Company no. 09632100

nuformix

Nuformix plc

Annual Report and Accounts

For the year ended 31 March 2021

Contents

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Company Information

Directors	Dr Anne Brindley *(Appointed 7 December 2020)* Dr Julian C Gilbert *(Appointed 24 November 2020)* Ms Maddy E Kennedy *(Appointed 2 December 2020)* Dr Alastair J Riddell *(Appointed 24 May 2021)*
Company Secretary	Mr Roger Jones *(Resigned 2 December 2020)* Mr Ben Harber *(Appointed 2 December 2020)*
Registered Office	6th Floor 60 Gracechurch Street, London EC3V 0HR
Auditors	Haysmacintyre LLP 10 Queen Street Place, London EC4R 1AG
Brokers	Allenby Capital Limited (Appointed 22 December 2020) 5 St Helen's Place, London EC3A 6AB
Registrars	Link Group 10th Floor Central Square 29 Wellington Street, Leeds LS1 4DL

Overview

About Nuformix

Nuformix plc ("the Company") and its subsidiary (together "the Group") is a pharmaceutical development group targeting unmet medical needs in fibrosis and oncology via drug repurposing. The Group 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 differentiated from the original (by way of dose, 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.

Chairman's Statement

Dear Shareholder,

I am delighted to write my first statement as Chairman having recently joined Nuformix in May 2021. This has been a year of change and progression for the Company and its leadership. At the end of 2020, the team was enhanced with the appointment of Dr Anne Brindley as CEO and Executive Director of the Company and this followed the earlier appointments of two Non-Executive Directors in November and December, respectively, of Dr Julian Gilbert and Ms. Madeleine Kennedy. A key priority for the Group was to establish strength in the areas of drug development, business development and financial control and with these key appointments we can now look forward to driving the value we all see in Nuformix. In February 2021 Dr Chris Blackwell resigned as Non-Executive Chairman for personal reasons and post period in May 2021 further Board changes were announced confirming Dr Karl Keegan's resignation to focus on his other executive role and Dr Joanne Holland resigned as a Director and employee of the Company from the end of May 2021 in order to pursue other opportunities. Jo remains as a consultant to Nuformix to advise, in particular, on solid form science and patenting.

In December 2020, the Company was pleased to announce the appointment of Allenby Capital Limited as the Company's sole broker, providing access for Nuformix to a broad spectrum of investors including institutional investors, family offices, private client brokers and high net worth individuals. The appointment of Allenby also brought, for the first time, initiation of research for the Company.

In the period, the Company completed two equity fundraises of £0.65m, before expenses in October 2020 and £1.56m, before expenses in March 2021 and these funds are being used to continue to advance and exploit the current assets within the portfolio. These raises enable the foundation of the Company's strategic aims under the new leadership that has been established over the last 9 months.

The Group currently has three assets in its pipeline with a focus in fibrosis and oncology and more detail is given in the CEO statement. This is an early-stage pipeline of preclinical and Phase 1-ready assets with potential for significant value and early licensing opportunities and our focus is now to take each of our assets to key value inflection points before partnering or licensing. The Group conducts its R&D via a fully virtual operating model, outsourcing to a network of external contractors (CROs, consultants) with whom the company has long-standing relationships. This lean model helps minimise the cost base and prioritise use of funds for project activities.

I am delighted to be able to join Nuformix at this exciting time in its history as it develops its portfolio of new versions of established products for new and important therapeutic indications and I look forward to helping the Group progress these opportunities to value creation for shareholders in the next few years. I recognise there has been a series of changes over the years and what is needed now is stability and growth. I feel there is real optimism and commitment in the new team to progress our products to significant value creation, helped by the recent fund raise, which puts the company on a solid foundation. From my perspective the company has the strategic skills and expertise to reduce development risk with its portfolio of products and a plan to achieve considerable commercial interest in the next few years and thus generate real return for shareholders.

On behalf of the Board, I would like to thank all stakeholders and shareholders for their support and I look forward to the next year with optimism.

Dr Alastair J Riddell
Non-Executive Chairman

14 July 2021

Chief Executive Officer's Statement

Overview

At Nuformix, we are targeting high unmet medical needs in fibrosis and oncology via drug repurposing. We do this through using our expertise to discover, develop and file patent applications on novel drug forms of existing, marketed drugs, that have improved physical properties, with the aim of developing novel products in new indications to bring attractive commercial opportunities. Importantly, the commercial opportunity is optimised when the repurposed product is differentiated from the original marketed drug by way of either dose, route of administration or presentation. Although we specialise in fibrosis and oncology, our repurposing technology and know-how can be universally applied to any therapy area.

Drug repurposing is a well-known and successful strategy for enhancing the therapeutic and commercial value of marketed drugs, and their development typically brings a greater probability of success compared to developing brand new drugs, due to the existing data that has been generated on the marketed drug. This existence of data may also result in lower overall development costs and shorter development timelines.

Nuformix has an early-stage pipeline of preclinical and Phase 1-ready assets with potential for significant value and early licensing opportunities. Our lead programme is NXP002 and is in the pre-clinical stage of development. It is a new form of the drug tranilast, that we are developing as an inhaled product to address unmet needs in Idiopathic Pulmonary Fibrosis (IPF). The other portfolio assets are targeted towards oncology and are NXP001, in the Phase 1-ready stage and NXP004 in the research phase. The Group's business model is to take these assets to key value inflection points before partnering or licensing. We conduct all our R&D activities through out-sourcing, to enable us to access the different types of expertise that are needed for drug R&D and to minimise our operational costs. We have a strong-network of external contractors, with whom we have had relationships over many years.

Pipeline

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, which is at an earlier stage in its examination, for which, post period, we received a Notice of Allowance in the US. NXP002, as a potential treatment for IPF, is a likely candidate for Orphan Drug Designation which could provide additional product protection against potential competitors. The positioning of such an inhaled treatment for IPF could be either added to standard of care or administered as a monotherapy.

The Group has undertaken preclinical studies, through its continued collaboration with the Newcastle Fibrosis Research Group (a multi-disciplinary research group at Newcastle University, UK), to determine the ability of NXP002 to inhibit key markers of fibrosis and inflammation in a preclinical model utilising human lung slices taken from IPF patients post-lung transplant. These studies have yielded positive data underpinning the potential of NXP002 as an IPF treatment, including potential for use in combination with Standard of Care therapy and data generated support continuing to develop this asset. The raising of £1.56 million, before expenses, in March 2021 will fund the continued preclinical development of NXP002 to generate a more robust data package with the goal of increasing the value of this asset and rendering it more attractive to licensing partners. The funds raised will enable the Company to determine the feasibility of NXP002 as an inhaled formulation. Post-fund raise (and post-period), work has commenced on manufacturing further supplies of NXP002 to be used in formulation development activities, nebulisation feasibility studies and in vivo studies. In addition, contracts are in place for and work is ongoing on a programme of preclinical pharmacokinetic and pharmacodynamic studies in relevant in vivo models designed to demonstrate that NXP002 has appropriate properties for use as an inhaled therapy for IPF. These studies, once complete, will collectively form an inhalation feasibility package, referred to as the first inflection point in the future development plan for NXP002. If positive data are generated, this package may be used as a platform for further business development and licensing discussions with suitable globally focused partners (pharma companies, biotech).

Although business development discussions in Asia have taken place during the period, the Group's strategy, to maximise the value of this asset, is to generate a more robust preclinical data package for NXP002, to provide a more attractive licensing package to facilitate a structured out-licensing approach to include all territories.

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 granted patents on its 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 6-month option to license NXP001 globally for repurposing in oncology. On 23 March 2021 Oxilio exercised the option and a global license deal is under negotiation. Once agreed, Nuformix will license 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.

Chief Executive Officer's Statement

continued

NXP004 (new forms of undisclosed drug) – Oncology

The Group has discovered novel forms of an undisclosed marketed oncology drug that has significant sales (more than £1 billion per annum in 2020) and is showing further growth. The Group has filed one patent application on these novel forms and post-fund raise, further research on other new forms and their properties is ongoing. Should the data from this further research warrant it, the Group may file an additional patent application and, if the patent applications on these new forms are granted, there is potential for patent expiry to extend to 2040/2041. Further research is ongoing and if it is positive, 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.

While there is literature data and preliminary preclinical data generated by the Group providing evidence for this drug's potential activity in fibrosis, it is the Group's strategy that in order to derive most value from the NXP004 asset, the opportunities in oncology (the original marketed indication) should be exploited as a priority.

Capital

The success of the two fundraises in the year will enable us 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 are actively continuing on both NXP002 and NXP004, while business development activities are focused on securing the license agreement for NXP001.

The Group is also continuing to seek non-dilutive grant funding for its early-stage assets that, if successful, will enable further investment in the Group's pipeline to accelerate development. The Group applied for an Innovate UK Smart Award grant in January 2021 and, due to the highly competitive nature of these grants, it was, unfortunately, unsuccessful. However, post-period we have re-submitted the application, taking into account feedback and the outcome is expected in Q3, 2021.

Current prospects and outlook

The current strategy of the Group is to optimise value from its existing assets while maintaining tight control of costs. The Group plans to achieve this by progressing activities on its three priorities:

- progressing further preclinical work on its lead asset, NXP002, to deliver a more robust data package to potentially increase this asset's value and attractiveness to partners/licensees. Should the data be positive, this would facilitate further licensing or partnering activities;
- pursuing licensing of NXP001; and
- conducting further research/patent application filing on NXP004 to provide a potential IP licensing opportunity.

At the appropriate time for each asset, the Group plans to conduct business development/licensing activities for all three assets using a structured and data-driven approach, with the goal of seeking global licensing deals.

Chief Executive Officer's Statement

continued

The past year has been one of significant re-focus for the Group. Including post-period events, the Board and Executive Management has completely changed and I believe we have a strong leadership in place to take the company forward. However, we have ensured that, despite these changes, we have retained continuity and expertise and I am pleased that Dr Joanne Holland, who resigned post-period and was a co-founder of Nuformix and CSO for many years, is remaining as a consultant to the Group to provide expertise on solid form science and patenting as needed.

Finally, on behalf of the Board, I am grateful to all our shareholders for their patience as the new leadership reshapes the company to deliver on its new strategy and I would like to sincerely thank all of you for your ongoing support.

Dr Anne Brindley
Chief Executive Officer

14 July 2021

Strategic Report

Review of the business

A review of the year is given in the Chairman's Statement and the Chief Executive Officer's Statement on pages 4 to 8.

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 Group'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 Group.

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 Group aims to execute licensing deals early in the development process in order to generate revenue to support the business. The Group's lead asset is targeted towards IPF, a disease area where there is good precedent for licensing deals at early stages of development. Without licensing revenue, reliance falls on raising funds from investors or potential M&A opportunities. Failure to generate additional funding from these sources, if required, would compromise the Group's ability to achieve its strategic objectives as set out in the outlook on page 7. There is a material uncertainty around achieving early licensing deals and, if needed, raising additional funds, however it is 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 the approval of the accounts. In forming this assessment, the Directors have prepared cashflow forecasts covering the period ending 31 March 2023 that take into account the likely run rate on overheads and research and development expenditure and the prudent expectations of income from out-licensing rights to its programmes.

- Feasibility of drug candidates

  - Potential impact and mitigation:
    Pharmaceutical R&D is an inherently risky activity and drug candidates can fail due to a lack of efficacy, lack of potency, unsuitable pharmacokinetic properties, unacceptable toxicology profile, poor stability of the drug or formulation, poor performance of the drug product, or other technical issues unforeseen at the time of candidate selection. This is the main reason that conventional pharmaceutical R&D takes many years and billions of dollars to progress a drug from discovery through to an approved medicine. It is possible that the drug candidates selected by the Group are found to be non-viable for further development although the Group's model of repurposing and working on known drugs allows us to mitigate this risk to a certain extent.

