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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU WHICH IS PART OF DOMESTIC UK LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (SI 2019/310) ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.



14 December 2021

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

Subscription to raise £1.65 million and Sharing Agreements

Nuformix plc (LSE: NFX), a pharmaceutical development company targeting unmet medical needs in fibrosis and oncology via drug repurposing, announces a conditional subscription to raise £1.65 million (the "Subscription") through the issue of 110,000,000 new ordinary shares of 0.1 pence each in the Company ("Ordinary Shares") at a price of 1.5 pence per Ordinary Share with Lanstead Capital Investors L.P. ("Lanstead"), an institutional investor, together with related sharing agreements. The Subscription is being conducted in two tranches as further described below.

Highlights

- Subscription for 110,000,000 new Ordinary Shares by Lanstead at an issue price of 1.5 pence per Subscription Share (the "Issue Price") to raise gross proceeds of approximately £1.65 million.
- The Issue Price represents a 7.14 per cent. premium to the closing mid-market price of the Company's Ordinary Shares on 13 December 2021, the business day prior to the Subscription being announced.
- The Subscription is being conducted in two tranches. The first tranche of the Subscription comprises 22,000,000 Ordinary Shares (the "First Subscription Shares") for gross proceeds of £330,000 and is being issued utilising the Company's existing authorities to allot Ordinary Shares. The second tranche of the subscription comprises 88,000,000 Ordinary Shares (the "Second Subscription Shares") for gross proceeds of £1,320,000. The issue of the Second Subscription Shares is subject to the approval of the Company's shareholders at a General Meeting to be convened in due course, together with the Company not being required to issue a prospectus for the admission of the Second Subscription Shares to trading on the London Stock Exchange. The Company currently anticipates that, subject to the approval of the Company's shareholders, the Second Subscription Shares will be issued in April 2022.
- The gross proceeds of the Subscription will be pledged by the Company pursuant to two sharing agreements with Lanstead (the "Sharing Agreements"). The Sharing Agreements, details of which are set out below, together entitle the Company to receive back those proceeds on a pro rata monthly basis over a period of 20 months, subject to adjustment upwards or downwards each month depending on the Company's share price at the time. The Sharing Agreements provide the opportunity for the Company to benefit from positive future share price performance.

- The net proceeds of the Sharing Agreements received by the Company will be used primarily to provide funding for:
 - Further research and development activities on its main assets NXP002 and NXP004;
 - Business development activities with potential licensees for both assets; and
 - General working capital.

Commenting, Nuformix's Executive Chairman, Dr Alastair Riddell, said: *"I am delighted by the confidence shown by Lanstead in the future prospects of the Company's products. Their investment will enable the Company to invest in the formal development of NXP002 to be Phase I ready within the 20 month period and to continue the strengthening of the IP around NXP004. Both products address large market opportunities. Importantly, this enables us to hire experienced business development expertise to build on our licensing opportunities for these products to pharmaceutical companies."*

Background to and reasons for the Subscription and use of proceeds

The encouraging results from the set of pre-clinical studies recently announced on NXP002 and NXP004 have increased the Board's confidence in the prospects for its products. These prospects will be further enhanced by further pre-clinical development, including formulation work, toxicology studies and regulatory preparations for Phase I trials. In parallel, business development discussions with prospective partners will help further refine these plans and increase the likelihood of successful deals. The Company's existing resources would not be sufficient to support all the work required to make NXP002 Phase I ready. The Lanstead investment will provide regular monthly funds over 20 months which the Board of Nuformix believe should cover these pre-clinical activities.

The Subscription proceeds will be pledged to Lanstead under the Sharing Agreements pursuant to which the Company is entitled to receive back those proceeds on a pro rata monthly basis over a period of 20 months, subject to adjustment upwards or downwards each month depending on the Company's share price at the time.

A significant factor in Nuformix's decision to enter into the Subscription is that the Sharing Agreements provide the opportunity for the Company to benefit from positive future share price performance. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Whilst the Company notes the corresponding risk that a fall in Nuformix's share price could reduce the amount of proceeds received, as explained below, the Directors expect the Company's pre-clinical progress of its products and business development strategy to make considerable positive advances over the 20-month term of the Sharing Agreements. If these advances are successful, and if the success of these advances is reflected in Nuformix's share price, the Company expects the proceeds to be received back from Lanstead to exceed the amount pledged under the Sharing Agreements although there can be no guarantee that this outcome will occur.

Further information on the Lanstead Subscription

Pursuant to the subscription agreement between the Company and Lanstead, the 22,000,000 First Subscription Shares will be issued to Lanstead at 1.5 pence per Subscription Share for an aggregate subscription price of £330,000 before expenses (the "First Subscription").

The First Subscription proceeds of £330,000 will be pledged to Lanstead under a Sharing Agreement under which Lanstead will then make, subject to the terms and conditions of that Sharing Agreement, monthly settlements (subject to adjustment upwards or downwards) to the Company over four months, as detailed below.

The First Subscription Shares will rank *pari passu* with the existing Ordinary Shares and application has been made to the London Stock Exchange for admission of the First Subscription Shares and the First Value Payment Shares (as defined below) to trading on the Standard Segment of the Official List and the Main Market of the London Stock Exchange ("Admission"). The First Subscription is conditional, *inter alia*, on Admission and there being: (i) no breach of

certain customary warranties given by the Company to Lanstead at any time prior to Admission; and (ii) no force majeure event occurring prior to Admission. Admission and dealings in the First Subscription Shares and the First Value Payment Shares is expected to commence at 8.00am on 17 December 2021.

