18 July 2019

Nuformix plc
("Nuformix" or "the Group"),
Final Results for year ended 31 March 2019

The Board of Nuformix plc, (LSE:NFX) is pleased to announce the Group's audited final results for the year ended 31 March 2019.

Key Highlights

- Validation of Nuformix's application of cocrystal technology via the commencement of NXP001 studies in humans.
- Completion of NXP002 pre-clinical proof of concept studies in innovative 'close to patient' human IPF tissue models.
- The Group has completed several deals, generated revenues and hit important milestones within its partnerships, with further payments expected to come in H1 2019/20.
- Addition to the Board of former Vectura Group CEO Chris Blackwell, bringing a wealth of expertise and corporate leadership.

Progression of Lead Programmes

- NXP001: Oncology Supportive Care
    - Achieved first pre-clinical milestone resulting in receipt of a first payment of £500,000 in accordance with its Newsummit Biopharma licensing agreement.
    - MHRA clearance for the NXP001 human pharmacokinetic study was received in February 2019 with the first healthy volunteers dosed in March 2019.
    - After the year end Nuformix announced achievement of a second pre-clinical milestone plus success in a human pharmacokinetic study triggering a total payment of £2.5m.
- NXP002: Fibrosis
    - Completion of NXP002 pre-clinical proof of concept studies in innovative, 'close to patient' human idiopathic pulmonary fibrosis ("IPF") tissue models.
    - Out-performed the current standard of care treatment, Esbriet ® (pirfenidone), in reducing fibrosis and inflammation.
    - Additional development opportunities and further partnerships explored in parallel.

Outlook

Going forward we expect another exciting year. Milestones for the new year already include the successful completion of the Group's first clinical trial with NXP001, validating our platform and showing it can translate its applications of cocrystal technology into human use. A second achievement of the new year involves the recently closed deal with Ebers Tech Inc to develop cannabinoid cocrystals, covering a wide range of cannabinoid molecules and potential indications. The deal will bring in further revenue driven by patent filings and pre-clinical outcomes.

With validation in clinic established for our underlying technology, the subsequent de-risking of Nuformix's wider pipeline and completion of the Ebers deal collectively confirms our business model is on track to deliver significant growth in shareholder value in 2019/20.

Dr Dan Gooding, CEO, said: "We are very proud of our achievements in the past year, a landmark year for Nuformix. The Group demonstrated an important cornerstone of its strategy – that the team can translate our technology successfully into human use without the need for additional safety data using a highly cost-effective model. This de-risks the wider portfolio, which we have been able to grow and further validate, most notably for our NXP002 programme in fibrosis.

"With significant income due from IP licensing and collaborative development programmes in H1 2019/20 and validation of its platform in clinic, we're very excited that Nuformix is positioned well to progress multiple programmes towards patients, delivering its promise of therapeutic innovation and growth in shareholder value."

References to page numbers and notes to the accounts made in this section refer to page numbers and notes to the accounts in the Company's 2019 Annual Report.

Market Abuse Regulation (MAR) Disclosure. Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the publication of this announcement via a Regulatory Information Service and accordingly, this inside information is now considered to be in the public domain.

Enquiries:

Nuformix plc	+44 (0)1223 627222
Dr Dan Gooding, Chief Executive Officer	
Optimum Strategic Communications	+44 (0) 20 3950 9144
Mary Clark, Supriya Mathur	
Email: nuformix@optimumcomms.com	

About Nuformix plc **www.nuformix.com**

Nuformix is a pharmaceutical development company using cocrystal technology to unlock the therapeutic potential of approved small molecule drugs. Nuformix's risk-mitigated development strategy has resulted in a pipeline of discoveries through which it has developed and patented novel cocrystal forms of approved small molecules.

Nuformix has created an IP portfolio of granted patents covering cocrystal forms of five small molecule drugs. Nuformix is targeting high-value unmet needs with its lead programmes in oncology supportive care: NXP001 and fibrosis: NXP002.

Nuformix was established in Cambridge in 2009 and has invested in pharmaceutical cocrystal R&D, establishing world-class capability and know-how in cocrystal discovery and development, yielding multiple product opportunities.

Nuformix plc shares are traded on the London Stock Exchange's Official List under the ticker: NFX.L.

