01/01/2026
IFRS 9	Amendment – Financial instruments: Transaction price	01/01/2026
IFRS 10	Amendment – Consolidated financial statements: Determination of a '*de facto* agent'	01/01/2026
IAS 7	Amendment – Statement of Cash Flows: Cost method	01/01/2026
IFRS 9 and IFRS 7	Amendment – Contracts referencing nature-dependent electricity	01/01/2026

The International Financial Reporting Interpretations Committee has also issued interpretations which the Company does not consider will have a significant impact on the financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The material areas in which estimates, and judgements are applied as follows:

Goodwill and other intangible assets impairment

The Group is required to test, on an annual basis, whether goodwill and other intangible assets have suffered any impairment. Determining whether there has been any impairment requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Share-based payments

The estimates of share-based payments costs require that management selects an appropriate valuation model and makes decisions on various inputs into the model, including the volatility of its own share price, the probable life of the options before exercise, and behavioural consideration of employees. A significant element of judgement is therefore involved in the calculation of the charge.

Capitalisation of development costs

Capitalisation of development costs requires analysis of the technical feasibility and commercial viability of the project concerned. Capitalisation of the costs will be made only where there is evidence that an economic benefit will accrue to the Group. To date no development costs have been capitalised and all costs have been expensed in the income statement as Research and Development costs.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Black-Scholes model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 26 for further disclosures.

The directors have considered the above areas in which estimates and judgements are applied and consider the balances within the financial statements to be fairly stated.

4. REVENUE

Segmental reporting

The Directors are of the opinion that under IFRS 8 – "operating segment" there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group. Therefore, the Directors have determined that there is only one reportable segment under IFRS8.

The geographic information analyses the Group's revenue and non-current assets by the company's country of domicile and all other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets based on the geographic location of the assets. All revenue and assets are based in the UK (2023: UK). The Group has four customer (2023: 1).

Analysis of revenue:

	2024	2023
	£	£
Research and predevelopment clinical services	**49,775**	9,600

5. EMPLOYEES AND DIRECTORS

Number of employees:

The average monthly number of employees, including Directors, during the year was:

	2024	2023
	Number	Number
Directors	**6**	5
Staff	**8**	11
	14	16

	2024	2023
Employment costs	**£**	£
Wages and salaries	**731,636**	734,022
Social security costs	**66,060**	60,957
Other pension costs	**97,852**	63,792
Share-based payments	**-**	36,936
	895,548	895,707

Details of Directors' remuneration can be found in note 25.

6. NET FINANCE INCOME/COSTS

	2024 £	2023 £
Finance income		
Deposit account interest	**12,333**	-
Other interest receivable	**162**	-
	12,495	-
Finance costs		
Bank interest	**440**	686
Lease interest	**-**	1,094
Interest on overdue tax	**-**	58
Other interest payable	**839**	2,581
	1,279	4,419
Net finance income/(cost)	**11,216**	(4,419)

7. LOSS BEFORE INCOME TAX

	2024 £	2023 £
After crediting:		
Consideration received under an option agreement	**30,000**	-
After charging:		
Research and development	**245,163**	383,362
Amortisation of intangible assets	**187,877**	200,087
Depreciation of right-of-use assets	**-**	5,561
Depreciation of property, plant and equipment	**79,119**	48,556
Auditors remuneration	**31,500**	41,000
Foreign exchange differences	**2,889**	829
Share-based payment charge	**-**	36,936

8. INCOME TAX

	2024 £	2023 £
Domestic current year tax		
Tax credits on research and development - current year	**(137,405)**	(175,173)
Tax credits on research and development - prior years	**9,709**	-
Current tax credit	**(127,696)**	(175,173)
Factors affecting the tax charge for the year:		
Loss before income tax	**(2,130,455)**	(2,302,958)
Loss before income tax multiplied by effective rate of UK corporation tax of 25.00% (2023: 25.00%)	**(532,614)**	(575,740)
Effects of		
Non-deductible expenses	291	10,072
Capital allowances for the year in (excess)/deficit of depreciation and amortisation	14,726	(54,110)
Tax losses not utilised	332,914	443,952
Research and development expenditure	47,278	653
Adjustment to prior years	9,709	-
	404,918	400,567
Current tax charge	**(127,696)**	(175,173)

No corporation tax arises on the results for the year ended 31 December 2024 due to the losses incurred for tax purposes.

