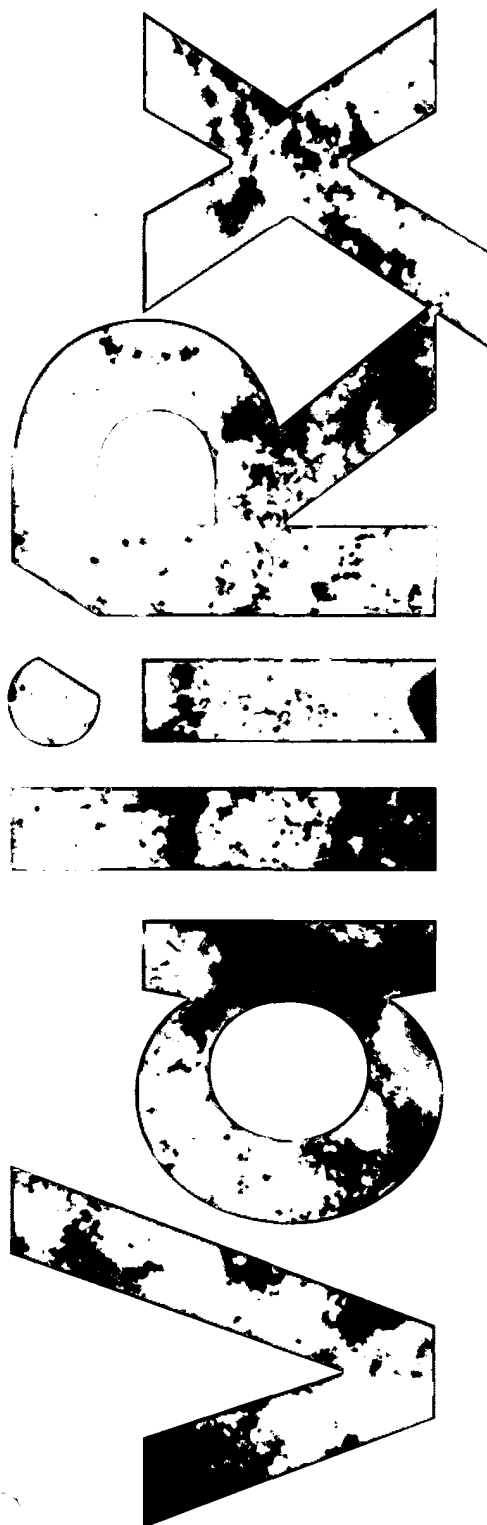




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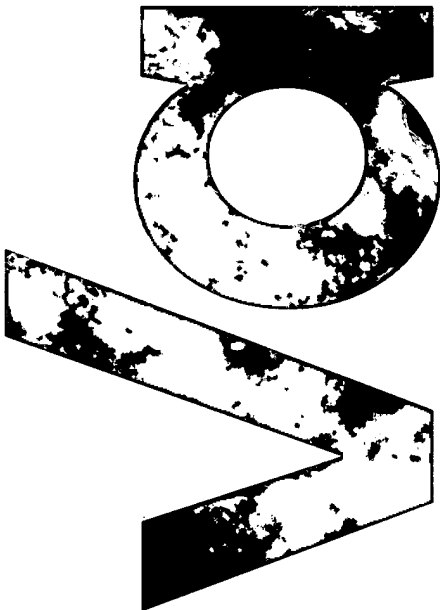
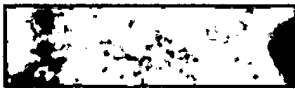
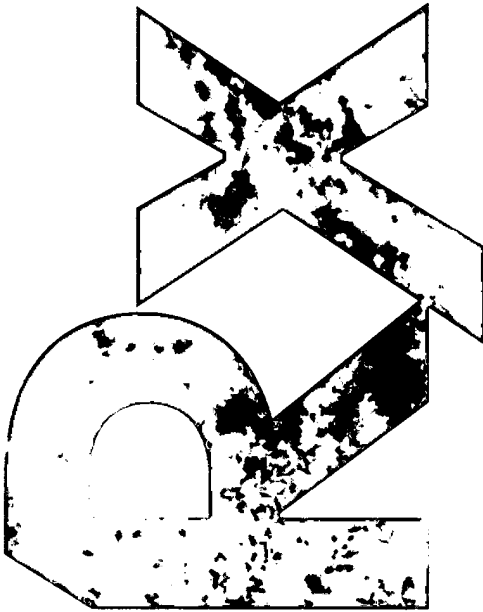
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ValiRx



ValiRx



ValiRx

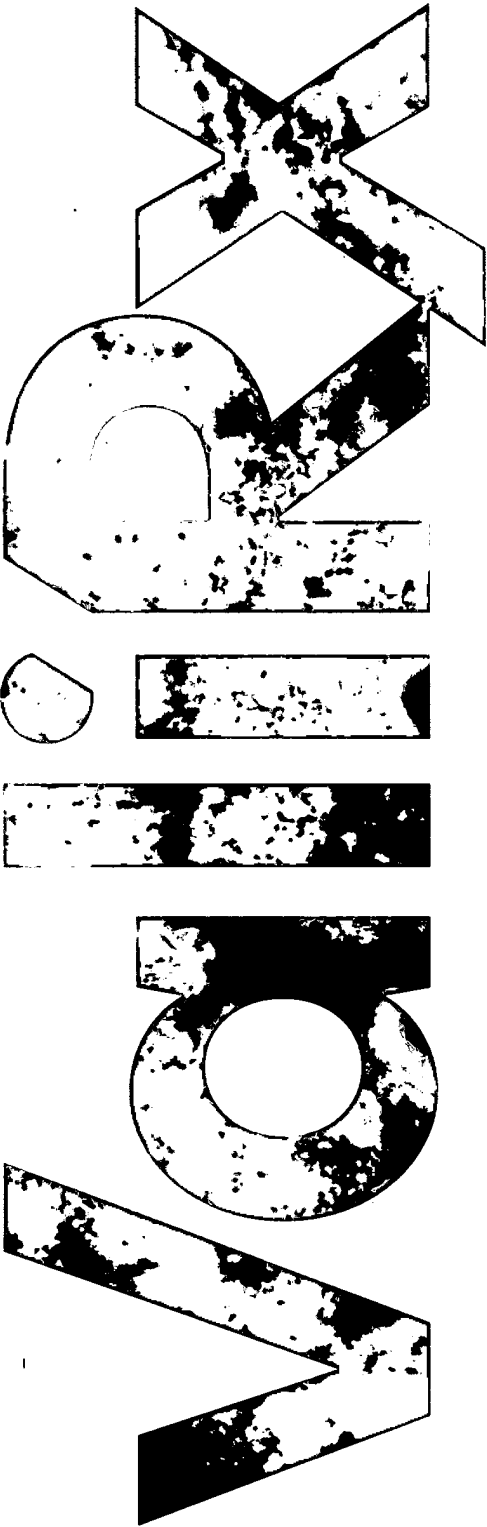


**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS**

**AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

FOR

VALIRX PLC





ValiRx Plc

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for the year ended 31 December 2025**

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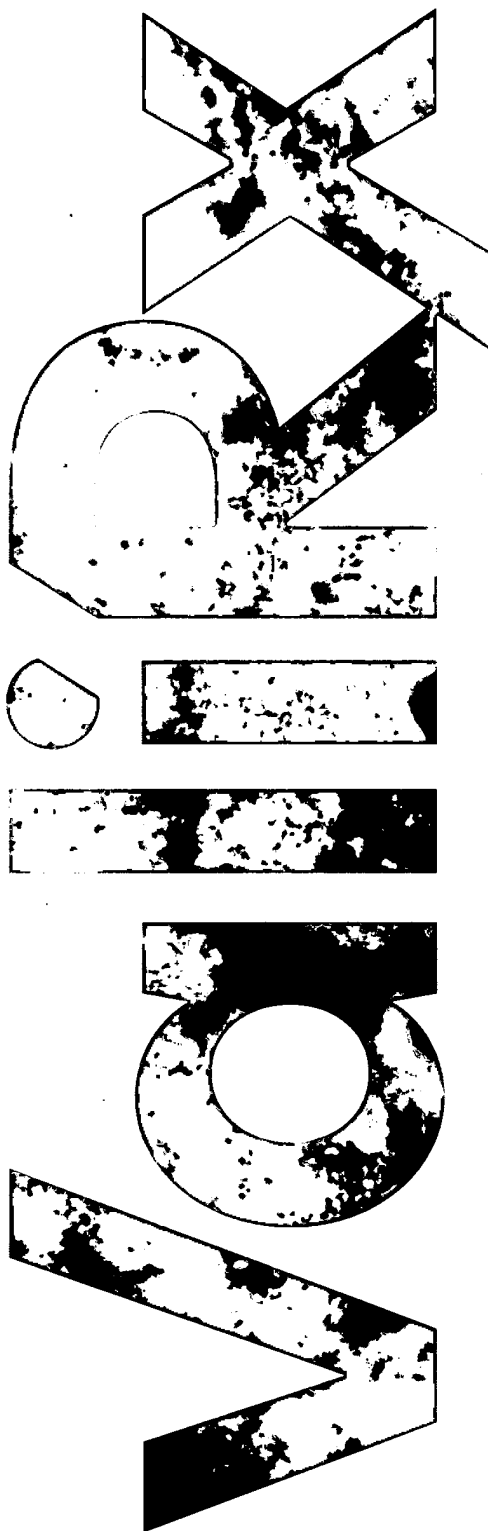
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COMPANY INFORMATION