- Failure to generate and 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 Group constantly monitors its patents and is prepared to defend them rigorously.

By virtue of conducting research on known drugs, competitors may file patent applications on the same drugs as the Group, and thus there is a risk of securing new granted patents. There is a delay of up to 18 months in publishing patent applications and thus it is not always known whether the Group's inventions will be novel. This is mitigated through knowledge and expertise in identifying new IP and promptly filing patent applications.

- Unrealistic goals and timeframes
  - The Group's executive management has a duty to the Board and the Group'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 Group and its Board and staff risk financial, business and reputational damage, whilst its shareholders become exposed to investment risk and uncertainty over the Group'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, financial and otherwise, that are not necessarily available to the Group. The drug candidates that the Group wishes to develop may be of interest to third parties capable of providing these resources, so a partnership (e.g., a co-development partnership) may provide mutual benefits and mitigate risks for the Group. However, the specific strategic focus of a partner may not align totally with the Group's objectives. Maintaining a balance in a partnership is therefore a risk, such as timing, cost sharing, development decisions. Currently the Group is progressing its 3 pipeline assets without external co-development partners and thus this risk is currently minimised.

Operational risks

- Management and employees
  - Potential impact and mitigation:

    With a fully virtual Group operating model with few employees, the Group's ability to manage day to day tasks and its relationships with its customers and suppliers could be undermined by failure to retain or recruit key Executives or employees. The Group endeavours to offer attractive remuneration and a positive working environment for staff. 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 value from the portfolio have increased but there is a need to generate further data to make the assets as attractive as possible to potential licensees. The Group seeks to extract value from its existing pipeline through early licensing deals once sufficient data are generated, to provide revenue. Generation of more robust data packages will lead to a greater probability of successful licensing discussions.

Strategic Report
continued

- Adapting to the external environment – COVID-19

  o Potential impact and mitigation:

  The ability of the Group to quickly adapt to external events such as the outbreak of COVID-19 may impact the delivery of our strategy. The pandemic could cause further impact to external research. Our primary focus remains the safety of our employees. The Group follows Government advice whilst allowing employees to work flexibly. The risks are also minimised by the Group's virtual business model, allowing the Executive management and Board to work remotely and effectively. Close liaison with contractors ensures that Group projects are progressed according to agreed timelines and costs.

- 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

  o 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 22 of the financial statements.

Financial Highlights

- Net assets at year-end of £5,686,261 (2020: £4,742,520) which includes £1,669,780 cash at bank (2020: £543,772)

- The Group delivered a loss on ordinary activities (after tax credit) of £1,253,497 (2020: loss of £756,376) and a loss per share of 0.22p (2020: 0.16p). The reported loss is driven mainly by costs related to the further development of pipeline assets

- Total revenue of £195,550 (2020: £535,000)

Future outlook

The Chief Executive Officer's Statement on pages 5 to 8 gives information on the outlook of the Group.

Performance

The following are the key performance indicators ("KPIs") considered by the Board in assessing the Group's performance against its objectives. These KPIs are:

Financial KPIs

The Group is currently at a stage where the Board considers availability of cash to fund the planned R&D activities to be the primary KPI. At 31 March 2021 cash balances totalled £1,669,780 (2020: £543,772). The Board will consider introducing additional KPIs to monitor the Group's development as they become relevant in the future.

- *Meeting financial targets:*

  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 22 of the financial statements.

- *Revenue from collaborative technology licensing agreements:*

  During the year, collaborative agreements with third parties entailed providing fee-for-service work and applying Nuformix know how to their proprietary products. This has provided Nuformix with limited short-term revenue streams.

  During the year, collaborations/fee for service work was completed with Ebers Tech Inc. and Vistagen Inc. However, the future Group strategy is to prioritise its resources on progressing its own portfolio to generate licensing revenue.

Non-Financial KPIs

- *Progress of Lead Programmes:*

  The Group strategy is to generate revenue streams through applying and further developing its IP to produce proprietary product opportunities for short-term development and early out-licensing opportunities. Thus, progression of its assets towards licensing is crucial to the business.

  NXP002: During the year the Group prioritised the development of NXP002, its IPF candidate, and generated further preclinical data. Post-period, studies are ongoing to provide a more robust data package for potential early licensing. Progression of the planned R&D and potential licensing discussions (if the data are positive) are important performance indicators.

  NXP001: Following successful completion of initial Phase 1 studies of this new form of aprepitant, the Group secured an Option agreement with Oxilio to license the IP for oncology indications. Securing the full licensing agreement is an important performance indicator.

  NXP004: During the year, the Group discovered new forms of an undisclosed oncology drug and has filed one patent application. Further research is ongoing and completing this and potentially filing a further patent application is an important performance indicator. The Group also performed pre-clinical pilot studies to investigate the potential of this drug as a treatment for fibrosis with Newcastle Fibrosis Research Group (NFRG). However, it is the opinion of the Group that the priority is to evaluate the opportunity in oncology as an improved version of the existing drug.

Strategic Report

continued

- *Co-development with third parties:*

  Co-development of generic products with third parties, where Nuformix's know how or IP could provide extended patent protection is a potential business model although the Group is prioritising its resources on progressing its own portfolio to generate licensing revenue.

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The Board considers the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, environment and the Group's reputation, when making decisions. The Board ensures that its decisions offer the best chance to promote the success of the Group as a whole and consider the likely and long-term consequences for all stakeholders, particularly (though not exclusively) considering the following:

- How the views and interests of all stakeholders were represented in the boardroom during the year. Open and honest discussion at Board level between management and the Directors considers the impact on the Group's stakeholders when reviewing items flowing to the Board as part of its activities, whether this is reviewing strategy, budget or a business development opportunity
- Given the size and stage of development of the Group, the Board has not formally adopted a mechanism to obtain stakeholder feedback. However, the Group's Senior Independent Director can be contacted at info@nuformix.com should any stakeholders wish to contact the Group
- The Group's strategy and business model detailed in the Chief Executive Officer's Statement, on pages 5 to 8
- How the Group manages risks, on pages 9 to 11
- Corporate governance, on pages 16 to 20, including how governance supported the delivery of our strategic objectives in this period

Employment without discrimination

The Group is committed to recruitment of employees based on aptitude and ability. We hire and promote our people regardless of gender, orientation, origin, creed, disability or any other inappropriate discrimination.

Environmental and social

In our day-to-day business, we commit to comply with applicable environmental laws. The direct impact of our operations is low. We also aim to undertake good housekeeping practices such as reducing energy consumption, using sustainable resources and recycling waste.

The Strategic Report was approved by the Board on 14 July 2021 and signed on its behalf by:

Dr Alastair J Riddell
Non-Executive Chairman

14 July 2021

Dr Alastair J Riddell, Non-Executive Chairman

Alastair has a wealth of leadership experience in public and private biotech companies, gained over 30 years in the pharmaceutical, life science and biotech industries, with 20 years as a Board Director. After beginning his career as a medical doctor in hospital and general practice, he moved into clinical development for Lederle (now Pfizer) and Centocor (now J&J) and then sales and marketing for Amersham International (now GE Healthcare). This led to 12 years as CEO for three UK biotech companies, Pharmagene, Paradigm Therapeutics and Stem Cell Sciences, where he led significant fundraises including an IPO on the LSE main list and trade sales to Takeda in Japan and Stem Cells Inc. in the USA. He has also had several roles in UK government initiatives including assessing projects for Innovate UK funding. He then moved to Non-Executive roles including for NASDAQ-listed AzurRx (AZRX), Cristal Therapeutics and was Chairman of AIM quoted Feedback plc and Nemesis Biosciences. Alastair has a BSc from Aston University, a MSc and MBChB from the University of Birmingham and an Honorary Degree of Doctor of Science from Aston University.

Committees: Alastair is Chair of the Remuneration Committee and a member of the Nomination and Audit Committees.

Dr Anne Brindley, Chief Executive Officer

Anne has over 30 years' experience in Big Pharma, Biotech and smaller R&D companies, with a proven international track record of leading organisations through strategic change and driving projects and portfolios through discovery and development to market.

Anne was previously CEO of Advent Pharmaceuticals Pty Ltd, Melbourne, Australia, a specialty R&D company focused on generic inhaled products for global markets. In that role, Anne led a successful sale of the products and assets to AuroScience Pty Ltd, Melbourne, Australia, a wholly owned subsidiary of Aurobindo Pharma USA Inc. She subsequently became CEO of AuroScience Pty Ltd.

Before moving to Advent, Anne was a Board member and Managing Director of Respivert Ltd, a subsidiary of Janssen Pharmaceuticals (part of Johnson & Johnson, Inc), where she was responsible for leadership and operations of the company, including discovery/development programmes spanning three novel classes of drug for idiopathic pulmonary fibrosis, chronic obstructive pulmonary disease and asthma, as well as out-licensing activities. Prior to this, Anne occupied the role of Vice President and Head of Inhalation Products.

Anne's earlier career included roles as Executive Vice President, Pharmaceutical Development & Project Management at Skyepharma plc, a specialty pharma company based in Switzerland, developing innovative oral and inhalation products, where she led activities to secure approval in Europe for the inhaled asthma treatment, flutiform®. She also spent 14 years at AstraZeneca – most of that in senior roles in Product Development in the UK and Sweden, but also as a Global Product Director in oncology. At AstraZeneca, Anne played a significant role in the development and US approval of Symbicort®, an inhaled therapy for asthma. Prior to that Anne worked at GlaxoSmithKline plc in their respiratory group. She has a 1st class honours degree in Pharmacy from the University of Bath and a Ph.D., in drug delivery from the University of Nottingham.

Board of Directors

continued

Dr Julian C Gilbert, Non-Executive Director

Dr Julian Gilbert, Non-Executive Director, has more than 30 years of commercial and technical experience in the pharmaceutical industry gained at a number of companies including Chiroscience, Mundipharma International, BTG and GSK. Most recently, Julian was co-founder and CEO of Acacia Pharma Group (Acacia), a leading hospital pharmaceuticals company, raising approximately £100 million in private and public funding and leading its flotation on Euronext in 2018. Acacia launched its lead product BARHEMSYS®, repurposed amisulpride for the management of PONV, in the US in 2020. Prior to this, he was co-founder and Commercial Director of Arakis, a specialist pharmaceutical company repurposing known drugs, that was sold to Sosei in 2005 for £107 million, having licensed Seebri®/Ultibro® to Novartis. Julian is currently a Non-Executive Director of Exvastat. Julian has a degree in pharmacy and a PhD in pharmaceutics, both from the University of Nottingham.

Committees: Julian is Chair of the Nomination Committee and a member of the Remuneration and Audit Committees.

Ms Maddy E Kennedy, Non-Executive Director

Maddy Kennedy, FCCA, is an experienced CFO with a background in the life sciences sector in both public and private companies with experience in fundraising, financial modelling, M&A and IPO activities. Maddy is currently CFO at Arquer Diagnostics, her previous roles include being CFO and/or Board Director at MyHealthChecked plc, Ieso Digital Health Ltd, PsiOxus Therapeutics Ltd and Lab21 Limited and was Finance Director at Alliance Pharma plc, taking it through its IPO.

Committees: Maddy is Chair of the Audit Committee and a member of the Nomination and Remuneration Committees.

Corporate Governance Report

I am pleased to present the Corporate governance report for the year ended 31 March 2021. This section of the Annual Report provides a description of our corporate governance structure and processes whilst setting out their application throughout the year ended 31 March 2021.

