

SalvaRx Group plc

("SalvaRx" or the "Company")

Result of AGM and Completion of Disposal and Demerger

SalvaRx (AIM: SALV), the drug discovery and development company focused on cancer immunotherapy, is pleased to announce that at its Annual General Meeting held earlier today all resolutions set out in the Circular to shareholders dated 27 November 2018 ("the Circular") were duly passed.

Disposal of interest in SalvaRx Limited

Accordingly, shareholders have approved the sale of the Company's 94.2 per cent. interest in SalvaRx Limited to Portage Biotech Inc. ("Portage") in accordance with the terms of the Sale Agreement for a consideration of US\$67.5 million, to be satisfied by the issue of 757,943,784 new shares in Portage (the "Consideration Shares") (the "Disposal").

The Company has been informed that all resolutions proposed at the Annual and Special Meeting of Portage held earlier today were approved, including the terms of the acquisition of the whole of the issued share capital of SalvaRx Limited.

Demerger Shares

Shareholders have also approved the transfer of 660,593,556 Consideration Shares (the "Demerger Shares") on a pro-rata basis to shareholders on the register on the Demerger Record Date (being 5.00 p.m. on 8 January 2019) (the "Demerger").

It is expected that definitive shares certificates in respect of the Demerger Shares will be despatched on or around 15 January 2019 (except to US Persons subject to safe-keeping and custody arrangements) and that definitive share certificates to be issued to US Persons in respect of Demerger Shares will be despatched following the expiry of the Restricted Period on or around 8 July 2019. During the Restricted Period, all Demerger Shares are subject to the Applicable Restrictions set out in the Circular.

Option Redemption and New Options

Following completion of the Disposal, the Company has completed the purchase of options over 2,767,470 new Ordinary Shares (the "Option Redemption") in consideration of the grant of new options over a total of 40,692,697 Consideration Shares (the "New Options"). The terms of the New Options are set out in the Circular.

Board changes

Denham Eke has been appointed as Chief Financial Officer and as a Director of the Company. Denham Hervey Newall Eke (aged 67) is Managing Director of Burnbrae Group Limited, a private international asset management company. He began his career in stockbroking with Sheppards & Chase before moving into corporate planning for Hogg Robinson Plc, a major multinational insurance broker. He is a director of many years' standing of both public and private companies involved in the financial services, property, mining, and manufacturing sectors. He is chairman of Webis Holdings Plc, chief executive officer of Manx Financial Group Plc, finance director of Port Erin Biopharma Investments

Limited and a non-executive director of Billing Services Group Limited - all quoted on the AIM market. Mr Eke is also a non-executive director of Juvenescence Ltd., a leader in the development of therapies to slow, halt or potentially reverse aging. Additional information required to be disclosed in relation to Mr Eke pursuant to Schedule Two, paragraph (g) of the AIM Rules for Companies is set out in the Appendix.

Following the resignations of Dr Ian Walters, Kam Shah, Richard Armstrong and Colin Weinberg as directors of the Company with immediate effect from the conclusion of the AGM, the Board now comprises Jim Mellon (Non-executive Chairman), Dr. Greg Bailey (Non-executive Director) and Denham Eke (Chief Financial Officer). As a result, the Board has no independent directors. However, the Directors are in the advanced stages of recruiting an independent non-executive director and the Company expects to provide an update on the progress of such appointment in due course.

AIM Rule 15 cash shell

The Disposal and the Demerger constitute a fundamental change of business under Rule 15 of the AIM Rules. Following the Disposal and the Demerger, the Company has ceased to own, control or conduct all, or substantially all, of its existing trading business activities or assets. It is therefore classified as an AIM Rule 15 cash shell and as such is required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (or seek re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal and the Demerger (namely by 9 July 2019), failing which the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

In order to meet its working capital requirements as an AIM Rule 15 cash shell, the Company has retained 56,657,531 Consideration Shares (the "Retained Shares") as a means of increasing its cash reserves amounting to approximately US\$50,000 (after meeting the expected costs of the Disposal and the Demerger). Based on the Portage share price of US\$0.105 on the CSE at the close of business on 7 January 2019, the Retained Shares are valued at approximately US\$5.95 million (£4.65 million at an exchange rate of £1: US\$1.278). The number of Retained Shares may increase by up to 40,692,697 Consideration Shares to the extent that New Options remain unexercised by 5.00 p.m. on 8 January 2020. In the event that the cash reserves and any value realised from the Retained Shares are insufficient to meet the Company's working capital requirements, the Directors may seek further funding, including by a further issue of Ordinary Shares.

Jim Mellon, chairman of SalvaRx Group plc, commented, "Completion of the Disposal and the Demerger provides the opportunity to unlock and maximise value for the Company's shareholders as well as to secure the funding which SalvaRx Limited requires to support the businesses forming part of its portfolio, to develop clinical proof of concept in cancer immunotherapies and, in addition, to undertake further investments in and/or acquisitions of businesses which are complementary to its portfolio. Through their holding of Demerger Shares, shareholders are able to retain an interest in the ongoing development of the assets in that portfolio. In addition, through their holding of Ordinary Shares, shareholders are also able to retain an exposure to the potential upside of the Company's development as an AIM Rule 15 cash shell.

“We welcome Denham to the Company’s Board. He is a valuable addition to the team and his experience will be highly relevant as we look to identify a suitable acquisition for the Company as an AIM Rule 15 cash shell.”

This announcement should be read in conjunction with the full text of the Circular which is available on the Company's website at <https://www.salvarx.io/investors/aim-rule-26.html>. Capitalised terms in this announcement have the same meaning as given in the Circular.

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

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Joint Broker

Lucy Williams / Duncan Vasey

APPENDIX

Additional information required to be disclosed in relation to Mr Eke pursuant to Schedule Two, paragraph (g) of the AIM Rules for Companies is set out below.