The deferred tax asset, arising from tax losses of £26 million (2023: £25 million) carried forward, has not been recognised as the Group does not anticipate sufficient taxable profits in the foreseeable future to fully utilise them. The losses would become recoverable against future trading profits, subject to agreement with HM Revenue and Customs.

9. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the Parent Company is not presented as part of these financial statements. The Parent Company's loss for the financial year was £1,553,648 (2023: £1,561,663)

10. LOSS PER SHARE

The loss and number of shares used in the calculation of loss per ordinary share are set out below:

	2024 £	2023 £
Loss for the financial period	**(2,002,759)**	(2,127,785)
Non-controlling interest	**87,066**	90,084
Loss attributable to owners of Parent Company	**(1,915,693)**	(2,037,701)
Basic:		
Weighted average number of shares	**131,774,347**	101,570,021
Loss per share	**(1.45p)**	(2.01p)

The loss and the weighted average number of shares used for calculating the diluted loss per share are identical to those for the basic loss per share. The outstanding share options and share warrants (note 24) would have the effect of reducing the loss per share and would therefore not be dilutive under IAS 33 'Earnings per Share'.

11. GOODWILL

Group	£
Cost	
At 1 January 2023	1,602,522
At 31 December 2023	1,602,522
At 31 December 2024	**1,602,522**
Net book value	
At 31 December 2024	**1,602,522**
At 31 December 2023	1,602,522

The goodwill arising on the acquisitions of ValiRx Bioinnovation Limited, ValiPharma Limited, Valisrc Limited and ValiSeek Limited is not being amortised but is reviewed on an annual basis for impairment, or more frequently if there are indications that goodwill might be impaired. The impairment review comprises a comparison of the carrying amount of the goodwill with its recoverable amount (the higher of fair value less costs to sell and value in use). ValiRx Plc has used the value in use method, applying a 15% discount rate.

Goodwill per cash generating unit	£
ValiPharma Limited	772,230
ValiRx Bioinnovation Limited	394,613
Valisrc Limited	-
ValiSeek Limited	435,679

Sensitivity analysis is not required as a reasonably possible change in assumptions would not result in an impairment.

12. INTANGIBLE ASSETS

Group	Patents £	Brands and licences £	Total £
COST			
At 1 January 2023	2,289,553	375,000	2,664,553
Additions	15,000	-	15,000
At 31 December 2023	2,304,553	375,000	2,679,553
At 31 December 2024	**2,304,553**	**375,000**	**2,679,553**
AMORTISATION			
At 1 January 2023	1,512,528	248,125	1,760,653
Amortisation for year	166,086	34,000	200,086
At 31 December 2023	1,678,614	282,125	1,960,739
Amortisation for year	159,878	27,999	187,877
At 31 December 2024	**1,838,492**	**310,124**	**2,148,616**
NET BOOK VALUE			
At 31 December 2024	**466,061**	**64,876**	**530,937**
At 31 December 2023	625,939	92,875	718,814

Company	Brands and licences £	Total £
COST		
At 1 January 2023	200,000	200,000
At 31 December 2023	200,000	200,000
At 31 December 2024	**200,000**	**200,000**
AMORTISATION		
At 1 January 2023	160,000	160,000
Amortisation for year	20,000	20,000
At 31 December 2023	180,000	180,000
Amortisation for year	18,000	18,000
At 31 December 2024	**198,000**	**198,000**
NET BOOK VALUE		
At 31 December 2024	**2,000**	**2,000**
At 31 December 2023	20,000	20,000

13. PROPERTY, PLANT AND EQUIPMENT

Group	Plant and machinery £	Total £
COST		
At 1 January 2023	31,670	31,670
Additions	291,181	291,181
At 31 December 2023	322,851	322,851
Additions	38,156	38,156
At 31 December 2024	**361,007**	**361,007**
DEPRECIATION		
At 1 January 2023	31,670	31,670
Charge for the year	48,556	48,556
At 31 December 2023	80,226	80,226
Charge for the year	79,119	79,119
At 31 December 2024	**159,345**	**159,345**
NET BOOK VALUE		
At 31 December 2024	**201,662**	**201,662**
At 31 December 2023	242,625	242,625

