Nuformix plc

Annual Report and Accounts

For the Period Ended 30 September 2023

Contents

Company Information

Directors	Dr Julian C Gilbert
	Ms Madeleine E Kennedy
	Dr Daniel J Gooding (appointed 1 August 2022)
Company Secretary	Ben Harber
Registered Office	6th Floor
	60 Gracechurch Street, London
	EC3V 0HR
Auditors	Kreston Reeves LLP
	168 Shoreditch High Street
	London
	E1 6RA
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 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

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.

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 develop and file patent applications on novel crystalline forms of existing, marketed drugs, that have improved physical properties, with the aim of developing novel products in new indications to create 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 newly discovered 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 (novel proprietary form of tranilast) – Idiopathic Pulmonary Fibrosis ("IPF")

NXP002 is the Group's preclinical 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, which allows the drug to be delivered in an inhaled formulation.

IPF is a devastating lung disease associated with a higher mortality rate than many cancers. Thus, IPF represents a high unmet medical need such that the requirement for improved treatment options represents 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 (now off patent) achieved US$3.5bn and US$0.8bn respectively in 2022.

Tranilast has a long history of safe use as an oral drug for asthma, keloids and hypertrophic scarring, but there is growing evidence that supports its potential use in other fibrotic conditions, including IPF. NXP002 is differentiated as it is a patent protected new form of tranilast that has been enabled for formulation and 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. Discontinuation rates for standard-of-care IPF therapies can be as high as 80% in certain patient groups due to their debilitating systemic side-effects.

Non-Executive Directors' Statement

Effective inhalation therapies offer the potential to overcome these limitations of oral therapies. Nuformix owns granted patents protecting new forms of tranilast, in addition to a recently filed patent protecting its use with SoC in IPF, with patent prosecution progressing in major pharmaceutical territories.

As a potential treatment for IPF, which is a rare disease, NXP002 is a likely candidate for Orphan Drug Designation, which could provide additional product protection against potential competitors. The positioning of NXP002 as an inhaled treatment for IPF could be either as added to Standards of Care (SoCs) or administered as a monotherapy for patients non-responsive to SoCs and those declining these therapies due to side effects which impact quality of life.

The preclinical inhalation strategy, initiated by the Company has significantly progressed NXP002 demonstrating:

- it can be delivered *in-vivo* by a range of nebulisers at the optimum particle size for delivery to the deep lung;
- very high doses appear to be well-tolerated; and
- an *in-vivo* inhalation dose response was observed for inflammatory and fibrotic biomarkers that is consistent with all *ex-vivo* human IPF tissue studies to date.

The Company conducted studies in a new iteration of a 3D human IPF lung tissue using a disease and species relevant model that has been advanced to significantly reduce output variability. The results from these studies of NXP002 alone and in combination with current SoC, can be summarised as follows:

- NXP002 is well tolerated in ex-vivo human lung tissue with no signs of toxicity events;
- NXP002 alone delivers a strong, consistent anti-fibrotic and anti-inflammatory effect as demonstrated by modulation of the release of multiple biomarkers of fibrosis and inflammatio
- both high and low concentrations of NXP002 show an additive anti-fibrotic and anti-inflammatory effect to SoC;
- in particular, the higher concentrations of NXP002 with SoC's deliver a near complete ablation of fibrosis biomarker release, yet at lower concentrations than have been seen in other preclinical models to date; and
- the clear, pronounced additive benefit of NXP002 on top of SoCs observed suggests that NXP002 will provide additional efficacy, even in patients responding to SoC therapy. This raises the possibility that NXP002 targets additional disease pathways to SoC's when increasing the combined anti-fibrotic and anti-inflammatory response.

As announced on 18 May 2023, following success in suppressing biomarkers of fibrotic disease progression in human IPF lung tissue, the same samples were analysed to assess additional mechanistic and anti-inflammatory benefits on top of SoC's and the results are summarised as follows:

- NXP002 alone delivers a strong, consistent anti-inflammatory effect as demonstrated by suppression of the release of inflammatory cytokines by over 90% for all cytokines studied; and

Non-Executive Directors' Statement

- the results further suggests that NXP002 will provide additional efficacy in combination with SoC's, even in patients responding to SoC therapy alone.

Nuformix has developed a Target Product Profile ("TPP") that is consistent with twice daily inhalation administration. To assess NXP002's duration of action in relation to the TTP, the Company initiated work in an exploratory model in healthy human lung tissue. The model also bridges the Company's successful preclinical work across a variety of LPS-challenge studies. The results are summarised as follows:

- NXP002 suppresses the release of inflammatory cytokines by healthy human lung tissue following LPS challenge; and
- a strong anti-inflammatory effect remains at 12 hours post drug dosing demonstrated by continued suppression of the release of inflammatory cytokines following LPS challenge, confirming NXP002 has a suitable duration of action to support its TTP of twice daily dosing.