Current Directorships

Achte CRSR & Co KG

Albany Management Limited

Albany SIAG Development GbR

Albany SIAG Gerwerbe 1 GbR

Albany SIAG Gerwerbe 11 GbR

Albany SIAG Gerwerbe 111 GbR

Albany SIAG Wohnen 1 GbR

Albany SIAG Wohnen 11 GbR

All Star Leisure (Group) Limited

Arundel Services Limited

B.E. Global Services Limited

betInternet.com (IOM) Limited

Dundrennan Limited

ECF Asset Finance PLC

Edgewater Associates Limited

European Collateral Finance Limited

European Corporate Finance Limited

European Leasing Limited

European Wagering Services Limited

Fuenfte CRSR & Co KG

Galloway Limited

Genseq Limited

Horsfield Limited

IC Technology (UK) Limited

betInternet.com NV
Big Group plc
BigSave Limited
Billing Service Group Limited
BMIP Limited
Bradburn Limited
Bradda Head Holdings Limited
Bradda Head International Limited
Burnbrae Belgium Limited
Burnbrae Charlottenburg GmbH
Burnbrae Commercial GmbH
Burnbrae Development GmbH
Burnbrae East GmbH
Burnbrae Events Limited
Burnbrae Friedrichstein GmbH
Burnbrae Germany East GmbH
Burnbrae Germany GmbH
Burnbrae Germany North GmbH
Burnbrae Germany South GmbH
Burnbrae Germany West GmbH
Burnbrae Group Limited
Burnbrae Kreuzberg GmbH
Burnbrae Limited
Burnbrae Lutzowstrasse GmbH
Burnbrae Media Holdings Limited
Burnbrae Media Investments Limited
Burnbrae Media Services Limited
Burnbrae Mitte GmbH
Burnbrae Prenlauer Berg GmbH
Burnbrae Residential GmbH
Burnbrae Sachsen GmbH
Burnbrae Schonefeld GmbH
Burnbrae Spain SL
Burnbrae Spandau GmbH
Burnbrae Style Limited
Burnbrae Tempelhof GmbH
Burnbrae Tiergarten GmbH
Burnbrae Wedding GmbH
Burnbrae Wilmersdorf GmbH
Burrow Head Limited
Calabrese Holdings Limited
Chester House Property Limited
Clean Air Capital Limited
Clean Air Capital Services Limited
Conister Bank Limited
Conister Card Services Limited
Indigo Securities Limited
Juvenescence AI Limited
Juvenescence Limited
Juvenescence UK Limited
Juvent Holdings Limited
KG Antell (SIAG 16) KG
Mann Bioinvest (BVI) Limited
Mann Bioinvest Limited
Mann Pathfinder IC
Manx Financial Group plc
Manx Financial Limited
Manx Incahoot Limited
Master Investor Limited
Mediqventures Limited
Navrona Investments Limited
Neunte CSR & Co KG
Pathfinder Advisors Limited
Podenco Distribution Limited
Podenco Evisa Distribution S,L,
Podenco Global Limited
Port Erin Biopharma Investments Limited
SCI Burnbrae Paris
Scotsdale Properties Limited
Sechste CSR & Co KG
Shellbay Investments Limited
Sleepwell Aviation Limited
Sleepwell Construction Management Limited
Sleepwell Hotels (UK) Limited (*Isle of Man*)
Sleepwell Hotels (UK) Limited (*UK*)
Sleepwell Hotels Limited
Softline Distribution Limited
Softline Limited
Softline UK Limited
Stonehaven Properties Limited
Technical Facilities & Services Limited
Teviot Company Limited
The Executive Club Limited
Transbank Card Services Limited
Transbank Limited
TransSend Card Services Limited
TransSend Holdings Limited
TransSend Payments Limited
Troon Properties Limited
Watch&Wager.com Limited
Watch&Wager.com LLC
Webis Holdings plc

Corporate Asset Finance Limited
CRSR GmbH & Co KG

Wielandstrasse 5 Objekt GmbH
Zweite CRSR & Co KG

**Past Directorships
(in the last five years)**

Spreadbet Magazine Limited
Oilbarrel.com Limited
Sharecrazy.com Limited
ARBB AG

Speymill Property Group (UK) Limited
Speymill plc
Rivington Street Holdings plc
OKYO Pharma Limited (formerly West African
Minerals Corporation)

On 3 September 2015, Speymill plc, a company of which Denham Eke was a director at the time, entered into a voluntary liquidation and was subsequently dissolved on 6 July 2017. Mr Eke was also a director of subsidiary company Speymill Contracts Limited within one year of it entering into administration on 16 December 2012 and a director of Speymill Property Group (UK) Limited which entered into voluntary liquidation on 25 January 2016. The combined creditors of Speymill plc and its subsidiaries were owed approximately £4.3 million, of which Galloway Limited, a company of which Denham Eke is a director, was owed £3.9 million.

On 29 January 2014, Rivington Street Holdings plc, a company of which Denham Eke was a director at the time, entered into a voluntary liquidation and was subsequently dissolved on 20 October 2017. The combined creditors of the company and its subsidiaries were owed approximately £4.0 million, of which Galloway Limited, a company of which Denham Eke is a director, was owed £3.8 million.

Interests in the Company

Mr Eke has no direct shareholding in the Company.

Mr Eke is the sole director of Galloway Limited which holds 370,370 Ordinary Shares (representing approximately 1 per cent. of the Company's issued share capital). Galloway Limited is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest.

There is no other information that is required to be disclosed with regards to the appointment of Mr. Eke pursuant to Schedule 2 paragraph (g) of the AIM Rules for Companies.