

27th May 2020

Nuformix plc
(“Nuformix” or “the Company”)

Business Update

Nuformix, the pharmaceutical development company focused on unlocking the therapeutic potential and value of known drugs announces the following business update:

Summary:

- The Company’s business model is well-suited to the current market environment. Our low operating costs, last year’s placing proceeds and revenues from new and existing collaborations combine to provide a sufficient cash runway to see the Company through key commercial and operational events in the wake of COVID-19.
- As China has emerged from lock-down, it is clear that the protracted fall-out between Newsummit Biopharma “NSB” and its parent company (Zhejiang Yatai Pharmaceutical “Yatai”) will further impact the Company’s receipt of £2.5m in milestone payments. Since signing the NSB agreement, Nuformix has established a broader range of assets, opportunities and revenue sources that ought to mitigate such risks.
- Negotiations regarding the out-licensing of pan-Asian rights to the Company’s NXP002 programme are progressing well, albeit at a slower pace than expected as a result of the COVID-19 situation. The Directors are pleased with progress to date and look forward to further positive discussions in the coming months.
- Revenues continue to be received under the Ebers cannabinoid collaboration and the Company has also signed a new agreement with VistaGen Therapeutics, Inc for an early stage collaboration with immediate revenue, upside and the potential to extend this agreement.

COVID-19 Response and Trading Update:

Nuformix’ priority has remained the health and safety of employees on site, which has remained open, conducting research on in-house and collaborative projects. The Company has followed government advice whilst allowing the team to work flexibly, without disruption to internal research.

Proactive measures have been taken to preserve cash during this period. This included placing uncommitted external research activities on hold and reducing administrative and operating expenditure where possible to further reduce the Company’s cash-burn.

The leadership team and Board have completed a business review, mapping out a sensible course through the months ahead and focussing investment on the programmes we believe will deliver short-term returns, in particular the completion of a pan-Asia out-licensing agreement for our NXP002 programme. The Company is in position to progress development programmes as soon as negotiations are complete.

The Board believes the Group has sufficient cash when combined with expected income, and following the Board's spending review, to proceed with pan-Asia out-licensing negotiations regarding NXP002 and other highlighted activities.

NXP001 Update

Following the Company's announcement on February 5th 2020 in relation to its agreement with NSB and payments due, totalling £2.5m, fall-out between NSB and its parent company has continued, with Yatai 'losing control' of the subsidiary and attributing no value to NSB or related entities in its 2019 accounts. Nuformix remains in dispute with NSB regarding payment. Our legal representatives have advised that it is unclear how enforceable any legal judgement in Nuformix's favour would be regarding the £2.5m due. The Company will continue to pursue the monies owed. The Company's cashflow forecast assumes a worst-case scenario regarding receipt of the monies owed. The impact of this is largely mitigated by the cash proceeds of £1.25m from last year's placing, and the Company's cash position is helped further by revenues from new and existing collaborations.

Nuformix is now open to discussions with other third parties regarding the licensing of global rights to NXP001 and is currently following up interest with one such party in particular. These negotiations were placed on hold as a result of the COVID-19 pandemic situation and will recommence once certain lockdown restrictions are lifted. Efforts have been on-going to explore additional applications for NXP001 and will be further discussed as part of future licensing negotiations.

NXP002 Update

Nuformix's NXP002 programme remains the Group's priority and the development of an inhaled therapy for the treatment of Idiopathic pulmonary fibrosis "IPF". The Company has previously announced that negotiations for out-licensing commercial rights in Asia are underway. Discussions have continued, but again, the pace of negotiations has been limited as a result of the COVID-19 pandemic situation, closures to key sites in Asia and access to key personnel. Material updates will be communicated in due course. All external development partners are in place to ensure rapid progress can be achieved once normal trading conditions return.

NXP004 Update

The Company has commenced pre-clinical pilot studies to investigate the potential for NXP004 as a treatment for multiple forms of fibrosis in various human tissues with its research partner, Newcastle Fibrosis Research Group (NFRG). As a response to COVID-19, staff and equipment at the NFRG have been commandeered to support National testing efforts at Milton Keynes. Completion of the pilot study has therefore been delayed. Initial data received is very promising and suggests NXP004 has a significantly superior anti-fibrotic action compared to currently approved therapies. The pilot study is expected to complete in the coming weeks and the Company will update shareholders once the resulting data has been considered.

Ebers Tech Strategic Cannabinoid Collaboration Update

We are pleased to confirm that as a result of on-going development activities under the previously announced strategic cannabinoid agreement with Ebers Tech, a further patent filing has been made in relation to novel cannabinoid cocrystals. This latest patent filing triggers an undisclosed

development milestone payment. Further cannabinoids have been added to the agreement, triggering additional undisclosed milestones and remain under development, with the potential for further milestone payments to Nuformix in the near-term.

Collaboration with VistaGen Therapeutics, Inc

Nuformix and VistaGen Therapeutics (NASDAQ:VTGN), a clinical-stage biopharmaceutical company developing new generation medicines for anxiety, depression and other central nervous system “CNS” diseases and disorders with high unmet need, today announced their agreement to develop novel cocrystal-based formulations of VistaGen’s CNS product candidates. Under the terms of the agreement, Nuformix and VistaGen will initially apply Nuformix’s proprietary technology platform to develop patentable new crystalline forms of AV-101 that may have superior delivery, an enhanced therapeutic profile and additional intellectual property protection. If successful, Nuformix and VistaGen will consider opportunities to extend the collaboration to other CNS therapeutic candidates with a view to unlocking additional therapeutic and commercial opportunities.

Outlook

COVID-19 has impacted the timelines for concluding both commercial and research activities. In Despite this, the Company has continued to progress its business model, to redevelop and repurpose known drugs, and has moved into 2020 focussed primarily on securing an out-licencing agreement for its NXP002 programme, progressing R&D within its NXP004 programme and securing further revenue. The Company continues to make progress within its new and existing collaborative programmes, generating revenue and creating additional upside from further milestone events.

Dr Dan Gooding, Chief Executive Officer of Nuformix Plc, commented:

"Following last year’s equity fundraise of £1.25m and given our very low operating costs, our business model means that we’ve been well-placed to ride out the current worldwide issues. We’ve focussed expenditure on activities that deliver immediate benefit and maintain cashflow. Our negotiations with prospective partners in Asia for NXP002 are in good order and we are in an excellent position to progress out-licensing negotiations as the COVID-19 situation improves, which would be transformative for the Company. Progressing our NXP002 and NXP004 programmes to create value for shareholders remains our priority. Whilst we are optimistic, we remain conservative and focused on delivery across the board in both our in-house and collaborative development programmes."

Market Abuse Regulation (MAR) Disclosure. Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the publication of this announcement via a Regulatory Information Service and accordingly, this inside information is now considered to be in the public domain.

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About Nuformix plc www.nuformix.com

Nuformix is a pharmaceutical development company focused on unlocking the therapeutic potential and value of known drugs. Nuformix risk-mitigated development strategy has resulted in a pipeline of discoveries through which it has developed and patented novel forms of approved small molecules.

Nuformix is targeting high-value unmet needs via drug repurposing with a lead programme in fibrosis (NXP002).

Nuformix plc shares are traded on the London Stock Exchange's Official List under the ticker: NFX. For more information please visit www.nuformix.com.