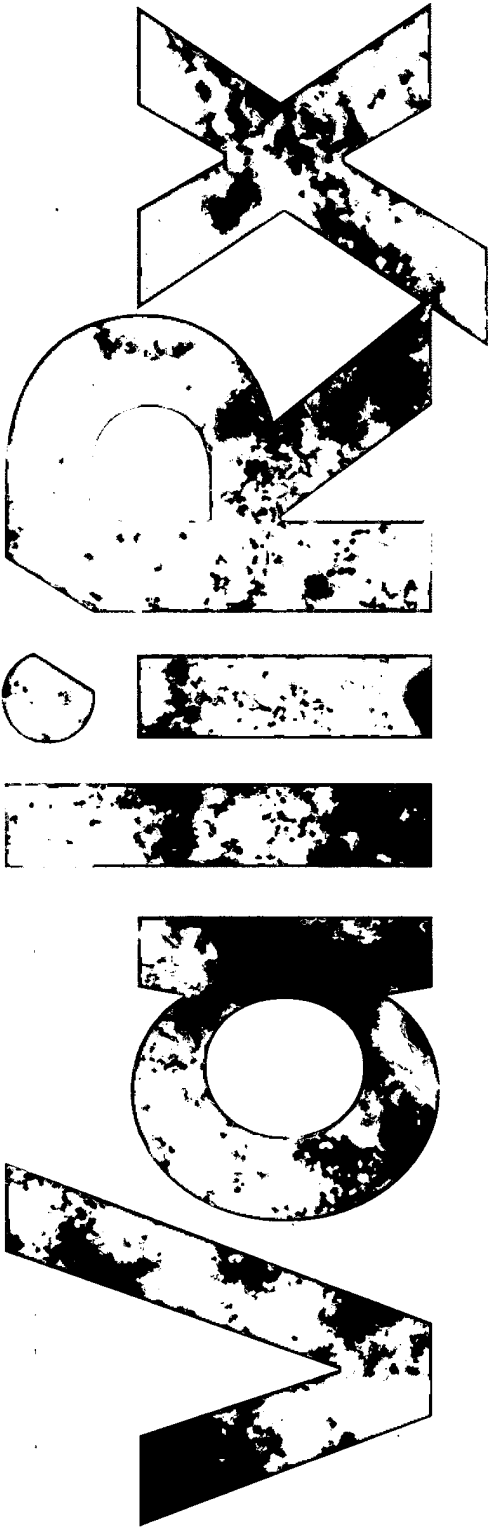
ValiRx Plc

Company Information
for the year ended 31 December 2025

DIRECTORS:	Dr M Eccleston M Gouldstone G Desler Dr C Tralau-Stewart
SECRETARY:	G Desler
REGISTERED OFFICE:	20 Wenlock Road London N1 7GU
REGISTERED NUMBER:	03916791 (England and Wales)
AUDITORS:	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF



STRATEGIC REPORT



ValiRx Plc

Chairman and Chief Executive's Report for the year ended 31 December 2025

2025 has been a year of significant and purposeful evolution for ValiRx. Building on the strategic foundations laid during the second half of 2024, the Group has continued to restructure, focus, and advance both its commercial activities and its drug development pipeline. The progress achieved across all areas of the business during this period is a testament to the commitment and expertise of our lean, highly motivated team, and we are proud to report a year of meaningful milestones despite operating in one of the most challenging macro-economic environments in recent memory for early-stage life science companies.

Strategic Review: Completing the Transformation:

The comprehensive strategic and operational review initiated in Q4 2024 was completed during the first quarter of 2025. The review focused on three core priorities: improving operational efficiency and reducing cash burn; defining a clear and commercially rigorous approach to asset evaluation and in-licensing of the highest quality, later stage assets; and maximising the value of the Group's key scientific asset, Inaphaea BioLabs Patient-Derived Cell ("PDC") biobank together with its associated data sets as a critical internal resource for the Group's own programmes, partnering asset, and as a commercial revenue generator.

These priorities drove key structural decisions. The Inaphaea business model was deliberately re-oriented away from a dependence on third-party service revenues, which proved longer to convert in a subdued funding environment, towards a model in which Inaphaea's capabilities are deployed first and foremost to advance ValiRx's own internal pipeline, while also pursuing carefully selected out-licensing and commercial partnerships. This shift represents a more sustainable and strategically coherent use of Inaphaea's translational capabilities and its unique PDC biobank.

The restructuring saw the loss of three roles; Head of Operations & IT; Pre-clinical Project Manager and Head of Strategic Commercial Development, with responsibilities redistributed across the core team, supplemented by a new technician hired to support laboratory Inaphaea operations. The Board was streamlined, with Dr Cathy Tralau-Stewart transitioning to Non-Executive Director following the appointment of a full-time Director of Research, which was a key step in providing the Group with deep translational drug development expertise on a day-to-day basis. Administrative costs reduced by £326,577 compared to 2024. A further saving of £42,000 has been achieved post-period through voluntary salary reduction and changes to the advisory board which is now structured to better support ValiRx's strategic priorities.

The Group made meaningful progress in managing its cost base and has taken active steps to position itself for improved financial performance by broadening its commercial and academic ties. R&D tax credits of £138,000 were received, providing important non-dilutive support. Our academic partnerships have continued to attract pump-priming grants through the Open University Knowledge Voucher scheme. Further support was received through the Queen Mary University London Impact Fund for the Pro-senescence evaluation programme and, post period, from Nottingham University's Impact Acceleration Account to support formulation development work for Cytolytix. While not passing directly through ValiRx, these grants fund work that would otherwise require direct Group expenditure, thereby reducing capital requirements and supporting further grant applications such as the £250,000 UK Research and Innovation ("UKRI") grant awarded to further develop the OUs in-silico spheroid modelling platform with PDCs supplied by Inaphaea.

The Group continues to seek and prosecute high value non-dilutive UK and European funding options. We are encouraged by the number of programmes across the Group's portfolio that align with available grant criteria, particularly in the New Approach Methodology space in line with growing regulatory support in the USA, UK and EU.

Inaphaea BioLabs: A Pivotal Strategic Shift:

Inaphaea BioLabs remains the R&D engine of the Group and over the course of 2025, the nature of its role has evolved materially. The company continues to explore commercial revenue opportunities from out-licensing of its PDC models, but its primary strategic services focus has been redirected towards supporting ValiRx's own internal pipeline and the Group's new subsidiaries. This is a deliberate and well-considered change of direction given the macro-political environment which created significant uncertainty throughout the year, with global biotech and pharmaceutical funding remaining constrained. Grant opportunities from UK, EU and US government sources were largely stagnant in the first three quarters, creating circumstances in which many of Inaphaea's potential CRO clients were themselves



ValiRx Plc

Chairman and Chief Executive's Report for the year ended 31 December 2025

under budgetary pressure. Service revenues from third parties were below expectations due to difficult market conditions but the Amply Discovery service contract was completed with approximately £31,000 received.

Inaphaea's PDC biobank and associated data are key to its New Approach Methodology capabilities, which, together with a growing network of specialist partners represent a genuinely differentiated scientific asset; deploying that asset in service of the Group's own drug development programmes maximises both scientific output and long-term value creation.

Capabilities and Partnerships - Building an end-to-end development platform:

A defining feature of ValiRx's evolved strategy is its emphasis on capability building through partnerships, rather than seeking to maintain all expertise in-house. 2025 has seen the Group establish a genuinely differentiated and complementary network of scientific and commercial partners that significantly amplifies the capabilities available to support both internal programmes and PDC sales.

These include evaluation and co-marketing agreements with ScreenIn3D, Cellomatics Biosciences Ltd, and Dominion Biotech Ltd, as well as collaborations with VoxCell BioInnovation and TwinEdge Bioscience. These partnerships have multiple dimensions: they provide Inaphaea with referrals and access to a wider customer base; they give access to advanced testing capabilities for both internal and commercial programmes at low or no cost relative to outsourcing; and they create partnered development opportunities that can generate shared IP and future revenues.

Cellomatics Biosciences Ltd have six Colorectal Cancer PDC models in house for evaluation ahead of a potential roll-out to their own customer base, which would trigger a commercial use license and extending the evaluation post period to include co-culture with immune cells for in-vitro immunotherapy evaluation. This work will directly benefit our Cytolytix programme, highlighting our synergistic approach to partnering and capability building. Dominion signed a co-marketing agreement for PDC models as well as an agreement to co-develop repurposed assets identified through our 3k screening programme. The PredictRx™ personalised cancer therapy selection approach was also licensed to Dominion with regulatory and market planning initiated in Q4 2025.

Inaphaea continues to enhance and characterise its PDC biobank with establishment of new quality control protocols, data packets and prospective collection agreements with Nottingham Health Trust and, post period, the Christie NHS Foundation Trust. The combined bank of over 5,000 vials underpins the value of the biobank as a major asset for the Group, and expanding its quality, breadth and characterisation will be a key commercial priority going forward.

TwinEdge Bioscience - Digitising the PDC Platform:

One of the most exciting developments of 2025 has been the collaboration agreement with TwinEdge Bioscience, a Swiss innovator in digital twin technology for drug development. Under this agreement, TwinEdge is combining its proprietary methodology with drug response datasets obtained from Inaphaea's PDCs to create patient-derived avatars - digitally actionable representations of patient tumours that can be used for in-silico drug assessment. The initial phase of the collaboration, focused on four ovarian cancer PDC models, has been successfully completed and the data presented, post period, at the American Association of Cancer Research annual conference. The next phase will expand digital avatars across Inaphaea's remaining 63 ovarian PDC models with available RNA-sequence data. This partnership represents a material expansion of the Group's capabilities into digital drug discovery and positions our biobank data assets for use

A New Direction - TheoremRx and Val201:

ValiRx terminated the Letter of Intent with TheoremRx after they elected not to proceed with an agreed amendment to return the territory of Taiwan and maintain exclusivity in exchange for a \$200,000 payment. This was a disappointing conclusion after a protracted process, but it was not unexpected, and contingency planning has been in place since the current management team took over. We draw a definitive line under this chapter.

VAL201 was deemed to still have strong clinical relevance within the treatment pathway for prostate cancer under the new, stricter evaluation criteria, including its potential in addressing resistance to hormone therapies. Development work originally planned with TheoremRx will now be carried out through Blue Ribbon Bio Limited ("Blue Ribbon"), a new wholly owned subsidiary incorporated to house



ValiRx Plc

Chairman and Chief Executive's Report for the year ended 31 December 2025

ValiRx's current and future prostate cancer-associated assets. Blue Ribbon will take on the existing intellectual property for VAL201, exclusively licensed from Cancer Research Horizons in 2010 with subsequent patents filed with ValiRx inventors in 2013 offering protection to 2033. Additional patent extension of up to 5 years following approval of a human or veterinary drug product may be obtained through a Patent Term Extension to the United States Patent and Trademark Office.

Modified VAL201 2.0 peptides were designed in house and received post period for testing at Inaphaea with a targeted series of pre-clinical tests designed to demonstrate improved efficacy and position the asset for licensing discussions. Options to fund Blue Ribbon independently of ValiRx are being actively explored, which would enable this important programme to be advanced without diluting ValiRx shareholders. We have taken a prudent approach to the valuation of this asset given the additional time required to validate the new constructs and have therefore written down the valuation to 60% of that included in the 2024 annual report.

