Nuformix plc

Annual Report and Accounts

For the year ended 31st March 2019

Contents

Company Information

Directors	Dr D J Tapolczay Dr J M Holland Dr D J Gooding Prof. F J Lidgey Mr K D Siderman-Wolter Dr C P Blackwell
Company Secretary	SGH Company Secretaries Limited
Registered Office	6th Floor 60 Gracechurch Street London EC3V 0HR
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Registrars	Link Asset Services The Registry 34 Beckenham Road Beckenham, Kent BR3 4TU
Company Website	www.nuformix.com

Chairman's Statement

Overview

Nuformix plc ("the Company") and its subsidiary (together, "the Group") operate in the field of complex scientific research, specifically drug development through the use of cocrystallisation.

2018/19 was a landmark year for Nuformix plc. The Group has focused all efforts and resources into progressing its lead programmes and succeeded in commencing the first clinical development activities for Nuformix's lead product NXP001 and showing it can translate its applications of cocrystal technology into human use. Another milestone was achieved with NXP002 completing its pre-clinical proof of concept studies in innovative 'close to patient' human IPF tissue models successfully proving the Group is rapidly building a broad pipeline.

The Group is developing an innovative pipeline of products using its cocrystal technology platform. This exciting platform can unlock the potential of existing small molecule drugs for new uses in areas of high unmet medical need or support generic development while creating new patents around the crystalline form. Nuformix is working with drugs already shown to be safe and accesses existing pre-clinical and clinical data which not only de-risks the business model but also enables dramatically accelerated entry into clinical trials at reduced cost as well as abbreviated regulatory pathways to obtain faster market approval.

The Group is focused on creating value within its existing intellectual property portfolio. It aims to out-licence after proof of concept studies and to reinvest in its pipeline to maximise mid- to long-term shareholder value. Ongoing licensing and collaborative revenues are sufficient to fund further pipeline development in 2019 thereby maximising shareholder value.

Nuformix is operating under a lean burn business model as a semi-virtual organisation to minimise costs in which the discovery of new cocrystals is conducted in-house and development then managed through CROs. Speed is a key differentiator in clinical development; known drug compounds allow for shorter clinical trial pathways with known approval hurdles at lower cost.

The Group has completed several deals, generated revenues and hit important milestones within its partnerships, with further payments expected to come in H1 2019/20.

Board changes

The Group added a broader skill set to the Board with the appointment of former Vectura CEO Chris Blackwell who brings a wealth of expertise and corporate leadership. Chris was CEO of Vectura Group Plc from February 2004 to June 2015 taking the Vectura Group through its Initial Public Offering ('IPO') to a valuation of over $1 billion and carries strong experience in fundraising, M&A and corporate development taking companies from a research led technology development focus to commercially driven pharmaceutical development.

Current trading and outlook

This year saw the Group achieve transformational change: commencing its first clinical development programme, securing its first licensing income from NXP001 and overall development of the portfolio. These achievements are testament to the skills and experience of our people and put the Group on a path towards significant growth.

Going forward the Group expects another exciting year. The first milestone for this new year has already been achieved following the successful completion of the NXP001 first clinical trial, validating the Group's platform and demonstrating it can translate its applications of cocrystal technology into human use. A second major achievement for the new year involves the recently closed deal with Ebers Tech Inc to develop cannabinoid cocrystals covering a wide range of cannabinoid molecules and potential indications. The deal

Chairman's Statement

continued

has brought in upfront revenue, with further near-term payments driven by patent filings and pre-clinical outcomes.

The validation in clinic established for our underlying technology, the subsequent de-risking of Nuformix's wider pipeline and the completion of the Ebers deal confirm our business model is working to deliver significant growth in shareholder value in 2019/2020.

David Tapolczay
Chairman

17 July 2019

Strategic Report

Objective and strategy

The Group is focused on building value for shareholders through its activities in drug development and by out-licensing. Innovative application of its cocrystal technology allows improved therapeutic performance of known small molecules. The resulting novel cocrystals can be patented under new composition of matter patents describing the crystalline form. Enhancements to key physical properties can be leveraged to uniquely improve bioavailability, optimise pharmacokinetics or enable new delivery options ultimately improving performance versus the original compound. Cocrystal technology can bring improvements to compounds in their existing indications or open up un-exploited therapeutic applications.

The Group's product development focus within the year was in the fields of oncology supportive care and fibrosis. In addition, the Group has continued to build a pipeline of products behind its lead programmes through the identification of new applications for its underlying cocrystal technology platform which will facilitate both in-house and in collaboration with external partners.

Operational Highlights

2019 was a year of focus and delivery for the Group, as it sought to further validate its IP, technology and business model. The Group has focused all efforts and resources into progressing its lead programmes commencing the first clinical development activities for Nuformix's lead product NXP001 and showing it can translate its applications of cocrystal technology into human use. Another milestone was achieved with NXP002 completing its pre-clinical proof of concept studies in innovative 'close to patient' human idiopathic pulmonary fibrosis ('IPF') tissue models successfully proving the Group is rapidly building a broad pipeline.

Team

The Group added a broader skill set to the Board with the appointment of former-Vectura CEO Chris Blackwell who brings a wealth of expertise and corporate leadership. Chris Blackwell, was CEO of Vectura Group Plc from February 2004 to June 2015 taking the Group through its initial IPO to a valuation of over $1 billion and carries strong experience in fundraising, M&A and corporate development taking companies from a research led technology development focus to commercially driven pharmaceutical development.

Product Development Pipeline

Lead Programmes

In respect of NXP001, the Group achieved its first pre-clinical milestone in accordance with its IP licensing agreement with Newsummit Biopharma resulting in receipt of a first payment of £500,000. MHRA clearance for the NXP001 human pharmacokinetic study was received in February 2019 with the first healthy volunteers dosed in March 2019. After the year end Nuformix announced achievement of a second pre-clinical milestone triggering a second payment of £500,000, plus success in a human pharmacokinetic study, demonstrating bioequivalence to the reference product, Emend in a pilot study. This positive outcome should trigger a further significant milestone payment and allow the Group to seek licensees for Rest of World rights for NXP001.

The Group also announced completion of its innovative pre-clinical trial in human IPF for NXP002 against standard of care using a leading-edge human tissue trial model that closely replicates the clinical disease. Data demonstrated strong inhibition of fibrosis ex-vivo, even in very severely fibrotic patient tissue, that may support development for IPF and other fibrotic lung conditions. In addition, NXP002 demonstrated activity against key inflammatory targets and out-performed the current standard of care treatment, Esbriet ® (pirfenidone) in this model.

Strategic Report

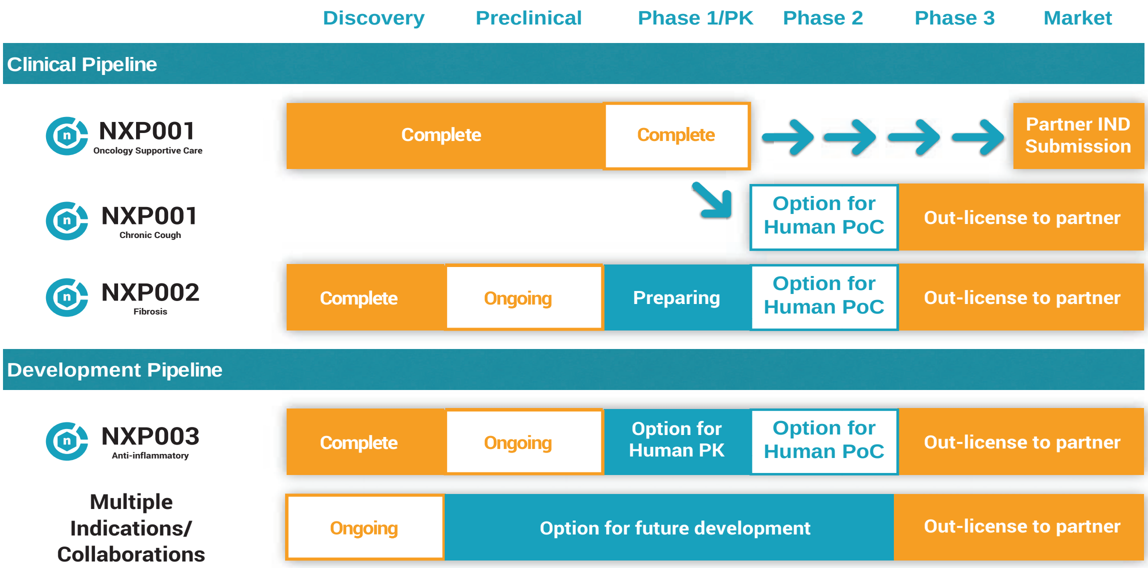
continued

Formulation development activities are ongoing as the Group positions itself for an initial patient proof-of-concept study in IPF prior to commercial out-licensing. Additional development opportunities and further partnerships are being explored in parallel.