Company	Plant and machinery £	Total £
COST		
At 1 January 2023	31,670	31,670
At 31 December 2023	31,670	31,670
Additions	948	948
At 31 December 2024	**32,618**	**32,618**
DEPRECIATION		
At 1 January 2023	31,670	31,670
At 31 December 2023	31,670	31,670
At 31 December 2024	**31,670**	**31,670**
NET BOOK VALUE		
At 31 December 2024	**948**	**948**
At 31 December 2023	-	-

14. INVESTMENTS

Group	Unlisted investments £	Total £
COST		
At 1 January 2024	-	-
Additions	30,000	30,000
At 31 December 2024	**30,000**	**30,000**

Company	Shares in group undertakings £	Total £
COST		
At 1 January 2023	3,617,844	3,617,844
Additions	100	100
Disposals	(1,975)	(1,975)
At 31 December 2023	3,615,969	3,615,969
At 31 December 2024	**3,615,969**	**3,615,969**
PROVISIONS		
At 1 January 2023	1,975	1,975
Written back on disposal	(1,975)	(1,975)
At 31 December 2023	-	-
At 31 December 2024	**-**	**-**
NET BOOK VALUE		
At 31 December 2024	**3,615,969**	**3,615,969**
At 31 December 2023	3,615,969	3,615,969

Unlisted investments, including both equity and loans, are designated at fair value through profit and loss and are subsequently carried in the statement of financial position at fair value. Fair value is determined in line with the fair value guidelines under IFRS.

14. INVESTMENTS - continued

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

ValiRx Bioinnovation Limited
Registered office: England & Wales

Nature of business: Intermediate holding company	% holding
Class of shares:	
Ordinary shares	100.00

ValiPharma Limited
Registered office: England & Wales

Nature of business: Therapeutic research & development	% holding
Class of shares:	
Ordinary shares	100.00

60.28% is owned by ValiRx Bioinnovation Limited and 39.72% by the Company.

Subsidiaries

Valisrc Limited
Registered office: England & Wales

Nature of business: Dormant	% holding
Class of shares:	
Ordinary shares	100.00

ValiSeek Limited
Registered office: England & Wales

Nature of business: Therapeutic research & development	% holding
Class of shares:	
Ordinary shares	55.55%

Cytolytix Limited
Registered office: England & Wales

Nature of business: Therapeutic research & development	% holding
Class of shares:	
Ordinary shares	60.00

Inaphaea Biolab Limited
Registered office: England & Wales

Nature of business:	% holding
Class of shares:	
Ordinary shares	100.00

Valirx Plc has given a guarantee under Section 479 of the Companies Act 2006 for each of its subsidiary undertakings listed above for all their liabilities as at 31 December 2024. These subsidiary undertakings are therefore exempt from the requirement of audit of their individual accounts under Section 479A of the Companies Act 2006.

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 £	2023 £	**2024 £**	2023 £
Current				
Trade receivables	**42,350**	-	**-**	-
Amounts owed by Group undertakings	**-**	-	**4,317,838**	4,046,112
Other debtors	**25,484**	19,985	**25,407**	19,907
Rent deposit	**-**	-	**-**	-
VAT	**32,483**	48,568	**43,239**	57,492
Prepayments and accrued income	**34,275**	79,065	**26,299**	77,844
	134,592	147,618	**4,412,783**	4,201,355

In the Directors' opinion, the carrying amounts of receivables is considered a reasonable approximation of fair value.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 £	2023 £	**2024 £**	2023 £
Bank accounts	**1,555,986**	174,684	**1,546,108**	164,584

17. CALLED UP SHARE CAPITAL

	Group		Company	
	2024 Number	2023 Number	**2024 £**	2023 £
Allotted, called up and fully paid				
Ordinary shares of 0.1p each	**374,348,672**	102,319,610	**374,349**	102,320
Deferred shares of 0.5p each	**58,378,365**	58,378,365	**2,918,918**	2,918,918
Deferred shares of 0.9p each	**157,945,030**	157,945,030	**1,421,505**	1,421,505
Deferred shares of 12.4p each	**42,455,832**	42,455,832	**5,264,523**	5,264,523
			9,979,295	9,707,266

In January 2024, the Company raised £1.8 million before expenses by way of a placing, a retail offer and directors' subscription of 30,029,063 new ordinary shares of £0.001 each in the Company at a price of 6p pence per share. The funds were to be used to provide working capital for the Group.

