

Nuformix plc
("Nuformix", the "Company" or the "Group")

Interim Results for the six months ended 30 September 2020

Cambridge, UK – 22 December 2020: Nuformix plc (LSE:NFX), a drug re-purposing specialist, announces its unaudited results for the six months ended 30 September 2020.

Operational Highlights (including post-period)

- Leadership team enhanced with the appointment of Dr Anne Brindley as CEO and Board strengthened with the appointment of two Non-Executive Directors that bring additional R&D, business development and financial leadership experience
- Continued discussions with potential partners on licensing lead asset, NXP002, for the Asian market
- Expanded activities to seek additional licensing partners to cover other important pharmaceutical market regions for NXP002
- Pre-clinical development activities prioritised and initiated to evaluate the benefits of NXP002 alone and in combination with standard of care for the treatment of Idiopathic Pulmonary Fibrosis (IPF), a serious lung disease
- Application submitted for an Innovate UK Grant for the further development of NXP002 which, if successful, would supplement investment and provide important non-dilutive funding for the lead asset
- Continued to strengthen patent portfolio, especially on the early-stage asset NXP004
- Exclusive option agreement signed with Oxilio Ltd for the development and exploitation of NXP001 in oncology indications

Financial Highlights

- Total revenue of £195,550 (H1 2019: £535,000)
- Loss before tax £475,874 (H1 2019: loss of £131,842)
- Loss on ordinary activities (after tax credit) of £474,659 (H1 2019: loss of £131,842)
- Loss per share 0.10p (H1 2019: 0.03p)
- Net assets £4,301,236 (30 September 2019: £3,980,126) including £216,412 cash and cash equivalents (30 September 2019: £132,764)
- Successful placing on 7 October 2020 raising additional cash of £650,000 before expenses for the Company post period end

Dr Chris Blackwell, Non-Executive Chairman of Nuformix, said:

"A key priority for the Group was to establish strength in the areas of drug development, business development and financial control. With the successful appointment of an experienced CEO in Dr Anne Brindley, and our new Non-Executive Directors, Maddy Kennedy and Dr Julian Gilbert, we can now look forward to driving the value we all see in Nuformix. As our discussions continue on NXP002, I look forward to working with Anne and the rest of the Board, as the Group moves forward under its new leadership."

Dr Anne Brindley, CEO of Nuformix, said:

"One of the attractions of Nuformix when I joined the Company just three weeks ago was the opportunity to grow value from its key assets. I relish the opportunity to work with the team on our strategic priorities and will update the market further in Q1 2021."

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Nuformix plc

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About Nuformix

Nuformix is a pharmaceutical development company focused on unlocking the therapeutic potential and value of known drugs to develop novel medicines which provide therapeutic and commercial advantages to the currently available drug form. Nuformix's model of repurposing drugs utilises technologies primarily focussed on its acknowledged expertise in cocrystal technology, through which the Group has developed and patented novel forms of many small molecules. Using its expertise, 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.

Operational Review**NXP002 – Inhaled therapy for Fibrotic Diseases**

The priority of the Group remains the development of an inhaled therapy for the treatment of Idiopathic Pulmonary Fibrosis (IPF), a serious lung disease, with its lead asset, NXP002.

Pre-clinical development activities were prioritised to evaluate the benefits of NXP002 alone and in combination with standard of care for the treatment of IPF. Results of this study are expected in the first quarter of 2021.

Whilst discussions continue in Asia regarding the licensing of Asian rights to NXP002, the Group has expanded its activities to evaluate additional licensing opportunities.

After the period end, the Group submitted an application for an Innovate UK Grant to support the development of NXP002 in IPF and with potential in other respiratory diseases including respiratory complications arising as a result of Covid-19. The outcome will be known in Q1 2021 and, whilst success would provide important finances for NXP002, it is by no means assured, as these grants are highly competitive. The Board is therefore in the process of considering contingencies and additional sources of investment to supplement its existing cash resources and to provide additional cash runway for the Group.