Pipeline Development

The Group has made additional progress with its product pipeline to maximise the opportunity to address unmet patient needs using cocrystal technology and driving commercial success. In pipeline development we continue to validate a select number of early-stage cocrystal-based products to support future progression to clinic. The Group is pleased to announce that it has discovered new cocrystal drug forms for molecules of therapeutic and commercial interest.

The outline product development pipeline for our current portfolio of clinical and pre-clinical programmes is as follows:



Commercial Highlights

The Group continues to operate a commercial model that seeks to create both value and revenue from a combination of IP out-licensing and collaborative development agreements. In June 2018, the Group announced its first collaborative agreement with St George Street Capital ("SGSC") to generate new IP to support near-term SGSC clinical trials. SGSC and Nuformix will explore opportunities to extend the collaboration across further SGSC clinical programmes where appropriate.

Nuformix is currently in commercial discussions with several companies in relation to out-licensing of its NXP001 and NXP002 assets in line with its stated business strategy.

Furthermore, the Group is also in discussions with several companies regarding the formation of collaborative development partnerships where Nuformix will share future development opportunities with partner companies in supporting their development of proprietary assets using Nuformix technology. Collaborations allow rapid growth in the number and value of Nuformix assets and, in addition, generate upfront and near-term revenue.

Strategic Report
continued

After the year end, the Group announced in April 2019 that it had signed an agreement for the development, licensing and commercialisation of cannabinoid therapeutics with Ebers Tech Inc comprising up to £51 million of upfront R&D and milestone payments plus royalties on net sales. The deal covers the development of cannabinoid cocrystals for a wide range of cannabinoid molecules and potential indications. Initial milestones in the deal are driven by patent filings and pre-clinical outcomes.

Risks and Uncertainties

The Group's risk management policy is regularly reviewed and updated in line with the changing needs of the business.

The primary risks identified by management are:

- Technical risks in delivering the potential of further lead programmes
  Mitigation: The Group seeks to develop new therapies based on known drugs. Considerable scientific data and information is therefore available in the public domain to support the management team in decision making during development work, including human clinical data. Considerable additional data is generated in pre-clinical studies to build a strong supporting rationale prior to progression to clinical studies. The Group operates multiple pre-clinical and clinical programmes such that it is not reliant on any one programme for future commercial success.

- Maintaining sufficient cashflow and reliance on milestone payments (receipt of funds arising from technical achievement)
  Mitigation: The Group strives to grow its pipeline of business, broaden its customer base and aims to secure ongoing contracts. Furthermore, close relationships are maintained across multiple tiers with existing partners to best ensure timely receipt of milestone payments.

- Access to new investment given the Group's stage of development
  Mitigation: The Group will communicate with existing and potential new investors setting out its unique proposition and potential for future development and growth. Access to new investment is likely to improve significantly having demonstrated the utility of the Group's technology and intellectual property within clinical applications.

Financial Highlights

- Net assets at year-end of £3,815,330 (2018: £4,493,142) which includes £4,261 cash at bank (2018: £338,167). The Group has seen growth in the value of its patents following continued investment into its intellectual property portfolio.

- Loss on ordinary activities (after tax credit) of £1,661,227 (2018: loss of £1,838,263) and the loss per share was 0.36p (2018: 0.49p). The reported loss is driven primarily by share-based charges and by product development costs following the commencement of clinical studies.

- Total revenue of £610,000 (2018: £15,000).

- Combined income from the Newsummit Biopharma Licensing agreement for NXP001 and the Strategic Cannabinoid Agreement signed with Ebers is expected to generate significant income in H1 2019/20. The Group is in commercial discussions with a number of organisations regarding additional out-licensing and collaborative development opportunities which will also be revenue generating in 2019.

Strategic Report

continued

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:

- *Progress of Lead Programmes*: Lead programmes are progressing at an acceptable rate. Clinical data from NXP001 has triggered commercial milestones to support the Group's development and commercial objectives. Growth of pipeline and patent portfolio can trigger further milestones within the collaborations.
- *Financial Resources*: The Group monitors cash flow as part of its day to day financial control procedures. The board regularly assesses cash flow projections and ensures that appropriate resources are available to be drawn on when required.

  To manage the working capital needs of the business and to finance its growth plans, particularly until the Group becomes consistently cashflow positive, reliance will be placed on securing and maintaining sufficient financial resources for achieving progression towards key milestones.

The Board will consider the adoption of other appropriate KPIs as the Group develops in the future.

Employment without discrimination

The Group is committed to recruitment of employees on the basis of 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.

Dan Gooding
CEO

17 July 2019

Board of Directors

Dr David Tapolczay, Non-Executive Chairman

David was previously CSO at Sigma Aldrich and VP Technology Development at GSK and has over 30 years' experience of Pharmaceutical and Agrochemical R&D management and licensing. His past roles include CEO of LifeArc a UK Charity, founding CEO and Chairman of Pharmorphix, CEO of Stylacats, Senior Vice President Pharmaceutical Sciences at Millennium, Vice President R&D Cambridge Discovery Chemistry, and worldwide head of chemistry for Zeneca agrochemicals and senior manager of chemical development for Glaxo. David brings a wealth of experience in creating value in early-stage companies and is a cofounder of Nuformix. David is the currently the Chair of the Board and Nomination Committees. David is also a member of the Remuneration Committee.

Dr Daniel Gooding, Chief Executive Officer

Dan brings over 19 years' experience in commercialisation and business development within the pharmaceutical industry, having received his PhD in Chemistry from Leeds University. Dan began his career in commercial roles with pharmaceutical excipient companies including FMC and Dow Corning. At Accelrys Dan was responsible for sales across the UK and Southern Europe driving new business development within the emerging nanotechnology, drug delivery and formulation sectors. Dan has also led successful licensing deals within the pharmaceutical industry with companies such as Johnson & Johnson and AstraZeneca. Dan is a cofounder of Nuformix. Dan is a member of the Nomination Committee and Disclosure Committee.

Dr Joanne Holland, Chief Scientific Officer

Joanne received her PhD in Chemistry from Leeds University. She joined the process R&D group at Millennium Pharmaceuticals before moving to a combined research and commercial role at Stylacats Limited. Following this Joanne worked for Medeor Pharma Limited and Medeor Limited undertaking commercial and scientific research on new business and investment opportunities. Joanne is a cofounder of Nuformix, and is responsible for R&D, intellectual property and regulatory issues.

Mr Kirk Siderman-Wolter, Non-Executive Director

Kirk Siderman-Wolter is a Non-Executive Director with Nuformix plc. He comes with extensive finance experience, from audit to Board Level in the private, public and charities sectors in the UK, Europe, Asia and the Americas. He has supported start-ups and large corporations including Cable & Wireless, O2 and Vodafone and has held posts with the Ministry of Justice, BIS, the Home Office and the Foreign & Commonwealth Office. Kirk has an MBA from the London Business School and is a Fellow of the Royal Society of Arts, Manufactures and Commerce. Kirk is Chairman of the Remuneration and Disclosure Committee. Kirk is also a member of the Audit and Nomination Committee.

Professor John Lidgey, Non-Executive Director

John Lidgey, formerly Chairman of Levrett plc, is a Non-Executive Director with Nuformix plc. The majority of his career was spent as an academic, initially with the University of Newcastle, Australia and then at Oxford Brookes University. His principal area of expertise is electronic engineering and he has gained significant international recognition for his research achievements in analogue circuit and system design, with applications covering many sectors including biomedical electronics and diagnostic instrumentation. John is Emeritus Professor of Electronic Engineering at Oxford Brookes University.

Board of Directors

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Dr Christopher Blackwell – Non-Executive Director

Chris Blackwell, formerly CEO of Vectura Group Plc from February 2004 to June 2015 was appointed a Non-Executive Director with Nuformix plc on 10 May 2018. His primary role with Vectura was to refocus drug development capabilities from a research led biotechnology company to a commercially driven pharmaceutical development company. Chris initially joined GSK as a Clinical Pharmacologist post PhD studies at Bath, moving to Hoffman La-Roche as UK Director, Global Project Management. At Scotia Pharma Ltd Chris served as Director of Drug Development and Executive Director. Chris is the Senior Independent Director and is interim Chairman of the Audit Committee, until the board has considered the appointment of an additional Non-Executive Director.

