Nuformix plc

Annual Report and Accounts

For the year ended 31 March 2022

Contents

Company Information

Directors	Dr Julian C Gilbert Ms Maddy E Kennedy Dr Alastair J Riddell *(Appointed 24 May 2021, Resigned 31 May 2022)* Dr Anne Brindley *(Resigned 16 December 2021)*
Company Secretary	Mr Ben Harber
Registered Office	6th Floor 60 Gracechurch Street, London EC3V 0HR
Auditors	Jeffreys Henry Audit Limited Finsgate 5-7 Cranwood Street London EC1V 9EE
Brokers	Stanford Capital Finsgate 5-7 Cranwood Street London EC1V 9EE
Registrars	Link Group 10th Floor Central Square 29 Wellington Street, Leeds LS1 4DL

Overview

About Nuformix

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

Non-Executive Directors' Statement

Dear Shareholder,

Introduction

Following the departure of Dr Anne Brindley as Chief Executive Officer, and post period end, Dr Alastair Riddell as Executive Chairman, both to pursue other opportunities, the key priority for the directors continues to be to focus on the Company's early-stage pipeline of preclinical assets and ensure strength in the areas of drug development, business development and financial control within the Group. We operate a lean structure with the limited Board and bring in specialists and consultants, experts in their field, to support the business as required.

To enhance the Group's funding position to allow the continued work on the three assets in the pipeline, in December 2021, the Company undertook an equity fundraise, together with related sharing agreements, with Lanstead Capital Investors L.P. ("Lanstead"), an institutional investor.

Pipeline

Nuformix has an early-stage pipeline of preclinical assets in development to address the high unmet medical need in fibrosis and oncology. We target solutions using our expertise to discover, develop and file patent applications on novel drug forms of existing, marketed drugs, that have improved physical properties, with the aim of developing novel products in new indications to bring attractive commercial opportunities. Importantly, the commercial opportunity is optimised when the repurposed product is differentiated from the original marketed drug by way of either dose, route of administration or presentation.

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

The Group's business model is to take these assets to key value inflection points before partnering or licensing. We conduct our R&D activities through out-sourcing, to enable us to access the different types of expertise that are needed for drug R&D and to minimise our operational costs. We have a strong network of external contractors, with whom we have had relationships over many years.

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

NXP002 is the Group's pre-clinical lead asset and a potential novel inhaled treatment for IPF and possibly other fibrosing interstitial lung diseases ("ILDs"). It is a proprietary, new form of the drug tranilast, to be delivered in an inhaled formulation.

Idiopathic Pulmonary Fibrosis ("IPF") is a devastating lung disease associated with a higher mortality rate than many cancers and where there is a need for additional treatment options. Thus, IPF represents a high unmet medical need and a significant commercial opportunity. IPF is classified as a rare disease and presents a global commercial market that is forecast to grow to US$8.8bn by 2027. Sales of standard-of-care therapies OFEV and Esbriet achieved US$2.5bn and US$1bn respectively in 2021.

Tranilast has a long history of safe use as an oral drug for allergies, but there is evidence that supports its potential in fibrosis, including IPF. NXP002 is differentiated as it is a new form of tranilast that is being formulated for delivery direct to the lungs by inhalation, a new route of administration for this drug. The inhalation route is a well-known strategy for treatment of lung diseases to yield greater efficacy and reduce systemic side-effects compared to oral treatment. Nuformix has two patent families protecting new forms of tranilast, some members of which have been granted in major pharmaceutical territories, while others are still in prosecution. In addition, in March 2022 a method of use patent application was filed.

NXP002, as a potential treatment for IPF, is a likely candidate for Orphan Drug Designation which could provide additional product protection against potential competitors. The positioning of such an inhaled treatment for IPF could be either added to standard of care or administered as a monotherapy.

The Company has already generated positive preclinical data on NXP002, demonstrating that:

- NXP002 can be formulated in a simple and stable solution suitable for inhaled delivery via nebulisation;
- NXP002 formulations for nebulisation can be efficiently delivered to the lung; and
- NXP002 can dose-dependently regulate the production of mediators relevant to lung fibrosis and inflammation following a lipopolysaccharide ("LPS") challenge.

However, as announced post-period end on 30 May 2022, no conclusions could be drawn from an additional study undertaken to investigate the duration of action of NXP002 formulations. Subsequently further studies have been initiated to generate a robust pre-clinical data package to support the progression of NXP002, both in terms of product development and business development discussions.

These studies will directly address issues faced in the duration of action studies. Firstly, the Company will investigate a new formulation of NXP002 for inhalation, delivered using an alternative method designed to ensure consistent and controlled exposure is achieved. Secondly, the Company will explore a new range of doses to best optimise efficacy of treatment. The eventual aim of the studies is to confirm the formulation's positive pharmacological profile towards the treatment of lung fibrosis and inflammation via inhalation and to assess its duration of action. Data from these inhalation studies will add to the Company's current compelling pre-clinical dataset, to best support the development of NXP002 as a treatment for IPF and potentially other poorly treated fibrosing interstitial lung diseases.

Post-period, two abstracts describing NXP002 were peer-reviewed and accepted for presentation at the European Respiratory Society ("ERS") International Congress 2022 being held in Barcelona on 4-6 September 2022.

NXP001 (new form of aprepitant) – Oncology

NXP001 is a proprietary new form of the drug aprepitant that is currently marketed as a product in the oncology supportive care setting (chemotherapy induced nausea and vomiting). On 23 September 2020, Nuformix granted an exclusive option to Oxilio Ltd ("Oxilio"), a privately held pharmaceutical development company, to license NXP001 globally for oncology indications on terms previously disclosed. The option was executed on 13 September 2021. Oxilio is investigating aprepitant for the potential new treatment of cancer indications. Oxilio has entered into a service agreement with Quotient Sciences and is conducting formulation development of NXP001 to determine whether it can achieve the bioavailability and subsequent dosing regimen required for this new indication.

NXP004 (novel forms of olaparib) – Oncology

The Group has discovered novel forms of olaparib, a drug currently marketed by AstraZeneca, under the Lynparza® brand name. Lynparza® was first approved in December 2014 for the treatment of adults with advanced ovarian cancer and deleterious or suspected deleterious germline BRCA mutation. Since then, Lynparza® has secured similar approvals in breast, pancreatic and prostate cancers with further trials on-going. These approvals have propelled Lynparza® sales to US$2.7bn in 2021 with industry analysts forecasting annual sales of US$9.7bn by 2028.

The Group has filed two patent applications on these novel forms of olaparib with the potential for patent life to 2040/2041.

The Company previously demonstrated the enhanced performance of NXP004 cocrystals compared to olaparib. Subsequently further preformulation studies have allowed the Company to identify lead cocrystals from its patent estate to be progressed for further development.

Post-period, the Company reported that it initiated a programme of work to progress the NXP004 programme in three key areas:

- Commence the scale-up of lead cocrystal production processes;
- Directly compare *in-vitro* dissolution performance of lead co-crystals to the marketed Lynparza product; and
- Based on the results from these studies a formulation development programme may be initiated. The aims of this work will be to develop prototype formulations that offer the potential to be both bioequivalent and 'bio-better' versus the Lynparza product.