Subject to shareholder approval at a General Meeting, expected to be convened in January 2022, and the Company's ability to issue the Second Subscription Shares and have them admitted to trading on the London Stock Exchange without requiring the publication of a prospectus, the 88,000,000 Second Subscription Shares will be issued to Lanstead at 1.5 pence per Subscription Share for an aggregate subscription price of £1,320,000 before expenses. The Company currently anticipates that, subject to the approval of the Company's shareholders, the Second Subscription Shares will be issued in April 2022. As such an application for admission of the Second Subscription Shares to trading on the Standard Segment of the Official List and the Main Market of the London Stock Exchange is expected to be made in April 2022.

The proceeds of £1,320,000 received from the issue of the Second Subscription Shares will be pledged to Lanstead under a Sharing Agreement under which Lanstead will then make, subject to the terms and conditions of that Sharing Agreement, monthly settlements (subject to adjustment upwards or downwards) to the Company over 16 months, as detailed below.

As a result of entering into the Sharing Agreements the aggregate amount received by the Company under the Lanstead Subscription and the related Sharing Agreements may be more or less than £1,650,000, as further explained below.

The Sharing Agreements

As part of the Subscription, the Company will enter into the Sharing Agreements with Lanstead, pursuant to which Nuformix will return the gross proceeds of the Subscription to Lanstead. The Sharing Agreements will enable the Company to share in any share price appreciation over the Benchmark Price (as defined below). However, if the Company's share price is less than the Benchmark Price then the amount received by the Company under the Sharing Agreements will be less than the gross proceeds of the Subscription which were pledged by the Company to Lanstead at the outset.

The first Sharing Agreement (the "First Sharing Agreement") provides that the Company, in return for pledging the £330,000 proceeds from the First Subscription Shares, will receive four equal monthly settlement amounts as measured against a benchmark share price of 2.0 pence per Ordinary Share (the "Benchmark Price"). The monthly settlement amounts for the First Sharing Agreement are structured to commence approximately three months following Admission of the First Subscription Shares.

The second Sharing Agreement (the "Second Sharing Agreement") provides that the Company, in return for pledging the £1,320,000 proceeds from the Second Subscription Shares, will receive 16 equal monthly settlement amounts as measured against the Benchmark Price. The monthly settlement amounts for the Second Sharing Agreement are structured to commence one month following the receipt of the final settlement due under the First Sharing Agreement.

If the measured share price (the "Measured Price"), calculated as the average of each day's volume weighted share price of the Company's Ordinary Shares over a 20 day period prior to the monthly settlement date, exceeds the Benchmark Price, the Company will receive more than 100 per cent. of that monthly settlement due on a pro rata basis according to the excess of the Measured Price over the Benchmark Price. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Should the Measured Price be below the Benchmark Price, the Company will receive less than 100 per cent. of the monthly settlement calculated on a pro rata basis and the Company will not be entitled to receive the shortfall at any later date.

For example, if on a monthly settlement date the calculated Measured Price exceeds the Benchmark Price by 10 per cent., the settlement on that monthly settlement date will be 110 per cent. of the amount due from Lanstead on that date. If on the monthly settlement date the calculated Measured Price is below the Benchmark Price by 10 per cent., the settlement on the monthly settlement date will be 90 per cent. of the amount due on that date. Each settlement as so calculated will be in final settlement of Lanstead's obligation on that settlement date.

Assuming the Measured Price equals the Benchmark Price on the date of each and every monthly settlement, Nuformix would receive aggregate proceeds of £1.65 million (before expenses) from the Subscription and Sharing Agreements.

The Company will pay Lanstead's legal costs incurred in the Subscription and in entering into the Sharing Agreements and, in addition, has agreed to issue to Lanstead 2,000,000 new Ordinary Shares (the "First Value Payment Shares") in connection with entering into the First Sharing Agreement and 5,700,000 shares in connection with entering into the Second Sharing Agreement (the "Second Value Payment Shares"). The Second Value Payment Shares are expected to be issued in April 2022 at the same time as the issuance of the Second Subscription Shares.

In no event will fluctuations in the Company's share price result in any increase in the number of Subscription Shares issued by the Company or received by Lanstead. A decline in the Company's share price would not result in any advantage accruing to Lanstead and the Sharing Agreements allows both Lanstead and the Company to benefit from future share price appreciation.

In total, assuming the issue of the First Subscription Shares, the Second Subscription Shares, the First Value Payment Shares and the Second Value Payment Shares, Lanstead will be issued with 117,700,000 new Ordinary Shares pursuant to the Subscription which, when issued, will equate to approximately 16.59 per cent of the Company's then enlarged issued share capital. No shares, warrants or additional fees are owed to Lanstead at any point during this agreement other than those disclosed above.

General Meeting

The issue of the Second Subscription Shares and the Second Value Payment Shares are subject to the approval of the Company's shareholders at a General Meeting. A circular convening the General Meeting will be sent to shareholders in due course and the Company anticipates that the General Meeting will be convened during January 2022.

Total Voting Rights

Following Admission of the First Subscription Shares and the First Value Payment Shares the Company's enlarged issued share capital will comprise 615,609,368 Ordinary Shares with voting rights. The figure of 615,609,368 Ordinary Shares may therefore be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Enquiries

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Notes to Editors

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 I-ready assets with potential for significant value and early licensing opportunities.

About Lanstead

Lanstead is an institutional investor that since 2007 has provided funding for ongoing business objectives to listed small and mid-cap growth companies. Lanstead focuses on equity investments in listed companies with management teams with a clear growth strategy.

Lanstead's extensive experience allows it to invest in most industries, focusing on providing supportive, longer term capital that rewards company growth. Companies with Lanstead on the shareholder register via an equity placement to Lanstead with an accompanying sharing agreement benefit from a unique and flexible approach to finance growth. This provides the opportunity for companies to benefit from additional cash beyond the original placing proceeds without having to issue additional shares.

Further information is available at www.Lanstead.com