In December 2024, the Company raised £1.57 million before expenses by way of a placing, a retail offer and directors' subscription of 241,999,999 new ordinary shares of £0.001 each in the Company at a price of 0.65p pence per share. The funds were to be used to provide working capital for the Group.

The deferred shares have no rights to vote, attend or speak at general meetings of the Company or to receive any dividend or other distribution and have limited rights to participate in any return of capital on a winding-up or liquidation of the Company.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 £	2023 £	**2024 £**	2023 £
Current				
Trade creditors	**147,723**	124,637	**120,974**	113,911
Amounts owed to Group undertakings	**-**	-	**447,187**	447,187
Social security and other taxes	**113,564**	23,095	**80,599**	17,058
Other payables	**34**	2,879	**-**	-
Accruals and deferred income	**73,230**	53,830	**73,231**	48,170
	334,551	204,441	**721,991**	626,326

In the Directors' opinion, the carrying amounts of payables is considered a reasonable approximation of fair value.

19. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2024 £	2023 £	**2024 £**	2023 £
Current:				
Bank loan	**10,472**	10,213	**10,472**	10,213
	10,472	10,213	**10,472**	10,213

	Group		Company	
	2024 £	2023 £	**2024 £**	2023 £
Non-current:				
Bank loan:				
1-2 years	**1,390**	10,472	**1,390**	10,472
2-5 years	**-**	1,385	**-**	1,385
	1,390	11,857	**1,390**	11,857

	Group		Company	
	2024 £	2023 £	**2024 £**	2023 £
Total bank loan				
Current	**10,472**	10,213	**10,472**	10,213
Non-current	**1,390**	11,857	**1,390**	11,857
	11,862	22,070	**11,862**	22,070

20. LEASES

Right-of-use assets
Group and Company

	Leasehold property £	Total £
COST		
At 1 January 2023	23,152	23,152
At 31 December 2023	23,152	23,152
At 31 December 2024	**23,152**	**23,152**
AMORTISATION		
At 1 January 2023	17,591	17,591
Amortisation for year	5,561	5,561
At 31 December 2023	23,152	23,152
At 31 December 2024	**23,152**	**23,152**
NET BOOK VALUE		
At 31 December 2024	**-**	**-**
At 31 December 2023	-	-

Lease liabilities
Group and Company
Set out below is the movement in lease liabilities during the period.

	£
At 1 January 2023	5,680
Interest expense	1,094
Repayments	(6,774)
At 31 December 2023	-
At 31 December 2024	**-**

Group and Company

	2024 £	2023 £
Current	**-**	-
Non-current	**-**	-
	-	-

21. OTHER FINANCIAL COMMITMENTS

As a result of the adoption of IFRS 16, from 1 July 2019, all leases, except those classified as either low-value assets or short-term, have been recognised on the balance sheet as a right-of-use asset and lease liability and are no longer included in this non-cancellable operating lease disclosure.

At the year end, neither the Group nor the Company had any non-cancellable operating leases.

22. RELATED PARTY DISCLOSURES

At the year end, the amounts owed to Directors were as follows:

	2024 £	2023 £
G Desler	**34**	52
Dr S Dilly	**-**	2,879

23. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

24. SHARE-BASED PAYMENT TRANSACTIONS

Share option

At 31 December 2024 outstanding awards to subscribe for ordinary shares of 0.1p each in the Company, granted in accordance with the rules of the ValiRx share option schemes, were as follows:

2023	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price (pence)
Brought forward	3,069,364	9.58	42.71
Carried forward	3,069,364	8.58	42.71

2024	**Number of shares**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price (pence)**
Brought forward	**3,069,364**	**8.58**	**42.71**
Lapsed during the year	**(2,511,664)**		**-**
Carried forward	**557,700**	**7.20**	**101.47**

All options were exercisable at the year end. No options were exercised during the year.

The following share-based payment arrangements were in existence at the balance sheet date.

The fair value of the remaining share options has been calculated using the Black-Scholes model. The assumptions used in the calculation of the fair value of the share options outstanding during the year are as follows:

Options

Date of grant	**26/06/2015**	**09/02/2018**	**06/09/2022**
Number of shares	3,700	54,000	500,000
Expiry date	26/06/2025	09/02/2028	06/09/2032
Exercise price (p)	6,375.00	500.00	12.00
Expected life of options (years)	3	3	2
Fair value at date of grant (p)	505.00	348.75	10.74
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	16.00%	196.00%	234.47%
Risk-free interest	0.38%	0.88%	3.11%

24. SHARE-BASED PAYMENT TRANSACTIONS – continued

Volatility was determined by reference to the standard deviation of expected share price returns based on a statistical analysis of daily share prices over a 3-year period to grant date. All of the above options are equity settled.