NXP004

NXP004 uses Nuformix proprietary technology applied to the active drug of a multi-billion-dollar product currently marketed for oncology indications. Despite the commercial success of the marketed product, side-effects pose a significant challenge to its existing use and extension into new indications, that could also benefit from its mechanism of action. We are currently evaluating new IP that could overcome some of the challenges posed by the originator's formulation.

Additionally, in August, the Group reported results from a pre-clinical pilot study evaluating the anti-fibrotic and anti-inflammatory effects of NXP004 against standard of care, a therapeutic area not currently exploited by the originator of the drug. We will confirm next steps in Q1 2021.

NXP001 – Oncology

An option to license the use of Nuformix patents covering NXP001, without the need for development commitment, was granted to Oxilio Ltd "Oxilio" and announced in September 2020. The agreement with Oxilio triggered an undisclosed up-front payment for an exclusive option period of 6 months from September 2020 and within which period the global licensing agreement can be triggered. Should Oxilio exercise the option, Nuformix will licence its patent estate and know-how on NXP001 in return for an upfront payment and additional development milestones, with a royalty on net sales, capped at £2m per annum. Further updates will be provided in H1, 2021.

Board Changes

Post-period, several changes have been announced.

The appointments of Dr Julian Gilbert and Maddy Kennedy to the Board as Non-Executive Directors, were announced in November and December, respectively. Both appointments will be extremely valuable as the Group moves forward with its near-term strategic priorities focussed on business development and licensing opportunities and to provide the Board with additional and relevant experience. The experience that Maddy brings will strengthen the Group's financial governance as she takes up the role of Chair of the Audit Committee.

In December, Dr Anne Brindley was appointed Chief Executive Officer and Executive Director of the Group. Anne brings a wealth of relevant pharma experience coupled with leadership and Board experience that will help the Group move forward with its strategic priorities. As previously communicated, upon appointment of the CEO, Dr Chris Blackwell resumes the role of Non-Executive Chairman.

Outlook

With an augmented Board and new CEO in place, bringing additional expertise and new leadership, the Group is now in a position to drive its near-term strategic priorities focussed on deriving optimal value through business development and licensing opportunities with its existing assets.

The Group intends to provide further updates and detail on the strategic priorities in Q1 2021.

Financial Review

In the second half of the financial year, the Board has continued to focus expenditure on activities that deliver immediate benefit and cashflow whilst continuing licensing discussions for the Group's lead programmes and supporting new initiatives with the potential to add further value. The Board has overhauled the financial management of the Group and scrutinised the cash flow and runway based on various scenarios. The Board has initiated numerous measures to ensure the Group's cost base is kept to a minimum.

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Unaudited Interim Results

Consolidated Income Statement and Statement of Comprehensive Income for the six months ended 30 September 2020

	Note	6 months ending 30 September 2020 Unaudited £	6 months ending 30 September 2019 Unaudited £	Year ending 31 March 2020 Audited £
Revenue		195,550	535,000	535,000
Cost of sales		<u>(115,507)</u>	<u>(105,417)</u>	<u>(333,595)</u>
Gross profit		80,043	429,583	201,405
Total administrative expenses		(554,822)	(557,043)	(1,119,580)
Other operating income		<u>1,300</u>	<u>1,800</u>	<u>4,130</u>
Operating loss		(473,479)	(125,660)	(914,045)
Finance costs		<u>(2,395)</u>	<u>(6,182)</u>	<u>(15,837)</u>
Loss before tax		(475,874)	(131,842)	(929,882)
Income tax receipt		<u>1,215</u>	<u>0</u>	<u>173,506</u>
Loss for the period and total comprehensive income for the period		<u>(474,659)</u>	<u>(131,842)</u>	<u>(756,376)</u>
Loss per share – basic and diluted	4	0.10p	0.03p	0.16p

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Registration number: 09632100

