

28 February 2017

SalvaRx Group plc

Investment in Nekonal

SalvaRx Group plc is pleased to announce that its subsidiary, SalvaRx Limited (“SalvaRx”), has entered into an agreement to make an investment in and form a collaboration with Nekonal SARL (“Nekonal”), a Luxembourg-based company holding intellectual property rights for therapeutics and diagnostics in the field of autoimmune disorders and oncology. As part of the agreement, SalvaRx and Nekonal will form a joint venture company, Nekonal Oncology Ltd (“Nekonal Oncology”), which will utilise SalvaRx’s management and drug development expertise to exclusively explore the applications of Nekonal’s technology in cancer immunotherapy.

SalvaRx will invest an initial €600,000 and up to an additional €300,000, subject to certain milestones being achieved. The initial investment will comprise a €300,000 convertible loan in Nekonal to participate in the funding of its auto-immune programs and a €300,000 equity investment in Nekonal Oncology. Nekonal Oncology will be treated as an associate company by SalvaRx for accounting purposes. The initial investment is being funded by existing cash resources.

Nekonal Oncology will focus on the development of first-in-class antibodies against a novel T-cell based target having potential for use as a monotherapy and combination therapy for solid and haematological malignancies. SalvaRx will oversee a work plan that will advance multiple therapeutic antibodies towards the clinic for use in oncology. Ian Walters, the CEO of SalvaRx, will be acting CEO of Nekonal Oncology and will join its board.

Nekonal was incorporated in 2011 and has to date been funded by its founder shareholders. It has not traded.

Ian Walters commented: *“We are excited to announce our investment and the formation of our third cancer-immunotherapy portfolio company, Nekonal Oncology. Dr. Utku, the CEO of Nekonal, and her team have discovered several candidate antibodies that can modulate T-cell function and suppress or eliminate regulatory cells, which may have the ability to substantially improve patient outcomes for many types of cancers.”*

Nekonal's accomplished scientific team has been developing its immune-modulating antibodies for more than ten years. Nalân Utku, MD, the Founder and CEO of Nekonal, is a Professor of Immunology at the Charité Hospital in Berlin, Germany, and previously held positions at the University of Bonn and the Brigham and Women's Hospital in Boston. Dr. Utku commented "*We are delighted to enter into this collaboration. SalvaRx is at the forefront of advancing new immune-oncological approaches to treat patients with severe cancers. Their commitment to innovation in oncology combined with their significant experience in the field makes them an ideal partner to develop our immune-modulatory products*".

Drs. Walters and Utku will be joined on Nekonal Oncology's board by John Edwards. Mr. Edwards also serves as executive chairman of F-star and ImmuneXcite. Mr. Edwards has 30 years' experience in drug discovery, development, and commercialisation, including work on over ten FDA-approved biologics at a series of successful biotech companies.

SalvaRx's investment in Nekonal Oncology expands its portfolio of cancer immunotherapy companies, which currently includes iOx Therapeutics, a University of Oxford spin-out company developing products that stimulate Natural Killer T-Cells, and Intensity Therapeutics, a US based biotechnology company developing novel intratumoral therapies that promote antigen presentation.

About SalvaRx

SalvaRx was founded in 2014 to develop therapies within the rapidly growing immuno-oncology market, which uses treatments designed to boost the body's natural defences to fight the cancer. Immuno-oncology therapy is a fast growing and new therapeutic area, a market expected to grow to \$80 billion worldwide by 2020 (Global & USA Cancer Immunotherapy Market Analysis 2020).

SalvaRx's strategy is to invest in a portfolio of companies involved in novel cancer immunotherapies and develop them up to clinical proof of concept. SalvaRx provides portfolio companies with operational support in addition to capital, either by managing its portfolio companies directly or augmenting an existing team. SalvaRx's management team have a proven track record of discovering and commercialising drugs in the area of cancer immunotherapy with Bristol-Myers Squibb and Johnson & Johnson. The team is supported by an extended network of senior academic and industry executives to promote commercial and scientific outcomes, including licensing and partnering discussions.

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