The Board considers that the Group has complied with all of the provisions of the UK Corporate Governance Code throughout the year ended 31 March 2021, except as follows:

- The Group currently has four Directors, one employee (who is also a Director) and four consultants or agency workers; therefore, the Board has chosen not to implement a policy on Diversity and Inclusion. However, as the Group continues to grow, the Nominations Committee will continually review this aspect of the Code. The Board currently has an even male : female split (2 male : 2 female).
- Given the changes to Board composition during the year it was felt that a board evaluation would not provide added value and therefore the Board has agreed to conduct a performance review next year with a more settled Board.
- Given the size of the Board, the Chairman is a member of the Audit committee.

Board of Directors

The Board is responsible to the Group's shareholders for the performance, overall strategic direction, values and governance of the Group. It provides the leadership necessary to enable the Group's business objectives to be met within the framework of the internal controls detailed in the report.

Composition

The Board currently comprises three Non-Executive Directors, Dr Alastair Riddell, Dr Julian Gilbert and Ms Maddy Kennedy, and one Executive Director, Dr Anne Brindley. Collectively the Board's aim is to increase the value of the Group and ensure its guidance and governance is enhanced through an appropriate Board structure and experienced executive management.

Brief biographies of the Directors appear on pages 14 to 15.

Dr Alastair Riddell is the Chairman and is responsible for the effective running of the Board, including setting the Board's agenda and ensuring that all matters relating to performance and strategy are fully addressed. The role description of the Chairman is documented and has been approved by the Board.

Non-executive Directors

Each Non-Executive Director is appointed for an initial term of one year. Subject to agreement, satisfactory performance and re-election by shareholders, their appointments may be renewed for further terms of one year.

Director independence and commitment

In the opinion of the Board, Dr Alastair Riddell, Dr Julian Gilbert and Ms Maddy Kennedy are considered to be independent in character and judgement and there are no relationships or circumstances that are likely to affect (or could appear to affect) their judgement.

Directors' conflicts of interests

The Company's Articles of Association allow the Directors to authorise conflicts of interest and a register has been set up to record all actual and potential conflict situations which have been declared. All declared conflicts have been approved by the Board. The Group has instituted procedures to ensure that Directors outside interests do not give rise to conflicts with its operations and strategy.

Corporate Governance Report
continued

Where there are any conflict of interests, the relevant director does not participate in Board discussions or decisions on such matters and minutes relating to such matters are not circulated to those individuals.

The Board is of the view that the Chairman and each of the Non-Executive Directors who held office during the 2021 financial year committed sufficient time to fulfil their duties as members of the Board.

Senior Independent Director

The Board considers Dr Julian Gilbert to be the Senior Independent Director, effective 9 July 2021.

Director re-election

In order to comply with the UK Corporate Governance Code, all Directors will offer themselves for re-election by shareholders at each AGM.

Board support

There are agreed procedures for the Directors to take independent professional advice, if necessary, at the Group's expense. All Directors have access to the advice and services of the Company Secretary. In addition, newly appointed Directors are provided with comprehensive information about the Group as part of their induction process.

While no formal structured continuing professional development programme has been established for the non-executive Directors, every effort is made to ensure that they are fully briefed before Board meetings on the Group's business. In addition, they receive updates from time to time from the executive Directors on specific topics affecting the Group and from the Company Secretary on recent developments in corporate governance and compliance. The Group also arranges Director training, from time to time, on Corporate Governance topics and general Director's responsibilities. Each of the Non-Executive Directors independently ensures that they update their skills and knowledge sufficiently to enable them to fulfil their duties appropriately.

The Board has adopted a schedule of matters reserved to it for approval. These include the approval of changes to the issued share capital, any material changes in the nature or scope of the business of the Group, any borrowing or raising of money by the Group which would result in the aggregate borrowing of the Group exceeding £100,000 and any lending or giving security on behalf of any shareholder or associate of any shareholder of the Group. If required the Board may delegate specific responsibilities to a subcommittee with defined terms of reference who will then report back to the full Board at a subsequent meeting.

Board effectiveness

Given the changes to Board composition during the year it was deemed that a board evaluation review would not provide added value and therefore the Board has agreed to delay a performance review until next year.

Board meetings

Six scheduled Board meetings were held during the 2021 financial year. The Board currently has six scheduled meetings for the coming financial year. At each scheduled meeting, the Board considers a report from the CEO on current operational, risk, strategic and health and safety matters, as well as a financial and human resources report. Papers for each scheduled Board meeting are usually provided during the week before the meeting.

Corporate Governance Report

continued

Attendance at Board meetings

The following were Directors of Nuformix plc during the year. The list includes the attendance at the scheduled meetings during the year.

	Board	*Audit Committee*	*Nomination Committee*	*Remuneration Committee*
Meetings held	**6**	**3**	**3**	**2**
Dr Julian Gilbert*	2 (2)	2 (2)	1 (1)	–
Dr Dan Gooding**	3 (3)	–	–	–
Dr Anne Brindley*	2 (2)	–	–	–
Dr Joanne Holland	6	–	3	–
Ms Maddy Kennedy*	2 (2)	–	–	–
Dr Chris Blackwell**	5 (5)	3	3	2
Dr Karl Keegan**	6	3	–	2

Certain directors were appointed (*) or resigned (**) during the financial year and therefore were not eligible to attend all meetings. Figures in brackets denote the maximum number of meetings that could have been attended.

Board committees

The Board has Audit, Remuneration and Nomination committees. During 2020, the Disclosure Committee was reconstituted as a sub-committee of the Audit Committee.

Each Board committee has established terms of reference detailing its responsibilities and powers. These are available in the Investors section at www.nuformix.com.

Audit Committee

In its obligation to establish formal and transparent arrangements for considering risk management and internal controls in addition to maintaining an appropriate relationship with the Group's auditors, the Board has established an Audit Committee. This currently comprises Ms Maddy Kennedy as Chair with Dr Julian Gilbert and Dr Alastair Riddell as members. All members of the Committee have been deemed to possess competence relevant to the sector in which the Group operates and Maddy Kennedy has recent and relevant financial experience.

The Chair of the Committee may invite non-members to attend Committee meetings and these typically include a representative of the Group's external auditor and the CEO. Details of Audit Committee meeting attendance and number of meetings held can be found on page 18. The Committee Chair also provides a report to the Board at each scheduled Board meeting following any Audit Committee meeting.

The terms of reference for the Committee take into account the requirements of the Code and are available at www.nuformix.com. The current composition of the Committee meets the requirement set out for smaller companies. A key role of the Committee is to assist the Board with the discharge of its responsibilities in relation to the Group's financial statements in the areas set out below.

Corporate reporting

The Committee monitors the integrity of the financial statements of the Group and formal announcements relating to the Group's financial performance, reviewing significant financial reporting judgements contained therein. It reviews the draft annual financial statements and half year results statements prior to discussion and approval by the Board. It also reviews the external auditor's detailed reports on these statements.

Corporate Governance Report
continued

The Committee then reports to the Board on matters which it believes the Board should consider in ensuring the publication of the financial reports provide a fair, balanced and understandable assessment of the Group's position. The Committee also considers the findings reported to it by the external auditor's process.

The Group has control mechanisms in place for the engagement of the external auditor in the supply of non-audit services. These controls ensure that the objectivity and independence of the external auditor is monitored and maintained in projects of a non-audit nature. These controls are reviewed annually to consider their continued appropriateness and effectiveness. It is, however, acknowledged that, due to their detailed understanding of the Group's business, it may sometimes be necessary or desirable to involve the external auditor in non-audit related work to the extent permitted.

Internal control and risk management

Risk management and internal controls is a standing agenda item for each Audit Committee meeting. The Committee reviews the effectiveness of the internal controls throughout the year and will take any necessary actions should any significant failings or weaknesses be identified. Details of the principal risks and uncertainties potentially facing the Group can be found in the Strategic Report on pages 9 to 13.

Given the size and current stage of development of the Group, the Board acknowledges that it is ultimately responsible for ensuring the Group's systems of internal controls and risk management remain effective.

The Board continues to assess:

- Risks
- Financial performance
- Governance
- Performance of the External Auditor

Remuneration Committee

The Board has established a Remuneration Committee in order to set formal and transparent procedures and policies for development of Directors' remuneration packages. The Remuneration Committee currently comprises Dr Alastair Riddell as Chairman with Dr Julian Gilbert and Ms Maddy Kennedy as members.

The terms of reference for the Committee consider the requirements of the Code and are available at www.nuformix.com.

The Group's Remuneration Report can be found on pages 21 to 24.

Nomination Committee

The Group's Nomination Committee comprises Dr Julian Gilbert as Chairman with Dr Alastair Riddell and Ms Maddy Kennedy as members. The Committee is responsible for assisting the Board in determining the composition and make- up of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors, as the need arises. The selection process is, in the Board's view, both rigorous and transparent in order to ensure that appointments are made on merit and against objective criteria set by the Committee. In reviewing potential candidates, the Committee considers the benefits of diversity the Board, while ensuring that appointments are made based on merit and relevant experience.

The Committee, in consideration of skills and succession planning, looks at the balance, structure and composition of the Board and takes into account the future challenges and opportunities facing the Group.

The Nomination Committee meets as required, but at least once each year. The terms of reference for the Committee are available at www.nuformix.com.

Disclosure Sub-committee

During 2020, the Board saw the need to reconstitute the Disclosure Committee as a sub-committee of the Audit Committee.

The Disclosure Sub-committee has responsibilities that include the maintenance of procedures, systems and controls for inside information, ensuring that all regulatory announcements, shareholder circulars and other regulatory documents are properly scrutinised to ensure compliance with applicable requirements and monitor compliance with the Group's Disclosure Procedures. The terms of reference for the sub-committee consider the requirements of the UK Listing Rules (LRs) and the Disclosure Guidance and Transparency Rules (DTRs) and are available at www.nuformix.com. The role of the Sub-committee is to assist the Board with the discharge of its responsibilities in relation to the Group's financial statements.

The sub-committee meets as required, but at least once each year.

Shareholder Communications

The Board communicates with shareholders via RNS announcements, other appropriate communications platforms and where possible responding to email enquiries from shareholders. Additionally, the Board uses the AGM as an occasion to communicate with all shareholders who are provided with the opportunity to ask questions. At the AGM, the level of proxy votes lodged on each resolution is made available, both at the meeting and subsequently on the Group's website. Each substantially separate issue is presented as a separate resolution. The Committee Chairmen are available to answer questions from shareholders. The website also contains general information on the Group's business, its technology, strategy, business model and R&D activities.

Financial Reporting

The Directors have acknowledged, in the Statement of Directors' Responsibilities set out on page 28, their responsibility for preparing the financial statements of the Group. The external auditor has included, in the Independent Auditor's Report set out from page 30 to 35, a statement about its reporting responsibilities.

The Directors are also responsible for the publication of a half year report for the Group, which provides a balanced and fair assessment of the Group's financial position for the first six months of each accounting year.

Dr Alastair J Riddell
Non-Executive Chairman

14 July 2021

Remuneration Report

Introduction from the Chairman

I am pleased to present our report on Directors' remuneration for 2021, which includes amounts actually paid to Directors in 2021, on which shareholders will be asked to vote in an advisory manner at the Annual General Meeting in August 2021. It includes information subject to audit. The members of the Remuneration Committee are Julian Gilbert, Maddy Kennedy and myself as the Committee chairman. The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Group and the expected contribution of the Board in continuing to achieve the commercial and corporate development objectives as per the Strategic Report. The current Remuneration Policy was approved by shareholders at the Annual General Meeting held in September 2018. The Group is permitted only to make a payment to a Director if that payment is in line with the policy. Shareholders will also be asked to vote on the Remuneration Policy at the Company's AGM and further details can be found on page 63.