Val401: A Successful Out-License:

Ambrose Healthcare Ltd exercised its option on VAL401, completing the out-licensing of this asset under pre-agreed terms. As part of the agreement, ValiRx received 576,000 ordinary shares in Ambrose Healthcare, equivalent to approximately 4.9% of issued Ambrose equity, with staged clinical and commercial milestone payments to Valiseek totalling up to £16 million plus royalties contingent on successful development by Ambrose. The equity position means that ValiRx will benefit from any value inflection in Ambrose, not just from the commercialisation of Val 401. We have written down the valuation of Val401 to 70% of that included in the 2024 annual report. ValiRx is supporting Ambrose in identifying funding partners, and Inaphaea has prepared a detailed proposal for pre-clinical validation of VAL401 in pancreatic cancer, leveraging its 19 pancreatic cancer patient-derived cell models, 3D cell culture capabilities, and digital twin New Approach Methodology platforms. This is a good example of the Group continuing to create value from its assets and capabilities beyond direct development.

Cytolytix: Important Scientific Progress and New IP:

Cytolytix Limited, our majority-owned subsidiary focused on the development of CLX001, has made important scientific and commercial progress during 2025, and the pipeline of IP has been considerably strengthened with notice of allowance, and subsequent allowance post period, for the European Patent application on the original nanoparticle formulation. Claims for the original peptide patent were also confirmed as allowable, with accelerated examination requested. These are important de-risking milestones that provide a strengthened and more defensible IP foundation for CLX001 as it advances through pre-clinical development.

A key scientific priority for CLX001 in 2025 has been the identification and selection of a lead formulation for clinical development. Four formats are under evaluation: the original format developed by King's College London; an in-house lipid-based formulation; the Altus SmartCelle™ formulation; and a novel virus-based format developed in collaboration with Omios Biologics. The second-generation lipid delivery platform has been fully developed and evaluated in-house as well as in ScreenIn3D's UpScale3D lab-on-a-chip platform, incorporating Inaphaea's Triple Negative Breast Cancer PDC models and with BioReperia's zebrafish models. Preliminary data obtained post period support the potential to activate the host immune system and new, in-house patents filed.

Evaluation Pipeline - Quality over Quantity:

ValiRx's approach to evaluation agreements was materially refined during 2025. The Group now applies a stringent set of commercial and technical criteria to all evaluation decisions, with a focus on shorter, more nimble engagements over three to six months where Inaphaea can add significant and demonstrable value through its PDC biobank or pre-clinical capabilities. Importantly, under the new hybrid evaluation model, if an evaluated asset is returned but subsequently licensed externally, ValiRx would be compensated for added scientific and commercial value even if it does not ultimately in-license the asset. This model has been well received by academic and commercial partners.

Imperial College:

The Imperial College evaluation was concluded on 24 February 2025 after the programme was judged, under the new evaluation criteria, to be too early stage for in-licensing, with responsibility for maintaining the intellectual property reverting to Imperial College.



ValiRx Plc

Chairman and Chief Executive's Report for the year ended 31 December 2025

Dundee University:

The evaluation agreement with the University of Dundee was extended for a further year to February 2026, supported by a £50,000 grant from the Queen Mary University London Impact Fund and £9,000 from ValiRx. Work is progressing with Professor Bishop's group on the precise mechanism of action of this pro-senescence asset, which remains a key decision criterion for in-licensing. Post period, ValiRx terminated the evaluation based on the stage of the asset and likely investment required to move to a drug candidate.

StingRay Bio:

A new-format agreement with StingRay Bio was signed in 2025. In-silico lead optimisation and in vitro experiments were performed on lead compounds identified during the first evaluation over a period of up to 12 months, with results jointly owned by ValiRx and StingRay. ValiRx holds an option to license the technology into a jointly-owned Special Purpose Vehicle, with its ownership increasing to 75% on completion of IND-enabling studies. Post period, ValiRx terminated the evaluation based on the stage of the asset and likely investment required to move to a drug candidate. Under the terms of the new arrangement, if StingRay secures alternative investment within 12 months of completion, ValiRx is entitled to a cash return of 1.5x its total investment of approximately £33,000.

Altus Healthcare (CB2 Agonist / SmartCelle™):

An evaluation and option agreement with Altus Healthcare, was signed in January 2025, covering both SmartCelle™ formulation platform and the repositioning of an anti-inflammatory CB2 agonist (TA-A001) for use in oncology. Evaluation will be performed by Inaphaea on a range of Patient Derived Cells in post period due to capacity, with lead candidates subsequently to be tested in vivo through collaborative partners to assess safety, biodistribution and efficacy. ValiRx holds an option to license these technologies for the treatment of certain cancers.

Further Evaluation Projects:

Active discussions for two further evaluation programmes under the new-format agreement, were underway during 2025 with a new evaluation and material transfer agreement being signed with McGill University, post period, in January 2026, demonstrating continued momentum in building the pipeline. The MG-002 RNA-helicase inhibitor exceeded assessment criteria, and the evaluation programme is proceeding ahead of schedule.

3K Screen Programme: Unlocking Drug repositioning Opportunities:

One of the most exciting developments of the year was the progress of the 3K Screen programme, managed jointly by Inaphaea and Dominion Biotech Ltd under the agreement announced in May 2025. Approximately 250 lead hits have been identified across five cancer models. These have been stratified based on activity, oral availability and freedom to operate, yielding a "top 10" shortlist of assets with validated human safety profiles and strong repositioning potential for cancer - effectively phase-2-ready candidates. Full dose-response curves are being generated in selected PDC models at Inaphaea and Dominion. The resulting data will be processed through TwinEdge's digital twin AI platform to support new patent filings, initial commercial discussions with potential licensees, and applications for non-dilutive grant funding to support further development including a €4M EU EIC Pathfinder application focussed on ovarian cancer and an €8M Horizon application focussed on Lung cancer under the Integrating New Approach Methodologies (NAMs) to advance biomedical research and regulatory testing scheme with expected decisions in Q3 2026.

This is a uniquely capital-efficient approach to drug discovery: by focusing on approved drugs with established safety profiles, the time and cost required to advance a candidate to a clinical proof of concept are substantially reduced relative to traditional de novo drug development. We believe this programme has the potential to generate significant near-term value, and the Group is actively exploring partnering opportunities for the assets.

Outlook:

The macro-environment for early-stage life sciences remains challenging, and we do not underestimate the difficulty of operating in this context. However, the Group has never been better positioned scientifically, strategically, or in terms of the quality of its partnerships and pipeline. The combination of Inaphaea's unique PDC biobank, its growing New Approach Methodology capabilities, the TwinEdge



ValiRx Plc

Chairman and Chief Executive's Report for the year ended 31 December 2025

digital twin platform, and the Group's expanding portfolio of drug development programmes creates a genuinely compelling and differentiated proposition in the oncology space.

- Completion of lead formulation selection for CLX001, progression to cGMP manufacture and IND-enabling studies, supported by results from ScreenIn3D and VoxCell evaluations.
- Progression of Blue-Ribbon Bio's VAL201 2.0 pre-clinical programme including IP filing, exploration of independent financing options and focused pre-clinical validation.
- Advancing the 3K Screen top 10 assets through full dose-response profiling, TwinEdge digital twin analysis, and commercial discussions with potential partners.
- Building the evaluation pipeline with two new agreements targeted under the new hybrid evaluation model.
- Completing the Dundee prosenescence mechanism of action studies towards a definitive in-licensing decision.
- Progressing the Altus CB2 / SmartCelle™ evaluation and determining next steps.
- Commercial launch of the PredictRx™ licence with Dominion
- Progressing UK and European grant applications across the portfolio.
- Continuing to expand and digitise the PDC biobank through the TwinEdge collaboration.
- Completion of evaluation of second generation, orally available, RNA Helicase inhibitor from the Royal Institute for the Advancement of Learning/McGill University, a Canadian based University, and the Institute for Research in Immunology and Cancer - Commercialization of Research, a Canadian non-profit organisation four months ahead of schedule and exercised its option to negotiate definitive agreements for an exclusive licence of intellectual property rights to be granted to a newly incorporated Canadian entity.
- Incorporation of ValiRx Animal Health Limited to develop and commercialise ValiRx's existing and future oncology assets in the veterinary market.

Financial overview

Our financial results show the total comprehensive loss for the year ended 31 December 2025 of £2,232,160 (2024: £1,915,693) which includes impaired goodwill totalling £598,022 from Val401 and Val201 and a loss per share of 0.54p (2024: Loss - 1.45p). Excluding the impairment charge, the loss for the year would have been £1,634,138, a reduction of £281,555 over 2024's loss.

Research and development costs were £229,378 for the year ended 31 December 2025 (2024: £245,163), a reduction of £15,785. In addition, total wage costs of £439,975 (2024: £460,538) were expended on research and development during the year.

Administrative expenses were £1,586,837 (2024: £1,913,414) reflecting a reduction of £326,577 through reduction of the Non-Executive Board and employee redundancies.

Cash at the bank at 31 December 2025 was £791,612 compared to £1,555,986 in 2024.

Since the year end, we have taken measures to reduce the annual cash burn through a combination of voluntary salary reductions, termination of the Advisory Board agreement with Gareth Griffiths, whose expertise will now be accessed through Inaphaed's agreements with Dominion Biotech Limited ("Dominion") and resignation of Tralau-Stewart as Chair of the Advisory Board. A further reduction will be achieved as Cathy will not be standing for re-election as Non-Executive Director to the board.

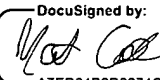
None of this would be possible without the dedication and diligence from our staff and board and we would like to extend our gratitude for the hard work as we strive to build on the progress made.

We look forward to updating shareholders on our continued progress throughout 2026.

Martin Gouldstone

Chairman

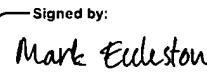
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Dr M Eccleston

Chief Executive Officer

Date: 19 June 2026

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ValiRx Plc

Group Strategic Report
for the year ended 31 December 2025

The Directors present the strategic report and financial statements for the year ended 31 December 2025.

Company information and highlights

ValiRx is focussed on developing a portfolio pipeline of pre-clinical therapeutic assets whilst leveraging revenue-generating product opportunities through Inaphaea BioLabs.