This work will direct and support future out-licensing discussions for NXP004.

Summary and Outlook

The strategy of the Group is to continue to optimise value from its existing assets while maintaining tight control of costs. In particular, the fundraise with Lanstead has enabled the Group to continue to advance and exploit the current assets within the portfolio through additional R&D and business development activities as set out above.

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

The Chairman last year acknowledged that there had been a series of changes over the years which we also experienced in the past year and more recently, however our focus and emphasis is on stability to progress the studies and achieve significant value creation to generate a real return for shareholders.

We would like to thank all stakeholders and in particular our shareholders for their continued support and we look forward to the remainder of the year and beyond with confidence that significant value can be realised from our portfolio of assets over time.

Julian Gilbert
Non-Executive Director
27th July 2022

Maddy Kennedy
Non-Executive Director
27th July 2022

Strategic Report

Review of the Business

A review of the year is given in the Non-Executive Directors' Statement on pages 4 to 6.

Risks and uncertainties

The Group's risk management policy is regularly reviewed and updated in line with the changing needs of the business. Risk is inherent in all business. Set out below are certain risk factors which could have an impact on the Group's long-term performance and mitigating factors adopted to alleviate these risks. This does not purport to be an exhaustive list of the risks affecting the Group.

The primary risks identified by the Board are:

Strategic risks

- Funding the business

The biotechnology and pharmaceutical industries are very competitive, with many major players having substantial R&D departments with greater resources and financial support. The Group aims to execute licensing deals early in the development process in order to generate revenue to support the business. The Group's lead asset is targeted towards IPF, a disease area where there is good precedent for licensing deals at early stages of development. Without licensing revenue, reliance falls on raising funds from investors or potential M&A opportunities. Failure to generate additional funding from these sources, if required, would compromise the Group's ability to achieve its strategic objectives as set out in the outlook on page 6. There is a material uncertainty around achieving early licensing deals and, if needed, raising additional funds. However it is the Directors' reasonable expectation that the Group has adequate resources to continue to operate as a going concern for at least twelve months from the date of the approval of the accounts. In forming this assessment, the Directors have prepared cashflow forecasts covering the period ending 31 March 2024 that take into account the likely run rate on overheads and research and development expenditure and the prudent expectations of income from out-licensing rights to its programmes.

The Subscription proceeds from the Lanstead Sharing Agreements pursuant to which the Company is entitled to receive back those proceeds on a pro rata monthly basis over a period of 20 months, subject to adjustment upwards or downwards each month depending on the Company's share price at the time. The Sharing Agreement provides the opportunity for the Company to benefit from positive future share price performance. Notwithstanding the Subscription Price of 1.5 pence, shareholders should note that the share price of the Company needs to be on average over the 20 months of the Sharing Agreement at or above the Benchmark Price of 2 pence per share for the Company to receive at least, or more than, the gross Subscription of GBP1.65million.

- Feasibility of drug candidates

Pharmaceutical R&D is an inherently risky activity and drug candidates can fail due to a lack of efficacy, lack of potency, unsuitable pharmacokinetic properties, unacceptable toxicology profile, poor stability of the drug or formulation, poor performance of the drug product, or other technical issues unforeseen at the time of candidate selection. This is the main reason that conventional pharmaceutical R&D takes many years and billions of dollars to progress a drug from discovery through to an approved medicine. It is possible that the drug candidates selected by the Group are found to be non- viable for further

Strategic Report

continued

development although the Group's model of repurposing and working on known drugs allows us to mitigate this risk to a certain extent.

- Failure to generate and protect our IP

If our IP rights are not adequately secured or defended against infringement, or conversely become subject to infringement claims by others, commercial exploitation could be completely inhibited. The Group constantly monitors its patents and is prepared to defend them rigorously.

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

- Unrealistic goals and timeframes

The Board has a duty to maintain a realistic view of the chances of success of products, deals and partnerships. Should this not be managed accurately and appropriately, the Group and its Board and staff risk financial, business and reputational damage, whilst its shareholders become exposed to investment risk and uncertainty over the Group's viability and status. The Board continually reviews expectations and communications in the public domain to reduce the risk of misalignment.

- Reliance on partners

To progress the development of a drug candidate requires resources, financial and otherwise, that are not necessarily available to the Group. The drug candidates that the Group wishes to develop may be of interest to third parties capable of providing these resources, so a partnership (e.g., a co-development partnership) may provide mutual benefits and mitigate risks for the Group. However, the specific strategic focus of a partner may not align totally with the Group's objectives. Maintaining a balance in a partnership is therefore a risk, such as timing, cost sharing, development decisions. Currently the Group is progressing two of its three pipeline assets without external co-development partners and thus this risk is currently minimised.

Operational risks

- Management, employees, consultants and contractors

With a fully virtual Group operating model with a reliance on consultants and contractors, the Group's ability to manage day to day tasks and its relationships with its customers and suppliers could be undermined by failure to recruit key personnel. The Group endeavours to offer attractive remuneration and a positive working environment for all people involved in its projects. The Board are incentivised as detailed in the Directors' Remuneration Report.

Strategic Report

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- Business development risks in terms of timing and success of deal flow

Opportunities to generate value from the portfolio have increased, but there is a need to generate further data to make the assets as attractive as possible to potential licensees. The Group seeks to extract value from its existing pipeline through early licensing deals once sufficient data are generated, to provide revenue. Generation of more robust data packages will lead to a greater probability of successful licensing discussions.

- Adapting to the external environment – COVID-19

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

Financial risk management

- Failure to achieve strategic plans or meet targets or expectations

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Further detail on the Group's risk management policies and procedures are set out in Note 20 of the financial statements.

Strategic Report

Continued

Financial Highlights

- Net assets at year-end of £4,737,962 (2021: £5,686,261) which includes £464,095 cash at bank (2021: £1,669,780)

- The Group delivered a loss on ordinary activities (after tax credit) for the year of £1,108,993 (2021: loss of £1,253,497) and a loss per share of 0.19p (2021: 0.22p). The reported loss is driven mainly by costs related to the further development of pipeline assets

- Total revenue for the year of £50,000 (2021: £195,550)

Future outlook

The Non-Executive Directors' Statement on pages 4 to 6 gives information on the outlook of the Group.

Performance

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

Financial KPIs

The Group is currently at a stage where the Board considers availability of cash to fund the planned R&D activities to be the primary KPI. At 31 March 2022 cash balances totalled £464,095 (2021: £1,669,780). The Board will consider introducing additional KPIs to monitor the Group's development as they become relevant in the future.

- *Meeting financial targets:*

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Further detail on the Group's risk management policies and procedures are set out in Note 20 of the financial statements.

- *Revenue from collaborative technology licensing agreements:*

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

The future Group strategy is to prioritise its resources on progressing its own portfolio to generate licensing revenue.

Strategic Report

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Non-Financial KPIs

- *Progress of Lead Programmes:*

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

NXP002: During the year the Group prioritised the development of NXP002, its IPF candidate, and generated further preclinical data. Post-period, studies are ongoing to provide a more robust data package for potential early licensing. In addition, two abstracts describing the NXP002 were peer-reviewed and accepted for presentation at the European Respiratory Society ("ERS"). Progression of the planned R&D, filing a patent application and peer reviewed acceptance of submitted abstracts are important performance indicators.