Unaudited Interim Results

Consolidated Statement of Financial Position as at 30 September 2020

	Note	30 September 2020 Unaudited £	30 September 2019 Unaudited £	31 March 2020 Audited £
Assets				
Non-current assets				
Property, plant and equipment	5	64,661	28,628	82,912
Intangible assets	6	4,225,381	4,255,755	4,247,862
		<u>4,290,042</u>	<u>4,284,383</u>	<u>4,330,774</u>
Current assets				
Trade and other receivables		88,956	134,152	79,496
Income tax asset		-	-	172,391
Cash and cash equivalents		216,412	132,764	543,772
		<u>305,368</u>	<u>266,916</u>	<u>795,659</u>
Total assets		<u>4,595,410</u>	<u>4,551,299</u>	<u>5,126,433</u>
Equity and liabilities				
Equity				
Share capital	7	490,145	469,467	490,145
Share premium		4,480,400	3,163,578	4,480,400
Merger relief reserve		10,950,000	10,950,000	10,950,000
Reverse acquisition reserve		(8,005,195)	(8,005,195)	(8,005,195)
Share option reserve		1,847,988	1,765,185	1,814,613
Retained earnings		(5,462,102)	(4,362,909)	(4,987,443)
Total equity		<u>4,301,236</u>	<u>3,980,126</u>	<u>4,742,520</u>
Non-current liabilities				
Loans and borrowing		-	-	37,257
Current liabilities				
Trade and other payables		243,846	556,121	308,525
Loans and borrowings		50,328	15,052	38,131
		<u>294,174</u>	<u>571,173</u>	<u>346,656</u>
Total equity and liabilities		<u>4,595,410</u>	<u>4,551,299</u>	<u>5,126,433</u>

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Unaudited Interim Results

Consolidated Statement of Changes in Equity for the six months ended 30 September 2020

	Share capital £	Share premium £	Merger Relief Reserve £	Reverse acquisition reserve £	Share option reserve	Retained earnings £	Total £
At 31 March 2019	460,750	2,932,590	10,950,000	(8,005,195)	1,708,252	(4,231,067)	3,815,330
Loss for the half-year and total comprehensive loss	-	-	-	-	-	(131,842)	(131,842)
Issue of share capital	8,717	230,988	-	-	-	-	239,705
Share and warrant based payment	-	-	-	-	56,933	-	56,933
As at 30 September 2019	469,467	3,163,578	10,950,000	(8,005,195)	1,765,185	(4,362,909)	3,980,126
Loss for the half-year and total comprehensive loss	-	-	-	-	-	(624,534)	(624,534)
Issue of share capital	20,678	1,381,822	-	-	-	-	1,402,500
Share issue costs	-	(65,000)	-	-	-	-	(65,000)
Share and warrant based payment	-	-	-	-	49,428	-	49,428
	-	-	-	-	-	-	-
At 31 March 2020	490,145	4,480,400	10,950,000	(8,005,195)	1,814,613	(4,987,443)	4,742,520
Loss for the half-year and total comprehensive income	-	-	-	-	-	(474,659)	(474,659)
Share and warrant based payment	-	-	-	-	33,375	-	33,375
As at 30 September 2020	490,145	4,480,400	10,950,000	(8,005,195)	1,847,988	(5,462,102)	4,301,236

