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

Half year Report

14 December 2021: Nuformix plc (LSE: NFX), a pharmaceutical development company targeting unmet medical needs in fibrosis and oncology via drug repurposing, announces its unaudited results for the six months ended 30 September 2021.

Operational highlights (including post-period end)

- Gross proceeds of £1.565 million (net £1.4 million) raised from the placing of new ordinary shares in March 2021 have been used to fund R&D work to advance the pipeline assets of NXP002 (pre-clinical stage) and NXP004 (research phase)
- Successfully performed a number of pre-clinical studies on NXP002, which is the lead asset being developed for the treatment of Idiopathic Pulmonary Fibrosis ("IPF"), to generate a robust data package. Studies on the technical feasibility of inhalation and the pharmacokinetic / pharmacodynamic profile of NXP002 after inhalation in the rat have, in the opinion of the Company's Directors, been positive to date and endorse the further progression of this asset. The final study in the data package on the durability of the pharmacodynamic response is expected to readout in early 2022
- NXP002 patent application granted in the USA, which is the most important territory for IPF
- Filed a US patent application on 10 November 2021 in relation to NXP004, that represents new forms of a blockbuster oncology drug, which has identified a new family of co-crystals with benefits over the original drug
- Licensing agreement signed with Oxilio Ltd on 10 September 2021 for the development and commercialisation of NXP001 for oncology indications
- Leadership team enhanced with the appointment of Dr Alastair Riddell as Non-Executive Chairman (with post-period appointment as Executive Chairman from 1 December 2021), who brings significant pharma and biotech experience in R&D, corporate development and general leadership
- Dr Anne Brindley (CEO) resigned in July 2021 and will be leaving the Company at the end of her six-month notice period. Dr Joanne Holland resigned as a director and left the Company as an employee at the end of May 2021 but has continued as a consultant advising on physical form science and research

Financial Highlights

- Total revenue of £50,000 (30 September 2020: £195,550)
- Loss before tax £449,022 (30 September 2020: loss of £475,874)
- Loss on ordinary activities (after tax credit) of £449,022 (30 September 2020: loss of £474,659)
- Loss per share 0.08p (30 September 2020: 0.10p)
- Net assets of £5,250,968 (30 September 2020: £4,301,236) including £1,071,831 of cash and cash equivalents (30 September 2020: £216,412)

Dr Alastair Riddell, Executive Chairman of Nuformix, said: *"The new positive data sets on NXP002, patent progress on NXP004 and the licensing deal for NXP001 form the basis for further value creation in the next 12 months. Both our current lead assets address billion-dollar markets in fibrosis and oncology. The results have given the Board the confidence to progress further work on our products and investment in additional business development resource for the Company."*

Dr Anne Brindley, CEO of Nuformix, said: *"We have made significant progress on all three of our assets including successfully completed the licensing deal for NXP001 with Oxilio, as well as significantly advancing the data package on NXP002 that has shown positive data to date and filing a new patent application on NXP004. We have achieved this with very prudent use of funds ensuring the Company is on a firm financial footing for the foreseeable future.*

Although regretfully I am moving on from Nuformix, I remain very optimistic that Nuformix has assets of value that the Group can advance to further develop the company and I wish the Board and the company much success in these endeavours."

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About Nuformix

Nuformix is a pharmaceutical development company targeting unmet medical needs in fibrosis and oncology via drug repurposing. The Company aims to use its expertise in discovering, developing and patenting novel drug forms, with improved physical properties, to develop new products in new indications that are, importantly, differentiated from the original (by way of dosage, delivery route or presentation), thus creating new and attractive commercial opportunities. Nuformix has an early-stage pipeline of preclinical and Phase 1-ready assets with potential for significant value and early licensing opportunities.

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.

Executive Chairman's statement

Operational review

NXP002 (new form of tranilast) – Idiopathic Pulmonary Fibrosis (IPF)

NXP002 is the Group's pre-clinical lead asset and a potential novel inhaled treatment for IPF. It is a proprietary, new form of the drug tranilast, to be delivered in an inhaled formulation. IPF is a devastating lung disease associated with a higher mortality rate than many cancers and where there is a need for additional treatment options. Thus IPF represents a high unmet medical need and a significant commercial opportunity. Tranilast has a long history of safe use as an oral drug for allergies but there is evidence that supports its potential in fibrosis, including IPF. NXP002 is differentiated as it is a new form of tranilast that is being formulated for delivery direct to the lungs by inhalation, a new route of administration for this drug. The inhalation route is a well-known strategy for treatment of lung diseases to yield greater efficacy and reduce systemic side-effects compared to oral treatment. Nuformix has filed two patent applications on new forms of tranilast, one of which is granted globally and a second has been issued (granted) in the USA. The positioning of such an inhaled treatment for IPF could be either added to standard of care or administered as a monotherapy.