By providing a scientific, financial and commercial framework around innovative, early-stage science we can accelerate therapeutic assets through pre-clinical 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 whilst developing a commercial biobank and associated data sets. The PDCs can be purchased as Assay Ready Reagents, for culture via a license for use in their own facilities. Inaphaea has established a series of capability partners to co-market its PDCs and a range of in-vitro and in-vivo services based on the PDCs.

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 pre-clinical 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 pre-clinical 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

ValiRx has pre-clinical testing services in-house through its wholly owned subsidiary, Inaphaea BioLabs Ltd. 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 partnered capabilities. The tCRO® operates as a wholly-owned ValiRx subsidiary alongside a growing network of complementary service partners providing advanced data analysis and data implementation technologies expanded to include digital twin capabilities, 3D tissue culture technology and a range of in-vivo capabilities now focussed to optimally process our own pipeline. A series of co-marketing agreements have been implemented to provide integrated services to external parties to generate revenues.

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



ValiRx Plc

Group Strategic Report for the year ended 31 December 2025

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 Reprofilling Limited (a SEEK group company) holding the IP for VAL401.
3. **Cytolytix Limited:** a majority owned company holding the IP for CLX-001.
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
5. **Blue Ribbon Bio Limited:** a wholly owned subsidiary for development of ValiRx Group assets in Prostate Cancer
6. **ValiRx Animal Health Limited: (incorporated 26 February 2026) a wholly owned subsidiary for development of ValiRx group Assets for companion animal applications**

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 pre-clinical 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.



ValiRx Plc

Group Strategic Report for the year ended 31 December 2025

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 pre-clinical models for endometriosis and development but new developments in the field we are exploring opportunities for the improved Val201 constructs.

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. In addition, Inaphaea signed a Collaboration Agreement with Swiss based TwinEdge Biosciences on September 17 2025 to use AI aided classification of responses in Inaphaea's PDCs to provide mechanistic insight and predict response of new, or repurposed, drugs as well as identify biomarkers for patient selection in-silico. This approach can accelerate drug development programmes and provide clinical insight at a fraction of the cost of a real-world clinical trial.

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 Lol was amended in October 2024 to limit exclusivity until 31 December 2024 with a final extension granted on 31 December until 31 May 2025.

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 and a second generation, optimised iteration, will be placed in a Special Purpose Vehicle, Blue Ribbon Bio Ltd. Established on 22 May 2025, with other Prostate cancer applied assets, and new IP filed to extend patent life. Post period, a series of new constructs was received at Inaphaea BioLabs and is undergoing a limited series of pre-clinical testing to demonstrate improved pre-clinical performance. The new data will be used to support external funding discussions for Blue Ribbon Bio.



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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.

Ambrose Healthcare exercised its option to license VAL401 in exchange for 576,000 ordinary shares in Ambrose. At the year end, ValiRx owned 651,000 ordinary shares, approximately 5.55% of Ambrose equity, with clinical and commercial milestone payments to be made to Valiseek up to £16 million plus royalties; Ambrose Healthcare will meet all patent costs and commits to completing development and commercialisation of VAL401 at Ambrose's cost.

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 pre-clinical 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 with opportunities to cross license into Blue Ribbon Bio.

Two new in-house formulation options are being examined with the aim of identifying application specific versions to target various routes of administration. New IP for the first new formulation was filed post period on May 26 Q2 2026 and will be licensed to Cytolytix. Additionally, Cytolytix entered into an agreement with US based Omios Biologics to evaluate its oncolytic peptide technology to enhance activity of Omios's next-generation oncolytic virus immunotherapies with an option to license Cytolytix technology. Lead formulation selection and confirmation of biological activity are expected by the end of H1 2026, followed by a full pre-clinical 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 2026.

Pre-clinical Projects Under Evaluation

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.



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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 2024, 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 is 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 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. Post period, a further extension until the 9 June 2026 was agreed to account for recruitment at Queen Mary University but ValiRx terminated the evaluation on 8 June based on the stage of the asset and likely investment required to move to a drug candidate. Under the terms of the arrangement all the rights to the evaluation data will be returned to Dundee.

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 pre-clinical 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 undertaken as part of a new-format agreement with StingRay Bio was announced August 19 2025. In-silico lead optimisation and in vitro experiments were performed on lead compounds identified during the first evaluation over a period of up to 12 months, with results jointly owned by ValiRx and StingRay. ValiRx holds an option to license the technology into a jointly-owned Special Purpose Vehicle, with its ownership increasing to 75% on completion of IND-enabling studies. Post period, ValiRx terminated the evaluation based on the stage of the asset and likely investment required to move to a drug candidate. Under the terms of the new arrangement all the rights in the evaluation data will be assigned to Stingray and, if StingRay secures alternative investment within 12 months of completion, ValiRx is entitled to a cash return of 1.5x its total investment of approximately £33,000.

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 following the deprioritisation of this asset in 2024. Development has now been suspended.

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.



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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 terminated.

Translational Research Organisation (tCRO®)

ValiRx's strategy 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 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.

A new format, hybrid evaluation/development agreement will now be deployed which retains upside on work performed by ValiRx (through Inaphaea or externally) should an asset be returned and subsequently licensed. This model has been well received and recognised as a value adding approach to early-stage academic and commercial programmes.

Throughout 2025, Inaphaea's integrated service approach focussed on three 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.

Inaphaea enhancing its internal and partnered capabilities with a particular focus on New Approach Methodologies which are increasingly supported by regulatory agencies following the lead taken by the FDA as they announced their intention to phase out animal testing with more effective, human relevant methods. We are leveraging these capabilities for our evaluation and development programs, particularly around the Cytolytix asset where ScreenIn3D and VoxCell partnerships are being used to evaluate Cytolytix formulations at no, or low, cost relative to outsourcing.



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As part of its second objective, revenue generation, Inaphaea received approximately £31,000 for completion of the second phase of its service contract with Amply Discovery Ltd, focussed on Triple Negative Breast Cancer PDCs, signed in November 2024. Trading conditions in 2025 were challenging with global uncertainty around funding impacting our potential customers resulting in lower than anticipated uptake of Inaphaea's services.

Under Inaphaea's collaborative service model approach, 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. The list of partners continues to expand with a commercial use agreement announced with Dominion Biotech on 30 April 2025. Several requests for quotes have been received and although multiple quotes were provided, no new projects were initiated during the period. Inaphaea has therefore taken the strategic decision to focus on servicing internal R&D programmes and commercialisation of its biobank rather than external services.

The technical team at Inaphaea continue to develop the PDC biobank with the establishment of a new quality control and characterisation protocol. This value-add approach is being recognised by potential customers, particularly licensees for the PDCs. Cellomatics Biosciences Ltd have a set of 6 Colorectal cancer PDCs in-house for evaluation ahead of potential roll out to their customer base which would trigger a commercial use license.

3K Screen

We continue to explore ways to realise the untapped potential of additional assets within Inaphaea. In May 2025, we announced a deal with Dominion Biotech Ltd to exploit data from a proprietary screen of around 3,000 FDA approved, or late-stage non-oncology clinical assets, in a selection of PDCs. Inaphaea's expanded capabilities will be critical for the 3K-screening programmes, whilst exemplifying capabilities to support external revenue generation discussions.

A set of 250 leads from the 3K-screen of FDA approved or non-oncology late-stage clinical assets has been identified by Inaphaea and Dominion Biotech Ltd. These assets have been stratified based on activity, oral availability and freedom to operate with respect to the current patent position to give a "top 10" list of low hanging fruit assets where we can achieve some quick wins from established drugs with validated human safety profiles for inclusion in the next phase which included testing of full dose response curves in selected Patient Derived Models at Inaphaea and Dominion. The data generated will be processed in TwinEdge's digital twin AI platform to support new patent filings and initial commercial discussions with potential licensees for, what would be, phase 2 ready assets. Inaphaea and TwinEdge are also seeking non-dilutive grant funding to support further development of these and other assets from the 3K screen. Preliminary data from this collaboration has supported applications for non-dilutive grant funding for further development including a €4M EU EIC Pathfinder application focussed on ovarian cancer and an €8M Horizon application focussed on Lung cancer under the Integrating New Approach Methodologies (NAMs) to advance biomedical research and regulatory testing scheme with expected decisions in Q3 2026.

PredictRx

Inaphaea's PredictRx platform is a personalised cancer screening service whereby a patient's tumour sample is processed into Patient Derived Cells (PDCs) and subjected to a comprehensive drug combination screening panel to determine optimal chemotherapy treatment protocols. In a partnership with Dominion Biotech Ltd., announced on 4 August 2025, Inaphaea will receive a 50% share of global net revenues from the PredictRx service to be offered by Dominion. Dominion and Inaphaea will also share ownership of any new Patient Derived Cells (PDCs) developed. The Agreement is for a period of 2 years with annual renewal thereafter. Either party may initiate a buyout of the rights of the other party after an initial period of 18 months under pre-agreed terms based on a multiple of trailing net revenue. Although initial revenues under the Agreement are expected to be modest, the arrangement is strategically important in demonstrating the commercial application of ValiRx's platform and establishing future buyout value.



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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.

BioReperia

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 pre-clinical 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 pre-clinical 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.



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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 pre-clinical in-vitro research and drug screening services based on in-vitro 3D models.

Spanios

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

TwinEdge

TwinEdge combine cutting-edge computational biology, artificial intelligence, and personalized medicine to transform how new cancer therapies are developed.

VoxCell

VoxCell is a biotechnology company at the frontier of 3D bioprinting, creating vascularized human tissue models that are transforming drug development and advancing precision medicine.

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.

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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 cell 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.

Martin, former CEO of Oncimmune Holdings Plc, an AIM listed Biotech company and former board member of hVIVO Plc, an AIM listed viral challenge business. He is now Chairman of NCIMB Ltd an industrial, food and marine bacteria repository.

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. Cathy stepped down as an Executive Director and CSO to become a Non-executive Director.

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.



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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.

Michelle heads up ValiRx's scientific programmes and co-ordinating client projects with Inaphaea BioLabs, providing technical and commercial expertise and scientific oversight.

Management Team

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) was revised in 2025 to become commercial and clinical focussed and more aligned to ValiRx's strategic objectives. Meetings were held on ad hoc basis as required.