Overall, the results further strengthen NXP002's potential for development as a new inhaled treatment for IPF either in addition to existing therapies or as a monotherapy. The Board continues to be encouraged by the progress of the studies and the positive data generated to date, in particular the recent duration of action study results and is focused on next steps which include:

- expansion of the current studies to include further human IPF tissue donors to demonstrate the robustness of NXP002's anti-fibrotic response alone and in SoC combinations; and
- formally commencing the NXP002 partnering process.

Post-period end on 23 October 2023, the Company announced that it was issued with an Official Decision to Grant Notice of Allowance for Japanese National Phase Patent Application No. 2020-555115 entitled "CRYSTALLINE TRANILAST SALTS AND THEIR PHARMACEUTICAL USE". This patent, which has already been granted in the US, describes proprietary new forms of the drug tranilast being progressed by the Company as a potential novel IPF treatment. These proprietary drug forms uniquely enable delivery via an inhaled nebulised formulation.

NXP004 (novel forms of olaparib) – Oncology

The Group discovered novel forms of olaparib, a drug currently marketed by AstraZeneca, as Lynparza®. 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, it has secured similar approvals in breast, pancreatic and prostate cancers with further trials on-going. These approvals have propelled Lynparza® sales to US$2.6bn in 2022 with industry analysts forecasting annual sales of US$9.7bn by 2028.

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

The Company demonstrated enhanced performance of NXP004 cocrystals compared to olaparib. Subsequently, further preformulation studies allowed the Company to identify lead cocrystals to be progressed for further development.

Non-Executive Directors' Statement

Results from *in vitro* dissolution studies demonstrated that the two lead NXP004 cocrystals out-performed Lynparza®, both in terms of rate and extent of dissolution and release of olaparib.

Enhancement of dissolution in the currently marketed formulation of Lynparza® resulted in improved bioavailability versus the initial marketed product. Therefore, the NXP004 programme may offer potential to further increase olaparib bioavailability. In addition, the potential simplicity of NXP004-based formulations may offer improvements in product cost-of-goods versus the currently marketed product, which requires complex manufacturing methods.

These attributes position NXP004 for applications in line-extensions for the currently marketed product, or for possible development in future first-to-generic products.

The Company will now consider the design and execution of suitable preclinical pharmacokinetic models to further investigate and validate NXP004's potential for enhancing the oral absorption of olaparib. Securing these data will enable commencement of discussions with potential commercialisation partners.

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

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) exclusively licensed to Oxilio for oncology indications.

On 18 September 2023, the Company announced that Oxilio had acquired ownership of its NXP001 patent estate for which Nuformix received new immediate and near-term undisclosed milestone payments, whilst retaining further development milestones and royalties capped at £2 million per year.

Fundraising

On 13 April 2023, the Company completed a subscription to raise gross proceeds of £70,000 through a subscription for 35,000,000 new ordinary shares of 0.1 pence each in the capital of the Company (the "New Ordinary Shares") at a price of 0.20 pence per share (the "Subscription"). The Subscription was undertaken with a single UK-based FCA regulated institutional investor. The New Ordinary Shares represented approximately 4.7 per cent. of the Company's enlarged issued share capital.

In addition, the participant in the Subscription was issued with one warrant for every one New Ordinary Share subscribed for with an exercise price of 0.25 pence per warrant. These warrants are exercisable for two years from 21 April 2023 ("Warrants"). If the Warrants are exercised in full, it would result in the issue of an additional 35,000,000 new ordinary shares raising a further £87,500 for the progression of the Company's business activities. The New Ordinary Shares and Warrants were issued pursuant to the Company's existing share issuance authorities.

The net proceeds of the Subscription are being used by the Company primarily to further advance its NXP002 programme for the inhaled treatment of IPF.

Non-Executive Directors' Statement

Lanstead Subscription and Sharing Agreements

During the period the Company received proceeds from the Company's subscription and associated sharing arrangements with Lanstead Capital Investors L.P. ("Lanstead"), as announced on 14 December 2021, 17 January 2022 and 12 April 2022. The sharing agreements ended in October 2023, concluding this arrangement and the Company is due no further funds from Lanstead.

Business Development

During the period the Company has switched its focus to business development activities to explore partnering opportunities for both its NXP002 and NXP004 programmes, attending both the European Respiratory Conference in Milan and the IPF Summit in Boston. Those partnering activities are ongoing.