Within the last six months, since the fundraise in March 2021, the Group has utilised these proceeds to generate a robust data package with the goal of increasing the value of this asset and rendering it more attractive to licensing partners. The Company has successfully progressed studies on NXP002 as follows:

- Manufactured a supply of the active ingredient NXP002 to be used in formulation development activities, nebulisation feasibility studies and *in vivo* studies
- Progressed formulation and nebulisation studies and demonstrated that it is feasible to formulate NXP002 into a simple and stable solution which has suitable properties for delivery via nebulisation. The data generated on these formulations also show that the drug can be efficiently delivered in the right particle size range for lung delivery using off-the-shelf and commonly used nebuliser devices. Thus, the Directors of the Company believe that the delivery of NXP002 by nebulisation is feasible
- Progressed several *in vivo* pharmacokinetic and pharmacodynamic studies of NXP002 formulated as a solution for inhalation (nebulisation) and delivered to the rat
    - The first of the *in vivo* studies evaluated the pharmacokinetics of NXP002 when delivered by nebulisation to rats. This study demonstrated that NXP002 can be efficiently delivered to the lung, achieving significant drug levels, whilst limiting systemic exposure compared to oral dosing
    - The second *in vivo* study evaluated the pharmacodynamics of NXP002 when delivered by nebulisation. This study showed that inhaled NXP002 could dose-dependently regulate the production of fibrosis-relevant mediators
- The final planned study as part of the NXP002 pre-clinical data package is an *in vivo* study investigating the durability of the pharmacodynamic effect. This study is ongoing and the Company anticipates receiving the data for this study in early 2022.

Overall, the Board is encouraged by the progress of the studies and the positive data generated to date and is considering next steps, including potential further R&D studies to add further value and licensing activities.

NXP001 (new form of aprepitant) – Oncology

NXP001 is a proprietary new form of the drug aprepitant that is currently marketed as a product in the oncology supportive care setting (chemotherapy induced nausea and vomiting). A disadvantage of aprepitant is that its sub-optimal properties necessitate a complex formulation. The Group has discovered new forms of aprepitant (NXP001) with improved properties and it has been granted patents on these new forms. Literature data suggests that aprepitant could have benefits in oncology, i.e., beyond the currently marketed indications.

To date, the Group has conducted preclinical studies and a Phase 1 study, which demonstrated bioavailability of

NXP001, similar to the marketed product but without requiring a complex formulation. Further refinement of the formulation will be required ahead of initiating any future Phase 1 studies.

On 23 September 2020, Oxilio, a privately held pharmaceutical development company, was granted a six-month option to license NXP001 globally for repurposing in oncology. On 23 March 2021, Oxilio exercised the option and on 10 September 2021 a global license deal was executed. As a result, Nuformix has licensed its patent estate and know-how on NXP001 in return for an upfront payment, development milestones and a royalty on net sales, capped at £2 million per annum.

NXP004 (new forms of undisclosed drug) – Oncology

The Group has discovered novel forms of an undisclosed marketed oncology drug that is approved globally for the treatment of several cancers, which has significant sales (more than £1 billion per annum in 2020) and is showing further sales growth. The Group filed one patent application in September 2020 on new forms of this drug and has utilised certain of the proceeds from the March 2021 placing to do further research on novel forms. This research has been successful, identifying a new family of co-crystal forms and on 10 November 2021, post period, the Company filed a second patent application. This application complements the previous patent application on NXP004 co-crystals, thus expanding the Company's intellectual property portfolio. If the patent applications on these new forms are granted, there is potential for patent expiry to extend to 2040/2041. The Group will seek to license NXP004 to the originator of the marketed drug to potentially extend their patent protection, thus potentially adding significant value for the originator.

Board changes

In the period from April 2021 to September 2021 a number of Board changes have occurred:

- May 2021 – appointment of Dr Alastair Riddell as Non-Executive Chairman, replacing Dr Chris Blackwell who resigned in February 2021
- May 2021 – resignation of Dr Karl Keegan as Non-Executive Director
- May 2021 – resignation of Dr Joanne Holland as Chief Scientific Officer; however, Joanne remains a consultant to Nuformix and is supporting physical form research and science on Nuformix assets
- July 2021 – resignation of Dr Anne Brindley as CEO. Anne has continued to work for the Company through her six-month notice period

On 1 December 2021 Dr Alastair Riddell was appointed as Executive Chairman to ensure there is a suitable executive in place for when Anne Brindley leaves the Company.