NXP001: In the Group signed an exclusive global licensing agreement with Oxilio to license the NXP001 IP for oncology indications. Securing the full licensing agreement is an important performance indicator.

NXP004: During the year, the Group discovered new forms of olaparib, a commercially attractive oncology drug, and filed an additional patent application, an important performance indicator.

- *Co-development with third parties:*

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

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

- How the views and interests of all stakeholders were represented in the boardroom during the year. Open and honest discussion at Board level considers the impact on the Group's stakeholders when reviewing items flowing to the Board as part of its activities, whether this is reviewing strategy, budget or a business development opportunity

- Given the size and stage of development of the Group, the Board has not formally adopted a mechanism to obtain stakeholder feedback. However, the Group's Directors can be contacted at info@nuformix.com should any stakeholders wish to contact the Group and shareholders may contact the Company's investor relations adviser, IFC Advisory Limited, at nuformix@investor-focus.co.uk.

Strategic Report

Continued

- The Group's strategy and business model detailed in the Non-Executive Directors' Statement, on pages 4 to 6
- How the Group manages risks, on pages 7 to 9
- Corporate governance, on pages 14 to 19, including how governance supported the delivery of our strategic objectives in this period

The Strategic Report was approved by the Board on 27th July 2022 and signed on its behalf by:

Dr Julian Gilbert

Non-Executive Director

27th July 2022

Maddy Kennedy

Non-Executive Director

27th July 2022

Board of Directors

Dr Julian Gilbert, Non-Executive Director

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

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

Maddy Kennedy, Non-Executive Director

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

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

Corporate Governance Report

We are pleased to present the Corporate Governance report for the year ended 31 March 2022. This section of the Annual Report provides a description of our corporate governance structure and processes whilst setting out their application throughout the year ended 31 March 2022.

The Board considers that the Group has complied with all of the provisions of the UK Corporate Governance Code throughout the year ended 31 March 2022, except as follows:

- *Given that the Company operates with out-sourced consultants or agency workers, the Board does not consider it appropriate to adopt the suggested methods on workforce engagement or implementing a diversity and inclusion policy as outlined within the UK Corporate Governance Code 2018. The Board believes that the arrangements in place are effective but will continue to keep this under review.*
- *Given the changes to Board composition during the year it was felt that a board evaluation would not provide added value.*
- *Given the size and stage of development of the Company, all non-executive director remuneration includes share options.*

The Board considers that the areas of non-compliance are likely to continue for the medium-term.

Board Leadership and Company Purpose

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

The Board currently comprises two Independent Non-Executive Directors, Dr Julian Gilbert and Ms Maddy Kennedy. Collectively the Board's aim is to increase the value of the Group and ensure its guidance and governance is enhanced through an appropriate Board structure and experienced executive management. Brief biographies of the Directors appear on page 13.

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

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

The Board communicates with shareholders via RNS announcements, other appropriate communications platforms and where possible responding to email enquiries from shareholders. It has also engaged an independent investor relations adviser, IFC Advisory Limited, to assist with shareholder communications.

Corporate Governance Report

Continued

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

Board meetings

Seven scheduled Board meetings and three ad-hoc meetings were held during the 2022 financial year. The Board currently has six scheduled meetings for the coming financial year. At each scheduled meeting, the Board considers a report 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.

The following were Directors of Nuformix plc during the year. The list below includes the attendance at the scheduled meetings during the year. Certain directors were appointed or resigned during the financial year and therefore were not eligible to attend all meetings. Figures in brackets denote the maximum number of meetings that could have been attended.

	Board	*Audit Committee*	*Nomination Committee*	*Remuneration Committee*
Meetings held	**7**	**3**	**3**	**2**
Dr Julian Gilbert	7	3	3	2
Dr Alastair Riddell[1]	6 (6)	2 (3)	1 (1)	1 (1)
Dr Anne Brindley[2]	5 (5)	-	-	-
Dr Joanne Holland[3]	1 (1)	-	1 (1)	-
Ms Maddy Kennedy	7	3	3	2
Karl Keegan[4]	1 (1)	1 (1)	1 (1)	1 (1)

1 – Dr Alastair Riddell was appointed to the Board on 24th May 2021 and resigned on the 31st May 2022
2- Dr Anne Brindley resigned from the Board on 16th December 2021
3 - Dr Joanne Holland resigned from the Board on 31st May 2021
4 – Karl Keegan resigned from the Board on 24th May 2021

Division of Responsibilities

The Directors possess a wide range of skills, knowledge and experience relevant to the strategy of the Company, including financial, legal, governance, regulatory and industry experience as well as the ability to provide constructive challenge to the views and actions of those employed by the Group in meeting agreed strategic goals and objectives.

In the opinion of the Board, all directors 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. Dr Julian Gilbert is the Company's Senior Independent Director.

Corporate Governance Report

Continued

The Board is of the view that those who held office during the 2022 financial year committed sufficient time to fulfil their duties as members of the Board.

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.

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

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

Composition, Succession and Evaluation

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

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

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.

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

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

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

Corporate Governance Report

Continued

Given the changes to Board composition during the year it was deemed that a board evaluation review would not provide added value and the Board has agreed to review the need for a Board evaluation periodically.

Audit, Risk and Internal Control

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

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

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

Internal control and risk management

Risk management and internal controls is a standing agenda item for each Audit Committee meeting. The Committee reviews the effectiveness of the internal controls throughout the year and will take any necessary actions should any significant failings or weaknesses be identified. Details of the principal risks and uncertainties potentially facing the Group can be found in the Strategic Report on pages 7 to 9.

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

Corporate Governance Report

Continued

The Board continues to assess:

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

Remuneration

The Board has established a Remuneration Committee in order to set formal and transparent procedures and policies for development of Directors' remuneration packages. The role of the Remuneration Committee is to determine and agree with the Board the broad policy for the remuneration of executives and Senior Managers as designated, as well as for setting the specific remuneration packages, including pension rights and any compensation payments of all executive Directors and the Chairman. The Company's remuneration policies and practices are designed to support its long-term strategy and promote the long-term sustainable success of the Company.

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

The Group's Remuneration Report can be found on pages 19 to 23.

Financial Reporting

The Directors have acknowledged, in the Statement of Directors' Responsibilities set out on pages 25 and 26, their responsibility for preparing the financial statements of the Group. The external auditor has included, in the Independent Auditor's Report set out from page 27 to 32, a statement about its reporting responsibilities.

