



SalvaRx Group plc

("SalvaRx" or the "Company")

Investment in Intensity Therapeutics Inc and Convertible Loan Note

SalvaRx (LON: SALV), a biotechnology company focused on immunotherapy for cancer, is today pleased to announce its investment in US-based Intensity Therapeutics Inc. ("Intensity"), a private biotechnology company pioneering a new approach to treating solid tumours. The Company has invested US\$2 million in cash for a 9.2% interest in Intensity ("the Investment") as part of a Series A funding round.

Intensity's platform, DfuseRxSM, identifies novel formulations that can be comprised of currently approved and effective cytotoxic or other anti-cancer agents for direct injection into solid tumours. The Intensity products not only directly kill tumour cells, but also improve the presentation of tumour antigen to the immune system. Intensity's lead product, INT230-6, shows strong efficacy in preclinical models against the primary injected tumour without the devastating systemic exposure normally associated with cytotoxic compounds. Moreover, this lead compound can stimulate a potent systemic immune response that affects distal tumours. It is hoped that INT230-6 will enter human clinical trials before the end of 2016. As part of this process Intensity is currently preparing an Investigatory New Drug ("IND") filing with the U.S. Food and Drug Administration and a clinical trial application for Health Canada.

Intensity has a collaborative research agreement with the National Cancer Institute ("NCI") to explore these new drugs and help determine their mechanism of action. The agreement with the NCI provides Intensity with support through non-dilutive funds as well as strong connections with one of the world's leading cancer research institutions. At 31 December 2015 Intensity had net assets of US\$3.8 million.

Ian Walters, the CEO of SalvaRx commented: *"This investment provides SalvaRx with an opportunity to support the development of an important oncology product that could begin clinical trials this year."*

I have worked with Intensity as its Chief Medical Officer since 2014 and during this time have been impressed by the high quality of the pre-clinical data produced by its product candidates. Intensity has worked with top-notch scientists to help create a highly selective, potentially low toxicity treatment with the ability to substantially impact many types of cancer.”

Lewis H. Bender, Founder and CEO of Intensity commented: *“We are very pleased with this investment by SalvaRx as part of our Series A financing. Dr. Walters, who has been working with Intensity for the past 20 months, leads our clinical trial preparation efforts and has helped to build the company. As a result, we have advanced our understanding of the Intensity technology and its medical applications. With the funding and support from SalvaRx we are able to further execute our strategic plans.”*

SalvaRx’s investment in Intensity enhances its portfolio of cancer immunotherapy candidates, which currently includes compounds from iOx Therapeutics, a University of Oxford spin-out focused on stimulating invariant natural killer T-Cells. SalvaRx’s investment in Intensity is designed to drive the development of Intensity’s technology into the clinic and help fulfill SalvaRx’s mission of promoting long term cancer survival using the body’s own defence system. The immune system can hunt other cancer cells in the body, remove them and prevent recurrence. In the UK, 440 people die from cancer every day. The market for cancer immunotherapies is estimated to grow to \$80 billion by 2020 (Global & USA Cancer Immunotherapy Market Analysis 2020).

Convertible Loan

In order to facilitate its investment in Intensity, the Company has issued US\$1 million of zero coupon convertible unsecured loan notes (“Loan Notes”) to Jim Mellon, the Non-Executive Chairman of SalvaRx and Greg Bailey, a Non-Executive Director of SalvaRx (“the Noteholders”), who are both substantial shareholders in SalvaRx. Mr Mellon and Dr Bailey are subscribing for US\$0.5 million of Loan Notes each. The Loan Notes have a term of three years, with a zero coupon and may be converted in whole or in part at the Noteholder’s discretion at a price of 35.5p per ordinary share.

The Noteholders have undertaken not to convert their Loan Notes in circumstances where (i) the conversion would result in the Concert Party’s holding (as defined in the Company’s Admission Document) in SalvaRx exceeding 74.66% on a fully diluted basis or (ii) the percentage of shares in public hands would fall below 10%.

Related Party Transactions

The subscription by Mr Mellon and Dr Bailey for the Loan Notes and the Investment constitute related party transactions under Rule 13 of the AIM Rules for Companies. Ian Walters is not considered to be an independent director for the purposes of Rule 13. The independent directors, namely Richard Armstrong, Kam Shah and Colin Weinberg consider, having consulted with Northland Capital Partners Limited, the Company's Nominated Adviser, that the terms of (i) the subscription by Mr Mellon and Dr Bailey for the Loan Notes and (ii) the Investment are in both cases fair and reasonable in so far as the Company's shareholders are concerned.

-Ends-

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Notes to Editors

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.

Through its investment in iOx, SalvaRx is developing, under licence from the Ludwig Institute, a series of molecules for cancer immunotherapy. iOx has a clinical trial sponsorship agreement with the University of Oxford to fund the first in human Phase I/II clinical trial for its lead compound.

SalvaRx's management team has 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. SalvaRx benefits from an investment by Jim Mellon.

For more information please visit: www.salvarx.io

Intensity Therapeutics

Intensity Therapeutics, Inc. was founded in 2012 to pioneer a new approach to treat solid tumour cancer using its DfuseRxSM platform technology, which can address both the regional and systemic aspects of cancer. Intensity's DfuseRxSM platform technology can rapidly profile therapeutic agents and identify a cell penetrating formulation of a given therapeutic agent for a specific tumour type.

Intensity's formulations consist of proven, potent drug agents formulated with a specially-matched, cell-penetration enhancing compound; this approach increases the intracellular concentrations of the active drugs throughout the tumours to a toxic level without exposing the rest of the body to effective concentrations. Direct injection of Intensity's product is sufficient to destroy a patient's primary tumours, and the destruction of those tumors trains the immune system to hunt metastases that are

impossible to treat directly. The dying tumours elicits an adaptive immune response that can be further modulated with other immunotherapies.