

**Nuformix plc**

**Annual Report and Accounts for the year ended 31 March 2020  
and Notice of Annual General Meeting 2020**

**Cambridge, UK – 28 July 2020:** Nuformix plc (LSE:NFX) (“Nuformix” or the “Company”), announces that today it has released the following documents:

- Annual Report and Accounts for the year ended 31 March 2020
- Notice of Annual General Meeting ("AGM") 2020

In accordance with the Listing Rule 9.6.1, a copy of these documents have been uploaded to National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

In light of the Coronavirus (COVID-19) pandemic and the social distancing measures in place, shareholders will not be able to attend the AGM in person. The Company's AGM will be held at 11.00 a.m. on Thursday 20 August 2020 proceeding as a virtual closed meeting attended by a shareholding director and one other shareholder who are able to form a quorum. Directors who are not shareholders are eligible to attend. Should there be any changes (including adjournment or postponement of the meeting) the Company will notify shareholders in compliance with the Company's articles of association and the Listing Rules. Please see the Notice of Meeting for more information.

Shareholders should not attempt to attend the AGM in person as the Company reserves the right to take such measures as it considers appropriate to comply with Government guidance and to seek to ensure the health and security of those attending and/or take measures that are mandated or recommended by the UK Government.

Shareholders will not receive a hard copy form of proxy for the AGM in the post and are requested to vote electronically. Instructions on voting are attached to the Notice of the Meeting sent out to shareholders and can also be found on the Company's website.

In compliance with DTR 6.3.5, the following information is extracted from the Report and Accounts for the year ended 31 March 2020 and should be read in conjunction with the Company's Final Results announcement issued on 22 July 2020. The documents are also available at [www.nuformix.com](http://www.nuformix.com) and together constitute the material required by DTR 6.3.5 to be communicated to the media in unedited full text through a Regulatory Information Service. Page and note references in the text refer to page numbers and notes contained in the Report and Accounts for the year ended 31 March 2020. This announcement is not a substitute for reading the Report and Accounts for the year ended 31 March 2020 in full.

**Enquiries:**

**Nuformix plc**

**Roger Jones, Company Secretary**

+44 (0)1223 627222

**Fleur Wood, Investor Relations**

**Email: [fleur.wood@nuformix.com](mailto:fleur.wood@nuformix.com)**

**Novum Securities Limited**

+44 (0)20 7399 9427

**Jon Belliss / Colin Rowbury**

## About Nuformix

Nuformix is a pharmaceutical development company focused on unlocking the therapeutic potential and value of known drugs to develop new novel medicines which provide therapeutic and commercial advantages to the currently available drug form. Nuformix's model of repurposing drugs utilises many technologies but is focused on its acknowledged expertise in the use of cocrystal technology through which the Group has developed and patented novel forms of small molecules. Its platform is not therapy-specific but instead has broad application across a wide range of indications. Using its technology, the Group is developing proprietary medicines for its own development pipeline and in partnership with pharmaceutical and biotech companies. 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](http://www.nuformix.com).

## Risks and uncertainties

The Group's risk management policy is regularly reviewed and updated in line with the changing needs of the business. Risk is inherent in all business. Set out below are certain risk factors which could have an impact on the Company's long-term performance and mitigating factors adopted to alleviate these risks. This does not purport to be an exhaustive list of the risks affecting the Company. The primary risks identified by the Board are:

### **Strategic risks**

- Funding the business
- Potential impact and mitigation:

The biotechnology and pharmaceutical industries are very competitive, with many major players having substantial R&D departments with greater resources and financial support. The Company aims to execute commercial deals generating enough revenue to sustain the business. Without this, reliance falls on investors or potential M&A opportunities. Failure to generate additional funding from these sources, if required, would compromise the Company's ability to achieve its strategic objectives as set out in the outlook on page 8.