Summary and Outlook

The strategy of the Group is to continue to optimise value from its existing assets while maintaining tight control of costs. The proceeds from the Lanstead Sharing Agreements, the April 2023 fundraise proceeds and the milestone payment received from Oxilio in September 2023 and post-period in December 2023 have enabled the Group to continue to advance and exploit the current assets within the portfolio through selective additional R&D and business development activities as set out above. The Group is conducting business development/licensing activities for all its assets using a structured and data-driven approach, with the goal of seeking global licensing deals. Our focus and emphasis is to progress our NXP002 and NXP004 programmes where required to complete licensing transactions and achieve value creation to generate a 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 Chairman
2 January 2024

Madeleine Kennedy
Non-Executive Director
2 January 2024

Strategic Report

Review of the Business

A review of the period of these accounts is given in the Non-Executive Directors' Statement on pages 4 to 8.

Risks and uncertainties

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

The primary risks identified by the Board are:

Strategic risks

- Funding the business

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 December 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 or a fundraising. The proceeds from the Lanstead sharing agreements ended in October 2023.

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

Strategic Report

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- 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

The ability of the Group to quickly adapt to external events such as a pandemic 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 18 of the financial statements.

Strategic Report

Continued

Financial Highlights

- Net assets at year-end (18 months) of £4,195,033 (2022: £4,737,962) which includes £202,548 cash at bank (2022: £464,095)

- The Group delivered a loss on ordinary activities (after tax credit) for the 18 months of £859,467 (2022: loss of £1,108,993) and a loss per share of 0.12p (2022: 0.19p). The reported loss is driven mainly by costs related to the further development of pipeline assets

Future outlook

The Non-Executive Directors' Statement on pages 4 to 8 gives information on the outlook of the Group.

Performance

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

Financial KPIs

The Group is currently at a stage where the Board considers availability of cash to fund the planned R&D activities to be the primary KPI. At 30 September 2023 cash balances totalled £202,548 (2022: £464,095). 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 18 of the financial statements.

- *Revenue from agreements:*

During the period of these accounts, the revised Oxilio agreement has provided Nuformix with new immediate and near-term undisclosed milestone payments.

Strategic Report

Continued

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 period of these accounts the Group continued to prioritise the development of NXP002, its inhaled candidate for the treatment for IPF, and generated further preclinical data. The Group firstly initiated further preclinical studies confirming preclinical tolerability across a new range of higher doses than previously studied following inhalation of a new nebulised formulation. In response to intelligence gathered following the attendance of key conferences, the Group switched its research focus onto further investigations of NXP002 in combination with current IPF standards of care (SoC) and demonstration of NXP002's duration of action.

This was achieved via new studies in 3D human lung tissue, firstly using a disease and species relevant IPF model, focusing on NXP002 in combination with current SoC. Advancements within this model were designed to significantly reduce output variability. The results continued to confirm that NXP002 is well tolerated in ex-vivo human lung tissue with no signs of toxicity events and that NXP002 alone delivers a strong, consistent anti-fibrotic effect as demonstrated by modulation of the release of multiple biomarkers of fibrosis. Furthermore, both high and low concentrations of NXP002 show an additive anti-fibrotic effect to SoC. In particular, the higher concentrations of NXP002 with SoC's deliver a near complete ablation of fibrosis and inflammation biomarker release, yet at lower concentrations than have been seen in other preclinical models to date.

The results indicated that the clear, pronounced additive benefit of NXP002 on top of SoCs observed offers the potential for additional IPF treatment efficacy, even in patients responding to SoC therapy. The results also raised the possibility that NXP002 targets additional disease pathways to SoC's when increasing the combined anti-fibrotic response.

Lastly, the Group initiated work using an exploratory healthy human lung tissue model to investigate NXP002's duration of action. Demonstration of a prolonged duration of action is essential in the development of inhaled therapies, whose clearance from the lung can be rapid. Therapies requiring multiple (more than two) daily uses of inhalation devices for effective treatment are less attractive and suffer reduced patient compliance, even in life-threatening conditions such as IPF. Therefore, Nuformix has developed a TPP that is consistent with twice daily inhalation administration.

The exploratory model involves an LPS challenge to healthy human lung tissue, offering numerous advantages in terms of species relevance and the ability to control tissue exposure to drug. The model also bridges the Company's previous successful preclinical work across a variety of LPS-challenge studies. It was found that NXP002 suppresses the release of inflammatory cytokines by healthy human lung tissue following LPS challenge. This effect was seen at one hour post treatment with NXP002, suggesting only a short time is required for lung tissue penetration and activity. In addition, a strong anti-inflammatory effect remained at 12 hours post drug dosing demonstrated by suppression of the release of inflammatory cytokines following

Strategic Report

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LPS challenge, confirming NXP002 has a suitable duration of action. Lastly, results indicated that anti-inflammatory effect was still observed at 24 hours post removal of drug.