The Remuneration Policy has been established following receipt of advice from suitably qualified and experienced professionals and can be found on pages 25 to 26.

Dr Alastair J Riddell
Chairman of the Remuneration Committee

14 July 2021

nuformix

Remuneration Report

continued

Remuneration for the year ended 31 March 2021

The remuneration tables below (which have been subject to audit) set out amounts paid to each Director during the financial years ended 31 March 2021 and 31 March 2020:

	2021			
	Annual salary/fees £'000	*Bonuses £'000*	*Pension contributions £'000*	*Total £'000*
Dr Dan Gooding	*90	–	1	91
Dr Joanne Holland	96	–	1	97
Dr Anne Brindley	29	–	–	29
TOTAL	215	–	2	217
Dr Chris Blackwell	39	–	–	39
Dr Karl Keegan	39	–	–	39
Dr Julian Gilbert	9	–	–	9
Ms Maddy Kennedy	9	–	–	9
TOTAL	96	–	–	96

* Included within salary is £20,000 in respect compensation for loss of office

	2020			
	Annual salary/fees £'000	*Bonuses £'000*	*Pension contributions £'000*	*Total £'000*
Dr Dan Gooding	120	–	1	121
Dr Joanne Holland	110	–	1	111
TOTAL	230	–	2	232
Dr David Tapolczay	30	–	–	30
Prof John Lidgey	20	–	–	20
Mr Kirk Siderman-Wolter	16	–	–	16
Dr Chris Blackwell	45	–	–	45
Dr Karl Keegan	6	–	–	6
TOTAL	117	–	–	117

Remuneration of CEO since listing:

Year	*Remuneration £'000*	*Annual bonus £'000*	*SBP charge £'000*	*Total £'000*
2021 (Dr Anne Brindley)	29	0	0	29
2021 (Dr Dan Gooding)	91	0	0	91
2021 Total	120	0	0	120
2020	121	0	0	121
2019	126	5	323	449
2018	111	0	272	383

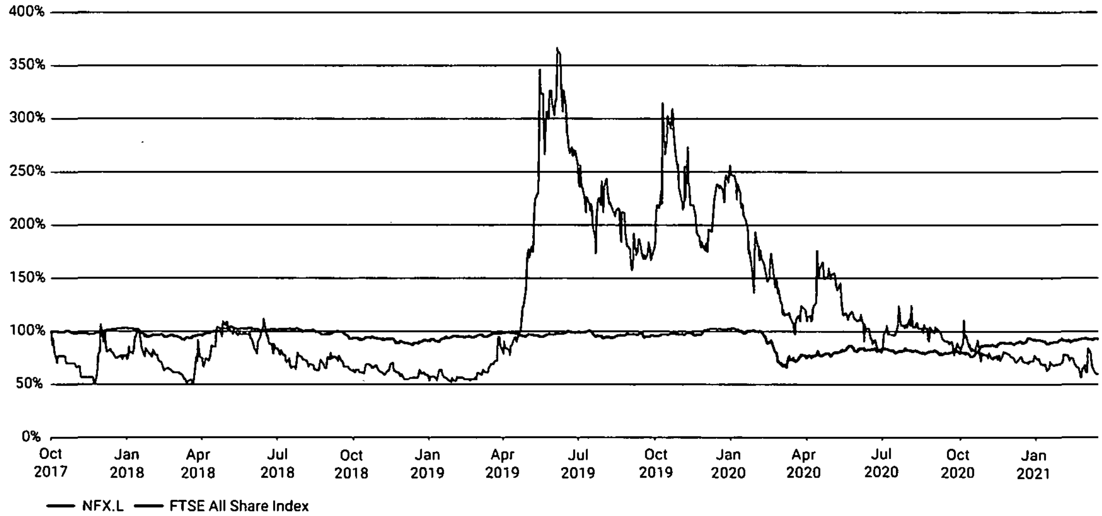
Remuneration Report

continued

Performance graph

The Committee considers the FTSE All-Share Index a relevant index for Total Shareholder Return and comparison disclosure as it represents a broad equity market index of which the Company is a member.

The performance graph below shows the Company's Total Shareholder Return performance for the years since Nuformix listing in October 2017.



Non-Executive Directors' letters of appointment

The following table provides details of the Non-executive Directors' letters of appointment:

Name	*Date of Appointment*
Dr Julian Gilbert	24 November 2020
Ms Maddy Kennedy	2 December 2020
Dr Alastair Riddell	24 May 2021

The Non-executive Directors' letters of appointment provide for termination by either party by giving the other not less than one months' notice in writing and the Executive Directors' letters of appointment provide for termination by either party by giving the other not less than six months' notice in writing. Each Non-executive Director is appointed for an initial term of one year. Subject to agreement, satisfactory performance and re-election by shareholders, their appointments may be renewed for further terms of one year.

Remuneration Report

continued

Directors' interests in shares

The beneficial interests of the Directors in the ordinary shares of the Company are set out below:

	As at 31 March 2021 Number of ordinary shares	*As at 31 March 2020 Number of ordinary shares*
Dr Joanne Holland*	37,500,000	37,500,000
Dr Anne Brindley	500,000	–
Dr Julian Gilbert	250,000	–
Ms Maddy Kennedy	250,000	–
Dr Karl Keegan*	250,000	–

* Share options disclosed in directors' report on page 27

Except as stated above, the Company is not aware of any other interests of any Director in the ordinary share capital of the Company. There are no requirements or guidelines concerning share ownership by Directors.

This report has been approved by the Board.

Dr Alastair J Riddell
Chairman of the Remuneration Committee

14 July 2021

Remuneration Policy

The Remuneration Policy (the "Policy") was initially approved by shareholders at the 2018 AGM of the Company. The Remuneration Committee is not proposing to make any major changes to the existing Policy however in line with industry best practice and the three-year Policy cycle the Company will be seeking shareholder approval at this year's AGM. The effective date of this Policy is the date on which the Policy is approved by shareholders.

The Remuneration Policy is designed to reflect remuneration trends and employment conditions across the Group, to support the Group's business strategy and to help the Group promote and attain its objective of long-term success.

The Remuneration Committee intends the Remuneration Policy to apply for a further two years and will undertake an annual review of the policy to ensure the content continues to reflect the Group's business strategy.

Below is a table summarising the main aspects of the Remuneration Framework.

Fixed Element and Purpose	Operation	Maximum Potential Salary/Opportunity	Performance Metrics
Base Salary To provide a basic salary commensurate with role and experience which is comparable with that for similar pharma/biotech, companies of a similar size in the Cambridge Region (we use Radford's recent Cambridge Survey as a comparator). The quantum of salary is also traded off against the Group's financial resources and its ability to pay salary for a sustainable period.	Salary is paid monthly. Salaries are reviewed annually by the Group's Remuneration Committee. Factors affecting salary pay are: • any relevant deductions (the Group offers a cycle scheme vouchers); and • attainment of any bonus-related pay within a specified period in which the salary is paid.	There is no maximum salary opportunity. Salaries are paid based upon business performance and individual contributions towards this within the financial year. Salaries will be paid in accordance with the 2017 Radford Report which provides a benchmark for pay for numerous technical and management roles within the pharma/biotech and related companies in the Cambridge area.	Not applicable.
Pensions Our purpose at present is to comply with current legislation. In the future we are looking to provide a pension contribution commensurate with role and experience which is comparable with that for similar pharma/biotech, companies of a similar size in the Cambridge Region (we use Radford's recent Cambridge Survey as a comparator) when cash resources within the business allow it.	Employees are automatically signed up to the Group's pension plan. The contributions to a defined contribution plan are in accordance with automatic enrolment scheme minimum sums effective from 6 April 2019. Executives cannot receive a cash equivalent or salary supplement. Contributions are subject to legislative change however employees are not restricted in their contributions.	At present, the maximum employer contributions required by law are 2% (from 6th April 2018 – 5th April 2020). However, this will be increasing to 3% from 6th April 2020 where the employee will be subject to contributing a minimum of 5%. There are no maximum employee contributions. There are no cash allowances. These rules apply to all employees.	Not applicable.
Other Benefits (in cash or kind) The Group aims to provide a broader benefits package to employees.	Cycle scheme vouchers are available to employees	Benefits are limited to maximum tax-free allowances.	Not applicable.

Remuneration Policy

continued

Variable Element and Purpose	Operation	Maximum Potential Salary/Opportunity	Performance Metrics
Bonuses The Group aims to provide an appropriate incentivized programme relating to individual performance.	The discretionary annual bonus scheme is designed to reward contributions made to the Group that exceed the expectations of the work levels expected and relate to commercial events, specifically income from intellectual property out-licensing, collaborative development programmes or fundraising. Executive management is currently eligible to receive bonus payments in relation to commercial transactions relating to the licensing of the Group's patents (1% of License Fees received from the out-licensing of Nuformix patents for a period of three years from commencement). The Committee determines the annual targets and key performance indicators ("**KPIs**") and assesses the performance against these targets and KPIs.	There is no maximum.	Bonuses are paid in the event of securing License fees from the out-licensing of Nuformix assets and will depend upon the financial strength of the Group. Future metrics to be agreed as the Group continues to execute its Corporate Development strategy
Long Term Incentive Schemes ("LTIS") Bonus payments effectively provide this for three years, as do the option agreements, which provide this for five years.	The Committee determines awards under LTIs annually.	There is no maximum.	Bonuses are paid in the event of securing License Fees from the out-licensing of Nuformix patents.
Profit sharing and Specific Incentive Remuneration Schemes/Arrangements There are no current plans for profit sharing.			
Share Option Schemes and Share Option Plans Provide employees with tax efficient means to benefit as they contribute to the growth of the Group.	Specific bonus schemes awarded as disclosed.	No maximum.	Employees must stay with the business and be good leavers.

Safeguards (i.e. clawback)

The Committee has implemented a safeguard to ensure the business and remuneration targets are met in a sustainable way and performance reflects genuine achievement against those targets and therefore represents the delivery of value for shareholders. For each performance measure, the impact of any acquisition, divestment, out-licensing event or collaboration will be quantified and adjusted for after the event. Any major adjustment in the calculation of performance measures will be disclosed to shareholders on vesting. The Chairman of the Audit Committee and other members, who are also members of the Remuneration Committee, provide input on the Audit Committee's review of the Group's performance and oversight of any risk factors relevant to remuneration decisions.

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2021.

Results and Dividends

The loss for the year, after tax, amounted to £1,253,497 (2020 Loss: £756,376). The directors do not recommend payment of a dividend (2020: £nil).

Substantial shareholdings

As at 25 June 2021 the Company is aware of the following notifiable interests in its voting rights:

	Number of ordinary shares	*Percentage of voting rights*
Centre for Process Innovation	39,360,000	6.7
Dr Dan Gooding	37,500,000	6.3
Dr Joanne Holland	37,500,000	6.3

Directors' of the Company

The Directors, who held office during the year, were as follows:

Dr Anne Brindley *(Appointed 7 December 2020)*
Dr Julian C Gilbert *(Appointed 24 November 2020)*
Ms Maddy E Kennedy *(Appointed 2 December 2020)*
Dr Alastair J Riddell *(Appointed 24 May 2021)*
Dr Joanne M Holland *(Resigned post period 31 May 2021)*
Dr Chris P Blackwell *(Resigned 10 February 2021)*
Dr Karl D Keegan *(Resigned post period 24 May 2021)*

Directors' interests in shares

The interests in the equity of the Company held by Directors, who were directors at the year end, are set out below:

	As at 31 March 2021 Number of ordinary shares	*As at 31 March 2021 Number of share options and warrants*	*As at 31 March 2020 Number of ordinary shares*	*As at 31 March 2020 Number of share options and warrants*
Dr Joanne Holland	37,500,000	36,860,000	37,500,000	36,860,000
Dr Anne Brindley	500,000	–	–	–
Dr Karl Keegan	250,000	3,000,000	–	3,000,000
Dr Julian Gilbert	250,000	–	–	–
Ms Maddy Kennedy	250,000	–	–	–

Directors' and officers' liability insurance

The Group has, as permitted by s234 and 235 of the Companies Act 2006, maintained insurance cover on behalf of the Directors and Company Secretary, indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statement of Directors' Responsibilities

The Directors are responsible 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. The Directors are required by law to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006 and Article 4 of the International Accounting Standards ("IAS") regulation and have also elected to prepare the Parent Company financial statements under IFRSs in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006. 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 Company and Group and of the profit or loss for that period. In preparing the Company and Group's financial statements, IAS Regulation requires that Directors:

- 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.