Corporate Governance Report

As a member of the London Stock Exchange Main Market (Standard Listing) the Board of Nuformix plc is not required to comply with the revised UK Corporate Governance Code published by the Financial Reporting Council in July 2018 ("the Code"). However, the Board is committed to maintaining high standards of corporate governance and business ethics. Copies of the Code are available from the Financial Reporting Council's website at www.frc.org.uk.

Key Corporate Governance Highlights 2019

Following last year's annual report the Board of Nuformix plc is pleased to announce the following highlights achieved during the year:

- Transitioned from a combined Chairman of the Board and Audit Committee to separate roles and responsibilities;
- Restructured the Board and its Committee Composition in line with the Code;
- The Board has evolved from that of an early stage company to a team capable of leading the Group for the foreseeable future; and
- Conducted our first Board evaluation.

This report sets out how the Company has applied the principles in the Code and the extent to which it has complied with the detailed provisions of the Code. The Board considers that the Company has complied with all of the provisions of the Code throughout the year ended 31 March 2019, except as follows:

- Independence of the Chairman. The current Chairman David Tapolczay is not deemed as independent as a result of being a co-founder and shareholder in the Company.
- Given the size and stage of development of the Group the Board has not formally adopted a mechanism to obtain stakeholder feedback. However, contact details of the Company's Senior Independent Director are provided on the Group's website should any stakeholders wish to contact the Group.
- The Group currently has three employees and no 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.

Board of Directors

The Board is responsible to the Company's shareholders for the performance, overall strategic direction, values and governance of the Company. 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 four non-executive Directors and two executive Directors. Brief biographies of the Directors appear on pages 9 to 10. The Board considers that it has an appropriate balance of skills, knowledge and experience available to it.

David Tapolczay is the Chairman and he 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.

Corporate Governance Report

continued

Non-executive Directors

Each non-executive Director's appointment is subject to annual review by the Nomination Committee and Board of Directors. In line with UK Corporate Governance Code, each Non-Executive Director is subject to re-election by the shareholders at the Company's AGM.

Director independence and commitment

In the opinion of the Board, John Lidgey and Kirk Siderman-Wolter 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.

Chris Blackwell was appointed to the Board on 10 May 2018 and on appointment was deemed not to be independent as he had entered into a consultancy agreement with the Company. On 14 June 2019 Chris' consultancy agreement was terminated with effect from 30 June 2019 and a new appointment letter was signed on 13 June 2019. The Board now considers Chris Blackwell as an Independent Non-Executive Director.

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.

Where there is 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 2019 year committed sufficient time to fulfilling their duties as members of the Board.

Senior Independent Director

Following changes to the composition of the Audit Committee and Chris Blackwell's terms of appointment, the Board appointed Chris as the Senior Independent Director with effect from 1 July 2019.

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 also

Corporate Governance Report

continued

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. The Board delegates specific responsibilities to its Committees, which operate within written terms of reference approved by the Board. These Committees report regularly to the Board.

Board effectiveness

The Board conducted an evaluation of its own performance during the current year with assistance from the Company Secretary. A report was published to the Board and following discussions, a number of recommendations were proposed which the Board agreed to take forward for further discussion and implementation. Internal evaluation of the Board, its Committees and individual directors is important and will develop as the Group grows in the future.

Board meetings

Four scheduled Board meetings were held during the 2019 year. The Board currently has four scheduled meetings for the coming 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.

Attendance at Board meetings

The following were Directors of Nuformix plc during the 2019 year. The list includes the attendance at the scheduled meetings during the year.

	Board	*Audit*	*Nomination*	*Remuneration*
Meetings held	**6**	**3**	**2**	**2**
David Tapolczay	5	3	2	2
Dan Gooding	6	–	2	–
Kirk Siderman-Wolter	6	3	2	2
Joanne Holland	5	–	–	–
Francis John Lidgey	6	–	–	–
Chris Blackwell *	5	–	–	–

* Chris Blackwell was appointed as a director on 10 May 2018 and therefore was eligible to attend five board meetings only.

Board committees

The Board has an Audit, Remuneration, Nomination and a Disclosure Committee.

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

Audit Committee

The Audit Committee is required 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 which comprises Chris Blackwell as Chairman until the board has considered the appointment of an additional Non-Executive Director, and Kirk Siderman-Wolter as a member. Both members of the Committee have been deemed to possess competence relevant to the sector in which the Group operates and Kirk has recent and relevant financial experience.

The Chairman 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 13. The Committee Chairman also provides a report to the full 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.

The Committee then reports to the Board on matters it considers the Board should take into account 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 in 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 page 7.

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

- Risks;
- Financial performance;
- Governance; and
- The performance of the External Auditor.

Corporate Governance Report

continued

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 Kirk Siderman-Wolter as the Chairman and David Tapolczay as a member.

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

The Group's Remuneration Report can be found on pages 17 to 20.

Nomination Committee

The Group's Nomination Committee comprises David Tapolczay (Chairman), Kirk Siderman-Wolter and Dan Gooding. 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 diversity of Board membership whilst 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 a year.

The terms of reference for the Committee are available at www.nuformix.com.

Disclosure Committee

The Board has established a Disclosure Committee with responsibilities which 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 members of the Disclosure Committee include Kirk Siderman-Wolter (Chairman) and Dan Gooding.

The terms of reference for the 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 Committee is to assist the Board with the discharge of its responsibilities in relation to the Group's financial statements.

The Committee meets as required, but at least once each year.

Shareholder Communications

The Board regularly communicates with shareholders via their PR Agents, RNS announcements, VOX markets and CoreTV London. Additionally, the Board uses the AGM as an occasion to communicate with all shareholders, including private investors, 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 interim and annual results of the Group, along with all other press releases, are posted on the Group's website, www.nuformix.com as soon as possible after they have been announced to the market. The website

Corporate Governance Report

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also contains general information on the Group's business, its technology, strategy, business model and R&D activities, plus details of the reverse takeover transformation with Levrett and links to related documents. Information on the Group's share price and other trading-related access in addition to all shareholder-relevant information and PR material can be found at www.nuformix.com.

Financial Reporting

The Directors have acknowledged, in the Statement of Directors' Responsibilities set out on page 24, their responsibility for preparing the financial statements of the Group. The external auditor has included, in the Independent Auditor's Report set out on pages 26 to 30, 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.

David Tapolczay
Chairman

17 July 2019

Remuneration Report

Introduction from the Chairman

I am pleased to present our report on Directors' remuneration for 2019, which includes amounts actually paid to Directors in 2019, on which shareholders will be asked to vote in an advisory manner at the Annual General Meeting in September 2019. It includes information subject to audit. The members of the Remuneration Committee are, Kirk Siderman-Wolter, the Committee Chairman and David Tapolczay. 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 as a whole 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 only permitted to make a payment to a Director if that payment is in line with the policy.

The policy has been established following receipt of advice from suitably qualified and experienced professionals and can be found on pages 21 to 22.

Kirk Siderman-Wolter
Chairman of the Remuneration Committee

17 July 2019

Remuneration Report

continued

Remuneration for the year ended 31 March 2019

The remuneration tables below (which have been subject to audit) set out amounts paid to each Director during the financial years ended 31 March 2019 and 31 March 2018:

	2019			
	Annual salary/ fees £'000	*Bonuses £'000*	*Pension contributions £'000*	*Total £'000*
Dan Gooding	120	5	1	126
Joanne Holland	110	5	1	116
TOTAL	230	10	2	242
David Tapolczay	35	-	-	35
John Lidgey	28	-	-	28
Kirk Siderman-Wolter	34	-	-	34
Christopher Blackwell	35	-	-	35
TOTAL	132	-	-	132

	2018			
	Annual salary/ fees £'000	*Bonuses £'000*	*Pension contributions £'000*	*Total £'000*
Dan Gooding	110	-	1	111
Joanne Holland	100	-	1	101
TOTAL	210	-	2	212
Pascal Hughes[1]	24[2]	-	-	24[2]
Anthony Reeves[1]	2[2]	-	-	2[2]
David Tapolczay	8	-	-	8
John Lidgey	11	-	-	11
Kirk Siderman-Wolter	5	-	-	5
TOTAL	50	-	-	50

[1] Resigned as director of Levrett Plc on 16 October 2017 as a result of the reverse takeover.