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) – terminated 24 March 2025

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) – terminated 24 March 2025

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 target (Go/No Go decision).
- PK/PD modelling to support VAL201 development, initially pre-clinical modelling and first in man dose prediction, project has resumed with availability of clinical data.

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Professor Paul Taylor (University of Leeds) – terminated 24 March 2025

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 – terminated 12 March 2026

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

Sheuli is a life sciences leader and strategic advisor. Her experience spans across clinical development, medical affairs and pharmaceutical medicine, bringing strategic insight and cross-sector expertise to advancing innovative technologies for real-world use.

Her work focuses on national and international policy, digital health, AI, ethics, prevention, drug development, and sustainability, with the aim of enabling innovation to reach the populations who need it.

Sheuli has held various high-level position throughout her career, including Medical Director of Boehringer Ingelheim. Now joining ValiRx on its Advisory Board, Sheuli will be providing strategic insights on how to maximise the potential impact of ValiRx assets for patients in the future.

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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.

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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.



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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 pre-clinical 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. If 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 pre-clinical studies and has built additional capabilities in ex-vivo and in-silico testing through its partnerships.



ValiRx Plc

Group Strategic Report for the year ended 31 December 2025

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 through 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.



ValiRx Plc

Group Strategic Report for the year ended 31 December 2025

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 2025 are below.

Risk Area	Description	Mitigation
Research and development	The Company has embarked on a new R&D strategy to develop pre-clinical 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 complemented by in house repurposing strategy. Rigorous candidate assessment and selection processes. Effective project management processes and stage-gates to review suitability for further development and eventual out-licencing. The Company utilises external scientific, regulatory and clinical experts to help guide development programmes. 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 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 pre-clinical 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.



ValiRx Plc

Group Strategic Report for the year ended 31 December 2025

Risk Area	Description	Mitigation
Cash flow	The cash required to continue development of the pre-clinical pipeline is greater than can be generated from the tCRO®.	It is anticipated that out-licencing of VAL401 will provide additional reserves to support the strategy alongside grant funding and SPV specific investment. 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 pre-clinical 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.



ValiRx Plc

Group Strategic Report
for the year ended 31 December 2025

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.

	2025 £	2024 £
Cash balances	791,612	1,555,986
Research and development costs, including related wages	669,353	705,701
Operating expenses, excluding R&D wages	1,146,862	1,516,784

ON BEHALF OF THE BOARD:

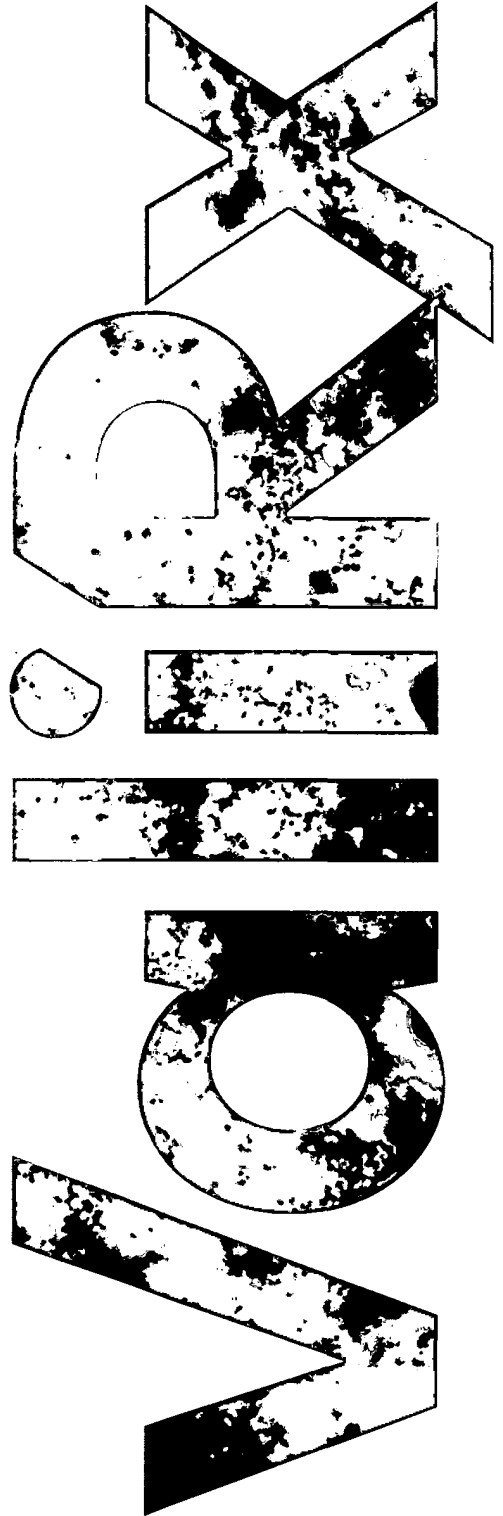
Signed by:

G DESLER

Director, Chair Audit and Risk Committee
Date: 18 June 2026



Governance





ValiRx Plc

Governance for the year ended 31 December 2025

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 2025, 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 assets 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.



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

2. Seek to understand and meet shareholder needs and expectations

How the Company complies

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.



ValiRx Plc

Governance

for the year ended 31 December 2025

Principle

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

How the Company complies

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.



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

5. Maintain the Board as a well-functioning, balanced team led by the chair

How the Company complies

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;



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

How the Company complies

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 from 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.



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

How the Company complies

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.



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

How the Company complies

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.



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

How the Company complies

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.



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

How the Company complies

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 nine (9) 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	9	7
Martin Gouldstone	9	9
Dr Mark Eccleston	9	9
Dr Cathy Tralau-Stewart	9	9
Adrian de Courcey (resigned 31 March 2025)	2	2

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 pre-clinical 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.



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

How the Company complies

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.

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)
- **Gerry Desler** (Executive Chief Financial Officer, Company Secretary)

The Audit and Risk Committee usually meets at least twice per annum (although in 2025 only once) 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 Officer)
- **Cathy Tralau-Stewart** (Non-Executive Director)



ValiRx Plc

Governance
for the year ended 31 December 2025

Principle

How the Company complies

The Remuneration Committee usually meets at least twice per annum (although only once in 2025) 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 Officer)
- **Gerry Desler** (Executive Chief Financial Officer, Company Secretary)

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

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

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 Officer)



ValiRx Plc

Report of the Directors
for the year ended 31 December 2025

The Directors present their report and financial statements for the year ended 31 December 2025.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2025.

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 £229,378 (2024: £245,163) on research and development. In addition, wage costs of £439,975 (2024: £460,538) 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 10 to 28.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2025 to the date of this report.

G Desler
M Gouldstone
Dr M Eccleston
Dr C Tralau-Stewart

Other changes in Directors holding office are as follows:

A de Courcey - resigned 31 March 2025

DIRECTORS' SHAREHOLDINGS

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

	2025 No. of shares	2024 No. of shares
G Desler	2,164,565	964,565
M Gouldstone	1,969,231	769,231
Dr M Eccleston*	58,746,187	22,746,187
Dr C Tralau-Stewart	2,035,897	835,897
A de Courcey - resigned 31 March 2025	N/A	2,409,497

*51,592,341 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 has an interest.

ValiRx Plc

Report of the Directors for the year ended 31 December 2025

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.

	2025 No. of shares	2024 No. of shares
OPTIONS		
G Desler	24,000	25,518
M Gouldstone	-	-
Dr M Eccleston*	2,000	2,000
Dr C Tralau-Stewart	-	-
A de Courcey - resigned 31 March 2025	N/A	-

	2025 No. of shares	2024 No. of shares
WARRANTS		
G Desler	1,969,231	769,231
M Gouldstone	1,969,231	769,231
Dr M Eccleston*	56,769,230	20,769,230
Dr C Tralau-Stewart	1,969,231	769,231
A de Courcey - resigned 31 March 2025	N/A	1,538,461

*50,615,384 warrants are held by Dr Eccleston personally, 2,307,692 are held by Dr Eccleston's partner and 3,846,154 warrants are held by Oncolytika, a company in which Dr Eccleston has an interest.

COMPANY SHARE PRICE

The market value of the Company's shares at 31 December 2025 was 0.335p and the high and low share prices during the period were 0.875p and 0.225p 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 2026, 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%
Dr M Eccleston	59,746,187	8.04%

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.



ValiRx Plc

Report of the Directors for the year ended 31 December 2025

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:

G Desler
Director

Date: 18 June 2026

Signed by:

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ValiRx Plc

Statement of the Directors Responsibilities for the year ended 31 December 2025

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 2025 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:

- 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 2025 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.



ValiRx Plc

Report of the Independent Auditors to the Members of ValiRx Plc

Conclusions relating to going concern

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 £1.004 million and intangible assets of £0.38 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.



ValiRx Plc

Report of the Independent Auditors to the Members of ValiRx Plc

The Group had cash and cash equivalents of £791,612 as at 31 December 2025.

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 £181,300 and £101,100 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 £136,000 and £75,900 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.

ValiRx Plc

Report of the Independent Auditors to the Members of ValiRx Plc

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 2025. 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.

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.



ValiRx Plc

Report of the Independent Auditors to the Members of ValiRx Plc

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.



ValiRx Plc

Report of the Independent Auditors to the Members of ValiRx Plc

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.