Directors' Report
continued

Auditors

A resolution to reappoint Haysmacintyre LLP as auditors will be presented to the members at the Annual General Meeting in accordance with Section 485(2) of the Companies Act 2006.

On behalf of the board,

Dr Alastair J Riddell
Non-Executive Chairman

14 July 2021

Independent Auditor's Report

to the Members of Nuformix plc

Opinion

We have audited the financial statements of Nuformix plc (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2021 which comprise the consolidated income statement and statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included reviewing and challenging cash flow forecasts prepared by management covering the period to March 2023, assessing management's past forecasting accuracy and reviewing sensitivity analyses of these same cashflow forecasts.

We draw attention to note 2 in the financial statements, which indicates that the Group is not in a position where is it self-financing and will require further funding which has not yet been secured. Whilst management are confident that such funding will be achieved there is an inherent material uncertainty surrounding this. These events or conditions, along with other matters set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement.

Independent Auditor's Report

to the Members of Nuformix plc – continued

The Group includes the listed Parent Company, Nuformix PLC, and its trading subsidiary, Nuformix Technologies Limited. The Group's accounting function is outsourced to a third party accountancy firm. We included the outsourcer in our planning discussions with management and established a dedicated portal where the outsourcer could share the accounting records and supporting documentation with us. We discussed with management events that had taken place during the year in order to obtain an understanding of any changes in the Group's environment that might impact on our audit. Our tests included, but were not limited to, discussions with the outsourcer as well as the Group management.

Both companies were audited by the same audit engagement team and, accordingly, all revenue, total assets and loss before tax of the Group were subject to audit by Haysmacintyre LLP. The main trading entity is the focus of our audit, but, at the Parent Company level, we also tested the consolidation process and challenged the directors' view on the carrying value of the investment in subsidiary and the Group intangible assets. We also carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement.

We did not identify any key audit matters relating to irregularities, including fraud. We also introduced variability into our audit tests and assessed the risk of management override on internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Based on our understanding of the Group our audit was focused on the key risks as described above.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty related to going concern section above, we have determined the matters below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter	Key observation
Carrying value of intangible assets	We have reviewed and challenged the impairment review prepared by management. This included: • comparison of the Group's net assets against its market value as indicated by its share price; • review of management assumptions underpinning their forecasts of future earnings which provided indicative values in use; and • obtaining evidence of the commercial and technical feasibility of the capitalised patents.	We obtained sufficient comfort from our audit work to conclude that the valuation of intangible assets was materially correct.

Independent Auditor's Report

to the Members of Nuformix plc – continued

Key Audit Matter	How our scope addressed this matter	Key observation
Valuation of share options	Valuation models assessed and reperformed where possible. The competence and independence of management's expert valuer, whose valuation is rolled forward into the current year, was appraised last year. Assumptions inherent to valuation models assessed as to whether they were reasonable. Review of option and warrant agreements to ensure that terms have been appropriately reflected within the calculations and assumptions.	We obtained sufficient comfort from our audit work to conclude that the valuation of share options was materially correct.

Our application of materiality

We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality both in planning our audit and in evaluating the results of our work.

We determined materiality for the Group to be £29,000, which is approximately 2% of total expenditure, before the share option charge for the year. Overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group was 75% of materiality, namely £21,750.

We have agreed to report to the Audit Committee all audit differences in excess of £1,450, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent Auditor's Report

to the Members of Nuformix plc – continued

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: impairment of intangibles (including goodwill), revenue recognition, and valuation of share options. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Listing Rules, UK Bribery Act as well as pensions legislation and tax legislation.

Audit response to risks identified

As a result of performing the above, we identified the following key audit matters: impairment of intangibles (including goodwill) and valuation of share options as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

Independent Auditor's Report

to the Members of Nuformix plc – continued

- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

We were appointed by the Directors to audit the financial statements for the period ending 31 March 2016. Our total uninterrupted period of engagement is six years, covering the period ending 31 March 2016 and the years ended 31 March 2017, 2018, 2019, 2020 and 2021. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Ian Daniels
(Senior statutory auditor)

For and on behalf of Haysmacintyre LLP,
Statutory Auditor
10 Queen Street Place,
London
EC4R 1AG

Date: 14 July 2021

nuformix.

Consolidated Income Statement and Statement of Comprehensive Income

for the year-ended 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Revenue	3	195,550	535,000
Cost of sales		(62,307)	(333,595)
Gross profit		133,243	201,405
Administrative expenses		(1,507,221)	(1,119,580)
Other operating income	4	1,300	4,130
Operating loss	5	(1,372,678)	(914,045)
Finance costs	6	(3,054)	(15,837)
Loss before tax		(1,375,732)	(929,882)
Income tax credit	10	122,235	173,506
Loss for the year and total comprehensive income for the year		(1,253,497)	(756,376)
Loss per share – basic and diluted	11	(0.22)p	(0.16)p

The above results were derived from continuing operations.

The accompanying notes to the financial statements on pages 40 to 62 form an integral part of the financial statements.

Consolidated Statement of Financial Position

as at 31 March 2021

Registration number: 09632100

	Note	31 March 2021 £	31 March 2020 £
Assets			
Non-current assets			
Property, plant and equipment	12	957	82,912
Intangible assets	13	4,186,868	4,247,862
		4,187,825	4,330,774
Current assets			
Trade and other receivables	15	32,260	79,496
Income tax asset		121,020	172,391
Cash and cash equivalents	16	1,669,780	543,772
		1,823,060	795,659
Total assets		6,010,885	5,126,433
Equity and liabilities			
Equity			
Share capital	17	591,609	490,145
Share premium		6,384,835	4,480,400
Merger relief reserve		10,950,000	10,950,000
Reverse acquisition reserve		(8,005,195)	(8,005,195)
Share option reserve		2,005,952	1,814,613
Retained earnings		(6,240,940)	(4,987,443)
Total equity		5,686,261	4,742,520
Non-current liabilities			
Loans and borrowings	19	-	37,257
Current liabilities			
Trade and other payables	21	324,624	308,525
Loans and borrowings	19	-	38,131
		324,624	346,656
Total equity and liabilities		6,010,885	5,126,433

These financial statements were approved by the board on 14 July 2021 and signed on its behalf by:

Dr Anne Brindley
Chief Executive Officer

The accompanying notes to the financial statements on pages 40 to 62 form an integral part of the financial statements.

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Reverse acquisition reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2020	490,145	4,480,400	10,950,000	(8,005,195)	1,814,613	(4,987,443)	4,742,520
Loss for the year and total comprehensive loss	–	–	–	–	–	(1,253,497)	(1,253,497)
Issue of share capital	101,464	2,113,535	–	–	–	–	2,214,999
Share issue costs	–	(209,100)	–	–	–	–	(209,100)
Share and warrant based payment	–	–	–	–	191,339	–	191,339
At 31 March 2021	591,609	6,384,835	10,950,000	(8,005,195)	2,005,952	(6,240,940)	5,686,261

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Reverse acquisition reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2019	490,145	4,480,400	10,950,000	(8,005,195)	1,814,613	(4,987,443)	4,742,520
Loss for the year and total comprehensive loss	–	–	–	–	–	(756,376)	(756,376)
Issue of share capital	29,395	1,612,810	–	–	–	–	1,642,205
Share issue costs	–	(65,000)	–	–	–	–	(65,000)
Share and warrant based payment	–	–	–	–	106,361	–	106,361
At 31 March 2020	490,145	4,480,400	10,950,000	(8,005,195)	1,814,613	(4,987,443)	4,742,520

The accompanying notes to the financial statements on pages 40 to 62 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the year-ended 31 March 2021

	Note	*31 March 2021 £*	*31 March 2020 £*
Cash flows from operating activities			
Loss for the year		(1,253,497)	(756,376)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	12,13	93,052	81,685
Loss on disposal of plant, property and equipment	12	6,179	31
Finance costs	6	3,054	15,837
Income tax credit	10	(122,235)	(173,506)
Share and warrant based payment	18	191,339	106,361
		(1,082,108)	(725,968)
Working capital adjustments			
Decrease in trade and other receivables	15	47,237	83,369
Increase/(decrease) in trade and other payables	21	16,099	(256,178)
Cash consumed by operations		(1,018,772)	(898,777)
Income taxes received	10	173,606	180,965
Net cash outflow from operating activities		(845,166)	(717,812)
Cash flows from investing activities			
Acquisitions of property plant and equipment	12	(605)	(10,733)
Disposals of property plant and equipment	12	44,322	-
Acquisition of intangible assets	13	-	(32,470)
Net cash flows from investing activities		43,717	(43,203)
Cash flows from financing activities			
Issue of shares (net of costs)		2,005,899	1,337,500
Interest paid	6	(3,054)	(9,785)
Increase in other directors' loans	19	-	505
Reduction in other loans	19	(75,388)	(3,162)
Cash payment for reduction of lease liability		-	(23,994)
Foreign exchange losses	6	-	(538)
Net cash in/(out)flows from financing activities		1,927,457	1,300,526
Net increase/(decrease) in cash and cash equivalents		1,126,008	539,511
Cash and cash equivalents at 1 April		543,772	4,261
Cash and cash equivalents at 31 March		1,669,780	543,772

The accompanying notes to the financial statements on pages 40 to 62 form an integral part of the financial statements

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021

1. General information

Nuformix plc ("the Company") and its subsidiary (together, "the Group") operate in the field of pharmaceutical development targeting unmet medical needs in fibrosis and oncology via drug repurposing.

The Company is a public limited company which is listed on the Standard List of the London Stock Exchange, domiciled in the United Kingdom ("the UK") and incorporated in England and Wales.

The address of its registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

The Company relinquished its office in Cambridge in the year and now operates in a virtual manner. Accordingly, the Company no longer has a principal place of business.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) and on the historical cost basis. The financial statements are presented in Pounds Sterling which is the Group's functional and presentational currency.

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRSs").

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The critical accounting estimates are considered to relate to the following:

Intangible assets

The Group recognises intangible assets in respect of goodwill arising on consolidation. This recognition requires the use of estimates, judgements and assumptions in determining whether the goodwill is impaired at each year end.

Share options

The Group fair values equity-settled share-based payment transactions using the Black-Scholes model and Monte Carlo simulations where applicable. The use of the models involves judgements and estimates including an assessment of whether the shares will vest. Should actual future outcomes differ from these assessments the amounts recognised on a straight-line basis would vary from those currently recognised.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

2. Accounting policies continued

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2. Accounting policies continued

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 March 2023 that take into account the likely run rate on overheads and research and development expenditure and the prudent expectations of income from out-licensing rights to its programmes.

Whilst there can be no guarantee of the successful outcome of on-going development work, in compiling the cashflow forecasts the Directors have made estimates of the likely outcome of such development work, and the possibilities of raising funds through issues of equity and have considered alternative strategies should projected income be delayed or fail to materialise.