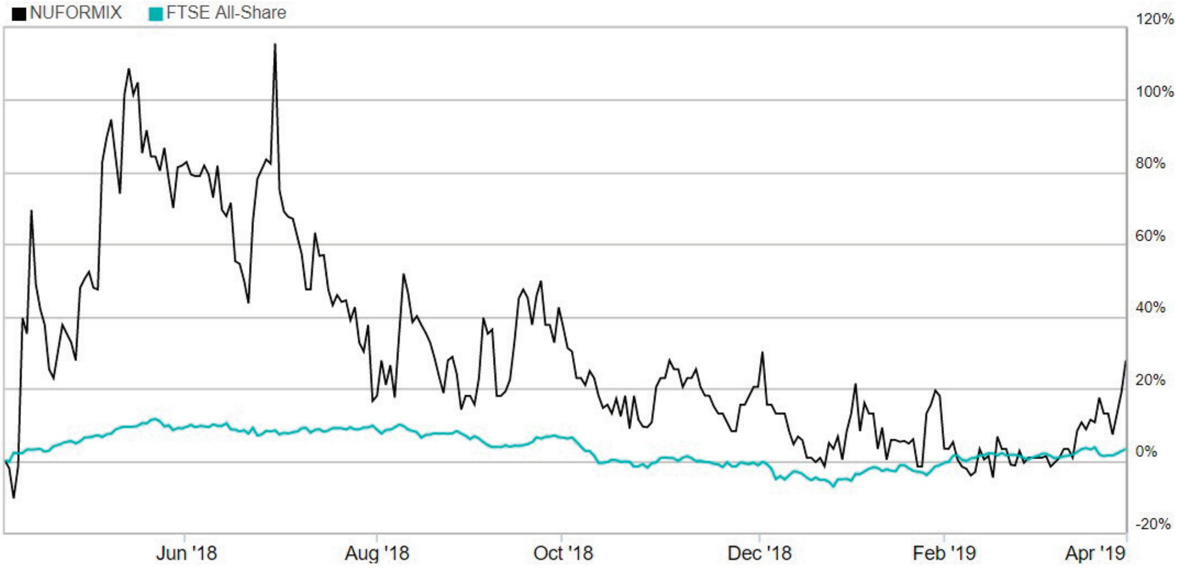
[2] Negotiated settlement for services rendered.

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 past year compared with that of the FTSE All-Share Index.



Directors' letters of appointment

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

Name	*Date of Appointment*	*Date of expiry of current term*
D Tapolczay	16 October 2017	16 October 2019
K Siderman-Wolter	16 October 2017	16 October 2019
F J Lidgey	16 October 2017	16 October 2019
C Blackwell	10 May 2018	No fixed expiry date

The executive Directors' letters of appointment provide for termination by either party by giving the other not less than six months notice in writing.

Remuneration Report

continued

Directors' interests in shares

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

	31 March	
	2019	*2018*
D Gooding	37,500,000	37,500,000
J Holland	37,500,000	37,500,000
D Tapolczay	45,000,000	45,000,000
F J Lidgey	1,000,000	1,000,000
C Blackwell	-	-
K Siderman-Wolter	35,364	-

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.

Kirk Siderman-Wolter
Chairman of the Remuneration Committee

17 July 2019

Remuneration Policy

The Remuneration Policy (the "Policy") was approved by shareholders at the 2018 Annual General Meeting of the Company. The effective date of this Policy is the date on which it was 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 childcare and 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 current contribution that the Group pays as part of the defined contribution plan is 2%, subject to the employee paying 3%. 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 2019). However, this will be increasing to 3% from 6th April 2019 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.	Childcare and 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 incentivised programme relating to individual performance.	The discretionary annual bonus scheme is designed to reward contributions made to the Group which exceed the expectations of the work levels expected and are connected with commercial events, specifically income from intellectual property out-licensing, collaborative development programmes or fundraising. Senior management currently 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 assess 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 patents. 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 2019.

Results and Dividends

The loss for the year, after tax, amounted to £1,661,227 (2018 Loss: £1,838,263). The Directors do not propose a dividend.

Substantial shareholdings

As at 31 March 2019 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 Limited	62,700,000	13.61%
Hargreaves Lansdown (Nominees) Limited	52,864,190	11.47%
Dr D J Tapolczay	45,000,000	9.77%
Dr J M Holland	37,500,000	8.14%
Dr D J Gooding	37,500,000	8.14%
Platform Securities Nominees Limited	31,461,366	6.83%
W B Nominees Limited	22,825,000	4.95%
JIM Nominees Limited	18,143,026	3.94%
Interactive Investor Services Nominees Limited	15,856,775	3.44%

Directors' of the Company

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

Prof F J Lidgey
Dr D J Tapolczay
Dr J M Holland
Dr D J Gooding
Mr K D Siderman-Wolter
Dr C P Blackwell (appointed 10 May 2018)

Directors' interests in shares

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

	As at 31 March 2019 Number of ordinary shares	*As at 31 March 2019 Number of share options and warrants*	*As at 31 March 2018 Number of ordinary shares*	*As at 31 March 2018 Number of share options and warrants*
Dr J M Holland	37,500,000	36,860,000	37,500,000	36,860,000
Dr D J Tapolczay	45,000,000	18,430,000	45,000,000	18,430,000
Dr D J Gooding	37,500,000	36,860,000	37,500,000	36,860,000
Mr K D Siderman-Wolter	35,364	–	–	–
Prof F J Lidgey	1,000,000	–	1,000,000	–

Directors' Report

continued

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 acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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,

Dan Gooding
CEO

17 July 2019

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 2019 which comprise the Consolidated Income and Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Cash Flow Statement and the related notes 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 2019 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 of 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 public interest 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 relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2 of the financial statements concerning the Group's ability to continue as a going concern. The disclosures indicate that there are inherent material uncertainties as to when milestones in research will be achieved and the likely outcome of trials which will give a right to revenue and cash receipts. These circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company or Group was unable to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that we identified. These matters included 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.

Independent Auditor's Report

to the Members of Nuformix plc – continued

Risk	Our response
Going Concern **Ongoing losses may indicate that the accounts should not be prepared on a going concern basis.**	Review of cash flow forecasts and budgets prepared by the directors for the period ending 31 July 2020 to assess the reasonableness of the ongoing viability of the parent company and Group. Discussions with directors on future plans. Scrutinizing the sensitivities forecasted and assessment of the assumptions for reasonableness.
Carrying value of intangible assets **Losses may indicate that the intangible assets, including goodwill on consolidation, are impaired.**	Review of directors' impairment assessment of intangibles, including goodwill on consolidation. Critically challenging the directors' forecasts and projections used in the impairment review.
Valuation of options and warrants **Valuation of options and warrants may be incorrect due to assumptions and the key data from the agreements not being included appropriately.**	Assumptions critically discussed with management and assessed as to whether they are reasonable. Review of option and warrant agreements to ensure that terms have been appropriately reflected within the calculations and assumptions.

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 planning materiality for the Group to be £25,000, which is approximately 2% of expenditure. Overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group was 75% of materiality, namely £18,750.

We have agreed to report to the Audit Committee all audit differences in excess of £1,250, 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.

An overview of the scope of our audit

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

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 profit before tax of the Group were subject to audit by Haysmacintyre LLP. The main trading entity is the focus of our audit, as this comprises all the Group revenue, 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 that understanding of the Group our audit was focused on the key risks as described above.

Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information. 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 other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our 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 and 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, 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 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 it 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.

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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Other matters which 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 four years, covering the period ending 31 March 2016 and the years ended 31 March 2017, 2018 and 2019.

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.

Independent Auditor's Report

to the Members of Nuformix plc – continued

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.

Ian Daniels
(Senior statutory auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place, London, EC4R 1AG

Date : 17 July 2019

Consolidated Income Statement and Statement of Comprehensive Income

for the year-ended 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Revenue	5	610,000	15,000
Cost of sales		(537,527)	(203,868)
Gross profit (loss)		72,473	(188,868)
Administrative expenses before exceptional items		(911,683)	(729,016)
Exceptional items	4	(975,926)	(1,062,142)
Total administrative expenses		(1,887,609)	(1,791,158)
Other operating income	6	4,624	18,520
Operating loss	7	(1,810,512)	(1,961,506)
Finance costs	8	(32,210)	(3,547)
Loss before tax		(1,842, 722)	(1,965,053)
Income tax receipt	12	181,495	126,790
Loss for the year and total comprehensive income for the year		(1,661,227)	(1,838,263)
Loss per share – basic and diluted	13	(0.36)p	(0.49)p

The above results were derived from continuing operations.