Nuformix plc

Chairman's Statement

Overview

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

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

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

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

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

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

Board changes

The Group added a broader skill set to the Board with the appointment of former Vectura CEO Chris Blackwell who brings a wealth of expertise and corporate leadership. Chris was CEO of Vectura Group Plc from February 2004 to June 2015 taking the Vectura Group through its Initial Public Offering ('IPO') to a valuation of over $2 billion and carries strong experience in fundraising, M&A and corporate development taking companies from a research led technology development focus to commercially driven pharmaceutical development.

Current trading and outlook

This year saw the Group achieve transformational change: commencing its first clinical development programme, securing its first licensing income from NXP001 and overall development of the portfolio.

These achievements are testament to the skills and experience of our people and put the Group on a path towards significant growth.

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

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

David Tapolczay
Chairman
17 July 2019

Nuformix plc

Strategic Report

Objective and strategy

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

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

Operational Highlights

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

Team

The Group added a broader skill set to the Board with the appointment of former-Vectura CEO Chris Blackwell who brings a wealth of expertise and corporate leadership. Chris Blackwell, was CEO of Vectura Group Plc from February 2004 to June 2015 taking the Group through its initial IPO to a valuation of over $2 billion and carries strong experience in fundraising, M&A and corporate development taking companies from a research led technology development focus to commercially driven pharmaceutical development.

Product Development Pipeline

Lead Programmes

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

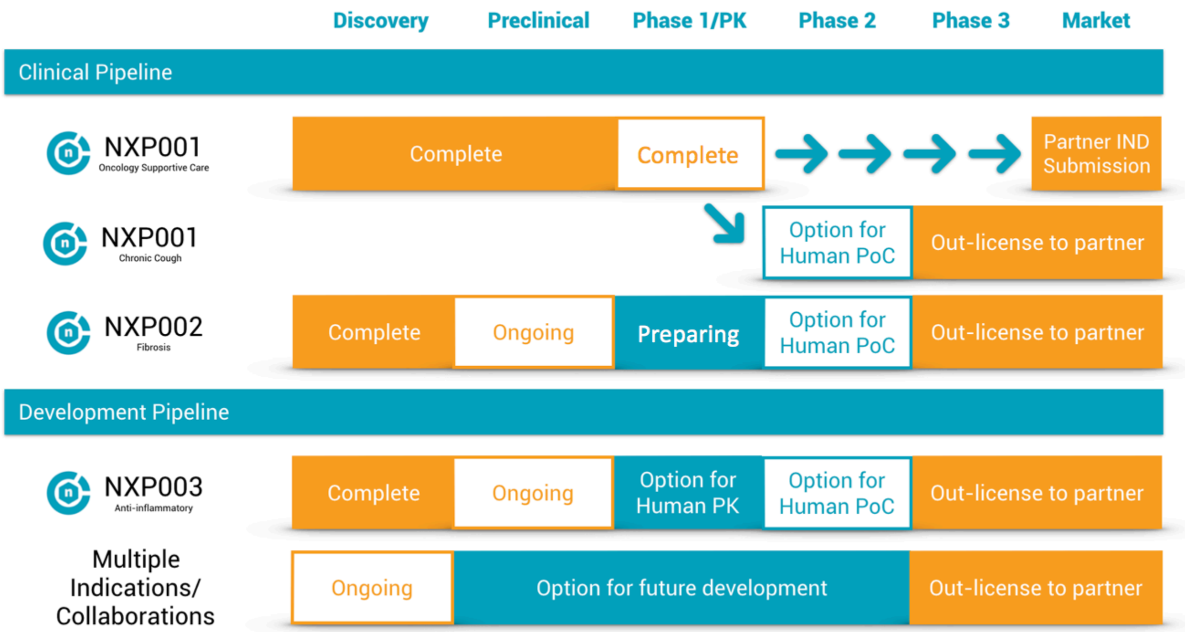
The Group also announced completion of its innovative pre-clinical trial in human IPF for NXP002 against standard of care using a leading-edge human tissue trial model that closely replicates the clinical disease. Data demonstrated strong inhibition of fibrosis *ex-vivo*, even in very severely fibrotic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

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

Pipeline Development

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

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



Commercial Highlights

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

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

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

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

Risks and Uncertainties

The Group's risk management policy is regularly reviewed and updated in line with the changing needs of the business. The primary risks identified by management are:

- **Technical risks in delivering the potential of further lead programmes**

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

- **Maintaining sufficient cashflow and reliance on milestone payments (receipt of funds arising from technical achievement)**

  Mitigation: The Group strives to grow its pipeline of business, broaden its customer base and aims to secure ongoing contracts. Furthermore, close relationships are maintained across multiple tiers with existing partners to best ensure timely receipt of milestone payments.