The Group is not in a position where is it self-financing and will require further funding which has not yet been secured. Whilst the Directors understand the risks and issues around raising further funds through an equity raise, this will be carefully considered, as and when appropriate.

These circumstances indicate the existence of an inherent material uncertainty, when in twelve – eighteen months' time a thorough review of funding will be required. However, these scenarios have already been considered and will continue to be closely monitored by the Directors. The financial statements do not include any adjustments that would result if the company or Group was unable to continue as a going concern.

The Directors have carried out a thorough review of costs and are clear on the development work to be completed. Discretionary costs have been carefully reviewed and reduced where reasonable to do so while continuing to allow the prudent running of the business.

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.

Exceptional items

Exceptional items are defined as items which are non-recurring in nature and material.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Group activities, such as the demonstration of milestone achievements in research or acceptance by both parties.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

2. Accounting policies continued

Segmental information

There is one continuing class of business, being the research and development of pharmaceutical products using technology developed by the Group.

Given that there is only one continuing class of business, operating within the UK, no further segmental information has been provided.

Taxation

The tax income represents the sum of tax credits currently receivable and deferred tax. Tax currently receivable is based on taxable profit for the year. Taxable profit differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax asset is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Temporary differences include those associated with shares in subsidiaries and joint ventures and are only not recognised if the Group controls the reversal of the difference and it is not expected for the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted at the statement of financial position date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statements, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Land and buildings	20% straight line
Computer equipment	33.33% straight line
Lab equipment	25% straight line

2. Accounting policies continued

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting year date.

Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The Group currently has only one CGU.

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Patents	10% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

2. Accounting policies continued

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the year of the relevant borrowing.

Interest expense is recognised based on the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leases – After adoption of IFRS 16

IFRS 16 Leases was issued in January 2016 and was first applied in the financial statements for the year ended 31 March 2020 annual reporting periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduced significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

- The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.
- The lease liability is initially measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

IFRS 16's transition provisions permit lessees to use either a full retrospective or a modified retrospective approach for leases existing at the date of initial application of the standard, with options to use certain transition reliefs.

The Group has elected to apply the standard using the modified retrospective approach from 1 April 2019, utilising certain of the practical expedients provided within the Standard. The company recognised right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments.

2. Accounting policies continued

The Group has elected to apply the following practical expedients allowed for entities adopting IFRS 16 using the modified retrospective approach:

- Reassessment of contract – The company has made use of the possibility not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 April 2019.
- Discount rate – Instead of requiring a lessee to determine the incremental borrowing rate for every single lease, IFRS 16 allows a lessee to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
- Initial direct costs – As a practical expedient, IFRS 16 allows a lessee to exclude initial direct costs from the measurement of the right of use (ROU) asset on transition.
- Use of hindsight for lease term – A lessee is required to determine the lease term at the date of initial application, which includes purchase and renewal options reasonably expected to be exercised and excludes termination options reasonably expected to be exercised. To alleviate the burden of reconstructing a lessee's initial assessment of the lease term and subsequent changes thereafter, IFRS 16 allows a lessee to use hindsight to determine which renewal and termination options to include or exclude.
- Onerous lease determination – Similar to other non-financial assets, ROU assets are subject to impairment testing under IAS 36 Impairment of Assets and a lessee is required to perform an impairment review for each of its ROU assets at date of initial application. IFRS 16 allows a lessee to use its onerous contract assessment under IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before transition instead of performing an impairment review under IAS 36. The ROU asset is then reduced by any existing provision for related onerous leases – there were no onerous contracts within the Group as at 1 April 2019.
- Short-term leases – For leases with a remaining term of less than one year at the date of initial application, the lessee may choose to apply the short-term lease exemption in IFRS 16 and expense lease payments rather than recognize an ROU asset and a lease liability. When using the short-term lease exemption, a lessee is required to disclose the amount of lease payments expensed as a result of using this expedient.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the amount paid for equity shares over the nominal value.
- "Reverse acquisition reserve" arises due to the elimination of the Company's investment in Nuformix Technologies Limited.
- "Merger relief reserve" represents the share premium arising on issue of shares in respect of the reverse acquisition takeover.
- "Share option reserve" represents the fair value of options issued.
- "Retained earnings" represents retained earnings/losses.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

2. Accounting policies continued

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial assets and liabilities

The Group's financial assets comprise intangible and tangible fixed assets, trade and other receivables and cash and cash equivalents.

The Group's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 18.

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 the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Convertible loan note

The fair value of the liability portion of a convertible loan note is determined using a market interest rate for an equivalent non-convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

2. Accounting policies continued

Investment in subsidiaries

Investments in subsidiaries are carried in the Company's balance sheet at cost less accumulated impairment losses. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3. Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2021 £	*2020* £
Rendering of services	195,550	535,000

4. Other operating income

The analysis of the Group's other operating income for the year is as follows:

	2021 £	*2020* £
Miscellaneous other operating income	1,300	4,130

5. Operating loss

Arrived at after charging

	2021 £	*2020* £
Depreciation expense (including lease depreciation)	32,058	36,724
Amortisation expense	60,994	44,961
Loss on disposal of tangible fixed assets	6,179	31
Research and development expenditure	362,878	524,979
Share option charge	48,888	41,521
Warrant charge	142,451	64,840

Details of the share-based payments can be found in Note 18.

6. Finance income and costs

	2021 £	*2020* £
Finance costs		
Interest expense on other financing liabilities	–	9,785
Interest on lease liabilities	3,054	5,514
Foreign exchange losses	–	538
Total finance costs	3,054	15,837

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

7. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	388,594	421,077
Social security costs	36,404	41,787
Pension costs, defined contribution scheme	3,870	4,306
	428,868	467,170

The average number of persons employed by the Group (including directors) during the year and analysed by category was as follows:

	2021 No.	2020 No.
Research and development	3	3
Non-executive directors	2	2
Total	5	5

The Company has one employee (2020: one), other than the directors, who are employed by Nuformix Technologies Limited.

8. Directors' remuneration

The Directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	311,096	347,077

During the year, the number of Directors who were receiving pension benefits was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	2	2

Details of the total remuneration paid for the services of the directors are set out on pages 21 to 24 in the Remuneration Report.

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	97,000	121,000

9. Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements – Group	34,000	38,000
Audit of the financial statements – Company	19,000	10,000
Audit related assurance service	5,000	10,000

10. Income tax

Tax (credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	(121,020)	(173,506)
Adjustment in respect of prior years	(1,215)	–
	(122,235)	(173,506)

The tax on loss before tax for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are reconciled below:

	2021 £	2020 £
Loss before tax	(1,375,732)	(929,882)
Corporation tax at standard rate	(261,389)	(176,678)
Excess of capital allowances over depreciation	7,036	111
Expenses not deductible	36,354	24,280
Tax losses for which no deferred tax asset was recognised	149,052	53,380
Adjustment in respect of research development tax credit	(52,073)	(74,599)
Adjustment in respect of prior year	(1,215)	–
Total tax credit	(122,235)	(173,506)

No deferred tax asset has been recognised as the Directors cannot be certain that future profits will be sufficient for this asset to be realised. As at 31 March 2021 the Group has tax losses carried forward of approximately £4,120,000 (2020: £3,350,000).

11. Loss per share

Loss per share is calculated based on the weighted average number of shares outstanding during the period. Diluted loss per share is calculated based on the weighted average number of shares outstanding and the number of shares issuable as a result of the conversion of dilutive financial instruments.

	2021 £	2020 £
Loss after tax	(1,253,497)	(756,376)
Weighted average number of shares – basic and diluted	580,629,372	477,064,822
Basic and diluted loss per share	(0.22)p	(0.16)p

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

12. Property, plant and equipment

	Land and buildings £	Computer equipment £	Lab equipment £	Total £
Cost				
At 1 April 2020	113,618	17,633	17,084	148,335
Additions	–	605	–	605
Disposals	113,618	(16,677)	(17,084)	(147,379)
At 31 March 2021	–	1,561	–	1,561
Depreciation				
At 1 April 2020	42,950	12,751	9,722	65,423
Charge for the year	27,367	3,062	1,629	32,058
Eliminated on disposal	(70,317)	(15,209)	(11,351)	(96,877)
At 31 March 2021	–	604	–	604
Carrying amount				
At 31 March 2021	–	957	–	957
At 31 March 2020	70,668	4,882	7,362	82,912

13. Intangible assets

	Goodwill £	Patents £	Total £
Cost			
At 1 April 2020	4,023,484	449,611	4,473,095
Additions	–	–	–
At 31 March 2021	4,023,484	449,611	4,473,095
Amortisation			
At 1 April 2020	–	225,233	225,233
Amortisation charge	–	60,994	60,994
At 31 March 2021	–	286,227	286,227
Net book value			
At 31 March 2021	4,023,484	163,384	4,186,868
At 31 March 2020	4,023,484	224,378	4,247,862

For impairment testing purposes, management considers the operations of the Group to represent a single cash generating unit (CGU) focused on pharmaceutical development, targeting unmet medical needs in fibrosis and oncology via drug repurposing. The directors have assessed the recoverable amount of goodwill, which in accordance with IAS36 is the higher of its value in use and its fair value less cost to sell (fair value), in determining whether there is evidence of impairment.

The fair value of the CGU as at 31 March 2021 is considered by the directors to be fairly represented by the market value of Nuformix plc which is determined via an active liquid market on the Standard Market of the London Stock Exchange. The share price of Nuformix plc as at 31 March 2021 was 2.30p per share and there were 591,609,368, shares giving a fair value of £13,607,015 substantially in excess of the Group's net assets, including goodwill, of £4,023,484, of £5,686,261. The directors have also considered the value in use of the CGU, which also supported the view that the goodwill is not impaired.

As such, the Directors do not consider there to be any indication that the goodwill is impaired.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

14. Leases

An operating lease existed at 153 Cambridge Science Park, Cambridge which has a mixed use for office and laboratory purposes. This commenced in July 2017 and was surrendered in February 2021.

The table below presents by nature the "right-of-use" assets included in the fixed assets of the company in 2021:

	Buildings £
Cost	
At 1 April 2020	81,414
Disposals	(81,414)
At 31 March 2021	–
Depreciation	
At 1 April 2020	24,702
Charge for the year	20,536
Eliminated on disposal	(45,238)
At 31 March 2021	–
Net book value	
At 31 March 2021	–
At 31 March 2020	56,712

15. Trade and other receivables

	31 March 2021 £	*31 March 2020* £
Trade receivables	–	2,690
Prepayments	14,742	44,692
Other receivables	17,518	32,114
	32,260	79,496

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts.

16. Cash and cash equivalents

	31 March 2021 £	*31 March 2020* £
Cash at bank	1,669,780	543,772

The Directors consider that the carrying value of cash and cash equivalents represents their fair value.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

17. Share capital

Allotted, called up and fully paid shares

	31 March 2021		*31 March 2020*	
	No.	*£*	*No.*	*£*
Ordinary shares of £0.001 each	591,609,368	591,609	490,145,081	490,145

	No.
As at 1 April 2020	490,145,081
Placement of new shares on the stock market	101,464,285
As at 31 March 2021	591,609,366

On 21 October 2020, the company completed a capital increase through the issue of 23,214,285 shares of £0.001 each in a share placement at a price of £0.028 per share, with a share premium of £626,785.

On 30 March 2021, the company completed a capital increase through the issue of 78,250,000 shares of £0.001 each in a share placement at a price of £0.02 per share, with a share premium of £1,486,750.

18. Share options and warrants

The Group operates share-based payment 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 is 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.