These financial statements were approved by the board on 17 July 2019 and were signed on its behalf by:

Dan Gooding
CEO

The accompanying notes to the financial statements on pages 35 to 52 form an integral part of the financial statements.

Consolidated Statement of Financial Position

as at 31 March 2019

Registration number: 09632100

	Note	31 March 2019 £	31 March 2018 £
Assets			
Non-current assets			
Property, plant and equipment	14	27,520	37,494
Intangible assets	15	4,260,353	4,275,920
		4,287,873	4,313,414
Current assets			
Trade and other receivables	16	162,865	180,322
Income tax asset		179,850	195,236
Cash and cash equivalents	17	4,261	338,167
		346,976	713,725
Total assets		4,634,849	5,027,139
Equity and liabilities			
Equity			
Share capital	18	460,750	460,750
Share premium		2,932,590	2,932,590
Merger relief reserve		10,950,000	10,950,000
Reverse acquisition reserve		(8,005,195)	(8,005,195)
Share option reserve		1,708,252	724,837
Retained earnings		(4,231,067)	(2,569,840)
Total equity		3,815,330	4,493,142
Current liabilities			
Trade and other payables	23	804,408	511,041
Loans and borrowings	20	15,111	22,956
		819,519	533,997
Total equity and liabilities		4,634,849	5,027,139

These financial statements were approved by the board on 17 July 2019 and were signed on its behalf by:

Dan Gooding

CEO

17 July 2019

The accompanying notes to the financial statements on pages 35 to 52 form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

for the year-ended 31 March 2019

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Reverse acquisition reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2018	460,750	2,932,590	10,950,000	(8,005,195)	724,837	(2,569,840)	4,493,142
Loss for the year and total comprehensive loss	–	–	–	–	–	(1,661,227)	(1,661,227)
Share and warrant based payment	–	–	–	–	975,926	–	975,926
Equity element of convertible loan note	–	–	–	–	7,489	–	7,489
At 31 March 2019	460,750	2,932,590	10,950,000	(8,005,195)	1,708,252	(4,231,067)	3,815,330

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Reverse acquisition reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2017	95,750	737,440	–	(345,820)	22,695	(731,577)	(221,512)
Loss for the year and total comprehensive loss	–	–	–	–	–	(1,838,263)	(1,838,263)
Share based payment	7,500	292,500	–	–	702,142	–	1,002,142
Issue of shares as consideration	300,000	–	10,950,000	–	–	–	11,250,000
Share issue costs	–	(339,850)	–	–	–	–	(339,850)
Arising on reverse acquisition	–	–	–	(7,659,375)	–	–	(7,659,375)
Issue of share capital	57,500	2,242,500	–	–	–	–	2,300,000
At 31 March 2018	460,750	2,932,590	10,950,000	(8,005,195)	724,837	(2,569,840)	4,493,142

The accompanying notes to the financial statements on pages 35 to 52 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the year-ended 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Cash flows from operating activities			
Loss for the year		(1,661,227)	(1,838,263)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	7	52,815	47,433
Finance costs	8	32,208	3,547
Income tax expense	12	(181,495)	(126,790)
Share and warrant based payment		975, 926	1,002,142
Equity element of convertible loan note		7,489	–
		(774,284)	(911,932)
Working capital adjustments			
Decrease in trade and other receivables	16	17,457	80,434
Increase/(decrease) in trade and other payables	23	260,604	(631,321)
Cash consumed by operations		(496,223)	(1,462,819)
Income taxes received/(paid)	12	196,881	(68,445)
Net cash outflow from operating activities		(299,342)	(1,531,264)
Cash flows from investing activities			
Cash acquired on reverse acquisition		–	678
Acquisitions of property plant and equipment	14	(1,277)	(44,094)
Disposals of property plant and equipment	14	149	–
Acquisition of intangible assets	15	(26,148)	(57,202)
Net cash flows from investing activities		(27,276)	(100,618)
Cash flows from financing activities			
Proceeds of share issue		–	1,960,150
Interest paid	8	(3,483)	(2,061)
Foreign exchange (losses)/gains	8	(3,805)	7,514
Net cash flows from financing activities		(7,288)	1,965,603
Net (decrease)/increase in cash and cash equivalents		(333,906)	333,721
Cash and cash equivalents at 1 April		338,167	4,446
Cash and cash equivalents at 31 March		4,261	338,167

The accompanying notes to the financial statements on pages 35 to 52 form an integral part of the financial statements.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019d

1 General information

Nuformix plc ("the Company") and its subsidiary (together, "the Group") operate in the field of complex scientific research, specifically drug development through the use of cocrystallisation.

The Company is a public limited company which is listed on 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

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules. The financial statements are presented in Pounds Sterling which is the Group's functional and presentational currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

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"). At the date of the authorisation of these financial statements the following Standards and Interpretations affecting the Group, which have not been applied in these financial statements, were in issue, but not yet effective. The Group does not plan to adopt these standards early.

- IFRS 16 Leases
- IFRIC23 Uncertainty over Income Tax Treatments

The Standard (IFRS) and Interpretation (IFRIC) are both effective for accounting years beginning on or after 1 January 2019.

Critical Accounting Estimates and Judgements

The preparation of financial statement 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.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

2 Accounting policies continued

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. The use of the model 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.

Basis of consolidation

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

This policy reflects the commercial substance of this transaction as follows:

- The original shareholders of the legal subsidiary undertaking were the most significant shareholders following admission to the London Stock Exchange, owning 65.1% of the issued share capital;
- The assets and liabilities of the legal subsidiary Nuformix Technologies Limited are recognised and measured in the Group financial statements at the pre-combination carrying amounts without restatement to fair value;
- The retained earnings and other equity balances recognised in the Group financial statements reflect the retained earnings and other equity balances of Nuformix Technologies Limited immediately before the business combination;
- The results of the year from 1 April 2017 to the date of the business combination are those of Nuformix Technologies Limited;
- The equity structure appearing in the Group financial statements reflects the equity structure of the legal parent, including the equity instruments issued under the share-for-share exchange to effect the business combination and adjusted in accordance with IFRS 3. This results in the creation of a "reverse acquisition reserve" as at 1 April 2017, being the difference between the Company equity structure and that of Nuformix Technologies Limited.

The consolidated financial statements cover the year ended 31 March 2019. The financial statements for the comparative year ended 31 March 2018 represent the substance of the reverse acquisition and are those of Nuformix Technologies Limited.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

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 year ending 31 July 2020 which take into account the likely run rate on overheads and research expenditure and the prudent expectations of income from its lead programmes. Whilst there can be no guarantee of the successful outcome of future trials, in compiling the cashflow forecasts the directors have made cautious estimates of the likely outcome of such trials, when income might be generated and have considered alternative strategies should projected income be delayed or fails to materialise. The directors' recognise that there are inherent material uncertainties as to when milestones in research will be achieved which will give a right to revenue and, as a consequence, the likely date of the related cash receipts. The directors have considered alternative strategies which include postponing uncommitted research expenditure, securing alternative licensing arrangements from those currently planned and utilising the Group's established network of licensed brokers for fundraising.

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.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2018 have had a material effect on the financial statements.

Other than the adoption of IFRS 16 Leases, none of the standards, interpretations and amendments which are effective for years beginning after 1 April 2018 and which have not been adopted early, are expected to have a material effect on the financial statements.

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.

There has been no impact on the financial statements from the introduction of IFRS 15 Revenue from Contracts with Customers

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

2 Accounting policies continued

Segmental information

There is one continuing class of business, being the research and experimental development of biotechnology.

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

Tax

The tax expense represents the sum of tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit 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 liability for current tax 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 so as 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
Leasehold improvements	20% straight line
Computer and office equipment	33.33% straight line
Lab equipment	25% straight line

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

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 cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group currently only has 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 so as 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.

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 on the basis of 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

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the year of the lease.

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 losses" represents retained losses.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – 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.

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.

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 Business combinations

On 16 October 2017 Nuformix plc acquired 100% of the share capital of Nuformix Technologies Limited for a total consideration of £11,250,000, satisfied through a share-for-share exchange. The acquisition of Nuformix Technologies Limited by Nuformix plc is deemed to be a reverse acquisition under the provisions of IFRS 3 "Business Combinations".