Outlook

The success of the fundraise earlier in the year has enabled the Company to continue to advance and exploit the current assets within the portfolio through additional R&D and business development activities as set out above. R&D studies have progressed successfully on both NXP002 and NXP004, while business development activities secured the license agreement for NXP001 and therefore good progress has been made on all fronts. Moreover, the successful fundraise has provided a good cash runway for the Company to fund limited operations for the foreseeable future.

The strategy of the Group is to continue to increase the value of its existing assets while maintaining tight control of costs, including conducting business development / licensing activities using a structured and data-driven approach, with the goal of seeking global licensing deals. The positive data from the R&D studies performed in the last six months has increased the Board's confidence that the Nuformix assets have significant value and thus further investment in and progression of these assets are warranted.

Financial Review

In the first half of the financial year, the Board has continued to focus expenditure on R&D activities that add value to the current assets while optimising the operation to minimise administrative expenditure and the operational cost-base. Revenue was received from the second instalment of the upfront payment from Oxilio on execution of the full licensing agreement for NXP001.

Dr Alastair Riddell
Executive Chairman
14 December 2021

Nuformix plc

Unaudited Interim Results

Consolidated Income Statement and Statement of Comprehensive Income for the six months ended 30 September 2021

	Note	6 months ending 30 September 2021 Unaudited £	6 months ending 30 September 2020 Unaudited £	Year ending 31 March 2021 Audited £
Revenue		50,000	195,550	195,550
Cost of sales		(1,695)	(115,507)	(62,307)
Gross profit		48,305	80,043	133,243
Total administrative expenses		(497,327)	(554,822)	(1,507,221)
Other operating income		-	1,300	1,300
Operating loss		(449,022)	(473,479)	(1,372,678)
Finance costs		-	(2,395)	(3,054)
Loss before tax		(449,022)	(475,874)	(1,375,732)
Income tax receipt		-	1,215	122,235
Loss for the period and total comprehensive income for the period		(449,022)	(474,659)	(1,253,497)
Loss per share – basic and diluted	4	0.08p	0.10p	0.22p

Nuformix plc

Registration number: 09632100

Unaudited Interim Results

Consolidated Statement of Financial Position as at 30 September 2021

	Note	30 September 2021 Unaudited £	30 September 2020 Unaudited £	31 March 2021 Audited £
Assets				
Non-current assets				
Property, plant and equipment	5	698	64,661	957
Intangible assets	6	4,168,640	4,225,381	4,186,868
		4,169,338	4,290,042	4,187,825
Current assets				
Trade and other receivables		53,663	88,956	32,260
Income tax asset		121,020	-	121,020
Cash and cash equivalents		1,071,831	216,411	1,669,780
		1,246,514	305,368	1,823,060
Total assets		5,415,852	4,595,410	6,010,885
Equity and liabilities				
Equity				
Share capital	7	591,609	490,145	591,609
Share premium		6,384,835	4,480,400	6,384,835
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		2,019,681	1,847,988	2,005,952
Retained earnings		(6,689,962)	(5,462,102)	(6,240,940)
Total equity		5,250,968	4,301,236	5,686,261
Current liabilities				
Trade and other payables		164,884	243,846	324,624
Loans and borrowings		0	50,328	0
		164,884	294,174	324,624
Total equity and liabilities		5,415,852	4,595,410	6,010,885

Nuformix plc

Unaudited Interim Results

Consolidated Statement of Changes in Equity for the six months ended 30 September 2021

	Share capital £	Share premium £	Merger Relief Reserve £	Reverse acquisition reserve £	Share option reserve	Retained earnings £	Total £
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 loss	-	-	-	-	-	(474,659)	(474,659)
Issue of share capital	-	-	-	-	-	-	-
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
Loss for the half-year and total comprehensive loss	-	-	-	-	-	(778,838)	(778,838)
Issue of share capital	101,464	2,113,535	-	-	-	-	2,214,999
Share issue costs		(209,100)					(209,100)
Share and warrant based payment	-	-	-	-	157,964	-	157,964
	-	-	-	-	-	-	-
At 31 March 2021	591,609	6,384,835	10,950,000	(8,005,195)	2,005,952	(6,240,940)	5,686,261
Loss for the half-year and total comprehensive income	-	-	-	-	-	(449,022)	(449,022)
Share and warrant based payment	-	-	-	-	13,729	-	13,729
As at 30 September 2021	591,609	6,384,835	10,950,000	(8,005,195)	2,019,681	(6,689,962)	5,250,968