- **Access to new investment given the Group's stage of development**

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

Financial Highlights

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

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

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

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

Performance

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

- *Progress of Lead Programmes:* Lead programmes are progressing at an acceptable rate. Clinical data from NXP001 has triggered commercial milestones to support the Group's development and commercial objectives. Growth of pipeline and patent portfolio can trigger further milestones within the collaborations.

- *Financial Resources:* The Group monitors cash flow as part of its day to day financial control procedures. The board regularly assesses cash flow projections and ensures that appropriate resources are available to be drawn on when required.

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

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

Employment without discrimination

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

Environmental and social

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

Dan Gooding
CEO
17 July 2019

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each person who was a director at the time of this report was approved:

- so far as that director is aware there is no relevant audit information of which the Group's auditor is unaware; and,
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Dan Gooding
CEO
17 July 2019

Independent Auditor's Report to the Members of Nuformix plc

Opinion

We have audited the financial statements of Nuformix PLC (the 'parent company') and its subsidiary (the 'Group') for the year ended 31 March 2019 which comprise the Consolidated Income and Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

Material uncertainty relating to going concern

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

Key audit matters

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

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

Our application of materiality

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

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

We have agreed to report to the Audit Committee all audit differences in excess of £1,250, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

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

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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit; we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of directors and auditor

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Scope of the audit of the financial statements

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

Other matters which we are required to address

We were appointed by the directors to audit the financial statements for the period ending 31 March 2016. Our total uninterrupted period of engagement is four years, covering the period ending 31 March 2016 and the years ended 31 March 2017, 2018 and 2019.

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

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Ian Daniels (Senior statutory auditor)
For and on behalf of Haysmacintyre LLP,
Statutory Auditors
Date : 17 July 2019

10 Queen Street Place
London
EC4R 1AG

Consolidated Income Statement and Statement of Comprehensive Income for the Year Ended 31 March 2019

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

The above results were derived from continuing operations.

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

Dan Gooding
CEO

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Financial Position as at 31 March 2019

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

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

Dan Gooding
CEO
17 July 2019

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2019

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

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

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Loss for the year		(1,661,227)	(1,838,263)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	7	52,815	47,433
Finance costs	8	32,210	3,547
Income tax expense	12	(181,495)	(126,790)
Share and warrant based payment		975, 926	1,002,142
Equity element of convertible loan note		7,489	-
		(774,282)	(911,932)
Working capital adjustments			
Decrease in trade and other receivables	16	17,457	80,434
Increase / (decrease) in trade and other payables	23	260,602	(631,321)
Cash consumed by operations		(496,223)	(1,462,819)
Income taxes received / (paid)	12	196,881	(68,445)
Net cash outflow from operating activities		(299,342)	(1,531,264)
Cash flows from investing activities			
Cash acquired on reverse acquisition		-	678
Acquisitions of property plant and equipment	14	(1,277)	(44,094)
Disposals of property plant and equipment	14	149	-
Acquisition of intangible assets	15	(26,148)	(57,202)
Net cash flows from investing activities		(27,276)	(100,618)
Cash flows from financing activities			
Proceeds of share issue		-	1,960,150
Interest paid	8	(3,483)	(2,061)
Foreign exchange (losses) / gains	8	(3,805)	7,514
Net cash flows from financing activities		(7,288)	1,965,603
Net (decrease)/ increase in cash and cash equivalents		(333,906)	333,721
Cash and cash equivalents at 1 April		338,167	4,446
Cash and cash equivalents at 31 March		4,261	338,167

The accompanying notes form an integral part of the financial statements.