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

Dr Julian Gilbert

Non-Executive Director

27th July 2022

Maddy Kennedy

Non-Executive Director

27th July 2022

Remuneration Report

Remuneration for the year ended 31 March 2022

The remuneration tables below (which have been subject to audit) set out amounts paid to each Director during the financial years ended 31 March 2022 and 31 March 2021:

2022

	Annual salary / fees £'000	*Share Based Payments £'000*	*Pension contributions £'000*	*Total £'000*
Dr Joanne Holland	11	–	–	11
Dr Anne Brindley	72	–	1	73
TOTAL	**83**	**–**	**1**	**84**
Dr Karl Keegan	5	–	–	5
Dr Julian Gilbert	27	1	–	28
Ms Maddy Kennedy	27	1	–	28
Mr Alastair Riddell	56	1	–	57
TOTAL	**115**	**3**	**–**	**118**

2021

	Annual salary/fees £'000	*Share Based Payments £'000*	*Pension contributions £'000*	*Total £'000*
Dr Dan Gooding	*90	–	1	91
Dr Joanne Holland	96	–	1	97
Dr Anne Brindley	29	–	–	29
TOTAL	**215**	**–**	**2**	**217**
Dr Chris Blackwell	39	–	–	39
Dr Karl Keegan	39	106	–	145
Dr Julian Gilbert	9	–	–	9
Ms Maddy Kennedy	9	–	–	9
TOTAL	**96**	**106**	**–**	**202**

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

Remuneration of CEO since listing:

Year	*Remuneration £'000*	*Annual bonus £'000*	*SBP charge £'000*	*Total £'000*
2022 (Anne Brindley)	72	-	-	72
2022 total	72	-	-	72
2021	120	-	-	120
2020	121	-	-	121
2019	126	5	323	449
2018	111	-	272	383

Remuneration Report

Continued

Non-Executive Directors' letters of appointment

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

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

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

Directors' interests in shares

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

	As at 31 March 2022 Number of ordinary shares	*As at31 March 2021 Number of ordinary shares*
J Holland*	37,500,000	37,500,000
A Brindley	500,000	500,000
A Riddell	750,000	-
J Gilbert	250,000	250,000
M Kennedy	250,000	250,000
K Keegan*	250,000	250,000

* Share options disclosed in directors' report on page 24

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

This report has been approved by the Board.

Dr Julian Gilbert

Non-Executive Director

27th July 2022

Maddy Kennedy

Non-Executive Director

27th July 2022

Remuneration Policy

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

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

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

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

Fixed Element and Purpose	Operation	Maximum Potential Salary/Opportunity	Performance Metrics
Base Salary To provide a basic salary commensurate with role and experience which is comparable with that for similar pharma/biotech, companies of a similar size in the Cambridge Region (we use Radford's recent Cambridge Survey as a comparator). The quantum of salary is also traded off againstthe Group's financial resources and its ability to pay salary for a sustainable period.	Salary is paid monthly. Salaries are reviewed annually by the Group's Remuneration Committee. Factors affecting salary pay are: • any relevant deductions(the Group offers a cycle scheme vouchers); and • attainment of any bonus-related pay within aspecified period in whichthe 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 numeroustechnical and management roleswithin the pharma/biotech and related companies in theCambridge 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 businessallow it.	Employees are automatically signed up to the Group's pensionplan. The contributions to a defined contribution plan are inaccordance with automatic enrolment scheme minimum sums effective from 6 April 2019. Executives cannot receive a cash equivalent or salary supplement. Contributions are subject to legislative change however employees are not restricted in their contributions.	At present, the maximum employer contributions required by law are 2% (from 6th April 2018 – 5th April 2020). However, this will be increasing to 3% from6th April 2020 where the employee will be subject tocontributing a minimum of 5%. There are no maximum employee contributions. There are no cash allowances. These rules apply to all employees.	Not applicable.
Other Benefits (in cash or kind) The Group aims to provide a broader benefits package to employees.	Cycle scheme vouchers are available to employees.	Benefits are limited to maximum tax-free allowances.	Not applicable.

Remuneration Policy

Continued

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

Remuneration Policy

Continued

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 2022.

Results and Dividends

The loss for the year, after tax, amounted to £1,108,993 (2021 Loss: £1,253,497). The directors do not recommend payment of a dividend (2021: £nil).

Substantial shareholdings

As at 25 June 2022 the Company is aware of the following notifiable interests in its voting rights:

	Number of ordinary shares	*Percentage of voting rights*
Lanstead Capital Investors LP	96,749,798	13.64
Dr D J Gooding	37,500,000	5.29
Dr J M Holland	37,500,000	5.29
Centre for Process Innovation	26,600,000	3.75

Directors of the Company

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

Dr A Brindley (Resigned 16 December 2021)
Dr J C Gilbert
Ms M E Kennedy
Dr A J Riddell (Appointed 24 May 2021, Resigned 31 May 2022)
Dr J M Holland (Resigned 31 May 2021)
Dr K D Keegan (Resigned 24 May 2021)

Directors' interests in shares

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

	As at 31 March 2022 Number of ordinary shares	*As at 31 March 2022 Number of share options and warrants*	*As at 31 March 2021 Number of ordinary shares*	*As at 31 March 2021 Number of share options and warrants*
J Holland	37,500,000	36,860,000	37,500,000	36,860,000
K Keegan	250,000	-	250,000	3,000,000
A Brindley	500,000	-	500,000	-
J Gilbert	250,000	3,000,000	250,000	-
M Kennedy	250,000	3,000,000	250,000	-
A Riddell	750,000	3,000,000	-	-

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.

Financial Risk Management

Details of financial risk management are provided in the Strategic Report and Note 20 to the financial statements.

Events after the reporting date

Events after the reporting year are described in Note 22 to the financial statements.

Research and development activities

Research and development activities for the period are detailed in the Non-Executive Directors' Statement and Strategic Report.

Business Review and Future Developments

The review of the operations and future developments are contained in the Non-Executive Directors' Statement and Strategic Report. The results for the year are set out in the attached financial statements.

Disclosure of information to the auditor

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

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. The Directors are required by law to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing the Company and Group's financial statements, Companies Act 2006 requires that Directors:

- Select suitable accounting policies and apply them consistently;

Directors' Report
continued

- Make judgements and accounting estimates that are reasonable and prudent;

- State whether applicable under UK-adopted international accounting standards, 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.

Auditors

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

On behalf of the board,

Dr Julian Gilbert

Non-Executive Director

27th July 2022

Maddy Kennedy

Non-Executive Director

27th July 2022

Independent Auditor’s Report

to the Members of Nuformix plc

Opinion

We have audited the financial statements of Nuformix plc (‘Parent Company’) and its subsidiary (together the ‘Group’) for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statements of financial position, the statements of changes in equity, the statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

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 2022 and of the loss for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Group’s ability to continue to adopt the going concern basis of accounting included, as part of our risk assessment, review of the nature of the business of the Group, its business model and related risks including where relevant the impact of the COVID-19 pandemic, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the Directors’ assessment of the Group’s ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the Directors’ plans for future actions in relation to their going concern assessment.

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

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, its accounting processes, its internal controls and the industry in which it operates..

Key audit matters

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

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

Below is not a complete list of all risks identified by our audit.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of goodwill At 31 March 2022, the Group had goodwill of approximately £4,023,000 (2021: £4,023,000) arising from acquisition of business in prior years. For the purpose of assessing impairment on goodwill arising from business combination, goodwill is allocated to a single cash generating units ('CGU') and the recoverable amount of the CGU was determined with reference to value-in-use (the 'VIU') calculations using cash flow projections. In carrying out the impairment assessment, significant management judgement was used to determine the key assumptions underlying the VIU calculations. We have identified the above matter as a key audit matter because goodwill is material to the Group and the estimation of recoverable amount of the CGU involved a significant degree of management judgement and therefore was subject to an inherent risk of error.	Our key procedures, among others, included: • assessing the appropriateness of the VIU calculations used by the management to estimate recoverable amount of CGU; • reconciling key input data applied in the VIU calculations to reliable supporting evidence; and • challenging the reasonableness of key assumptions based on our knowledge and understanding of the business and industry. • Obtaining evidence of the commercial and technical feasibility of the patents owned by the subsidiary.