The following share-based payments were made in the year to 31 March 2021:

> On 1 February 2021, Novum Securities Limited was granted warrants to subscribe for 580,357 new Ordinary shares of £0.001 at an exercise price of 2.8p each. The warrants are exercisable up until 21 October 2025. The fair value of the warrants was determined using the Black-Scholes option pricing model at 2.7p per warrant.
>
> On 1 February 2021, other warrants were issued for professional services provided to subscribe for 580,357 new Ordinary shares of £0.001 at an exercise price of 2.8p each. The warrants are exercisable up until 21 October 2025. The fair value of the warrants was determined using the Black-Scholes option pricing model at 1.725p per warrant.
>
> On 18 December 2020, the group agreed to grant Dr Alex Eberlin options to subscribe for up to 586,229 new Ordinary shares of £0.001 at an exercise price of 4.691p each. The options are exercisable up until 18 December 2023. The fair value of the options was determined using the Black-Scholes option pricing model at 4.6p per option.

The fair value of the options and warrants issued in 2021 were determined using the Black-Scholes option pricing model and Monte Carlo simulations, where appropriate, and had a weighted average of 2.46p per option (2020: 2.51p).

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Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

18. **Share options and warrants** continued

The significant inputs into the model in respect of the options and warrants granted in the years ended 31 March 2020 and 31 March 2021 were as follows:

	2020 Existing director warrants	*2021 Existing director warrants*
Grant date share price	3.55-6.75p	2.5-4.15p
Exercise price	4.00-6.75p	2.8p
No. of share options	6,000,000	1,160,713
Risk free rate	0.44-1.00%	0.44%
Expected volatility	50-95%	95%
Expected option life	3 years	5 years

The following table sets out details of the granted warrants and options movements:

Warrant/ option holder	*Number of warrants/ options at 1 April 2019*	*Issued in year*	*Exercised in year*	*Lapsed in year*	*Number of warrants/ options at 31 March 2020*	*Issued in year*	*Lapsed in year*	*Number of warrants/ options at 31 March 2021*	*Exercise price*	*Expiry date*
Directors during year										
Dr Joanne Holland	36,860,000	-	-	-	36,860,000	-	-	36,860,000	4–10p	16/10/22
Dr Dan Gooding	36,860,000	-	-	-	36,860,000	-	-	36,860,000	4–10p	16/10/22
Dr Chris Blackwell	-	3,000,000	-	-	3,000,000	-	-	3,000,000	4p	10/05/21
Dr Karl Keegan	-	3,000,000	-	-	3,000,000	-	-	3,000,000	6.75p	10/05/21
Previous directors										
Dr David Tapolczay	18,430,000	-	-	(18,430,000)	-	-	-	-		
Mr Pascal Hughes	1,625,000	-	-	-	1,625,000	-	(1,625,000)	-	4p	16/10/20
Success warrants										
Whitman Howard	250,000	-	(250,000)	-	-	-	-	-		
Shakespeare Martineau	1,250,000	-	(1,250,000)	-	-	-	-	-		
Other warrants/ options										
Novum Securities Limited	-	-	-	-	-	580,357	-	580,357	2.8p	21/10/25
Other warrants						580,357		580,357	2.8p	21/10/25
Dr Alex Eberlin	-	-	-	-	-	586,229	-	586,229	4.691p	18/12/23
Convertible loan note warrants										
Issued August 2018	8,581,818	-	(8,581,818)	-	-	-	-	-		
Issued May 2019	-	134,692	(134,692)	-	-	-	-	-		
	103,856,818	6,134,692	(10,216,510)	(18,430,000)	81,345,000	1,746,942	(1,625,000)	81,466,942		

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2021 – continued

19. Loans and borrowings

	31 March 2021 £	31 March 2020 £
Current loans and borrowings		
Lease liabilities	–	25,677
Directors' loan	–	8,890
Other borrowings	–	3,564
	–	38,131
Non-current loans and borrowings		
Lease liabilities	–	37,257

The fair value of other borrowings is considered by the Directors not to be materially different to the carrying amounts. Non-current lease liabilities are all due within 5 years.

20. Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £3,870 (2020: £4,306).

Contributions totalling £292 (2020: £2,928) were payable to the scheme at the end of the year and are included in creditors.

21. Trade and other payables

	31 March 2021 £	31 March 2020 £
Trade payables	98,955	131,011
Accrued expenses	222,436	134,721
Social security and other taxes	2,941	28,527
Outstanding defined contribution pension costs	292	2,928
Other payables	–	11,338
	324,624	308,525

The fair value of trade and other payables is considered by the Directors not to be materially different to the carrying amounts. All payables are due within one year.

22. Financial instruments

Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs. An analysis of trade and other payables is given in Note 21.

Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

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. Management regards total equity as capital and reserves, for capital management purposes.

23. Related party transactions

All transactions with related parties are conducted on an arm's length basis.

The remuneration of the key management personnel of the Group, who are defined as the directors, is set out in the directors' remuneration report.

Transactions with directors

During the year the Group made the following related party transactions:

Dr Chris Blackwell (Director)

Included in creditors due in less than one year is an interest free loan from Dr Chris Blackwell. At the balance sheet date, the amount owed to Dr Chris Blackwell was £nil (2020: £4,146).

Dr Karl Keegan (Director)

Included in creditors due in less than one year is an interest free loan from Dr Karl Keegan. At the balance sheet date, the amount owed to Dr Karl Keegan was £nil (2020: £4,648).

Dr Dan Gooding (Director)

Included in creditors due in less than one year is an interest free loan from Dr Dan Gooding. At the balance sheet date, the amount owed to Dr Dan Gooding was £nil (2020: £95).

Ultimate controlling party

The Directors do not consider there to be a single ultimate controlling party.

Company Statement of Financial Position

as at 31 March 2021

Registration number: 09632100

	Note	31 March 2021 £	31 March 2020 £
Assets			
Non-current assets			
Investment in subsidiary	27	11,250,000	11,250,000
		11,250,000	11,250,000
Current assets			
Trade and other receivables	28	966,461	1,770,066
Cash and cash equivalents	29	1,588,378	507,417
		2,554,839	2,277,483
Total assets		13,804,839	13,527,483
Equity and liabilities			
Equity			
Share capital	17	591,609	490,145
Share premium		6,384,835	4,480,400
Merger relief reserve		10,950,000	10,950,000
Share option reserve		2,005,952	1,814,613
Retained earnings		(6,332,753)	(4,380,472)
Total equity		13,599,643	13,354,686
Current liabilities			
Trade and other payables	30	205,196	172,797
		205,196	172,797
Total equity and liabilities		13,804,839	13,527,483

The loss attributable to the Company in the year was £1,952,281 (2020: loss £364,693).

These financial statements were approved by the board on 14 July 2021 and were signed on its behalf by:

Dr Anne Brindley
Chief Executive Officer

The accompanying notes to the financial statements on pages 40 to 62 form an integral part of the financial statements.

Company Statement of Changes in Equity

as at 31 March 2021

	Share capital £	Share premium £	Merger relief reserve £	Share option reserve £	Retained earnings £	Total £
At 1 April 2020	490,145	4,480,400	10,950,000	1,814,613	(4,380,472)	13,354,686
Loss for the year and total comprehensive income	–	–	–	–	(1,952,281)	(1,952,281)
Share issued and warrant exercised	101,464	2,113,535	–	–	–	2,214,999
Share and warrant based payment	–	–	–	191,339	–	191,339
Share issue costs	–	(209,100)	–	–	–	(209,100)
At 31 March 2021	591,609	6,384,835	10,950,000	2,005,952	(6,332,753)	13,599,643

	Share capital £	Share premium £	Merger relief reserve £	Share option reserve £	Retained earnings £	Total £
At 1 April 2019	460,750	2,932,590	10,950,000	1,708,252	(4,015,779)	12,035,813
Loss for the year and total comprehensive income	–	–	–	–	(364,693)	(364,693)
Share issued and warrant exercised	29,395	1,612,810	–	–	–	1,642,205
Share and warrant based payment				106,361		106,361
Share issue costs	–	(65,000)	–	–	–	(65,000)
At 31 March 2020	490,145	4,480,400	10,950,000	1,814,613	(4,380,472)	13,354,686

The accompanying notes to the financial statements on pages 40 to 62 form an integral part of the financial statements.

Company Statement of Cash Flows

for the year-ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the year		(1,952,281)	(364,693)
Adjustments to cash flows from non-cash items			
Finance costs		–	4,340
Provision against intergroup balance		1,288,000	-
Share and warrant based payment		191,339	106,361
Equity element of convertible loan note		–	–
		(472,942)	(253,992)
Working capital adjustments			
Decrease/(increase) in trade and other receivables	28	11,434	106,024
Increase in trade and other payables	30	32,399	68,616
Net cash outflow from operating activities		(429,109)	(79,352)
Cash flows from investing activities			
Loan to subsidiary		(495,829)	(748,636)
Loan repayments from subsidiary		–	–
Net cash (used)/generated by investing activities		(495,829)	(748,636)
Cash flows from financing activities			
Issue of shares (net of costs)		2,005,899	1,337,500
Interest on convertible loan and exchange gains		–	(4,340)
Net cash flows from financing activities		2,005,899	1,333,160
Net increase in cash and cash equivalents		1,080,961	505,172
Cash and cash equivalents at 1 April		507,417	2,245
Cash and cash equivalents at 31 March		1,588,378	507,417

The accompanying notes to the financial statements on pages 40 to 62 form an integral part of the financial statements.

Notes to the Company Financial Statements

for the year-ended 31 March 2021

24. Significant accounting policies

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with IFRSs as adopted by the EU.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the Consolidated Financial Statements. In addition, Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

25. Loss attributable to shareholders

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The loss attributable to the Company in the year was £1,952,281 (2020: loss £364,693).

26. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	*2020* £
Wages and salaries	112,135	117,077
Social security costs	11,853	7,679
	123,988	124,756

The executive directors are employed by Nuformix Technologies Limited, a wholly owned subsidiary of the Company.

27. Investment in Subsidiary

	£
As at 1 April 2020 and 31 March 2021	11,250,000

The Company has the following interests in subsidiaries:

		Equity interest	
Name	*Country of Incorporation*	*2021*	*2020*
Nuformix Technologies Limited	United Kingdom	100%	100%

28. Trade and other receivables

	31 March 2021	*31 March 2020*
Amount owed by Group undertakings	942,070	1,734,241
Prepayments	9,786	26,433
Other receivables	14,605	9,392
	966,461	1,770,066

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts.

Notes to the Company Financial Statements

for the year-ended 31 March 2021 – continued

29. Cash and cash equivalents

	31 March 2021 £	31 March 2020 £
Cash at bank	1,588,378	507,417

The Directors consider that the carrying value of cash and cash equivalents represents their fair value.

30. Trade and other payables

	31 March 2021 £	31 March 2020 £
Trade payables	58,054	68,767
Accrued expenses	147,142	102,691
Other payables	–	1,339
	205,196	172,797

The fair value of trade and other payables is considered by the Directors not to be materially different to the carrying amounts.

31. Financial instruments

Credit risk

The main credit risks relate to liquid funds held at banks and the loan to its subsidiary. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. Management seek to ensure loans made to the subsidiary are made in the best interests of the Company and recognise a provision when the short term recoverability is in doubt.

Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs. An analysis of trade and other payables is given in Note 30.

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company 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 Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

Notes to the Company Financial Statements

for the year-ended 31 March 2021 – continued

32. Related parties

The Company's related parties are the directors and other Group companies.

The remuneration of the key management personnel of the Group, who are defined as the directors, is set out in the directors' remuneration report. Details of the fair value of transactions with key management and their close family members is included in Note 23.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received in respect of amounts outstanding. A provision of £1,288,000 (2020: nil) was made in the year against the balance due from Nuformix Technologies Limited. No other provisions have been made for doubtful debts in respect of amounts owed by other related parties.