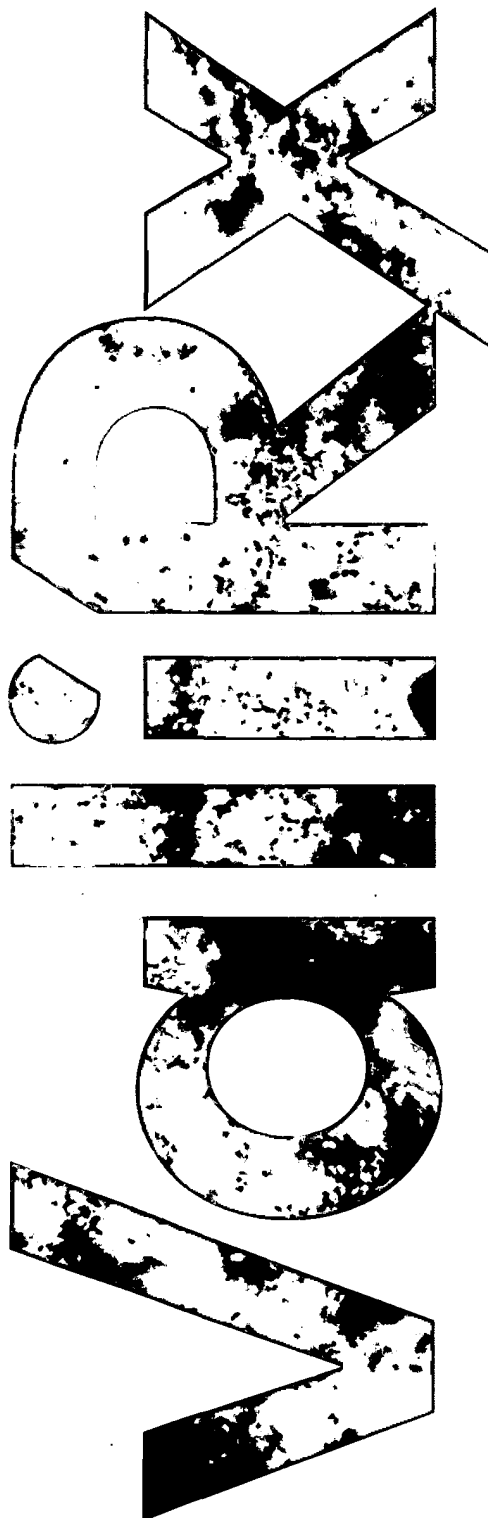
**Alexander Chrysaphiades FCA (Senior Statutory Auditor)
for and on behalf of Adler Shine LLP**

Chartered Accountants & Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

Date: 19 June 2026



FINANCIAL STATEMENTS





ValiRx Plc

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

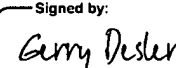
	Notes	2025 £	2024 £
Continuing Operations			
Turnover	4	31,372	49,775
Cost of sales		(37,622)	(62,869)
Gross profit		(6,250)	(13,094)
Other operating income		-	30,000
Research and developments		(229,378)	(245,163)
Impairment of goodwill		(598,022)	-
Administrative expenses		(1,586,837)	(1,913,414)
Operating Loss		(2,420,487)	(2,141,671)
Finance costs	6	(3,328)	(1,279)
Finance income	6	8,476	12,495
Loss Before Income Tax	7	(2,415,339)	(2,130,455)
Income tax credit	8	126,355	127,696
Loss After Income Tax		(2,288,984)	(2,002,759)
Non-controlling interest		56,824	87,066
Total Comprehensive Loss For The Year		(2,232,160)	(1,915,693)
Loss Per Share - Basic And Diluted	10	(0.54p)	(1.45p)

ValiRx Plc (Registered number : 03916791)**Consolidated Statement of Financial Position
31 December 2025**

	Notes	2025 £	2024 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	1,004,500	1,602,522
Intangible assets	12	381,489	530,937
Property, plant and equipment	13	129,671	201,662
Right-of-use assets	20	-	-
Investments	14	30,000	30,000
		1,545,660	2,365,121
CURRENT ASSETS			
Inventory		69,002	69,002
Trade and other receivables	15	99,698	134,592
Tax receivable		125,653	137,405
Cash and cash equivalents	16	791,612	1,555,986
		1,085,965	1,896,985
TOTAL ASSETS		2,631,625	4,262,106
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	10,347,667	9,979,295
Share premium		30,988,965	30,613,044
Merger reserve		637,500	637,500
Reverse acquisition reserve		602,413	602,413
Share option reserve		886,036	976,920
Retained earnings		(40,607,546)	(38,491,790)
		2,855,035	4,317,382
Non-controlling interests		(458,513)	(401,689)
TOTAL EQUITY		2,396,522	3,915,693
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	19	-	1,390
		-	1,390
CURRENT LIABILITIES			
Trade and other payables	18	233,708	334,551
Borrowings	19	1,395	10,472
		235,103	345,023
TOTAL LIABILITIES		235,103	346,413
TOTAL EQUITY AND LIABILITIES		2,631,625	4,262,106

The financial statements were approved by the Board of Directors on 18 June 2026 and were signed on its behalf by:

G Desler - Director

Signed by:

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ValiRx



ValiRx Plc (Registered number : 03916791)

Company Statement of Financial Position 31 December 2025

	Notes	2025 £	2024 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	-	2,000
Property, plant and equipment	13	-	948
Right-of-use assets	20	-	-
Investments	14	2,170,277	3,615,969
		2,170,277	3,618,917
CURRENT ASSETS			
Trade and other receivables	15	4,721,480	4,412,783
Tax receivable		96,901	110,968
Cash and cash equivalents	16	772,797	1,546,108
		5,591,178	6,069,859
TOTAL ASSETS		7,761,455	9,688,776
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	10,347,667	9,979,295
Share premium		30,988,965	30,613,044
Merger reserve		637,500	637,500
Share option reserve		886,036	976,920
Retained earnings		(35,744,092)	(33,251,836)
TOTAL EQUITY		7,116,076	8,954,923
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	19	-	1,390
		-	1,390
CURRENT LIABILITIES			
Trade and other payables	18	643,984	721,991
Borrowings	19	1,395	10,472
		645,379	732,463
TOTAL LIABILITIES		645,379	733,853
TOTAL EQUITY AND LIABILITIES		7,761,455	9,688,776

The financial statements were approved by the Board of Directors on 18 June 2026 and were signed on its behalf by:

G Desler - Director

Signed by:
Gerry Desler
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ValiRx Plc**Consolidated Statement of Changes in Equity
for the year ended 31 December 2025**

	Notes	Share capital £	Share premium £	Merger reserve £	Reverse acquisition reserve £	Share-based payment reserve £	Non-controlling interest £	Retained earnings £	Total £
Balance at 1 January 2024		9,707,266	27,870,548	637,500	602,413	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		272,029	3,102,715	-	-	-	-	-	3,374,744
Costs of shares issued		-	(360,219)	-	-	-	-	-	(360,219)
Lapse of share options and warrants		-	-	-	-	(105,243)	-	105,243	-
Balance at 31 December 2024		9,979,295	30,613,044	637,500	602,413	976,920	(401,689)	(38,491,790)	3,915,693
Changes in equity									
Loss for the year		-	-	-	-	-	(56,824)	(2,232,160)	(2,288,984)
Issue of shares	17	368,372	552,559	-	-	-	-	-	920,931
Costs of shares issued		-	(151,118)	-	-	-	-	-	(151,118)
Lapse of share options and warrants		-	-	-	-	(116,404)	-	116,404	-
Movement in year		-	(25,520)	-	-	25,520	-	-	-
Balance at 31 December 2025		10,347,667	30,988,965	637,500	602,413	886,036	(458,513)	(40,607,546)	2,396,522

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 2025

	Notes	Share capital £	Share premium £	Merger reserve £	Share- based payment reserve £	Retained earnings £	Total £
Balance at 1 January 2024		9,707,266	27,870,548	637,500	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		272,029	3,102,715	-	-	-	3,374,744
Costs of shares issued		-	(360,219)	-	-	-	(360,219)
Lapse of share options		-	-	-	(105,243)	105,243	-
Balance at 31 December 2024		9,979,295	30,613,044	637,500	976,920	(33,251,836)	8,954,923
Changes in equity							
Loss for the year		-	-	-	-	(2,608,660)	(2,608,660)
Issue of shares	17	368,372	552,559	-	-	-	920,931
Costs of shares issued		-	(151,118)	-	-	-	(151,118)
Lapse of share options and warrants		-	-	-	(116,404)	116,404	-
Movement in year		-	(25,520)	-	25,520	-	-
Balance at 31 December 2025		10,347,667	30,988,965	637,500	886,036	(35,744,092)	7,116,076

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 2025

	Notes	2025 £	2024 £
Cash flows from operations			
Cash outflow from operations	1	(1,653,395)	(1,761,539)
Interest paid		(3,328)	(1,279)
Interest received		8,476	12,495
Tax credit received		138,107	165,464
<i>Net cash outflow from operating activities</i>		(1,510,140)	(1,584,859)
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,580)	(38,156)
<i>Net cash outflow from investing activities</i>		(13,580)	(38,156)
Cash flows from financing activities			
Bank loan repayment		(10,467)	(10,208)
Share issue		920,931	3,374,744
Costs of shares issued		(151,118)	(360,219)
<i>Net cash inflow from financing activities</i>		759,346	3,004,317
(Decrease)/increase in cash and cash equivalents		(764,374)	1,381,302
Cash and cash equivalents at beginning of year	2	1,555,986	174,684
Cash and cash equivalents at end of year	2	791,612	1,555,986

ValiRx Plc

Notes to the Consolidated Statement of Cash Flows for the year ended 31 December 2025

1. RECONCILIATION OF OPERATING LOSS TO CASH GENERATED FROM OPERATIONS

	2025 £	2024 £
Operating loss	(2,420,487)	(2,141,671)
Amortisation and impairment of intangible assets	149,448	187,877
Impairment of goodwill	598,022	
Depreciation of property, plant and equipment	85,571	79,119
Decrease in trade and other receivables	34,894	13,026
(Decrease)/increase in trade and other payables	(100,843)	130,110
Acquisition of investment for non-cash consideration	-	(30,000)
<i>Net cash outflow from operations</i>	(1,653,395)	(1,761,539)

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 2025 £	1 January 2025 £
Cash and cash equivalents	791,612	1,555,986
	31 December 2024 £	1 January 2024 £
Cash and cash equivalents	1,555,986	174,684



ValiRx Plc

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

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 20 Wenlock Road, London N1 7GU.

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 2025. 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 2026.

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 £791,612 held by the Group as at 31 December 2025 together with the a post period fundraise of £1,155,000 before expenses, R&D tax credits, together with the cash conservation measures adopted, 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.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

2. ACCOUNTING POLICIES - continued

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.

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 2024 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 pre-clinical 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 pre-clinical 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.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

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.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

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.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

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.

ValiRx Plc

Notes to the Consolidated Financial Statements – continued for the year ended 31 December 2025

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
IFRS 19	IFRS for SMEs – third edition	01/01/2027
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
IAS 21	Amendment – Translation to a Hyperinflationary presentation currency	01/01/2027
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.

**ValiRx Plc****Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2025****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

ValiRx Plc

Notes to the Consolidated Financial Statements – continued for the year ended 31 December 2025

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 (2024: UK). The Group has 1 customer (2024: 4).