Key Audit Matter	How our audit addressed the Key Audit Matter
Carrying value of investment in subsidiary and recoverability of intercompany balance – parent company financial statements only. The Company had investment in a subsidiary of £4,023,484, net of impairment of £7,226,516, at the year ended 31 March 2022. The amount due from a subsidiary was fully impaired at the year ended 31 March 2022. We identified there was a risk in relation to the impairment on the investment held within the parent company financial statements in its subsidiary. Management's assessment of the recoverable amount of investment in a subsidiary requires estimation and judgement around assumptions used, including the cash flows to be generated from the continuing operations of the subsidiary. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary and impairment charges.	We have performed the following audit procedures: • Reviewed management's plan of future operating cashflows of the subsidiary; and • obtaining evidence of the commercial and technical feasibility of the patents owned by the subsidiary Based on the audit work performed, we are satisfied with management's assertion on the impairment charged on the investment in a subsidiary and the amount due from a subsidiary on the parent company financial statements.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Overall materiality	£63,000	£57,000
How we determined it	5% of net loss	1% of total assets
Rationale for benchmark applied	The group as a whole is currently focused on the development of its Intellectual Property (IP), and as such the users of the financial statements will be most concerned with the expenditure incurred in furthering these IP assets. As such, the most appropriate basis for the group materiality is net profit/loss.	The parent company is principally holding subsidiary investment. The users of the financial statements will be most concerned with the value of investment. As such, the most appropriate basis for the parent company materiality is total assets.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £3,150 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act

2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 25 and 26, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with the Directors, and from our commercial knowledge and experience of the biotech sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the group's legal advisor.

There are inherent limitations in our audit procedures described above. The more removed the laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Other matters we are required to address

We were appointed by the Board of Directors on 1 March 2022 to audit the financial statements for the year ended 31 March 2022. Our total uninterrupted period of engagement is 1 year, covering the year ended 31 March 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors.

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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjay Parmar
(Senior statutory auditor)

For and on behalf of Jeffreys Henry Audit Limited
(Statutory Auditor)

Finsgate

5-7 Cranwood Street

London EC1V 9EE

Date: 27 July 2022

Consolidated Statement of Comprehensive Income

for the year-ended 31 March 2022

	Note	*31 March 2022 £*	*31 March 2021 £*
Revenue	3	50,000	195,550
Cost of sales		(1,695)	(62,307)
Gross profit		48,305	133,243
Administrative expenses		(1,318,577)	(1,507,221)
Other operating income	4	-	1,300
Operating loss	5	(1,270,272)	(1,372,678)
Finance costs	6	-	(3,054)
Loss before tax		(1,270,272)	(1,375,732)
Income tax credit	10	161,279	122,235
Loss for the year and total comprehensive loss for the year		(1,108,993)	(1,253,497)
Loss per share – basic and diluted	11	(0.19)p	(0.22)p

The above results were derived from continuing operations.

The accompanying notes to the financial statements on pages 37 to 64 form an integral part of the financial statements.

Consolidated Statement of Financial Position

As at 31 March 2022

Registration number: 09632100

	Note	31 March 2022 £	31 March 2021 £
Assets			
Non-current assets			
Property, plant and equipment	12	438	957
Intangible assets	13	4,150,411	4,186,868
		4,150,849	4,187,825
Current assets			
Trade and other receivables	14	199,600	32,260
Income tax asset		161,279	121,020
Cash and cash equivalents	15	464,095	1,669,780
		824,974	1,823,060
Total assets		4,975,823	6,010,885
Equity and liabilities			
Equity			
Share capital	16	615,609	591,609
Share premium		6,500,817	6,384,835
Merger relief reserve		10,950,000	10,950,000
Reverse acquisition reserve		(8,005,195)	(8,005,195)
Share option reserve		2,026,664	2,005,952
Retained earnings		(7,349,933)	(6,240,940)
Total equity		4,737,962	5,686,261
Current liabilities			
Trade and other payables	19	237,861	324,624
		237,861	324,624
Total equity and liabilities		4,975,823	6,010,885

These financial statements were approved by the board on 27th July 2022 and signed on its behalf by:

Maddy Kennedy
Director

The accompanying notes to the financial statements on pages 37 to 64 form an integral part of the financial statements.

nuformix

Consolidated Statement of Changes in Equity

for the year-ended 31 March 2022

	Share capital	*Share premium*	*Merger relief reserve*	*Reverse acquisition reserve*	*Share option reserve*	*Retained earnings*	*Total*
	£	*£*	*£*	*£*	*£*	*£*	*£*
At 1 April 2021	591,609	6,384,835	10,950,000	(8,005,195)	2,005,952	(6,240,940)	5,686,261
Loss for the year and total comprehensive loss	–	–	–	–	–	(1,108,993)	(1,108,993)
Issue of share capital	24,000	145,982	–	–	–	–	169,982
Share issue costs	–	(30,000)	–	–	–	–	(30,000)
Share and warrant based payment	–	–	–	–	20,712	–	20,712
At 31 March 2022	615,609	6,500,817	10,950,000	(8,005,195)	2,026,664	(7,349,933)	4,737,962

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

The accompanying notes to the financial statements on pages 37 to 64 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the year-ended 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
Cash flows from operating activities			
Loss for the year		(1,108,993)	(1,253,497)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	12,13	36,976	93,052
Loss on disposal of plant, property and equipment	12	-	6,179
Finance costs	6	-	3,054
Income tax credit	10	(161,279)	(122,235)
Share and warrant based payment		20,712	191,339
		(1,212,584)	(1,082,108)
Working capital adjustments			
(Increase)/Decrease in trade and other receivables	14	(167,340)	47,237
(Decrease)/Increase in trade and other payables	19	(86,763)	16,099
Cash consumed by operations		(1,466,687)	(1,018,772)
Income taxes received	10	121,020	173,606
Net cash used in operating activities		(1,345,667)	(845,166)
Cash flows from investing activities			
Acquisitions of property plant and equipment	12	-	(605)
Disposals of property plant and equipment	12	-	44,322
Net cash from investing activities		-	43,717
Cash flows from financing activities			
Issue of shares (net of costs)		139,982	2,005,899
Interest paid	6	-	(3,054)
Reduction in other loans		-	(75,388)
Net cash from financing activities		139,982	1,927,457
Net increase/(decrease) in cash and cash equivalents		(1,205,685)	1,126,008
Cash and cash equivalents at 1 April		1,669,780	543,772
Cash and cash equivalents at 31 March		464,095	1,669,780

The accompanying notes to the financial statements on pages 37 to 64 form an integral part of the financial statements

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022

1. General information

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

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

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

The company operates in a virtual manner and as such does not have a principal place of business.