Overall, the combined data generated gives the Group confidence in NXP002's potential as an inhaled therapy for IPF treatment and allows the telling of a more complete preclinical story to potential licensing partners for the first time. The Group continues to pursue opportunities to share this important new data with key players in the rare disease and respiratory disease sectors as it explore all opportunities to progress the NXP002 programme.

NXP001: On 18 September 2023, the Company announced Oxilio had acquired ownership of its NXP001 patent estate for which Nuformix received new immediate and near-term undisclosed milestone payments, whilst retaining further development milestones and royalties capped at £2 million per year.

NXP004: During the period of these accounts, the Group continued to perform preclinical studies investigating the enhanced performance of NXP004 cocrystals compared to various forms of olaparib. Pre-formulation studies were first completed confirming the superiority of the Group's recently patented cocrystal forms, allowing lead cocrystals to be identified and progressed to further drug product development studies.

The Group initiated *in-vitro* dissolution performance studies for its lead cocrystals compared to the marketed Lynparza® tablet product using a biologically relevant dissolution design and with drug loading relevant to human dosing. The results demonstrated that the two lead NXP004 cocrystals selected out-perform Lynparza®, both in terms of rate and extent of dissolution and release of olaparib.

Enhancement of dissolution in the currently marketed formulation of Lynparza® resulted in improved bioavailability versus the initial marketed product. Therefore, the NXP004 programme may offer potential to further increase olaparib bioavailability. In addition, the potential simplicity of NXP004-based formulations may offer improvements in product cost-of-goods versus the currently marketed product, which requires complex manufacturing methods. These attributes position NXP004 for applications in line-extensions for the currently marketed product, or for possible development in future first-to-generic products. The Company has commenced discussions with potential commercialisation partners.

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.

Section 172
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:

Strategic Report

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- How the views and interests of all stakeholders were represented in the boardroom during the period of these accounts. 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.

- The Group's strategy and business model detailed in the Non-Executive Directors' Statement, on pages 4 to 8.

- How the Group manages risks, on pages 9 to 15.

- Corporate governance, on pages 17 to 22, including how governance supported the delivery of our strategic objectives in this period.

Carbon Reporting

The Group has opted not to include any Streamlined Energy and Carbon Reporting (SECR) within this report as it does not meet the Large Company threshold or energy consumption threshold requiring additional reporting.

The Strategic Report was approved by the Board on 2nd January 2024 and signed on its behalf by:

Julian Gilbert
Non-Executive Chairman
2 January 2024

Madeleine Kennedey
Non-Executive Director
2 January 2024

Board of Directors

Dr Julian Gilbert, Non-Executive Chairman

Dr Julian Gilbert, Non-Executive Chairman, has more than 35 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.

Julian is a member of the Audit Committee.

Ms Madeleine Kennedy, Non-Executive Director

Madeleine (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, Maxwellia and Kesmalea, her previous roles include being CFO and/or Board Director at Tetris Pharma, 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.

Maddy is Chair of the Audit Committee.

Dr Daniel Gooding, Executive Director

Dr Dan Gooding, Executive Director, is a co-founder of Nuformix and instigated the Company's NXP002 programme as an inhaled therapy for the treatment of Idiopathic Pulmonary Fibrosis (IPF). Dan has over 22 years' experience in commercialisation and business development within the pharmaceutical industry, having received his PhD in chemistry from Leeds University. Dan began his career in commercial roles with pharmaceutical excipients companies including FMC and Dow Corning. At Accelrys Ltd, Dan was responsible for sales across the UK and Southern Europe, leading business development within the emerging nanotechnology, drug delivery and formulation sectors, achieving licensing deals with Johnson & Johnson and AstraZeneca. Dan remains close to the fields of fibrosis, oncology and drug repurposing, supporting the management team of Qureight Limited in securing funding and establishing this Cambridge-based start-up, which develops AI-based image processing methods in measuring disease progression and drug response for patients with fibrotic lung diseases including IPF. Dan has also cofounded TRx Biosciences, a company developing new oral therapies using a novel targeted delivery technology to improve treatment of various cancers and CNS diseases.

Daniel is a member of the Audit Committee.

Corporate Governance Report

We are pleased to present the Corporate Governance report for the year ended 30 September 2023 (18 months). 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 30 September 2023 (18 months). The Board considers that the Group has complied with all of the provisions of the UK Corporate Governance Code throughout the year ended 30 September 2023 (18 months), 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 period of these accounts 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. Given the size of the Board the Company no longer has a Senior Independent Director.*
- *On 12 December 2022, the directors decided that, due to the current size of the board, the complete board would assume the responsibilities performed by the Nomination and Remuneration Committee.*

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 Madeleine Kennedy and one Executive Director, Dr Daniel Gooding. 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 16.