At the balance sheet date, the net amounts due from other Group companies were as follows:

	31 March 2021 £	*31 March 2020* £
Nuformix Technologies Limited	942,070	1,734,241

Notice of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting (the "AGM") of Nuformix plc (the "Company") will be held at Orega, 70 Gracechurch Street, London, EC3V 0HR on 24 August 2021 at 10.00am and if thought fit, pass the following resolutions. Resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions.

We are keen to welcome shareholders in person to our 2021 Annual General Meeting this year, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. At present, it is possible under guidelines to allow shareholders to attend the AGM and therefore we are proposing to welcome shareholders to attend the AGM within safety constraints and in accordance with government guidelines.

Shareholders who cannot attend the AGM should email any questions they have, or would normally raise during the course of the AGM to info@nuformix.com. We will endeavour to respond to all questions received by 10.00am on 18 August 2021 with the Q&A that will be published on the Company website soon after the AGM.

Given the constantly evolving nature of the COVID-19 situation, should circumstances change before the time of the AGM, we want to ensure that we are able to adapt arrangements, within safety constraints and in accordance with government guidelines. Should we have to change arrangements, we will issue a further communication via a Regulatory Information Service. As such, we strongly recommend shareholders monitor such communications, which can also be found on our website at: https://nuformix.com/news/.

ORDINARY RESOLUTIONS

1. To receive the Company's annual report and accounts for the year ended 31 March 2021.

2. To approve the Directors' Remuneration Policy, as set out on pages 25 to 26 of the 2021 Annual Financial Report, which takes effect immediately after the end of the AGM.

3. To approve the remuneration report set out on pages 21 to 24 of the annual report for the year ended 31 March 2021.

4. To appoint Dr Alastair J Riddell as a director.

5. To appoint Dr Julian C Gilbert as a director.

6. To appoint Ms Madeleine E Kennedy as a director.

7. To appoint Dr Anne Brindley as a director.

8. To reappoint Haysmacintyre LLP as auditor of the Company.

9. To authorise the Directors to determine the auditor's remuneration.

10. That, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') and in substitution for all existing authorities under that section, to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £195,231.09 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the next Annual General Meeting of the Company or on 30 September 2022, whichever is earlier, and provided further that the Company shall be entitled before such expiry to make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights under such offer or agreement as if this authority had not expired.

Notice of Annual General Meeting

continued

SPECIAL RESOLUTIONS

11. That, subject to the passing of resolution 10 above, the Directors be empowered under section 570 of the Act to allot equity securities as defined in section 560 of the Act, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment or allotments of equity securities up to a nominal amount or (in the case of any other equity securities) giving the right to subscribe for or convert into relevant shares having a nominal amount, not exceeding in aggregate £59,160.94 and this power shall expire, unless previously revoked, renewed or varied, at the conclusion of the next Annual General Meeting of the Company or on 30 September 2022, whichever is earlier, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot securities under such offer or agreement as if this power had not expired.

12. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.001 each in the capital of the Company, provided that:

    a. the maximum number of shares which may be purchased is 88,741,405;

    b. the minimum price (exclusive of expenses) that may be paid for a share is £0.001;

    c. the maximum price, exclusive of expenses, which may be paid for a share shall be an amount equal to 5% above the average market value for the Company's shares for the five business days immediately preceding the day on which the share is contracted to be purchased; and

    d. the authority conferred by this resolution shall, unless previously renewed, expire at the end of the next Annual General Meeting of the Company, or on 30 September 2022, whichever is earlier, save that the Company may, before such expiry, enter into a contract for the purchase of shares which would or might be completed wholly or partly after such expiry and the Company may purchase shares under any such contract as if this authority had not expired.

13. That a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 clear days' notice.

By Order of the Board

Company Secretary

23 July 2021

Registered Office
6th Floor, 60 Gracechurch Street
London EC3V 0HR

Notice of Annual General Meeting

continued

Notice of Meeting Notes:

The following notes explain your general rights as a shareholder and your right to vote at this Meeting or to appoint someone else to vote on your behalf.

1) To be entitled to vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 20 August 2021. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the Meeting.

2) Shareholders are encouraged to appoint the Chair of the Meeting as their proxy to exercise all or part of their rights to vote on their behalf at the Meeting. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

3) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

4) You can vote either:

   - by logging on to www.signalshares.com and following the instructions;
   - you may request a hard copy form of proxy directly from the registrars, Link Group, on telephone number 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales;
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 10.00am on 20 August 2021.

5) If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

6) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received

by the issuer's agent (ID RA10) by 10.00am on 20 August 2021. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

8) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

9) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

10) Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting.

11) The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

12) You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

13) A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.nuformix.com.

14) At 23 July 2021, (being the latest practicable date prior to the publication of this notice) the issued share capital of the Company consisted of 591,609,368 Ordinary Shares of £0.001 each in the capital of the Company. Each share carries one vote. The Company held no shares in treasury, therefore the total voting rights in the Company as at 23 July 2021 were 591,609,368.

Notice of Annual General Meeting

continued

EXPLANATION OF BUSINESS

Resolution 1: To receive the annual report and accounts

Company law requires the Directors to present the annual report and accounts of the Company to shareholders in respect of each financial year.

Resolution 2: To approve the Remuneration Policy

Shareholders are being asked to approve the remuneration policy as set out on pages 25 to 26 of the annual financial report, which takes effect immediately after the end of the AGM. Shareholders are being asked to give a binding vote on the new Directors' Remuneration Policy at the 2021 AGM. The Remuneration Committee intends to put the Directors' Remuneration Policy to shareholders for approval every three years, unless there is a need for the Directors' Remuneration Policy to be approved at an earlier stage.

Resolution 3: To approve the Remuneration Report

The Remuneration Report is set out on pages 21 to 24 of the annual financial report. It gives details of the Directors' remuneration for the year ended 31 March 2021. The vote is advisory and does not affect the actual remuneration paid to any individual Director.

Resolutions 4 to 7: To elect Directors

The Company's articles of association provide for each director to retire from office at the third annual general meeting after the AGM at which he/she was previously appointed or reappointed. However, in line with the recommendations set out in the UK Corporate Governance Code, all Directors will be standing down and offering themselves for re-election by shareholders at this year's AGM. Dr Alastair Riddell, Dr Julian Gilbert, Ms Madeline Kennedy and Dr Anne Brindley were appointed during the year 2021 and after the Company's last AGM therefore they will be seeking election for the first time. Directors' biographical details are given on pages 14 to 15 of the annual financial report.

Resolution 8 and 9: To reappoint the auditor and authorise the Board to determine their remuneration

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the members, to hold office until the conclusion of the next such meeting. Resolution 8 is for members to reappoint Haysmacintyre LLP as auditors of the Company and resolution 9 proposes that shareholders authorise the Board to determine the remuneration of the auditors. In practice, the audit committee will consider the audit fees and recommend them to the Board.

Resolution 10: Directors' authority to allot shares

At the 2020 Annual General Meeting, the Directors were given authority to allot shares in the Company and Resolution 10 seeks to renew that authority until the conclusion of the next AGM or 30 September 2022, whichever is earlier. The resolution would give the Directors authority to allot ordinary shares, and grant rights to subscribe for or convert any security into shares in the Company, up to an aggregate nominal value of £195,231.09. This amount represents one-third of the issued ordinary share capital of the Company as at 23 July 2021, the latest practicable date prior to the publication of this document. The Directors have no present intention to allot new shares.

Resolution 11: Disapplication of pre-emption rights

If Directors of a Company wish to allot shares in the Company, or to sell treasury shares, for cash (other than in connection with an employee share scheme) company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

Notice of Annual General Meeting

continued

The purpose of Resolution 11 is to authorise the Directors to allot ordinary shares in the Company, or sell treasury shares, for cash (i) in connection with a rights issue; and, otherwise, (ii) up to a nominal value of £59,160.94, equivalent to 10 per cent of the total issued ordinary share capital of the Company as at 23 July 2021 without the shares first being offered to existing shareholders in proportion to their holdings.

Resolution 12: Authority to buy back shares

Under company law, the Company requires authorisation from shareholders if it wishes to purchase its own shares. The resolution specifies the maximum number of shares that may be purchased (approximately 15 per cent of the Company's issued share capital) and the highest and lowest prices at which they may be bought.

If the Company buys back its own shares it may cancel them immediately or hold them in treasury. Treasury shares may be sold for cash or cancelled. The Directors believe that it is desirable for the Company to have this choice as it will give flexibility in the management of its capital base.

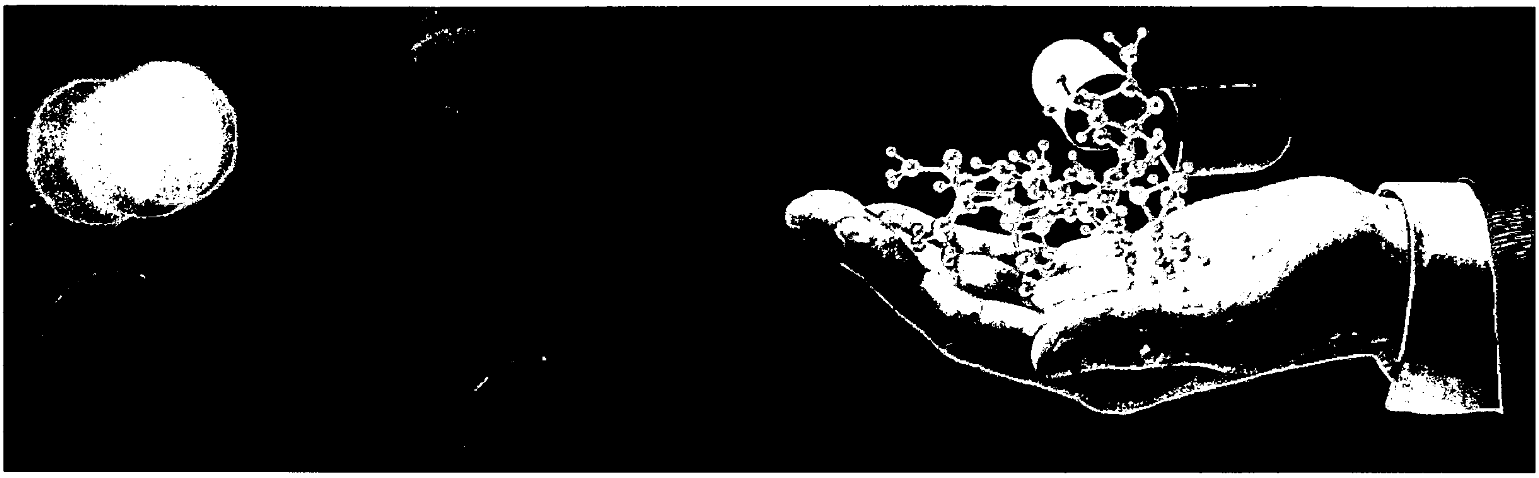
The Directors have no present intention of exercising this authority but will keep under review the Company's potential to buy back its shares, taking into account other investment and funding opportunities. The authority will only be used if in the opinion of the Directors this would be in the best interests of shareholders generally.

No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares.

Resolution 13: Approval for calling of general meetings (other than AGMs) on 14 days' notice

Under company law, the Company is required to give 21 clear days' notice for a general meeting of the Company unless shareholders approve a shorter notice period, which cannot be less than 14 clear days (AGMs must continue to be held on at least 21 clear days' notice).

Resolution 13 proposes a special resolution, and seeks shareholder approval to enable the Company to call general meetings, other than AGMs, on at least 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider to be appropriate in relation to the business to be considered at the meeting in question and where it is thought to be to the advantage of shareholders as a whole. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.



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