2. Summary of Significant Accounting policies

Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Nuformix plc transitioned to UK-adopted International Accounting Standards in its Group and Parent Company financial statements on 1 April 2021. This change constitutes a change in accounting framework. However, there is no change on recognition, measurement or disclosure in the financial year reported as a result of the change in framework.

These Group and Parent Company financial statements were prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements of the Group and Parent Company have been prepared on accrual basis and under historical cost convention. The financial statements are presented in Pounds Sterling which is the Group's functional and presentational currency.

New Standards and Interpretations

No new standards, amendments or interpretations, effective for the first time for the period beginning on or after 1 April 2021 have had a material impact on the Group.

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IAS 1	Classification of liabilities as current or non-current	Not earlier than 1 January 2024
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

The Directors are evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the financial statements of the Group

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022

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 and Parent Company has adequate resources to continue to operate as a going concern for at least twelve months from the date of approval of these financial statements. In forming this assessment, the Directors have prepared cashflow forecasts covering the period ending 31 March 2024 that take into account the likely run rate on overheads and research and development expenditure and the estimates of the possibilities of raising funds through issues of equity and have considered alternative strategies should projected income be delayed or fail to materialise.

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

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

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

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

Critical Accounting Estimates and Judgements

The preparation of these financial statements under UK-adopted International Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

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

Intangible assets

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

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022

Share options

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

Basis of consolidation

The Group's financial statements consolidate those of the parent company and its subsidiary as of 31 March 2022. Its subsidiary has a reporting date of 31 March.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of its subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Revenue recognition

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

The Group recognises revenue when:

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

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

All operations and information are reviewed together so that at present there is only one reportable operating segment.

In the opinion of the Directors, during the year the Group operated in the single business segment of the research and development of pharmaceutical products using technology developed by the Group.

Taxation

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

Property, plant and equipment

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

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

Depreciation

Depreciation is charged to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	33.33% straight line

Goodwill and Intangible assets

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

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

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

Other intangible assets, including customer relationships, licences, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the Group's patents to write off the cost, less any estimated residual value, over their expected useful economic life on a 10% straight line basis.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

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.

Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

i) *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies financial assets as at amortised cost only if both of the following criteria are met:

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

ii) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

iv) Impairment

The Company assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

The Group's financial liabilities include other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

Equity

Equity comprises the following:

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

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.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 17.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

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

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

Earnings per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares

Investment in subsidiaries

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

3. Revenue

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

	2022	*2021*
	£	*£*
Rendering of services	-	145,550
Licensing Fees	50,000	50,000
	50,000	**195,550**

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

4. Other operating income

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

	2022	*2021*
	£	*£*
Miscellaneous other operating income	-	1,300

5. Operating loss

Arrived at after charging

	2022	*2021*
	£	*£*
Depreciation expense (including lease depreciation)	519	32,058
Amortisation expense	36,457	60,994
Loss on disposal of tangible fixed assets	-	6,179
Research and development expenditure	572,921	362,878
Share option and warrant charge	20,712	191,399

Details of the share-based payments can be found in Note 17.

6. Finance income and costs

	2022	*2021*
	£	*£*
Finance costs		
Interest on lease liabilities	-	3,054
Total finance costs	-	3,054

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

7. Staff costs

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

	2022	*2021*
	£	*£*
Wages and salaries	197,983	388,594
Social security costs	18,533	36,404
Pension costs, defined contribution scheme	1,721	3,870
	218,237	428,868

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

	2022	*2021*
	No.	*No.*
Research and development	2	3
Non-executive directors	2	2
Total	4	5

8. Directors' remuneration

The Directors' remuneration for the year was as follows:

	2022	*2021*
	£	*£*
Remuneration	197,983	311,096
Share based payment charge	3,895	105,803
	201,878	416,899

Further information about the remuneration of individual directors are provided in the Directors' Remuneration Report.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

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

	2022 *No.*	*2021* *No.*
Accruing benefits under money purchase pension scheme	2	2

Details of the total remuneration paid for the services of the directors are set out on pages 19 to 23 in the Remuneration Report.

In respect of the highest paid director:

	2022 *£*	*2021* *£*
Remuneration	72,143	97,000

9. Auditors' remuneration

	2022 *£*	*2021* *£*
Audit of the financial statements – Group	34,000	34,000
Audit of the financial statements – Company	19,000	19,000
Audit related assurance service	-	5,000

10. Income tax

Tax (credited) in the income statement

	2022 *£*	*2021* *£*
Current taxation		
UK corporation tax	(161,279)	(121,020)
Adjustment in respect of prior years	-	(1,215)
	(161,279)	(122,235)

The tax on loss before tax for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

The differences are reconciled below:

	2022 £	*2021* £
Loss before tax	(1,270,272)	(1,375,732)
Corporation tax at standard rate 19%	(241,352)	(261,389)
Excess of depreciation over capital allowances	6,932	7,036
Expenses not deductible	3,935	36,354
Tax losses for which no deferred tax asset was recognized	138,601	149,052
Adjustment in respect of research and development tax credit	(69,396)	(52,073)
Adjustment in respect of prior years	-	(1,215)
Total tax credit	(161,279)	(122,235)

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 2022 the Group has tax losses carried forward of approximately £4,853,000 (2021: £4,120,000).

11. Loss per share

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

	2022 £	*2021* £
Loss after tax	(1,108,993)	(1,253,497)
Weighted average number of shares – basic and diluted	598,447,724	580,629,372
Basic and diluted loss per share	(0.19)p	(0.22)p

There is no difference between the basic and diluted earnings per share as the effect would be to decrease earnings per share.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

12. Property, plant and equipment

	Computer equipment *£*	*Total* *£*
Cost		
At 1 April 2021	1,561	1,561
Additions	-	-
Disposals	-	-
At 31 March 2022	1,561	1,561
Depreciation		
At 1 April 2021	604	604
Charge for the year	519	519
Eliminated on disposal	-	-
At 31 March 2022	1,123	1,123
Carrying amount		
At 31 March 2022	438	438
At 31 March 2021	957	957

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

13. Intangible assets

	Goodwill £	Patents £	Total £
Cost			
At 1 April 2021	4,023,484	449,611	4,473,095
Additions	–	–	–
Written-off	-	(85,035)	(85,035)
At 31 March 2022	4,023,484	364,576	4,388,060
Amortisation			
At 1 April 2021	–	286,227	286,227
Amortisation charge	–	36,457	36,457
On written-off	-	(85,035)	(85,035)
At 31 March 2022	–	237,649	237,649
Net book value			
At 31 March 2022	4,023,484	126,927	4,150,411
At 31 March 2021	4,023,484	163,384	4,186,868

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

As at 31 March 2022, the Group assessed the recoverable amount of the CGU with reference to a value-in-use calculation based on cash flow projection of the subsidiary. The calculations uses cash flow projection based on financial budgets approved by the Directors covering a 30-year period with discount rate of 15% assumed. The recoverable amount of the CGU based on the value-in-use calculation exceeded its carrying amount. The Directors also assessed the market capitalisation of the Group with reference to the share price of the Company and supported the view that goodwill is not impaired.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

14. Trade and other receivables

	31 March 2022 £	*31 March 2021 £*
Prepayments	27,941	14,742
Other receivables	171,659	17,518
	199,600	32,260

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

15. Cash and cash equivalents

	31 March 2022 £	*31 March 2021 £*
Cash at bank	464,095	1,669,780

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

16. Share capital

Allotted, called up and fully paid shares

	31 March 2022		*31 March 2021*	
	No.	*£*	*No.*	*£*
Ordinary shares of £0.001 each	615,609,368	615,609	591,609,368	591,609

	No.
As at 1 April 2021	591,609,366
Placement of new shares on the stock market	24,000,000
As at 31 March 2022	615,609,368

On 17 December 2021, the company completed a capital increase through the issue of 24,000,000 shares of £0.001 each in a share placement at a price of £0.015 per share, with a share premium of £115,982.