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.

Corporate Governance Report

Continued

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.

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 website also contains general information on the Group's business, its technology, strategy, business model and R&D activities.

Board meetings

Eight scheduled Board meetings with weekly ad-hoc meetings to review the cashflow and cash position held during the period ended 30 September 2023. The Board currently has seven 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 period. The list below includes the attendance at the scheduled meetings during the period. Certain directors were appointed or resigned during the period 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*[2]	*Remuneration Committee*[3]
Meetings held	**8**	**4**	**2**	**2**
Dr Julian Gilbert	8	4	2	2
Ms Madeleine Kennedy	8	4	2	2
Dr Daniel Gooding[1]	6(6)	2(2)	-	-

1 – Dr Daniel Gooding was appointed to the Board on 1st August 2022
2 & 3 - On 12 December 2022, the directors decided that, due to the current size of the board, the complete board would assume the responsibilities performed by the Nomination and Remuneration Committee.

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.

Corporate Governance Report

Continued

In the opinion of the Board, both Madeleine Kennedy and Julian Gilbert 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.

The Board is of the view that those who held office during the 2023 financial period 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.

Composition, Succession and Evaluation

As stated above the on 12 December 2022, the directors decided that, due to the current size of the board, the complete board would assume the responsibilities performed by the Nomination and Remuneration Committee. Prior to the 12 December 2022 the Company held two Nomination Committee meetings.

The Board is responsible for 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 Board. In reviewing potential candidates, the Board considers the benefits of diversity the Board, while ensuring that appointments are made based on merit and relevant experience.

The Board, 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.

Corporate Governance Report

Continued

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.

Given the changes to Board composition during the period 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 Madeleine Kennedy as Chair with Dr Julian Gilbert and Dr Dan Gooding as members. All members of the Committee have been deemed to possess competence relevant to the sector in which the Group operates and Madeleine 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.

Corporate Governance Report

Continued

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

Internal control and risk management

Risk management and internal controls is a standing agenda item for each Audit Committee meeting. The Committee reviews the effectiveness of the internal controls throughout the year and will take any necessary actions should any significant failings or weaknesses be identified. Details of the principal risks and uncertainties potentially facing the Group can be found in the Strategic Report on pages 9 to 15.

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

The Board continues to assess:

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

Remuneration

As stated above the on 12 December 2022, the directors decided that, due to the current size of the board, the complete board would assume the responsibilities performed by the Nomination and Remuneration Committee. Prior to the 12 December 2022 the Company held two Remuneration Committee meetings.

The role of the Board is to determine and agree 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 Group's Remuneration Report can be found on pages 23 to 27.

Corporate Governance Report

Continued

Financial Reporting

The Directors have acknowledged, in the Statement of Directors' Responsibilities set out on pages 29 and 30, 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 31 to 39, 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

2 January 2024

Madeleine Kennedy

Non-Executive Director

2 January 2024

Remuneration Report

Remuneration for the period ended 30 September 2023 (18 months)

The remuneration tables below (which have been subject to audit) set out amounts payable to each Director during the financial periods ended 30 September 2023 and 31 March 2022:

	2023 (18 months)			
	Annual salary / fees £'000	*Share Based Payments £'000*	*Pension contributions £'000*	*Total £'000*
Dr Daniel Gooding	35	–	–	35
Mr Alastair Riddell	18	6	–	24
TOTAL	**53**	**6**	**–**	**59**
Dr Julian Gilbert	45	6	–	51
Ms Madeleine Kennedy	45	6	–	51
TOTAL	**90**	**12**	**–**	**102**

	2022 (12 months)			
	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 Madeleine Kennedy	27	1	–	28
Mr Alastair Riddell	56	1	–	57
TOTAL	**115**	**3**	**–**	**118**

Remuneration of CEO since listing:

Financial Period	*Remuneration £'000*	*Annual bonus £'000*	*SBP charge £'000*	*Total £'000*
2023 (18 months)	35	-	-	35
2022 (12 months)	72	-	-	72
2021 (12 months)	120	-	-	120
2020 (12 months)	121	-	-	121
2019 (12 months)	126	5	323	449
2018 (12 months)	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
Madeleine Kennedy	2 December 2020

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 30 September 2023 Number of ordinary shares	*As at 31 March 2022 Number of ordinary shares*
A Riddell	750,000	750,000
J Gilbert	250,000	250,000
M Kennedy	250,000	250,000
D Gooding	37,500,000	37,500,000

* Share options disclosed in directors' report on page 28

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
2 January 2024

Madeleine Kennedy
Non-Executive Director
2 January 2024

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 next 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 18 months ended 30 September 2023.