Analysis of revenue:

	2025 £	2024 £
Research and predevelopment clinical services	31,372	49,775

5. EMPLOYEES AND DIRECTORS

Number of employees:

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

	2025 Number	2024 Number
Directors	4	6
Staff	7	8
	11	14

	2025 £	2024 £
Employment costs		
Wages and salaries	583,978	731,636
Redundancy	16,800	-
Social security costs	57,065	66,060
Other pension costs	59,857	97,852
	717,700	895,548

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



ValiRx Plc

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2025

6. NET FINANCE INCOME/COSTS

	2025 £	2024 £
Finance income		
Deposit account interest	8,476	12,333
Other interest receivable	-	162
	8,476	12,495
Finance costs		
Bank interest	182	440
Interest on overdue tax	611	-
Other interest payable	2,535	839
	3,328	1,279
Net finance income	5,148	11,216

7. LOSS BEFORE INCOME TAX

	2025 £	2024 £
After crediting:		
Consideration received under an option agreement	-	30,000
After charging:		
Research and development	229,378	245,163
Amortisation of intangible assets	149,448	187,877
Depreciation of right-of-use assets	-	5,561
Depreciation of property, plant and equipment	85,571	79,119
Auditors remuneration	36,000	31,500
Foreign exchange differences	1,778	2,889



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

8. INCOME TAX

	2025 £	2024 £
Domestic current year tax		
Tax credits on research and development - current year	(125,653)	(137,405)
Tax credits on research and development - prior years	(702)	9,709
Current tax credit	(126,355)	(127,696)
Factors affecting the tax charge for the year:		
Loss before income tax	(2,415,339)	(2,130,455)
Loss before income tax multiplied by effective rate of UK corporation tax of 25.00% (2024: 25.00%)	(603,835)	(532,614)
Effects of		
Non-deductible items	(313)	291
Capital allowances for the year in deficit/(excess) of depreciation and amortisation	17,749	14,726
Impairment of goodwill	149,506	
Tax losses not utilised	405,480	332,914
Research and development, net credit	(94,240)	47,278
Adjustment to prior years	(702)	9,709
	477,480	404,918
Current tax charge	(126,355)	(127,696)

No corporation tax arises on the results for the year ended 31 December 2025 due to the losses incurred for tax purposes.

The deferred tax asset, arising from tax losses of £28 million (2024: £26 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 £2,608,660 (2024: £1,553,648)



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

10. LOSS PER SHARE

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

	2025 £	2024 £
Loss for the financial period	(2,288,984)	(2,002,759)
Non-controlling interest	56,824	87,066
Loss attributable to owners of Parent Company	(2,232,160)	(1,915,693)
Basic:		
Weighted average number of shares	413,521,875	131,774,347
Loss per share	(0.54p)	(1.45p)

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 2024	1,602,522
At 31 December 2024	1,602,522
At 31 December 2025	1,602,522
Provisions	
At 1 January 2024 and 2025	-
Impairments	598,022
At 31 December 2025	598,022
Net book value	
At 31 December 2025	1,004,500
At 31 December 2024	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.

During the year, the Directors commissioned an independent external valuation of the businesses to which the goodwill relates. The valuation was carried out by Analyst Hire Ltd as at 31 December 2025. The impairment review comprised 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.

The external review indicated a recoverable amount of £1,004,500. Therefore an impairment charge of £598,022 has been recognised in the year and is included in administrative expenses in the Consolidated Statement of Profit or Loss.



ValiRx Plc

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2025

11. GOODWILL – continued

Goodwill per cash generating unit

	Cost £	Impairment £	Net £
ValiPharma Limited	772,230	309,230	463,000
ValiRx Bioinnovation Limited	394,613	158,113	236,500
Valisrc Limited	-	-	-
ValiSeek Limited	435,679	130,679	305,000
	1,602,522	598,022	1,004,500

12. INTANGIBLE ASSETS

Group	Patents £	Brands and licences £	Total £
COST			
At 1 January 2024	2,304,553	375,000	2,679,553
Additions	-	-	-
At 31 December 2024	2,304,553	375,000	2,679,553
At 31 December 2025	2,304,553	375,000	2,679,553
AMORTISATION			
At 1 January 2024	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
Amortisation for year	136,085	13,363	149,448
At 31 December 2025	1,974,577	323,487	2,298,064
NET BOOK VALUE			
At 31 December 2025	329,976	51,513	381,489
At 31 December 2024	466,061	64,876	530,937



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

12. INTANGIBLE ASSETS - continued

Company	Brands and licences £	Total £
COST		
At 1 January 2024	200,000	200,000
At 31 December 2024	200,000	200,000
At 31 December 2025	200,000	200,000
AMORTISATION		
At 1 January 2024	180,000	180,000
Amortisation for year	18,000	18,000
At 31 December 2024	198,000	198,000
Amortisation for year	2,000	2,000
At 31 December 2025	200,000	200,000
NET BOOK VALUE		
At 31 December 2025	-	-
At 31 December 2024	2,000	2,000



ValiRx Plc

Notes to the Consolidated Financial Statements – continued
for the year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT

Group	Plant and machinery £	Total £
COST		
At 1 January 2024	322,851	322,851
Additions	38,156	38,156
At 31 December 2024	361,007	361,007
Additions	13,580	13,580
At 31 December 2025	374,587	374,587
DEPRECIATION		
At 1 January 2024	80,226	80,226
Charge for the year	79,119	79,119
At 31 December 2024	159,345	159,345
Charge for the year	85,571	85,571
At 31 December 2025	244,916	244,916
NET BOOK VALUE		
At 31 December 2025	129,671	129,671
At 31 December 2024	201,662	201,662
Company		
COST		
At 1 January 2024	31,670	31,670
Additions	948	948
At 31 December 2024	32,618	32,618
At 31 December 2025	32,618	32,618
DEPRECIATION		
At 1 January 2024	31,670	31,670
At 31 December 2024	31,670	31,670
Charge for the year	948	948
At 31 December 2025	32,618	32,618
NET BOOK VALUE		
At 31 December 2025	-	-
At 31 December 2024	948	948



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

14. INVESTMENTS

Group	Unlisted investments £	Total £
COST		
At 1 January 2024	-	-
Additions	30,000	30,000
At 31 December 2024	30,000	30,000
At 31 December 2025	30,000	30,000
	Shares in group undertakings £	Total £
Company		
COST		
At 1 January 2024	3,615,969	3,615,969
At 31 December 2024	3,615,969	3,615,969
Additions	71	71
At 31 December 2025	3,616,040	3,616,040
PROVISIONS		
At 1 January 2024 and 2025	-	-
Impairment	1,445,763	1,445,763
At 31 December 2025	1,445,763	1,445,763
NET BOOK VALUE		
At 31 December 2025	2,170,277	2,170,277
At 31 December 2024	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.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

14. INVESTMENTS - continued

Shares in group undertakings

The Company's principle 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 BioLabs Limited

Registered office: England & Wales

Nature of business: Preclinical and drug discovery testing

% 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 2025. These subsidiary undertakings are therefore exempt from the requirement of audit of their individual accounts under Section 479A of the Companies Act 2006.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Current				
Trade receivables	-	42,350	-	-
Amounts owed by Group undertakings	-	-	4,619,831	4,317,838
Other debtors	12,122	25,484	11,974	25,407
VAT	45,912	32,483	52,825	43,239
Prepayments and accrued income	41,664	34,275	36,850	26,299
	99,698	134,592	4,721,480	4,412,783

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

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank accounts	791,612	1,555,986	772,797	1,546,108

17. CALLED UP SHARE CAPITAL

	2025	2024	2025	2024
	Number	Number	£	£
Allotted, called up and fully paid				
Ordinary shares of 0.1p each	742,721,072	374,348,672	742,721	374,349
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
			10,347,667	9,979,295

In November 2025, the Company raised approximately £920,000 before expenses by way of a placing, a retail offer and directors' subscription of 368,372,400 new ordinary shares of £0.001 each in the Company at a price of 0.25p 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.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2025

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Current				
Trade creditors	129,030	147,723	115,802	120,974
Amounts owed to Group undertakings	-	-	447,187	447,187
Social security and other taxes	51,077	113,564	27,394	80,599
Other payables	-	34	-	-
Accruals and deferred income	53,601	73,230	53,601	73,231
	233,708	334,551	643,984	721,991

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

19. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Current:				
Bank loan	1,395	10,472	1,395	10,472
	1,395	10,472	1,395	10,472
	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Non-current:				
Bank loan:				
1-2 years	-	1,390	-	1,390
	-	1,390	-	1,390
	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Total bank loan				
Current	1,395	10,472	1,395	10,472
Non-current	-	1,390	-	1,390
	1,395	11,862	1,395	11,862



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

20. LEASES

Right-of-use assets Group and Company

	Leasehold property £	Total £
COST		
At 1 January 2024	23,152	23,152
At 31 December 2024	23,152	23,152
At 31 December 2025	23,152	23,152
AMORTISATION		
At 1 January 2024	17,591	17,591
Amortisation for year	5,561	5,561
At 31 December 2024	23,152	23,152
At 31 December 2025	23,152	23,152
NET BOOK VALUE		
At 31 December 2025	-	-
At 31 December 2024	-	-

21. OTHER FINANCIAL COMMITMENTS

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:

	2025 £	2024 £
G Desler	-	34

23. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

ValiRx Plc**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2025****24. SHARE-BASED PAYMENT TRANSACTIONS****Share option**

At 31 December 2025 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:

	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price (pence)
2024			
Brought forward	3,069,364	8.58	42.71
Lapsed during the year	(2,511,664)		-
Carried forward	557,700	7.20	101.47
	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price (pence)
2025			
Brought forward	557,700	8.58	101.47
Lapsed during the year	(31,700)	7.20	-
Carried forward	526,000	6.46	36.12

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

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

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 (2024: £nil).

ValiRx Plc**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2025****24. SHARE-BASED PAYMENT TRANSACTIONS - continued****Warrants**

At 31 December 2025 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.

	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price (pence)
2024			
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
	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price (pence)
2025			
Brought forward	249,648,402	2.95	1.81
Granted during the year	384,408,520		0.49
Carried forward	634,056,922	2.52	1.01

All warrants were exercisable at the year end.

The Company has issued two classes of warrants: Fundraising Warrants and Broker Warrants. Fundraising Warrants were issued proportionately to participants in the fundraising (note 17) as part of the overall investment package and were not issued in exchange for goods or services. Accordingly, these warrants are considered outside the scope of IFRS 2 'Share-based Payment'. Broker Warrants were issued to the Company's broker in consideration for services provided in connection with the Company's fundraising and admission activities and are therefore accounted for within the scope of IFRS 2.