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

17. 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 grantdate of the equity-settled share-based payments and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The following share-based payments were made in the year to 31 March 2022:

On 31 January 2022, the directors, A. Riddell. J. Gilbert and M. Kennedy were granted warrants to subscribe for 3,000,000 new Ordinary shares of £0.001 at an exercise price of 1.45p each. The warrants are exercisable up until 31 January 2023. The fair value of the warrants was determined using the Black-Scholes option pricing model at 1.45p per warrant.

The fair value of the options and warrants issued in 2022 were determined using the Black-Scholes option pricing model, where appropriate, and had a weighted average of 2.46p per option (2021: 2.46p).

The significant inputs into the model in respect of the options and warrants granted in the years ended 31 March 2021 and 31 March 2022 were as follows:

	2022 Existing director warrants	*2021 Existing director warrants*
Grant date share price	1.45-4.15p	2.5-4.15p
Exercise price	1.45-2.80p	2.8p
No. of share options	13,746,943	1,160,713
Risk free rate	0.153-0.44%	0.44%
Expected volatility	50-97%	95%
Expected option life	1-5 years	5 years

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

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

Warrant/ option holder	Number of warrants/ options at 1 April 2020	Issued in year	Lapsed in year	Number of warrants / options at 31 March 2021	Issued in year	Lapsed in year	Number of warrants/ options at 31 March 2022	Exercise price	Expiry date
Directors during year									
J Holland	36,860,000	-	-	36,860,000	-	-	36,860,000	4-10p	16/10/2022
K Keegan	3,000,000	-	-	3,000,000	-	(3,000,000)	-	6.75p	10/05/2021
J Gilbert	-	-	-	-	3,000,000	-	3,000,000	1.45p	31/01/2023
M Kennedy	-	-	-	-	3,000,000	-	3,000,000	1.45p	31/01/2023
A Riddell	-	-	-	-	3,000,000	-	3,000,000	1.45p	31/01/2023
Previous directors									
Pascal Hughes	1,625,000	-	(1,625,000)	0	-	-	-	4p	16/10/2020
D Gooding	36,860,000	-	-	36,860,000	-	-	36,860,000	4-10p	16/10/2022
C Blackwell	3,000,000	-	-	3,000,000	-	(3,000,000)	-	4p	10/05/2021
Other warrants/options									
Novum Securities Limited	-	580,357	-	580,357	-	-	580,357	2.8p	21/10/2025
Other warrants		580,356	-	580,356	-	-	580,356	2.8p	21/10/2025
Alex Eberlin	-	586,229	-	586,229	-	-	586,229	4.691p	18/12/2023
	81,345,000	1,746,942	(1,625,000)	81,466,942	9,000,000	(6,000,000)	84,466,942		

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

18. Pension and other schemes

Defined contribution pension sheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year representscontributions payable by the Group to the scheme and amounted to £1,721 (2021: £3,870).

Contributions totaling £Nil (2021: £292) were payable to the scheme at the end of the year and are included in creditors.

19. Trade and other payables

	31 March 2022	*31 March 2021*
		£
Trade payables	12,351	98,955
Accrued expenses	218,202	197,436
Social security and other taxes	7,308	2,941
Outstanding defined contribution pension costs	-	292
Other payables	-	-
	237,861	299,624

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

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

20. 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 19.

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.

21. 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.

Ultimate controlling party

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

Notes to the Consolidated Financial Statements

for the year-ended 31 March 2022
continued

22. Post Balance Sheet Events

In December 2021 the Company entered into a Sharing Agreement with Lanstead Capital Partners LP ("Lanstead"), split into two tranches of new shares issued with payments to be received over a 20-month period from March 2022 to October 2023. Tranche 1 covers the period March 2022 to June 2022 and Tranche 2 runs from July 2022 to October 2023

The agreement is structured in such a way that the proceeds received by the Company are linked to the market price for the Company's shares. The proceeds are calculated based on the volume-weighted average share price in the month preceding the payment from Lanstead, compared to a target price of 2p per share. The total proceeds based on the 2p share price are £1,650,000, with Tranche 1 representing £330,000 of this amount.

At the time of signing the accounts the Company has received the full proceeds from Tranche 1 at a value of £139,982 net. This is considered to be an adjusting post balance sheet event and therefore the share issue in the year to March 2022 has been adjusted to reflect the known proceeds.

Tranche 2 of the share issue completed in April 2022 and the proceeds are yet to be determined as they relate to the future share price. As stated above this will vary in accordance with the share's performance against the target price of 2p. The issue of shares post year end is considered to be a post balance sheet event.

Company Statement of Financial Position
as at 31 March 2022

Registration number: 09632100

	Note	31 March 2022 £	31 March 2021 £
Assets			
Non-current assets			
Investment in subsidiary	26	4,023,484	11,250,000
		4,023,484	11,250,000
Current assets			
Trade and other receivables	27	199,600	966,461
Cash and cash equivalents	28	421,027	1,588,378
		620,627	2,554,839
Total assets		4,644,111	13,804,839
Equity and liabilities			
Equity			
Share capital	16	615,609	591,609
Share premium		6,500,817	6,384,835
Merger relief reserve		10,950,000	10,950,000
Share option reserve		2,026,664	2,005,952
Retained earnings		(15,561,584)	(6,332,753)
Total equity		4,531,506	13,599,643
Current liabilities			
Trade and other payables	29	112,605	205,196
		112,605	205,196
Total equity and liabilities		4,644,111	13,804,839

The loss attributable to the Company in the year was £9,228,831 (2021: loss £1,952,281).

These financial statements were approved by the board on ……………………… and were signed on its behalf by:

Maddy Kennedy

Director

nuformix

Company Statement of Changes in Equity

for the year-ended 31 March 2022

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2021	591,609	6,384,835	10,950,000	2,005,952	(6,332,753)	13,599,643
Loss for the year and total comprehensive income	–	–	–	–	(9,228,831)	(9,228,831)
Share issued and warrant exercised	24,000	145,982	–	–	–	169,982
Share and warrant based payment	–	–	–	20,712	–	20,712
Share issue costs	–	(30,000)	–	–	–	(30,000)
At 31 March 2022	615,609	6,500,817	10,950,000	2,026,664	(15,561,584)	4,531,506

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

Company Statement of Cash Flows

for the year-ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Loss for the year		(9,228,831)	(1,952,281)
Adjustments to cash flows from non-cash items			
Investment Impairment		7,226,516	–
Provision against inter group balance		1,696,434	1,288,000
Share and warrant based payment		20,712	191,339
Equity element of convertible loan note		–	–
		(285,169)	(472,942)
Working capital adjustments			
(increase)/decrease in trade and other receivables	27	(175,209)	11,434
(decrease)/Increase in trade and other payables	29	(92,591)	32,399
Net cash outflow from operating activities		(552,969)	(429,109)
Cash flows from investing activities			
Loan to subsidiary		(754,364)	(495,829)
Loan repayments from subsidiary		–	–
Net cash (used)/generated by investing activities		(754,364)	(495,829)
Cash flows from financing activities			
Issue of shares (net of costs)		139,982	2,005,899
Interest on convertible loan and exchange gains		–	–
Net cash flows from financing activities		139,982	2,005,899
Net increase in cash and cash equivalents		(1,167,351)	1,080,961
Cash and cash equivalents at 1 April		1,588,378	507,417
Cash and cash equivalents at 31 March		421,027	1,588,378

The accompanying notes to the financial statements on pages 61 to 64 form an integral part of the financial statements.