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Unaudited Interim Results

Consolidated Statement of Cash Flows for the six months ended 30 September 2020

	6 months ending 30 September 2020 Unaudited £	6 months ending 30 September 2019 Unaudited £	Year ended 31 March 2020 Audited £
Cash flows from operating activities			
Loss for the year	(474,659)	(131,842)	(756,376)
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation	41,337	27,804	81,716
Finance costs/ (income)	2,395	6,182	15,837
Income tax expense	-	-	(173,506)
Share and warrant based payment	33,375	56,933	106,361
	<u>(397,552)</u>	<u>(40,923)</u>	<u>(725,968)</u>
Working capital adjustments			
(Increase) decrease in trade and other receivables	(9,460)	28,713	83,369
Increase (decrease) in trade and other payables	<u>(89,739)</u>	<u>(249,991)</u>	<u>(256,178)</u>
Cash generated from operations	(496,751)	(262,201)	(898,777)
Income taxes (paid)/received	<u>172,391</u>	<u>181,495</u>	<u>180,965</u>
Net cash flow from operating activities	<u>(324,360)</u>	<u>(80,706)</u>	<u>(717,812)</u>
Cash flows from investing activities			
Acquisitions of property plant and equipment	(605)	(24,314)	(10,733)
Disposals of property plant and equipment	-	-	-
Acquisition of intangible assets	-	-	(32,470)
Net cash flows from investing activities	<u>(605)</u>	<u>(24,314)</u>	<u>(43,203)</u>
Cash flows from financing activities			
Proceeds of share issue	-	239,705	1,337,500
Interest paid	(2,395)	(5,112)	(9,785)
Reduction in other loans	-	-	(26,651)
Foreign exchange gains / (losses)	-	(1,070)	(538)
Net cash flows from financing activities	<u>(2,395)</u>	<u>233,523</u>	<u>1,300,526</u>
Net increase in cash and cash equivalents	(327,360)	128,503	539,511
Cash and cash equivalents at start of period	<u>543,772</u>	<u>4,261</u>	<u>4,261</u>
Cash and cash equivalents at end of period	<u>216,412</u>	<u>132,764</u>	<u>543,772</u>

Nuformix plc
Unaudited Interim Results

Notes to the Consolidated Financial Statements for the six months
ended 30 September 2020

1. Basis of preparation of interim financial information

The consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as endorsed by the European Union (“IFRS”) and expected to be effective at the year-end of 31 March 2021.

Accounting policies remain unchanged from the financial statements for the year ended 31 March 2020.

The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2020, prepared in accordance with IFRS, have been filed with the Registrar of Companies. The Auditors’ Report on these accounts was unqualified and included a reference to which the Auditors drew attention by way of an emphasis of matter, without qualifying their report, that a material uncertainty existed that might cast significant doubt on the Group’s ability to continue as a going concern at that time. The Auditors’ Report did not contain any statements under section 498 of the Companies Act 2006.

The consolidated interim financial statements are for the 6 months to 30 September 2020.

The interim consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group’s annual financial statements for the year ended 31 March 2020, which were prepared in accordance with IFRS as adopted by the European Union.

2. Basis of consolidation

On 16 October 2017 the Company acquired the entire issued ordinary share capital of Nuformix Technologies Limited and became the legal parent of Nuformix Technologies Limited. The accounting policy adopted by the Directors applies the principles of IFRS 3 (Revised) “Business Combinations” in identifying the accounting parent as Nuformix Technologies Limited and the presentation of the Group consolidated statements of the Company (the legal parent) as a continuation of financial statements of the accounting parent or legal subsidiary (Nuformix Technologies Limited).

3. Going concern

The financial statements have been prepared on the going concern basis of preparation which, inter alia, is based on the directors’ reasonable expectation that the Group has adequate resources to continue to operate as a going concern for at least twelve months from the date of their approval. In forming this assessment, the directors have prepared cashflow forecasts covering the period ending 31 December 2021 which take into account the likely run rate on overheads and research expenditure and the prudent expectations of income from its lead programmes.

Whilst there can be no guarantee of the successful outcome of future trials, in compiling the cashflow forecasts the directors have made cautious estimates of the likely outcome of such trials, when income might be generated and have considered alternative strategies should projected income be delayed or fail to materialise. These strategies include postponing non-committed research expenditure, securing alternative licensing arrangements from those currently planned and using the Group’s

established network for fundraising.

These circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company or Group was unable to continue as a going concern.

After careful consideration, the directors consider that they have reasonable grounds to believe that the Group can be regarded as a going concern and, for this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

4 Loss per Share

Loss per share is calculated by dividing the loss after tax attributable to the equity holders of the Group by the weighted average number of shares in issue during the period.

The basic earnings per share for each comparative period is calculated by dividing the loss of the legal entity in each of those periods by the legal entity's historical weighted average number of shares outstanding.