Nuformix plc

Unaudited Interim Results

Consolidated Statement of Cash Flows for the six months ended 30 September 2021

	6 months ending 30 September 2021 Unaudited £	6 months ending 30 September 2020 Unaudited £	Year Ended 31 March 2021 Audited £
Cash flows from operating activities			
Loss for the year	(449,022)	(474,659)	(1,253,497)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	18,488	41,337	93,052
Loss on disposal of plant, property and equipment	-	-	6,179
Finance costs/ (income)	-	2,395	3,054
Income tax expense	-	-	(122,235)
Share and warrant based payment	13,729	33,375	191,339
	(416,805)	(397,552)	(1,082,108)
Working capital adjustments			
(Increase) decrease in trade and other receivables	(21,403)	(9,460)	47,237
Increase (decrease) in trade and other payables	(159,740)	(89,739)	16,099
Cash generated from operations	(597,948)	(496,751)	(1,018,772)
Income taxes (paid)/received		172,391	173,606
Net cash flow from operating activities	(597,948)	(324,360)	(845,166)
Cash flows from investing activities			
Acquisitions of property plant and equipment	-	(605)	(605)
Disposals of property plant and equipment	-	-	44,322
Net cash flows from investing activities	-	(605)	43,717
Cash flows from financing activities			
Proceeds of share issue	-	-	2,005,899
Interest paid		(2,395)	(3,054)
Reduction in other loans	-	-	(75,388)
Net cash flows from financing activities	-	(2,395)	1,927,457
Net (decrease)/increase in cash and cash equivalents	(597,948)	(327,360)	1,126,008
Cash and cash equivalents at start of period	1,669,780	543,772	543,772
Cash and cash equivalents at end of period	1,071,832	216,412	1,669,780

Nuformix plc

Unaudited Interim Results

Notes to the Consolidated Financial Statements for the six months ended 30 September 2021

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 Accounting Standards as endorsed by the UK Endorsement Board ("IAS").

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 April 2021. Whilst this change constitutes a change in accounting framework, there is no impact on recognition, measurement or disclosure.

The consolidated 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 2021, prepared in accordance with IAS, 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 2021.

The consolidated interim 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 2021, which were prepared in accordance with IFRS as adopted by the European Union. As explained above, although this was a different accounting framework, there is no impact on recognition, measurement or disclosure.

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 consolidated interim 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 March 2023 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 consolidated interim 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 consolidated interim 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 in each of those periods by the legal entity's historical weighted average number of shares outstanding.

	30 September 2021 Unaudited £	**30 September 2020 Unaudited £**	**31 March 2021 Audited £**
Loss after tax	(449,022)	(474,659)	(1,253,497)
Weighted average number of shares	591,609,368	490,145,083	580,629,372
Basic and diluted loss per share	0.08p	0.10p	0.22p

5. Property, Plant and Equipment

	Leasehold improvements £	Computer equipment £	Laboratory equipment £	Total £
Cost or valuation				
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
Disposals	(113,618)	(16,677)	(17,084)	(147,379)
At 31 March 2021	-	1,561	-	1,561
At 30 September 2021	-	1,561	-	1,561
Depreciation				
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
Charge	11,846	917	439	13,202
Eliminated on disposal	(70,317)	(15,209)	(11,351)	(96,877)
At 31 March 2021	-	604	-	604
Charge	-	259	-	259
At 30 September 2021	-	863	-	863
Carrying amount				
At 30 September 2020	55,147	3,342	6,172	64,661
At 31 March 2021	-	957	-	957
At 30 September 2021	-	698	-	698

6. Intangible Assets

	Goodwill £	Patents £	Total £
Cost			
At 31 March 2020	4,023,484	449,611	4,473,095
At 30 September 2020	4,023,484	449,611	4,473,095
At 31 March 2021	4,023,484	449,611	4,473,095
At 30 September 2021	4,023,484	449,611	4,473,095
Amortisation			
At 31 March 2020	-	225,233	225,233
Amortisation charge	-	22,481	22,481
At 30 September 2020	-	247,714	247,714
Amortisation charge	-	38,513	38,513
At 31 March 2021	-	286,227	286,227
Amortisation charge	-	18,228	18,228
At 30 September 2021	-	304,455	304,455
Net book value			
At 30 September 2020	4,023,484	201,897	4,225,381
At 31 March 2021	4,023,484	163,384	4,186,868
At 30 September 2021	4,023,484	145,156	4,168,640

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 2021 Unaudited		30 September 2020 Unaudited		31 March 2021 Audited	
	No.	**£**	**No.**	**£**	**No.**	**£**
Ordinary shares of £0.001 each	591,609,368	591,609	490,145,083	490,145	591,609,368	591,609

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 and 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 UK adopted IAS 34 'Interim Financial Reporting';
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 2021 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 Alastair Riddell
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