Results and Dividends

The loss for the period, after tax, amounted to £859,467 (2022 Loss: £1,108,993). The directors do not recommend payment of a dividend (2022: £nil).

Substantial shareholdings

As at 2nd January 2024 the Company is aware of the following notifiable interests in its voting rights:

	Number of ordinary shares	*Percentage of voting rights*
Dr D J Gooding	37,500,000	5.04
Dr J M Holland	37,500,000	5.04

Directors of the Company

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

Dr J C Gilbert
Ms M E Kennedy
Dr D Gooding (Appointed 1 August 2022)
Dr A Riddell (Resigned 31 May 2022)

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 30 September 2023	*As at 30 September 2023*	*As at 31 March 2022*	*As at 31 March 2022*
	Number of ordinary shares	*Number of share options and warrants*	*Number of ordinary shares*	*Number of share options and warrants*
J Gilbert	250,000	3,000,000	250,000	3,000,000
M Kennedy	250,000	3,000,000	250,000	3,000,000
A Riddell	750,000	3,000,000	750,000	3,000,000
D Gooding	37,500,000	0	37,500,00	36,860,000

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 18 to the financial statements.

Events after the reporting date

Events after the reporting year are described in Note 20 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

Kreston Reeves LLP were appointed as auditors in the period, and a resolution to reappoint Kreston Reeves LLP as auditors will be presented to the members at the Annual General Meeting in accordance with Section 485(2) of the Companies Act 2006.

On behalf of the board,

Dr Julian Gilbert

Non-Executive Director

2 January 2024

Madeleine Kennedy

Non-Executive Director

2 January 2024

Independent Auditor's Report

to the Shareholders of Nuformix plc
For the period ended 30 September 2023

Opinion

We have audited the financial statements of Nuformix PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2023 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statements of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in accordance with the provisions of the Companies Act 2006.

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 30 September 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs adopted by the United Kingdom; 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 relating to going concern

We draw attention to note 2 in the financial statements, which indicates that there is a significant material uncertainty in relation to the going concern status of the group.

Nuformix is a pharmaceutical development company that has undertaken significant research into targeting the pharmaceutical product gap needs in fibrosis and oncology via drug repurposing. In order to complete this work, the company will need to expend significant, and currently unquantifiable, amounts that will be in excess of the cash held at the balance sheet date of £203k (2022: £464k).

Given the stage in the business life cycle the Group is incurring significant losses at present, totalling to £859k in the 18-month period ended 30 September 2023 (2022: year ended loss of £1,109k) resulting in the group's accumulated losses at the balance sheet date of £8,209k (2022: accumulated losses of £7,350k). These losses are attributable to the ongoing drug research programme which is yet to reach commercial production stage where revenue could potentially be generated. The Group is therefore not in a position to self-finance and will require additional external funding which, at the date of this audit report, is unknown in quantum and not secured. Additionally, the ultimate likelihood of the development work being undertaken resulting in an effective product that is commercially viable is also unknown at this stage.

Independent Auditor's Report (cont.)

to the Shareholders of Nuformix plc
For the period ended 30 September 2023

As a result of the material uncertainty with respect to going concern, we have completed the following audit work as part of our evaluation of going concern:

- Overheads and debt costs assumptions – we considered projected overheads for the 2023/24 and 2024/25 periods to ensure that these were reasonable after considering both the current and expected future profile of the business moving forward. As part of this future profiling, the non-executive directors have elected not to take payment of their salaries until such time as the business holds sufficient funds to enable them to do so.
- Credit / cash control management assumptions – we identified within the forecasting the most significant cash inflows and ensured that the valuation and timing of these were reasonable.
- We performed sensitivity analysis to assess the level of working capital headroom should key assumptions be less favourable than assumed in management's model.
- We considered post year end performance data available, including the group's future commitments, to gain additional assurance over the effectiveness of management's plans to ensure the Company and Group remain a going concern.

Based on the work we have performed we have gained sufficient assurance in order to rely on management's forecasting in forming our assessment. We have also gained assurance over the credibility of management's budgeting strategy over the next 12 months.. This included gaining assurance over the adequacy of working capital available in order to settle external liabilities as they fall due. With respect to further funding of development we have reviewed the director's assessment that they can raise the funding required in the near-term through future share capital raises.