1 General information

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

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

The address of its registered office is:

6th Floor
60 Gracechurch Street
London
EC3V 0HR

2 Accounting policies

Basis of preparation

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

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

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRSs"). At the date of the authorisation of these financial statements the following Standards and Interpretations affecting the Group, which have not been applied in these financial statements, were in issue, but not yet effective. The Group does not plan to adopt these standards early.

- IFRS 16 Leases
- IFRIC23 Uncertainty over Income Tax Treatments

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

Critical Accounting Estimates and Judgements

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

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

Intangible assets

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

Share options

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

Basis of consolidation

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

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

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

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

Going concern

The financial statements have been prepared on the going concern basis of preparation which, inter alia, is based on the directors' reasonable expectation that the Group has adequate resources to continue to operate as a going concern for at least twelve months from the date of their approval. In forming this assessment, the directors have prepared cashflow forecasts covering the year ending 31 July 2020 which take into account the likely run rate on overheads and research expenditure and the prudent expectations of income from its lead programmes. Whilst there can be no guarantee of the successful outcome of future trials, in compiling the cashflow forecasts the directors have made cautious estimates of the likely outcome of such trials, when income might be generated and have considered alternative strategies should projected income be delayed or fails to materialise. The directors' recognise that there are inherent material uncertainties as to when milestones in research will be achieved which will give a right to revenue and, as a consequence, the likely date of the related cash receipts. The directors have considered alternative strategies which include postponing uncommitted research expenditure, securing alternative licensing arrangements from those currently planned and utilising the Group's established network of licensed brokers for fundraising.

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

Exceptional items

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

Changes in accounting policy

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

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

Revenue recognition

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

The Group recognises revenue when:

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

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

Segmental information

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

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

Tax

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

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

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

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

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

Property, plant and equipment

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

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

Depreciation

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

Asset class	Depreciation method and rate
Leasehold improvements	20% straight line
Computer and office equipment	33.33% straight line
Lab equipment	25% straight line

Intangible assets

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

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

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

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

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

Amortisation

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

Asset class	Amortisation method and rate
Patents	10% straight line

Cash and cash equivalents

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

Trade receivables

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

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

Trade payables

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

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

Borrowings

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

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

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

Leases

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

Equity

Equity comprises the following:

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

Defined contribution pension obligation

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

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

Financial assets and liabilities

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

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

Convertible loan note

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

Investment in subsidiaries

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

3 Business combinations

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

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

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

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

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

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

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

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

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

4 Exceptional items

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

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

5 Revenue

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

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

6 Other operating income

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

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

7 Operating loss

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

8 Finance income and costs

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

9 Staff costs

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

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

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

	2019	2018
	No.	No.
Research and development	3	3

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

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	240,000	209,705

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

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

In respect of the highest paid director:

	2019	2018
	£	£
Remuneration	125,000	109,519

11 Auditors' remuneration

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

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

12 Income tax

Tax (credited) in the income statement

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

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

The differences are reconciled below:

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

No deferred tax asset has been recognised as the Directors cannot be certain that future profits will be sufficient for this asset to be realised. As at 31 March 2019 the Group has tax losses carried forward of approximately £3,070,000 (2018: £2,430,000).

13 Loss per share

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

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

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

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

On 18 April 2017, the Company announced that it entered into a convertible loan note agreement for £200,000 with a private investor. On 24 August 2018 the agreement was amended to provide for

conversion into new ordinary shares at 2.75p (April 2017: 4p) per share. Subsequent to the year end conversion into ordinary shares of the company has occurred with the lender also being issued with one for one warrants to subscribe for new ordinary shares at 2.75p per share, exercisable for a five year (April 2017: three) period from conversion.

14 Property, plant and equipment

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

15 Intangible assets

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

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

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

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

16 Trade and other receivables

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

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

17 Cash and cash equivalents

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

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

18 Share capital

Allotted, called up and fully paid shares

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

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

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

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

19 Share options and warrants

The Group operates share-based payment arrangements to remunerate directors and key employees in the form of a share option scheme. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value is determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