In accounting for a reverse acquisition (rather than an acquisition) the combined financial statements are deemed to be a continuation of the books of the legal acquiree (Nuformix Technologies Limited) rather than a continuation of those of the legal acquirer (Nuformix plc).

The assets and liabilities of Nuformix Technologies Limited are recognised and measured in the Group financial statements at the pre-combination carrying amounts, without restatement to fair value and no goodwill arises in relation to them.

Conversely, the assets of Nuformix plc are consolidated at their fair values.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

3 Business combinations continued

The overall effect is that the consolidated financial statements are prepared from a Nuformix Technologies Limited perspective rather than Nuformix plc, and in summary this means:

- the comparative consolidated financial information is that of Nuformix Technologies Limited rather than that of Nuformix plc;
- the result for the year and consolidated cumulative profit and loss reserves are those of the Nuformix Technologies Limited plus the post-acquisition results of the Nuformix plc;
- a reverse acquisition reserve of (£8,005,195) has been created;
- the share capital, share premium account and the share option reserve are that of Nuformix plc; and
- the cost of the combination has been determined from the perspective of Nuformix Technologies Limited.

Goodwill arises on the reverse acquisition when comparing the consideration of Nuformix plc acquiring the shares of Nuformix Technologies Limited. The fair value of the consideration is the market capitalisation of Nuformix plc at the acquisition date based on the closing share price on 16 October 2017 of 3.75p per share.

	£
Consideration effectively paid (95,750,000 at 3.75p per share)	3,590,625
Add net liabilities acquired (no difference between book and fair value):	
Trade and other receivables	176,582
Cash and cash equivalents	678
Trade and other payables	(610,119)
Net liabilities acquired	(432,859)
Goodwill arising on consolidation	4,023,484

The Group incurred share issue costs of £339,850 in respect of the fund raising in relation to the reverse acquisition.

4 Exceptional items

As part of the reverse acquisition the Group issued a number of options and warrants to existing directors, new directors and the provision of professional services in relation to the successful completion of the transaction and in respect of the new directors' future service. Details of the share based payments can be found in note 19. The Group also incurred stamp duty of £60,000 in the year ended 31 March 2018 which has been expensed.

	2019 £	*2018* £
Share option charge	828,427	702,142
Warrant charge	147,499	-
Acquisition costs	–	360,000
	975,926	1,062,142

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

5 Revenue

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

	2019 £	*2018* £
Rendering of services	610,000	15,000

6 Other operating income

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

	2019 £	*2018* £
Miscellaneous other operating income	4,624	18,520

7 Operating loss

Arrived at after charging

	2019 £	*2018* £
Depreciation expense	11,100	8,333
Amortisation expense	41,715	39,100
Research and development expenditure	1,449,210	876,580
Operating lease expense – property	29,400	19,784

8 Finance income and costs

	2019 £	*2018* £
Finance costs		
Interest expense on other financing liabilities	(28,405)	(11,061)
Foreign exchange (losses)/gains	(3,805)	7,514
Total finance costs	(32,210)	(3,547)

9 Staff costs

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

	2019 £	*2018* £
Wages and salaries	314,000	244,516
Social security costs	35,682	26,968
Pension costs, defined contribution scheme	2,703	1,318
	352,385	272,802

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

9 Staff costs continued

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

	2019 *No.*	*2018* *No.*
Research and development	3	3

The Company has one employee, other than the executive directors, who are employed by Nuformix Technologies Limited. The non executive directors are engaged under service, not employment contracts.

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 *£*	*2018* *£*
Remuneration	240,000	209,705

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

	2019 *No.*	*2018* *No.*
Accruing benefits under money purchase pension scheme	2	2

In respect of the highest paid director:

	2019 *£*	*2018* *£*
Remuneration	125,000	109,519

11 Auditors' remuneration

	2019 *£*	*2018* *£*
Audit of the financial statements – Group	29,450	24,950
Audit of the financial statements – Company	10,000	13,500
Audit related assurance service	5,250	-

In addition to the above, the auditors charged fees of £nil (2018: £65,750 in respect of corporate finance work which is included in acquisition costs).

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

12 Income tax

Tax (credited) in the income statement

	2019 £	*2018* £
Current taxation		
UK corporation tax	(181,495)	(126,790)

The tax on loss before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2018: 19%).

The differences are reconciled below:

	2019 £	*2018* £
Loss before tax	(1,842,722)	(1,965,053)
Corporation tax at standard rate	(350,117)	(373,360)
Excess of capital allowances over depreciation	1,725	(6,428)
Expenses not deductible	189,661	147,422
Tax losses for which no deferred tax asset was recognised	76,298	161,604
Adjustment in respect of research development tax credit	(99,062)	(56,027)
Total tax credit	(181,495)	(126,790)

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 2019 the Group has tax losses carried forward of approximately £3,070,000 (2018: £2,430,000).

13 Loss per share

Loss per share is calculated by dividing the loss after tax attributable to the equity holders of the Company by the weighted average number of shares in issue during the year. In calculating the weighted average number of shares during the year in which the reverse acquisition occurs:

a) The number of shares outstanding from the beginning of the year to the acquisition date is computed on the basis of the weighted average number of shares of the legal acquirer (accounting acquirer) outstanding during the year multiplied by the exchange ratio established in the merger agreement, and

b) The number of shares outstanding from the acquisition date to the end of that year is the actual number of shares of the legal acquirer (accounting acquiree) outstanding during the year.

13 Loss per share continued

The basic earnings per share for each comparative year before the acquisition date shall be calculated by dividing the profit /(loss) of the legal acquiree in each of those years by the legal acquiree's historical weighted average number of shares outstanding multiplied by the exchange ratio.

	2019 £	*2018* £
Loss after tax	(1,661,227)	(1,838,263)
Weighted average number of shares – basic and diluted	460,750,000	373,548,630
Basic and diluted loss per share	(0.36)p	(0.49)p

On 18 April 2017, the Company announced that it entered into a convertible loan note agreement for £200,000 with a private investor. On 24 August 2018 the agreement was amended to provide for conversion into new ordinary shares at 2.75p (April 2017: 4p) per share. Subsequent to the year end conversion into ordinary shares of the company has occurred with the lender also being issued with one for one warrants to subscribe for new ordinary shares at 2.75p per share, exercisable within five years (April 2017: three years) from conversion.

14 Property, plant and equipment

	Leasehold improvements £	*Computer equipment* £	*Lab equipment* £	*Total* £
Cost or valuation				
At 1 April 2018	32,204	17,345	8,762	58,311
Additions	–	307	970	1,277
Disposals	–	(165)	–	(165)
At 31 March 2019	32,204	17,487	9,732	59,423
Depreciation				
At 1 April 2018	5,367	8,189	7,261	20,817
Charge for the year	6,440	3,842	818	11,100
Eliminated on disposal	–	(14)	–	(14)
At 31 March 2019	11,807	12,017	8,079	31,903
Carrying amount				
At 31 March 2019	20,396	5,471	1,653	27,520
At 31 March 2018	26,837	9,156	1,501	37,494

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

15 Intangible assets

	Goodwill £	*Patents* £	*Total* £
Cost			
At 1 April 2018	4,023,484	390,993	4,414,477
Additions	–	26,148	26,148
At 31 March 2019	4,023,484	417,141	4,440,625
Amortisation			
At 1 April 2018	–	138,557	138,557
Amortisation charge	–	41,715	41,715
At 31 March 2019	–	180,272	180,272
Net book value			
At 31 March 2019	4,023,484	236,869	4,260,353
At 31 March 2018	4,023,484	252,436	4,275,920

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

The fair value of the CGU as at 31 March 2019 is considered to be the market value of Nuformix plc. The shares price of Nuformix plc as at 31 March 2019 was 2.42p per share and there were 460,750,000 shares giving a fair value of £11,150,150 substantially in excess of the Group's net assets, including goodwill, of £3,815,330.

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

16 Trade and other receivables

	31 March 2019 £	*31 March 2018* £
Trade receivables	887	9,233
Accrued income	10,934	3,449
Prepayments	15,052	25,522
Other receivables	135,992	142,118
	162,865	180,322

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts. No trade receivables are overdue and not impaired.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

17 Cash and cash equivalents

	31 March 2019 £	31 March 2018 £
Cash at bank	4,261	338,167

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

18 Share capital

Allotted, called up and fully paid shares

	31 March 2019		31 March 2018	
	No.	£	No.	£
Ordinary shares of £0.001 each	460,750,000	460,750	460,750,000	460,750

No share transactions took place during the year ended 31 March 2019.