However, whilst we have evaluated future cash inflows as reasonable for meeting current working capital needs, there is significant uncertainty surrounding the ultimate quantum and timing of funding required to reach the production stage and indeed the likelihood this stage will ever be reached. Should all or part of this funding not be received or one or both of their core projects NXP002 and NXP004 not succeed the valuation of the group's goodwill £4,023,484 (2022: £4,023,484), the parent company's valuation of the subsidiary investment £4,023,484 (2022: £4,023,484), the group's carrying value of other intangible assets £57,793 (2022: £126,927) and ultimately the going concern assessment of the Group would be adversely affected.

Management will continue to reduce non-essential costs in the 2024 financial period and has signed an agreement to sell the ownership of the NXP001 patent estate, which allows them to focus on NXP002 and NXP004. As part of this agreement two milestone payments have been achieved and received in the bank since the year end. However, there are further larger milestone payments due, which are unlikely to be received into the bank in the foreseeable future.

The above indicates that a significant material uncertainty exists with respect to going concern. However, as we have obtained sufficient assurance over the availability of financial resources to settle liabilities as they fall due over a period of at least the next 12 months, our opinion is not modified in respect of this matter.

Independent Auditor's Report (cont.)

to the Shareholders of Nuformix plc
For the period ended 30 September 2023

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 judgements, 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.

	Group revenue	Group profit/(loss) before tax	Group net assets
Full statutory audit (Kreston Reeves)	**100%**	**100%**	**100%**
Limited procedures	**0**	**0**	**0**
Totals at 30 September 2023:	**100%**	**100%**	**100%**

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent company, the accounting processes and controls, and the industry in which they operate.

Our scoping considerations for the Group audit were based both on financial information and risk. As noted above limited assurance audit work – which is to say the audit of balances and transactions material at a group level – was not utilised due to statutory audit requirements of all group entities. The below table summarises for the parent company and its subsidiaries, the level of assurance gained:

Group component	Level of assurance
Nuformix PLC	Full statutory audit (Kreston Reeves LLP)
Nuformix Technologies Limited	Full statutory audit (Kreston Reeves LLP)

Independent Auditor's Report (cont.)

to the Shareholders of Nuformix plc
For the period ended 30 September 2023

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

Impairment of goodwill / Valuation of investment:	
Significance and nature of key risk	**How our audit addressed the key risk**
The Group has significant goodwill generated from an investment in subsidiary of £4,023,484. In addition, the parent company holds an equal investment value of £4,023,484 on it's company balance sheet relating to the same subsidiary. We identified there was a risk in relation to the impairment on the goodwill / investment held with regards to the trading 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.	During the course of the audit, we undertook the following key procedures: • 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. • 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. There were also other procedures which are not deemed to be key and have therefore not been listed above.

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 valuation of the investment is material to the parent company. 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.	Based on the audit work performed, we are satisfied with management's valuation of goodwill and investment as featured within these financial statements.
Key observations communicated to the Audit & Risk Committee We have no significant concerns over the material accuracy of valuation / impairment of investment values recognised in the financial statements.	

Our application of materiality

	Group financial statements	Parent company financial statements
Overall Materiality	£98,100	£95,300
How we determined it	2% of Group gross assets	2% of Company gross assets
Rationale for benchmark	The group is focused on the development of its Intellectual Property (IP) and the assets held in order to finance the continuing development of this IP. As such, the most appropriate basis for the group financial statements is gross assets.	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 gross assets.

Independent Auditor's Report (cont.)

to the Shareholders of Nuformix plc

For the period ended 30 September 2023

We reported all audit differences found in excess of our triviality threshold of £4,900 to the directors and the management board 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 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, 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 our knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Independent Auditor's Report (cont.)

to the Shareholders of Nuformix plc
For the period ended 30 September 2023

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on pages 29 and 30), 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets and investments. Audit procedures performed by the group engagement team included:

Independent Auditor's Report (cont.)

to the Shareholders of Nuformix plc
For the period ended 30 September 2023

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing integrity testing to verify the legitimacy of banking records obtained from management; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (cont.)

to the Shareholders of Nuformix plc
For the period ended 30 September 2023

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

Kreston Reeves LLP

Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 2 January 2024

Consolidated Statement of Comprehensive Income

for the Period Ended 30 September 2023

	Note	Period ended 30 September 2023 £	Year ended 31 March 2022 £
Revenue	3	-	50,000
Cost of sales		-	(1,695)
Gross profit		-	48,305
Administrative expenses		(927,972)	(1,318,577)
Operating loss	4	(927,972)	(1,270,272)
Loss before tax		(927,972)	(1,270,272)
Income tax credit	8	68,505	161,279
Loss for the year and total comprehensive loss for the year		(859,467)	(1,108,993)
Loss per share – basic and diluted	9	(0.12)p	(0.19)p

The above results were derived from continuing operations.