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

- 5,250,000 Success Fee shares were issued on 16 October 2017. The fair value of the shares awarded was £210,000 based on the placement price of 4p per share and was recognised in the year.
- 2,250,000 Whitman Howard fee shares were issued in connection with the placing on 16 October 2017. The fair value of the shares awarded was £90,000 based on the placement price of 4p per share and was recognised in the year.
- 79,650,050 unapproved share options were issued on 16 October 2017. The options have a one year vesting period, an exercise price within the range of 4-10p per share and a four year exercise period from vesting. The fair value of the options was determined as 1.6p per share and a charge of £691,319 (2018: £583,082) has been recognised in the current year.
- 12,499,950 options under an EMI share option scheme were issued on 16 October 2017. The options have a one year vesting period, an exercise price of 4p per share and a four year exercise period from vesting. The fair value of the options was determined as 1.7p per share and a charge of £115,274 (2018: £97,726) has been recognised in the current year.
- 1,625,000 Existing director warrants were issued on 15 September 2017. The warrants have a one year vesting period from the date of re-admission of the Company's shares, an exercise price of 4p per share and a two year exercise period from vesting. The fair value of the warrants was determined as 1.4p per share and a charge of £12,341 (2018: £12,341) has been recognised in the current year.
- 1,250,000 Shakespeare Martineau warrants were issued on 15 September 2017. The warrants have a one year vesting period from the date of re-admission of the Company's shares, an exercise price of 4p per share and a two year exercise period from vesting. The fair value of the options was determined as 1.4p per share and a charge of £9,493 (2018: £9,493) has been recognised in the current year.
- A convertible loan note agreement of £200,000 plus 9% interest per annum was entered into on 18 April 2017 and subsequently amended on 24 August 2018. Under the 2018 amendment, shares and warrants are issuable at conversion into new ordinary shares at 2.75p (2017: 4p) per share and warrants are exercisable for a five year (2017: three) period from conversion.

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

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

	2018 Unapproved options	2018 EMI options	2018 Existing director warrants	2018 Shakespeare Martineau warrants	2019 Convertible loan note
Grant date share price	4p	4p	4p	4p	2.55p

Exercise price	4-10p	4p	4p	4p	2.75p
No. of share options	79,650,050	12,499,950	1,625,000	1,250,000	8,581,818
Risk free rate	0.5%	0.5%	0.5%	0.5%	0.5%
Expected volatility	50%	50%	50%	50%	95%
Expected option life	5 years	5 years	3 years	3 years	5 years

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

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

20 Loans and borrowings

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

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

21 Obligations under leases and hire purchase contracts

Operating leases

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

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

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

22 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £2,703 (2018: £1,318).

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

23 Trade and other payables

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

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

24 Financial instruments

Credit risk

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

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

An analysis of trade and other payables is given in note 23.

Capital risk management

The Group's objectives when managing capital are:

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

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

25 Related party transactions

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

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

Transactions with directors

During the year the Group was invoiced £28,000 for management services by John Lidgey, a director.

Other transactions with directors

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

Dr D Gooding (Director)

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

Dr J Holland (Director)

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

26 Ultimate controlling party

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

27 Post balance sheet events

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

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

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

Company Statement of Financial Position as at 31 March 2019

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

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

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

Dan Gooding
CEO
17 July 2019

The accompanying notes form an integral part of the financial statements.

Company Statement of Changes in Equity for the Year Ended 31 March 2019

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

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

The accompanying notes to form an integral part of the financial statements.

Company Statement of Cash Flows for the Year Ended 31 March 2019

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

The accompanying notes form an integral part of the financial statements.

Notes to the Company Financial Statements for the Year Ended 31 March 2019

28 Significant accounting policies

Basis of preparation

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

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

29 Loss attributable to shareholders

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The loss attributable to the Company in the year was £1,392,674 (2018: loss £1,587,627).

30 Staff costs

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

	2019	2018
	£	£
Wages and salaries	-	-

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

	2019	2018
	No.	No.
	-	-

31 Investment in Subsidiary

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

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

The Company has the following interests in subsidiaries:

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

32 Trade and other receivables

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

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

33 Cash and cash equivalents

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

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

34 Trade and other payables

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

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

35 Financial instruments

Credit risk

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

Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

An analysis of trade and other payables is given in note 34.

Capital risk management

The Company's objectives when managing capital are:

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

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

36 Related parties

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

The remuneration of the key management personnel of the Group, who are defined as the directors, is set out in the directors' remuneration report. Details of the fair value of transaction with key management and their close family members is included in note 25.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received in respect of amounts outstanding. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

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

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

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