

**SalvaRx Group plc**

(“SalvaRx”, the “Company” or the “Group”)

**Further Issue of US\$1 million of Convertible Loan Notes by iOx Therapeutics**

SalvaRx Group plc (AIM:SALV) is pleased to announce that iOx Therapeutics Limited (“iOx”), its 56.95% subsidiary undertaking, has issued an additional US\$1 million of unsecured convertible loan notes (“Notes”) under revised terms of the previous Loan Note Instrument constituted by iOx in March 2018.

The funds raised will assist iOx to regain momentum following the delay caused by the previous manufacturing issues announced on 23 July 2018. The existing holders of the loan notes issued in March 2018 have now doubled their original subscriptions such that, US\$950,000 of additional Notes have been issued to Portage Biotech Inc. (“Portage”) and US\$50,000 issued to Oxford Sciences Innovation plc. The aggregate amount of Notes issued by iOx is now US\$2 million, of which US\$1.9 million is held by Portage.

The terms of the Notes differ from those announced on 8 March 2018 in that there is no automatic conversion of the Notes on the first anniversary following issue, and the discount to the Qualifying Event price increases by 5% for each full year following the first anniversary of the relevant issue.

The Notes now have the following key terms:

1. the Notes entitle the holders thereof to interest of 7% per annum on the principal amount of the Notes. Interest is added to the principal amount of the Notes outstanding to be redeemed or converted, as the case may be;
2. the Notes are convertible into ordinary shares of iOx only on the date on which iOx conducts a sale or listing or it undertakes an eligible third party fundraising of not less than US\$2 million (a “Qualifying Event”), or in the event of a default;
3. the conversion price of the Notes will be:

- a. If a Qualifying Event occurs within 1 year of the issue of the relevant Notes – the Qualifying Event price with a 25% discount;
  - b. If a Qualifying Event occurs after 1 year of the issue of the Notes – the Qualifying Event price with a 25% discount plus 5% discount for each additional full year since the first anniversary of the issue of the relevant Notes;
  - c. If there is an event of default, the higher of (i) the price on the last Qualifying Event and (ii) £120 per share (if the Noteholder chooses to convert rather than redeem the Notes for cash).
4. the Notes would only be repayable in cash if there is an event of default and the Noteholder chooses not to convert.

*Related Party Transaction*

Jim Mellon, Greg Bailey, Ian Walters and Kam Shah are directors of the Company and of Portage, consequently the subscription by Portage for the Notes (“the Transaction”) is deemed a related party transaction under the AIM Rules for Companies. Richard Armstrong and Colin Weinberg, being the independent directors for the purposes of the Transaction, consider, having consulted with the Company’s Nominated Adviser, that the terms of the Transaction are fair and reasonable insofar as the Company’s shareholders are concerned.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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**For more information please visit: [www.salvarx.io](http://www.salvarx.io)**