	30 September 2020 Unaudited £	30 September 2019 Unaudited £	31 March 2020 Audited £
Loss after tax	(474,659)	(131,842)	(756,376)
Weighted average number of shares	490,145,083	467,323,107	477,064,822
Basic and diluted loss per share	0.10p	0.03p	0.16p

5 Property, Plant and Equipment

	Leasehold improvements £	Computer equipment £	Laboratory equipment £	Total £
Cost or valuation				
At 31 March 2019	32,204	17,487	9,732	59,423
Additions	-	751	6,448	7,199
At 30 September 2019	32,204	18,238	16,180	66,622
Additions	81,414	2,630	904	84,948
Disposals	-	(3,235)	-	(3,235)
At 31 March 2020	113,618	17,633	17,084	148,335
Additions	-	605	-	605
At 30 September 2020	113,618	18,238	17,084	148,940
Depreciation				
At 31 March 2019	11,807	12,017	8,079	31,903
Charge	3,220	1,741	1,130	6,091
At 30 September 2019	15,027	13,758	9,209	37,994
Charge	27,923	2,197	513	30,633
Eliminated on disposal	-	(3,204)	-	(3,204)
At 31 March 2020	42,950	12,751	9,722	65,423
Charge	15,521	2,145	1,190	18,856
At 30 September 2020	58,471	14,896	10,912	84,279
Carrying amount				
At 30 September 2019	17,177	4,480	6,971	28,628
At 31 March 2020	70,668	4,882	7,362	82,912
At 30 September 2020	55,147	3,342	6,172	64,661

6 Intangible Assets

	Goodwill	Patents	Total
	£	£	£
Cost			
At 31 March 2019	4,023,484	417,141	4,440,625
Additions	-	17,115	17,115
At 30 September 2019	4,023,484	434,256	4,457,740
Additions	-	15,355	15,355
At 31 March 2020	4,023,484	449,611	4,473,095
Additions	-	-	-
At 30 September 2020	4,023,484	449,611	4,473,095
Amortisation			
At 31 March 2019	-	180,272	180,272
Amortisation charge	-	21,713	21,713
At 30 September 2019	-	201,985	201,985
Amortisation charge	-	23,248	23,248
At 31 March 2020	-	225,233	225,233
Amortisation charge	-	22,481	22,481
At 30 September 2020	-	247,714	247,714
Net book value			
At 30 September 2019	4,023,484	232,271	4,255,755
At 31 March 2020	4,023,484	224,378	4,247,862
At 30 September 2020	4,023,484	201,897	4,255,381

For impairment testing purposes, management consider the operations of the Group to represent a single cash-generating unit ("CGU") focused on research and development. Consequently, the goodwill is effectively allocated and considered for impairment against the business as a whole being the single CGU.

7 Share Capital

Allotted, called up and fully paid shares

	30 September 2020 Unaudited		30 September 2019 Unaudited		31 March 2020 Audited	
	No.	£	No.	£	No.	£
Ordinary shares of £0.001 each	490,145,083	490,145	496,466,512	469,467	490,145,081	490,145

On 7 October 2020, a share placing raised cash of £650,000 before expenses via the issue of 23,214,285 new Ordinary Shares of £0.001 each.

8 Share Options and Warrants

The Group operates share-based payments arrangements to remunerate directors and key employees in the form of a share option scheme. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled, share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Statement of Directors Responsibilities

We confirm that to the best of our knowledge:

1. this interim condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the IASB and adopted by the EU;
2. the interim management report includes a fair review of the information required by:
 - 2.1. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - 2.2. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors of Nuformix plc are listed in the Group's 2020 Annual Report and Accounts and the current board are set out on the Investors Information section of Nuformix's website at: [Investors Information - Nuformix](#)

Dr Chris Blackwell
Non-Executive Chairman

Further copies of this document are available from the company's registered address and will be available on the company's website later today.

Nuformix plc

Registration number: 09632100