All of the share options are equity settled and the charge for the year is £nil (2023: £36,936).

Warrants

At 31 December 2024 outstanding warrants to subscribe for ordinary shares of 0.1p each in the Company, granted in accordance with the warrant instruments issued by ValiRx, were as follows.

2023	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price (pence)
Brought forward	3,902,949	4.57	22.00
Lapsed during the year	3,745,454		13.43
Carried forward	7,648,403	2.38	17.80

2024	**Number of shares**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price (pence)**
Brought forward	**7,648,403**	**2.38**	**17.80**
Granted during the year	**241,999,999**		**1.30**
Carried forward	**249,648,402**	**2.95**	**1.81**

All warrants were exercisable at the year end.

The following warrants were in existence at the balance sheet date.

The fair value of the remaining share warrants has been calculated using the Black-Scholes model. The assumptions used in the calculation of the fair value of the warrants outstanding at the year end are as follows:

Warrants

Date of grant	**25/08/2021**	**06/02/2023**	**06/02/2023**	**06/02/2023**	**31/12/2024**
Number of shares	3,902,949	2,954,545	81,818	709,091	241,999,999
Expiry date	25/08/2026	06/02/2026	06/02/2026	06/02/2026	31/12/2027
Exercise price (p)	22.00	14.00	14.00	11.00	1.30
Expected life of options (years)	3	3	3	3	3
Fair value at date of grant (p)	16.85	N/A	7.34	7.39	N/A
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	521.50%	N/A	225.50%	225.50%	N/A
Risk-free interest	0.33%	N/A	3.21%	3.21%	N/A

Volatility was determined by reference to the standard deviation of expected share price returns based on a statistical analysis of daily share prices over a 3-year period to grant date.

All of the warrants are equity settled and the charge for the year is £nil (2023: £58,411). The warrants issued during the year fall outside the scope of IFRS as they were issued to shareholders in respect of the new share issue in December 2024, and as such no charge has been made in respect of these warrants.

25. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Group, and are all Directors of the Company.

	2024 £	2023 £
Salaries and other short-term employee benefits	**334,012**	318,454
Post-employment benefits	**39,858**	9,600
Share-based payments	**-**	21,630
	373,870	349,684

The number of Directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2023: 1).

	Salary £	Benefits in kind £	Post-employment benefits £	**2024 £**	2023 £
G Desler	66,450	-	-	**66,450**	69,112
A De Courcey (appointed 22/04/24)	18,109	-	-	**18,109**	-
M Gouldstone (appointed 22/04/24)	26,269	-	-	**26,269**	-
Dr M Eccleston (appointed 12/08/24)	20,955	600	30,058	**51,613**	-
C Tralau-Stewart (appointed 25/07/24)	12,500	-	200	**12,700**	-
Dr S Dilly (resigned 15/08/24)	126,875	-	9,600	**136,475**	162,585
M Lampshire (resigned 17/10/24)	27,972	-	-	**27,972**	28,746
Dr K Cox (resigned 19/06/24)	23,581	-	-	**23,581**	54,804
S Panu (resigned 15/04/24)	10,701	-	-	**10,701**	34,437
	333,412	**600**	**39,858**	**373,870**	349,684

The Directors interests in share options as at 31 December 2024 are as follows:

	Number of options	Exercise price	Date of grant	First date of exercise	Final date of exercise
G Desler	1,518	6,375.00p	26/06/2015	26/06/2015	25/06/2025
G Desler	24,000	500.00p	07/02/2018	07/02/2018	07/02/2028
	25,518				
Dr M Eccleston	2,000	500.00p	07/02/2018	07/02/2018	07/02/2028
	2,000				

25. KEY MANAGEMENT PERSONNEL COMPENSATION - continued

The Directors interests in warrants as at 31 December 2024 are as follows:

	Number of warrants	Exercise price	Date of grant	First date of exercise	Final date of exercise
Warrants					
G Desler	769,231	1.30p	31/12/2024	31/12/2024	30/12/2027
A De Courcey	22,955	14.00p	06/02/2023	06/02/2023	06/02/2026
A De Courcey	1,538,461	1.30p	31/12/2024	31/12/2024	30/12/2027
	1,561,416				
M Gouldstone	769,231	1.30p	31/12/2024	31/12/2024	30/12/2027
Dr M Eccleston	20,769,230*	1.30p	31/12/2024	31/12/2024	30/12/2027
C Tralau-Stewart	769,231	1.30p	31/12/2024	31/12/2024	30/12/2027

*12,923,068 warrants are held by Dr Eccleston personally, 2,307,692 are held by Dr Eccleston's partner and 5,538,470 warrants are held by Oncolytika, a company in which Dr Eccleston is interested in.

26. FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- derivative financial assets;
- trade and other receivables;
- cash and cash equivalents; and
- trade and other payables.

The main purpose of these financial instruments is to finance the Group's operations.

	2024	2023
Financial assets	**£**	£
Loans and receivables		
Trade and other receivables	**134,592**	147,618
Cash and cash equivalents	**1,555,986**	174,684
Total loans and receivables	**1,690,578**	322,302
Total financial assets	**1,690,578**	322,302

	2024	2023
Financial liabilities	**£**	£
Trade and other payables	**220,987**	181,346
Cash and cash equivalents	**11,862**	22,070
Total financial liabilities	**232,849**	203,416

The Directors consider that the carrying value for each class of financial asset and liability, approximates to their fair value.

26. FINANCIAL INSTRUMENTS – continued

Financial assets at fair value through profit or loss

Financial instruments that are measured at fair value are classified using a fair value hierarchy that reflects the source of inputs used in deriving the fair value. The three classification levels are:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable market inputs).

The following table presents the Company's assets carried at fair value by valuation method:

The financial assets at fair value through profit and loss is the Group's holding in and one unquoted security which falls within Level 3 of the fair value hierarchy.

The fair value is determined to be equal to the cost of the investment and is reviewed periodically based on information available about the performance of the underlying business. Where cost is deemed to be inappropriate, the following table shows the valuation technique used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. The only method used is that of NPV.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
NPV – The valuation model considers the present value of expected receipts, discounted using a risk-adjusted discount rate. The expected receipt is determined by considering the possible scenarios of forecast revenue and profit, the amount to be received under each scenario and the probability of each scenario.	Forecast annual revenue and profit growth rate Risk-adjusted discount rate	The estimated fair value would increase (decrease) if: • the annual revenue growth rate were higher (lower); or • the risk-adjusted discount rate were lower (higher). Generally, a change in any of the above variables would be accompanied by a directionally similar change in revenue receipts and a consequential change in the valuation of the investment

Financial risk management

The Group's activities expose it to a variety of risks, including market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group manages these risks through an effective risk management programme, and, through this programme, the Board seeks to minimise potential adverse effects on the Group's financial performance.

The Board provides written objectives, policies and procedures with regards to managing currency and interest risk exposures, liquidity and credit risk including guidance on the use of certain derivative and non-derivative financial instruments.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its receivables and its cash deposits. It is Group policy to assess the credit risk of new customers before entering contracts. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The maximum exposure is the asset recognised.

26. FINANCIAL INSTRUMENTS - continued

Liquidity risk and interest rate risk
Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Board regularly receives cash flow projections for a minimum period of twelve months, together with information regarding cash balances monthly.

The Group is principally funded by equity and invests in short-term deposits, having access to these funds at short notice. The Group's policy throughout the period has been to minimise interest rate risk by placing funds in risk free cash deposits but also to maximise the return on funds placed on deposit.

All cash deposits attract a floating rate of interest. The benchmark rate for determining interest receivable and floating rate assets is linked to the UK base rate

Foreign currency risk
The Group's exposure to foreign currency risk is limited as most of its invoicing and payments are denominated in Sterling. Accordingly, no sensitivity analysis is presented in this area as it is considered immaterial.

27. POST BALANCE SHEET EVENTS

On 3 April 2025, the Company terminated the exclusivity Letter of Intent with TheoremRx Inc ("TheoremRx") by mutual agreement. The termination of the LOI followed notification by TheoremRx of a decision not to proceed with an amendment to the LOI to return the territory of Taiwan and maintain exclusivity in exchange for a non-refundable payment of $200,000 by 31 March 2025. As a consequence, the Company intends to move VAL201 to a prostate cancer focussed special purpose vehicle and will file new IP to extend the patent life.