- Feasibility of drug candidates
- Potential impact and mitigation:

Drug candidates can fail due to a lack of efficacy or potency, unacceptable toxicology results, insurmountable challenges in medicinal chemistry, or other technical issues unforeseen at the time of candidate selection. This is the main reason that the conventional pharmaceutical R&D model takes many years and billions of dollars from discovery to approved medicine. It is possible that the drug candidates selected by Nuformix are found to be non-viable for development although Nuformix's model of working only on known drugs allows us to mitigate this risk to a certain extent.

- Failure to protect our IP
- Potential impact and mitigation:

If our IP rights are not adequately secured or defended against infringement, or conversely become subject to infringement claims by others, commercial exploitation could be completely inhibited. The Company constantly monitors its patents and is prepared to defend them rigorously.

- Unrealistic goals and timeframes
- The Company's executive management has a duty to the Board and the Company's shareholders to maintain a realistic view of the chances of success of products, deals and partnerships. Should this not

be managed accurately and appropriately, the Company and its Board and staff risk financial, business and reputational damage, whilst its shareholders become exposed to investment risk and uncertainty over the Company's viability and status. The Board continually reviews executive management's expectations and communications in the public domain to reduce the risk of misalignment.

- Reliance on partners
- Potential impact and mitigation:

To progress the development of a drug candidate requires resources, financially or otherwise, that are not necessarily available to Nuformix. The drug candidates Nuformix wishes to develop may be of interest to third parties capable of providing these resources, so a partnership may provide mutual benefits and mitigate risks for Nuformix. However, the specific strategic focus of a partner may not align totally with Nuformix's objectives. Maintaining a balance in a partnership is therefore a risk, such as timing, cost sharing, development decisions.

### ***Operational risks***

- Management and employees
- Potential impact and mitigation:

With a semi-virtual company model with relatively few employees, the Company's ability to manage day to day tasks, its relationships with its customers and suppliers, and the need to liaise with collaborative partners, could be undermined by failure to retain or recruit key management and employees. The Company endeavours to offer attractive remuneration and a positive working environment for executive staff. Main Board Directors are incentivised as detailed in the Directors' Remuneration Report.

- Business development risks in terms of timing and success of deal flow
- Potential impact and mitigation:

Opportunities to generate further value from our development portfolio and in-house capabilities have increased but the current environment has slowed the pace of all aspects of deal negotiations. However, Nuformix seeks to establish a broad range of assets, opportunities and revenue sources to help mitigate such risks.

- Adapting to the external environment – COVID19
- Potential impact and mitigation:

The ability of the Company to quickly adapt to external events such as the outbreak of COVID19 may impact the delivery of our strategy. The pandemic could cause further impact to external research and laboratory work. Our primary focus remains the safety of our employees and the health and safety of employees on site conducting research on in-house and working on collaborative projects. The Company follows Government advice whilst allowing the team to work flexibly, without disruption to internal research. The risks are also mitigated by the Company's semi-virtual business model, allowing the Executive management and Board to work remotely and effectively.

### **UK's departure from European Union ("Brexit")**

The impact of the UK's departure from the European Union is not yet clear but it may significantly affect the fiscal, monetary and regulatory landscape in the UK, and could have a material impact on the UK's economy and the future growth of its industries, including the pharmaceutical and biotechnology industries. Depending on the free trade agreement terms negotiated between EU Member States and the UK following Brexit, the UK could lose access to the single European Union market and to the global trade deals negotiated by the European Union on behalf of its members. Although it is not possible at this point in time

to predict fully the effects of the free trade agreement with the European Union, it could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, it may impact the Group's ability to comply with the extensive government regulation to which it is subject and impact the regulatory approval processes for its product candidates. This is an area the Executive Management monitors closely.

### **Financial risk management**

- Failure to achieve strategic plans or meet targets or expectations
- Potential impact and mitigation:

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Further detail on the Group's risk management policies and procedures are set out in note 24 of the financial statements.

### **Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable International Financial Reporting Standards (IFRSs), as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each person who was a director at the time of this report was approved:

- So far as that Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and,
- That Director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.