	No.
As at 1 April 2017	95,750,000
Acquisition of Nuformix Technologies Limited	365,000,000
As at 1 April 2018 and 31 March 2019	460,750,000

On 16 October 2017 the Company announced that it completed the reverse acquisition of Nuformix Technologies Limited. In aggregate, 365,000,000 new Ordinary Shares were allotted and issued comprising 57,500,000 new placing shares, 5,250,000 Success fee shares, 2,250,000 Whitman Howard shares and 300,000,000 consideration shares. The Success fee shares were issued to Messrs P Hughes and A H Reeves in connection with services rendered for the acquisition of Nuformix Technologies Limited. The Whitman Howard shares were issued to Whitman Howard in connection with services rendered for the acquisition of Nuformix Technologies Limited.

19 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 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.

As part of the reverse acquisition of Nuformix Technologies Limited the following share-based payments were made in the year to 31 March 2018:

- 5,250,000 Success Fee shares were issued on 16 October 2017. The fair value of the shares awarded was £210,000 based on the placement price of 4p per share and was recognised in the year.
- 2,250,000 Whitman Howard fee shares were issued in connection with the placing on 16 October 2017. The fair value of the shares awarded was £90,000 based on the placement price of 4p per share and was recognised in the year.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

19 Share options and warrants continued

- 79,650,050 unapproved share options were issued on 16 October 2017. The options have a one year vesting period, an exercise price within the range of 4-10p per share and a four year exercise period from vesting. The fair value of the options was determined as 1.6p per share and a charge of £691,319 (2018: £583,082) has been recognised in the current year.

- 12,499,950 options under an EMI share option scheme were issued on 16 October 2017. The options have a one year vesting period, an exercise price of 4p per share and a four year exercise period from vesting. The fair value of the options was determined as 1.7p per share and a charge of £115,274 (2018: £97,726) has been recognised in the current year.

- 1,625,000 Existing director warrants were issued on 15 September 2017. The warrants have a one year vesting period from the date of re-admission of the Company's shares, an exercise price of 4p per share and a two year exercise period from vesting. The fair value of the warrants was determined as 1.4p per share and a charge of £12,341 (2018: £12,341) has been recognised in the current year.

- 1,250,000 Shakespeare Martineau warrants were issued on 15 September 2017. The warrants have a one year vesting period from the date of re-admission of the Company's shares, an exercise price of 4p per share and a two year exercise period from vesting. The fair value of the options was determined as 1.4p per share and a charge of £9,493 (2018: £9,493) has been recognised in the current year.

- A convertible loan note agreement of £200,000 plus 9% interest per annum was entered into on 18 April 2017 and subsequently amended on 24 August 2018. Under the 2018 amendment, shares and warrants are issuable at conversion into new ordinary shares at 2.75p (2017: 4p) per share and warrants are exercisable within five years (2017: three years) from conversion.

The fair value of the options and warrants issued in 2019 were determined using the Black-Scholes option pricing model and was a weighted average of 1.86p per option (2018: 1.61p).

The significant inputs into the model in respect of the options and warrants granted in the years ended 31 March 2018 and 31 March 2019 were as follows:

	2018 Unapproved options	*2018 EMI options*	*2018 Existing director warrants*	*2018 Shakespeare Martineau warrants*	*2019 Convertible loan note*
Grant date share price	4p	4p	4p	4p	2.55p
Exercise price	4-10p	4p	4p	4p	2.75p
No. of share options	79,650,050	12,499,950	1,625,000	1,250,000	8,581,818
Risk free rate	0.5%	0.5%	0.5%	0.5%	0.5%
Expected volatility	50%	50%	50%	50%	95%
Expected option life	5 years	5 years	3 years	3 years	5 years

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

19 Share options and warrants continued

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

Warrant/ option holder	*Number of warrants/ options at 1 April 2017*	*Issued in year*	*Expired in year*	*Number of warrants/ options at 31 March 2018*	*Issued in year*	*Expired in year*	*Number of warrants/ options at 31 March 2019*	*Exercise price*	*Expiry date*
Directors during the year									
David Tapolczay		18,430,000		18,430,000			18,430,000	4p	16/10/22
Joanne Holland		36,860,000		36,860,000			36,860,000	4-10p	16/10/22
Daniel Gooding		36,860,000		36,860,000			36,860,000	4-10p	16/10/22
Pascal Hughes	5,000,000			5,000,000		(5,000,000)	–		
Pascal Hughes		1,625, 000		1,625,000			1,625,000	4p	16/10/20
Anthony Reeves	1,000,000			1,000,000		(1,000,000)		–	
Success warrants									
Whitman Howard	250,000			250,000			250,000	4p	16/10/19
Shakespeare Martineau		1,250,000		1,250,000			1,250,000	4p	16/10/20
EGR warrants	957,500		(957,500)	–			–		
Other warrants	44,000,000			44,000,000		(44,000,000)	–		
Convertible loan note warrants									
Issued April 2017		5,450,000		5,450,000		(5,450,000)	–		
Issued August 2018					8,581,818		8,581,818	2.75p	16/5/24
	51,207,500	100,475,000	(957,500)	150,725,000	8,581,818	(55,450,000)	103,856,818		

20 Loans and borrowings

	31 March 2019 £	*31 March 2018 £*
Current loans and borrowings		
Other borrowings	15,111	22,956

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

21 Obligations under leases and hire purchase contracts

Operating leases

The Group signed a lease for rental of business premises for 5 years from 17 July 2017. There is a break clause in the lease allowing notice to be given at the 3 year mark. The total future value of minimum lease payments is as follows:

	31 March 2019 £	*31 March 2018 £*
Within 1 year	29,400	29,400
In two to five years	9,142	38,542

The amount of non-cancellable operating lease payments recognised as an expense during the year was £27,930 (2018: £19,784).

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

22 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 £2,703 (2018: £1,318).

Contributions totalling £1,156 (2018: £853) were payable to the scheme at the end of the year and are included in creditors.

23 Trade and other payables

	31 March 2019 £	*31 March 2018 £*
Trade payables	322,126	89,613
Accrued expenses	90,033	87,697
Social security and other taxes	145,736	109,398
Outstanding defined contribution pension costs	1,156	853
Other payables	245,357	223,480
	804,408	511,041

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 three months.

24 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 23.

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.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2019 – continued

25 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 was invoiced £28,000 for management services by John Lidgey, a director.

Other transactions with directors

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

Dr D Gooding (Director)

Included in creditors due in less than one year is an interest free loan from Dr D Gooding. At the balance sheet date the amount owed to Dr D Gooding was £4,435 (2018: £5,520).

Dr J Holland (Director)

Included in creditors due in less than one year is an interest free loan from Dr J Holland. At the balance sheet date the amount owed to Dr J Holland was £3,950 (2018: £1,836).

26 Ultimate controlling party

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

27 Post balance sheet events

On 10 May 2019 Dr Chris Blackwell was granted warrants to subscribe for 3,000,000 new Ordinary shares of £0.001 at an exercise price of 4p each and exercisable at any time within two years under the terms of his appointment as director of the Company.

On 16 May 2019 8,716,512 Ordinary shares of £0.001 each were issued fully paid at an exercise price of 2.75p each under the terms of a Convertible Loan Agreement dated 18 April 2017 (as amended).

On 16 May 2019 warrants to subscribe for 8,716,512 new Ordinary shares of £0.001 were issued at 2.75p each exercisable at any time within five years under the terms of a Convertible Loan Agreement dated 18 April 2017 (as amended).

Company Statement of Financial Position

as at 31 March 2019

Registration number: 09632100

	Note	31 March 2019 £	31 March 2018 £
Assets			
Non-current assets			
Investment in subsidiary	31	11,250,000	11,250,000
		11,250,000	11,250,000
Current assets			
Trade and other receivables	32	1,127,454	1,476,945
Cash and cash equivalents	33	2,245	567
		1,129,699	1,477,512
Total assets		12,379,699	12,727,512
Equity and liabilities			
Equity			
Share capital	18	460,750	460,750
Share premium		2,932,590	2,932,590
Merger relief reserve		10,950,000	10,950,000
Share option reserve		1,708,252	724,837
Retained earnings		(4,015,779)	(2,623,105)
Total equity		12,035,813	12,445,072
Current liabilities			
Trade and other payables	34	343,886	282,440
		343,886	282,440
Total equity and liabilities		12,379,699	12,727,512

The loss attributable to the Company in the year was £1,392,674 (2018: loss £1,587,627).