Notes to the Company Financial Statements

for the year-ended 31 March 2022
continued

23. 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 UK-adopted International Accounting Standards.

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.

24. 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 £9,228,831 (2021: loss £1,952,281).

25. Staff costs

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

	2022	*2021*
	£	*£*
Wages and salaries	–	112,135
Social security costs	–	11,853
	–	123,988

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

Notes to the Company Financial Statements

for the year-ended 31 March 2022
continued

26. Investment in subsidiary

	£
At 1 April 2021	11,250,000
Impairment	(7,226,516)
At 31 March 2022	4,023,484

The Company has the following interests in subsidiaries:

		Equity Interest	
Name	*Country of Incorporation*	*2022*	*2021*
Nuformix Technologies Limited	United Kingdom	100%	100%

27. Trade and other receivables

	31 March 2022	*31 March 2021*
Amount owed by Group undertakings	-	942,070
Prepayments	27,941	9,786
Other receivables	171,659	14,605
	199,600	966,461

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

28. Cash and cash equivalents

	31 March 2022 £	*31 March 2021 £*
Cash at bank	421,027	1,588,378

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

Notes to the Company Financial Statements

for the year-ended 31 March 2022
continued

29. Trade and other payables

	31 March 2022 £	*31 March 2021* £
Trade payables	8,483	58,054
Accrued expenses	104,122	147,142
	112,605	205,196

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

30. 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 30.

Capital risk management

The Company's objectives when managing capital are:

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

Notes to the Company Financial Statements

for the year-ended 31 March 2022
continued

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.

31. Related parties

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

The remuneration of the key management personnel of the Group, who are defined as the directors, is set out in the directors' remuneration report. Details of the fair value of transactions with key management and their close family members is included in note 21.

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. In the year a provision of £2,984,434 (2021: £1,288,000) was recognised against the balance due from Nuformix Technologies Limited. No other provisions have been made for doubtful debts in respect of amounts owed by other related parties.

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

	31 March 2022 £	*31 March 2021 £*
Nuformix Technologies Limited	2,984,434	2,230,070

Notice of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting (the "AGM") of Nuformix plc (the "Company") will be held at 6th Floor, 60 Gracechurch Street, London, EC3V 0HR on 25 August 2022 at 2.00pm and if thought fit, pass the following resolutions. Resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 to 10 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the Company's annual report and accounts for the year ended 31 March 2022.

2. To approve the remuneration report set out on pages 19 to 23 of the annual report for the year ended 31 March 2022

3. To re-appoint Dr Julian C Gilbert as a director.

4. To re-appoint Ms Madeleine E Kennedy as a director.

5. To re-appoint Jeffreys Henry Audit Limited as auditor of the Company.

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

7. 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 £234,072.09 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the next Annual General Meeting of the Company or on 30 September 2023, 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

8. That, subject to the passing of resolution 7 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 £70,930.94 and this power shall expire, unless previously revoked, renewed or varied, at the conclusion of the next Annual General Meeting of the Company or on 30 September 2023, 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

9. 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 106,396,405;

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

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

   d. the authority conferred by this resolution shall, unless previously renewed, expire at the end of the next Annual General Meeting of the Company, or on 30 September 2023, 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.

10. 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

Ben Harber

1st August 2022

Registered Office

6th Floor

60 Gracechurch Street
London
EC3V 0HR

Notice of Annual General Meeting

continued

Notice of Meeting Notes:

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

1) To be entitled to vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 23 August 2022. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the Meeting.
2) Shareholders are encouraged to appoint the Chair of the Meeting as their proxy to exercise all or part of their rights to vote on their behalf at the Meeting. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
3) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
4) You can vote either:

   - by logging on to www.signalshares.com and following the instructions;
   - by downloading the new shareholder app, LinkVote+, on Apple App Store or Google Play and following the instructions;
   - you may request a hard copy form of proxy directly from the registrars, Link Group, on telephone number 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales;
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
   - In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 2.00pm on 23 August 2022.
5) If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

6) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who

Notice of Annual General Meeting

continued

have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 2.00pm on 23 August 2022. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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

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

11) The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it

Notice of Annual General Meeting

continued

makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

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

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

14) At 29th July 2022, (being the latest practicable date prior to the publication of this notice) the issued share capital of the Company consisted of 709,309,368 Ordinary Shares of £0.001 each in the capital of the Company. Each share carries one vote. The Company held no shares in treasury, therefore the total voting rights in the Company as at 29th July 2022 were 709,309,368.

Notice of Annual General Meeting

continued

EXPLANATION OF BUSINESS

Resolution 1: To receive the annual report and accounts

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

Resolution 2: To approve the Remuneration Report

The Remuneration Report is set out on pages 19 to 23 of the annual financial report. It gives details of the Directors' remuneration for the year ended 31 March 2022. The vote is advisory and does not affect the actual remuneration paid to any individual Director.

Resolutions 3 and 4: To elect Directors

The Company's articles of association provide for each director to retire from office at the third annual general meeting after the AGM at which he/she was previously appointed or reappointed. However, in line with the recommendations set out in the UK Corporate Governance Code, all Directors will be standing down and offering themselves for re-election by shareholders at this year's AGM. Directors' biographical details are given on page 13 of the annual financial report.

Resolution 5 and 6: 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 5 is for members to reappoint Jeffreys Henry LLP as auditors of the Company and resolution 6 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 7: Directors' authority to allot shares

At the 2021 Annual General Meeting, the Directors were given authority to allot shares in the Company and Resolution 7 seeks to renew that authority until the conclusion of the next AGM or 30 September 2023, 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 £234,072.09. This amount represents one-third of the issued ordinary share capital of the Company as at 29th July 2022, the latest practicable date prior to the publication of this document. The Directors have no present intention to allot new shares.

Resolution 8: 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 8 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 £70,930.94, equivalent to 10 per cent of the total issued ordinary share capital of the Company as at 29th July 2022 without the shares first being offered to existing shareholders in proportion to their holdings.

Resolution 9: 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 10: 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 10 proposes a special resolution, and seeks shareholder approval to enable the Company to call general meetings, other than AGMs, on at least 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider to be appropriate in relation to the business to be considered at the meeting in question and where it is thought to be to the advantage of shareholders as a whole. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

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