All of the warrants are equity settled and the charge for the year is £25,520 (2024: £58,411). The charge for 2025 is in respect of the 16,036,120 Broker Warrants issued during the year. The charge has been debited to share premium and not the Statement of Profit or Loss as it relates to the issue of shares.

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

ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

24. SHARE-BASED PAYMENT TRANSACTIONS - continued

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

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.

Warrants	31/12/2024	21/11/2025	21/11/2025
Date of grant			
Number of shares	241,999,999	368,372,400	16,036,120
Expiry date	31/12/2027	21/11/2028	21/11/2028
Exercise price (p)	1.30	0.50	0.25
Expected life of options (years)	3	3	3
Fair value at date of grant (p)	N/A	N/A	0.16
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	N/A	N/A	187.50%
Risk-free interest	N/A	N/A	3.76%

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.

	2025	2024
	£	£
Salaries and other short-term employee benefits	253,510	333,412
Benefits in kind	1,800	600
Post-employment benefits	45,000	39,858
	300,310	373,870



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

25. KEY MANAGEMENT PERSONNEL COMPENSATION - continued

The number of Directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2024: 3).

	Salary	Benefits in kind	Post-employment benefits	2025	2024
	£	£	£	£	£
G Desler	66,450	-	-	66,450	66,450
M Gouldstone	36,000	-	-	36,000	26,269
Dr M Eccleston	108,560	1,800	45,000	155,360	51,613
C Tralau-Stewart	30,000	-	-	30,000	12,700
A De Courcey (resigned 22/04/25)	12,500	-	-	12,500	18,109
Dr S Dilly (resigned 15/08/24)	N/A	N/A	N/A	-	136,475
M Lampshire (resigned 17/10/24)	N/A	N/A	N/A	-	27,972
Dr K Cox (resigned 19/06/24)	N/A	N/A	N/A	-	23,581
S Panu (resigned 15/04/24)	N/A	N/A	N/A	-	10,701
	253,510	1,800	45,000	300,310	373,870

The Directors interests in share options as at 31 December 2025 are as follows:

	Number of options	Exercise price	Date of grant	First date of exercise	Final date of exercise
G Desler	24,000	500.00p	07/02/2018	07/02/2018	07/02/2028
Dr M Eccleston	2,000	500.00p	07/02/2018	07/02/2018	07/02/2028

The Directors interests in warrants as at 31 December 2025 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
G Desler	1,200,000	0.50p	21/11/2025	21/11/2025	21/11/2028
	1,969,231				
M Gouldstone	769,231	1.30p	31/12/2024	31/12/2024	30/12/2027
M Gouldstone	1,200,000	0.50p	21/11/2025	21/11/2025	21/11/2028
	1,969,231				
Dr M Eccleston*	20,769,230	1.30p	31/12/2024	31/12/2024	30/12/2027
Dr M Eccleston	36,000,000	0.50p	21/11/2025	21/11/2025	21/11/2028
	56,769,230				
C Tralau-Stewart	769,231	1.30p	31/12/2024	31/12/2024	30/12/2027
C Tralau-Stewart	1,200,000	0.50p	21/11/2025	21/11/2025	21/11/2028
	1,969,231				

* 50,615,384 warrants are held by Dr Eccleston personally, 2,307,692 warrants are held by Dr Eccleston's partner and 3,846,154 warrants are held by Oncolytika, a company in which Dr Eccleston has an interest.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

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.

	2025 £	2024 £
Financial assets		
Loans and receivables		
Trade and other receivables	99,698	134,592
Cash and cash equivalents	791,612	1,555,986
Total loans and receivables	891,310	1,690,578
Total financial assets	891,310	1,690,578
	2025 £	2024 £
Financial liabilities		
Trade and other payables	182,631	220,987
Cash and cash equivalents	1,395	11,862
Total financial liabilities	184,026	232,849

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

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 one unquoted security which falls within Level 3 of the fair value hierarchy.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS - continued

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.

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.



ValiRx Plc

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2025

27. POST BALANCE SHEET EVENTS

In January 2026, the Company entered into an Evaluation agreement with Royal Institute for the Advancement of Learning/McGill University, a Canadian based University, and the Institute for Research in Immunology and Cancer - Commercialization of Research, a Canadian non-profit organisation four months ahead of schedule and in June 2026 exercised its option to negotiate definitive agreements for an exclusive licence of intellectual property rights to be granted to a newly incorporated Canadian entity.

In March 2026, the Company incorporated ValiRx Animal Health Limited, a wholly owned subsidiary undertaking, to develop and commercialise ValiRx's existing and future oncology assets in the veterinary market.

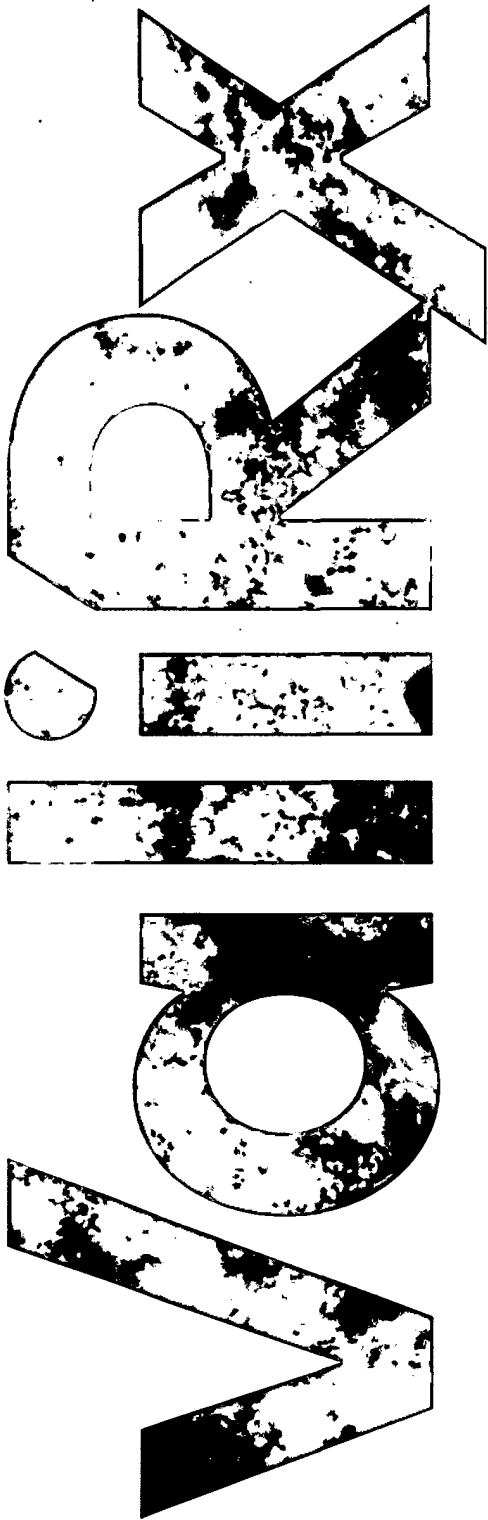
In May 2026, the Company raised approximately £1,155,000, before expenses, through a placing, subscription and retail offer of 577,500,000 new ordinary shares of 0.1 pence each at a price of 0.2 pence per share. In connection with the fundraising, the Company will, subject to shareholder approval, grant 577,500,000 fundraising warrants and 50,000,000 broker warrants at an exercisable price of 0.28 pence per ordinary share and 0.2 pence per ordinary share respectively.

In June 2026, the Company terminated the Evaluation agreement with StingRay based on the stage of the asset and likely investment required to move to a drug candidate. Under the terms of the new arrangement, if StingRay secures alternative investment within 12 months of completion, ValiRx is entitled to a cash return of 1.5x its total investment of approximately £33,000.

In June 2026 the Company terminated the Evaluation agreement with Dundee University based on the stage of the asset and likely investment required to move to a drug candidate but will continue to support Dundee and Queen Mary in applications for future grants with in kind support and as a funded partner where applicable.



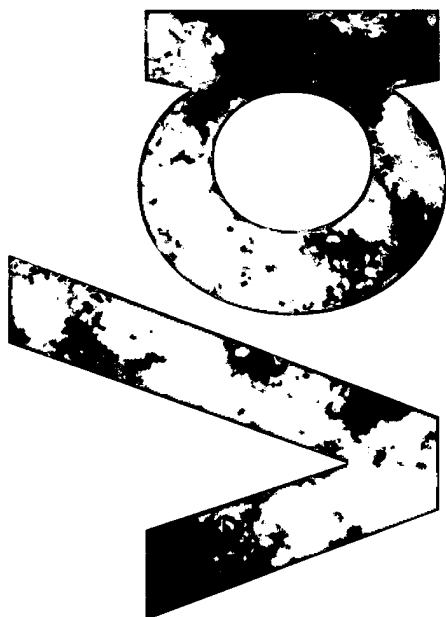
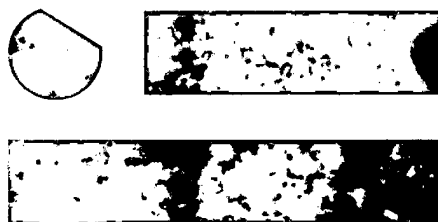
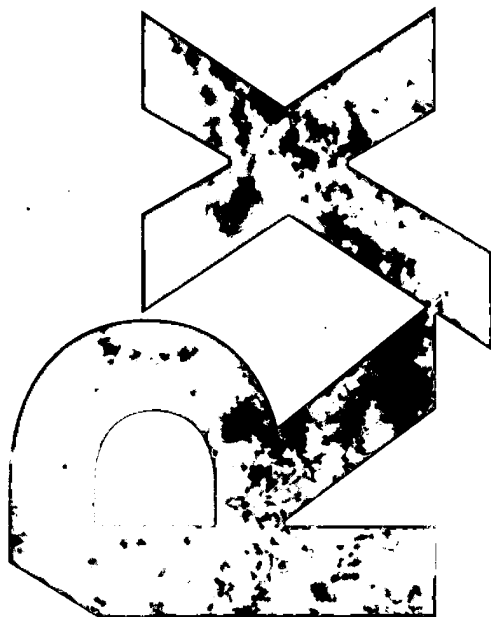
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