These financial statements were approved by the board on 17 July 2019 and were signed on its behalf by:

Dan Gooding
CEO

17 July 2019

The accompanying notes to the financial statements on pages 56 to 58 form an integral part of the financial statements.

Company Statement of Changes in Equity

for the year-ended 31 March 2019

	Share capital £	Share premium £	Merger relief reserve £	Share option reserve £	Retained earnings £	Total £
At 1 April 2018	460,750	2,932,590	10,950,000	724,837	(2,623,105)	12,445,072
Loss for the year and total comprehensive income	–	–	–	–	(1,392,674)	(1,392,674)
Share and warrant based payment	–	–	–	975,926	–	975,926
Equity element of convertible loan note	–	–	–	7,489	–	7,489
At 31 March 2019	460,750	2,932,590	10,950,000	1,708,252	(4,015,779)	12,035,813

	Share capital £	Share premium £	Merger relief reserve £	Share option reserve £	Retained earnings £	Total £
At 1 April 2017	95,750	737,440	–	22,695	(1,035,477)	(179,592)
Loss for the year and total comprehensive income	–	–	–	–	(1,587,628)	(1,587,628)
Share issues	357,500	2,242,500	10,950,000	–	–	13,550,000
Share issue costs	–	(339,850)	–	–	–	(339,850)
Share based payment	7,500	292,500	–	702,142	–	1,002,142
At 31 March 2018	460,750	2,932,590	10,950,000	724,837	(2,623,105)	12,445,072

The accompanying notes to the financial statements on pages 56 to 58 form an integral part of the financial statements.

Company Statement of Cash Flows

for the year-ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Loss for the year		(1,392,674)	(1,587,628)
Adjustments to cash flows from non-cash items			
Finance costs		24,920	18,000
Share and warrant based payment		975, 926	1,002,142
Equity element of convertible loan note		7,489	–
		(384,339)	(567,486)
Working capital adjustments			
(Increase) in trade and other receivables	32	(54,272)	(73,850)
Increase / (decrease) in trade and other payables	33	36,526	(134,775)
Net cash flow from operating activities		(402,085)	(776,111)
Cash flows from investing activities			
Loan to subsidiary		–	(2,338,750)
Loan repayments from subsidiary		403,763	949,382
Net cash used in investing activities		403,763	(1,389,368)
Cash flows from financing activities			
Issue of shares (net of costs)		–	1,960,150
Issue of convertible debt		–	200,000
Net cash flows from financing activities		–	2,160,150
Net increase / (decrease) in cash and cash equivalents		1,678	(5,328)
Cash and cash equivalents at 1 April		567	5,895
Cash and cash equivalents at 31 March		2,245	567

The accompanying notes to the financial statements on pages 56 to 58 form an integral part of the financial statements.

Notes to the Company Financial Statements

for the year-ended 31 March 2019 – continued

28 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.

29 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 £1,392,674 (2018: loss £1,587,627).

30 Staff costs

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

	2019 *£*	*2018* *£*
Wages and salaries	–	–

The average number of persons employed by the Company (including directors) during the year was as follows:

	2019 *No.*	*2018* *No*
	–	–

31 Investment in Subsidiary

	£
As at 1 April 2018 and 31 March 2019	11,250,000

Details in respect of the reverse acquisition of Nuformix Technologies Limited, registered offices at Unit 153, Cambridge Science Park, Milton Road, Cambridge, CB4 0GN, England, which was completed on 16 October 2017, are shown in note 3 to the Consolidated Financial Statements.

The Company has the following interests in subsidiaries:

		Equity interest	
Name	*Country of Incorporation*	*2019*	*2018*
Nuformix Technologies Limited	United Kingdom	100%	100%

Notes to the Company Financial Statements

for the year-ended 31 March 2019 – continued

32 Trade and other receivables

	31 March 2019	*31 March 2018*
Amount owed by Group undertakings	985,605	1,389,368
Prepayments	5,857	13,579
Other receivables	135,992	73,998
	1,127,454	1,476,945

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

33 Cash and cash equivalents

	31 March 2019 £	*31 March 2018 £*
Cash at bank	2,245	567

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

34 Trade and other payables

	31 March 2019 £	*31 March 2018 £*
Trade payables	43,616	8,281
Accrued expenses	64,739	56,059
Other payables	235,531	218,100
	343,886	282,440

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

35 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 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 34.

Notes to the Company Financial Statements

for the year-ended 31 March 2019 – continued

35 Financial instruments continued

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.

36 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 transaction with key management and their close family members is included in note 25.

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. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

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

	31 March 2019 £	*31 March 2018 £*
Nuformix Technologies Limited	985,605	1,389,368

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

Notice of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting (the "AGM") of Nuformix plc (the "Company") will be held at 1.00 pm on Tuesday 10 September 2019 at the office of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR to consider and if thought fit, pass the following resolutions. Resolutions 1 to 11 will be proposed as ordinary resolutions and resolutions 12 to 14 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the Company's annual report and accounts for the year ended 31 March 2019.
2. To approve the remuneration report set out on pages 17 to 20 of the annual report for the year ended 31 March 2019.
3. To reappoint David Tapolczay as a director.
4. To reappoint Daniel Gooding as a director.
5. To reappoint Joanne Holland as a director.
6. To reappoint John Lidgey as a director.
7. To reappoint Kirk Siderman-Wolter as a director.
8. To reappoint Christopher Blackwell as director.
9. To reappoint Haysmacintyre LLP as auditor of the Company.
10. To authorise the Directors to determine the auditor's remuneration.
11. 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 £156,488.84 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 2020, 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.

SPECIAL RESOLUTIONS

12. That, subject to the passing of resolution 11 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 £23,473.32 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 2020, 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.

Notice of Annual General Meeting

continued

13. 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 70,419,976;

    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 2020, 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.

14. 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

SGH Company Secretaries Limited
Company Secretary

31 July 2019

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 attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1) To be entitled to attend and 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 6 September 2019. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

2) Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 1.00pm (UK time) on 10 September 2019 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.

3) Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.

4) 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).

5) 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.

6) 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 Asset Services (previously called Capita), on Tel: 0871 664 0300, if dialing from outside the United Kingdom please call +44 371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are 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 vote must be lodged by one of the methods detailed above. In each case the vote must be received by Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 1.00pm on 6 September 2019.

7) 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.

8) The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.

9) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) 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.

10) 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 1.00pm on 6 September 2019. 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.

11) 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.

12) 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.

13) 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 Meeting; 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.

Notice of Annual General Meeting

continued

14) 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 Meeting 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.

15) Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

16) The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 1.00pm on the day of the Meeting until the conclusion of the Meeting:

    - copies of the Directors' letters of appointment or service contracts.

17) 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.

18) 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.

19) At 31 July 2019, (being the latest practicable date prior to the publication of this notice) the issued share capital of the Company consisted of 469,466,512 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 6 September 2019 were 469,466,512.

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 report

The remuneration report is set out on pages 17 to 20 of the annual financial report. It gives details of the Directors' remuneration for the year ended 31 March 2019. The vote is advisory and does not affect the actual remuneration paid to any individual Director.

Resolutions 3 to 8: To re-elect Directors

The Company's articles of association provide for each director to retire from office at the third annual general meeting after the annual general meeting 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. Directors' biographical details are given on pages 9 and 10 of the annual financial report.

Resolution 9 and 10: 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 9 is for members to reappoint Haysmacintyre LLP as auditors of the Company and resolution 10 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 11: Directors' authority to allot shares

At the 2018 Annual General Meeting, the Directors were given authority to allot shares in the Company and Resolution 11 seeks to renew that authority until the conclusion of the next AGM or 30 September 2020, 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 £156,488.84. This amount represents one-third of the issued ordinary share capital of the Company as at 31 July 2019, the latest practicable date prior to the publication of this document. The Directors have no present intention to allot new shares.

Resolution 12: 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.

The purpose of Resolution 12 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 £23,473.32, equivalent to 5 per cent of the total issued ordinary share capital of the Company as at 31 July 2019 without the shares first being offered to existing shareholders in proportion to their holdings.

Notice of Annual General Meeting

continued

Resolution 13: 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 14: 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 14 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.

For Your Notes

For Your Notes

For Your Notes

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London EC3V 0HR

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