The accompanying notes to the financial statements on pages 44 to 70 form an integral part of the financial statements.

Consolidated Statement of Financial Position

As at 30 September 2023

Registration number: 09632100

	Note	30 September 2023 £	31 March 2022 £
Assets			
Non-current assets			
Property, plant and equipment	10	-	438
Intangible assets	11	4,081,277	4,150,411
		4,081,277	4,150,849
Current assets			
Trade and other receivables	12	66,857	199,600
Income tax asset		67,342	161,279
Cash and cash equivalents	13	202,548	464,095
		336,747	824,974
Total assets		4,418,024	4,975,823
Equity and liabilities			
Equity			
Share capital	14	744,309	615,609
Share premium		6,656,802	6,500,817
Merger relief reserve		10,950,000	10,950,000
Reverse acquisition reserve		(8,005,195)	(8,005,195)
Share option reserve		2,058,518	2,026,664
Retained earnings		(8,209,400)	(7,349,933)
Total equity		4,195,034	4,737,962
Current liabilities			
Trade and other payables	17	222,990	237,861
		222,990	237,861
Total equity and liabilities		4,418,024	4,975,823

These financial statements were approved by the board on 2 January 2024 and signed on its behalf by:

Madeleine Kennedy
Director

The accompanying notes to the financial statements on pages 44 to 70 form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

for the Period Ended 30 September 2023

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Reverse acquisition reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2022	615,609	6,500,817	10,950,000	(8,005,195)	2,026,664	(7,349,933)	4,737,962
Loss for the year and total comprehensive loss	–	-	–	–	–	(859,467)	(859,467)
Issue of share capital	128,700	160,285	–	–	–	–	288,985
Share issue costs	–	(4,300)	–	–	–	–	(4,300)
Share and warrant based payment	–	–	–	–	31,854	–	31,854
At 30 September 2023	744,309	6,656,802	10,950,000	(8,005,195)	2,058,518	(8,209,400)	4,195,034

	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

The accompanying notes to the financial statements on pages 44 to 70 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the Period Ended 30 September 2023

	Note	*30 September 2023* £	*31 March 2022* £
Cash flows from operating activities			
Loss for the year		(859,467)	(1,108,993)
Adjustments to cash flows from non-cash items			
Profit on Sale of intangibles		(35,552)	-
Depreciation and amortisation	10,11	55,124	36,976
Income tax credit	8	(68,505)	(161,279)
Share and warrant based payment		31,854	20,712
		(876,546)	(1,212,584)
Working capital adjustments			
(Increase)/Decrease in trade and other receivables	12	132,743	(167,340)
(Decrease)/Increase in trade and other payables	17	(14,870)	(86,763)
Cash consumed by operations		(708,674)	(1,466,687)
Income taxes received		162,442	121,020
Net cash used in operating activities		(546,232)	(1,345,667)
Cash flows from investing activities			
Proceeds from sale of intangibles		50,000	-
Net cash from investing activities		50,000	-
Cash flows from financing activities			
Issue of shares (net of costs)		284,685	139,982
Net cash from financing activities		284,685	139,982
		(261,547)	(1,205,685)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 April 2022		464,095	1,669,780
Cash and cash equivalents at 30 September 2023		202,548	464,095

The accompanying notes to the financial statements on pages 44 to 70 form an integral part of the financial statements

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023

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.

The company extended its accounting period from 31 March 2023 to 30 September 2023 to allow sufficient time to appoint new auditors. Due to this change the current year figures included in the statement of comprehensive income, statement of cash flows and related notes represent 18 months of transactions in comparison to the 12 months represented in the previous period by the comparative.

2. Summary of Significant Accounting policies

Basis of preparation

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 2022 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 7	Supplier finance	1 January 2024
IFRS 16	Leases on sale and leaseback	1 January 2024
IFRS 17	Insurance contracts	1 January 2023
IAS 21	Lack of exchangeability	1 January 2025

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 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

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 December 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. In addition, the non-executive directors have elected not to take payment of their salaries until such time as the business holds sufficient funds to enable them to do so.

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.

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023

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

i) 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, using a NPV calculation assuming a 20% discount rate.

ii) 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. The total charge in the period to 30 September 2023 was £31,854.

iii) Basis of consolidation

The Group's financial statements consolidate those of the parent company and its subsidiary as of 30 September 2023. Its subsidiary has a reporting date of 30 September.

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.

iv) 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.

v) 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.

After applying the above criteria, no revenue was recognised in the Income Statement in the period.

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
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 Period Ended 30 September 2023
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 Period Ended 30 September 2023
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 Period Ended 30 September 2023
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 Period Ended 30 September 2023
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 Period Ended 30 September 2023
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:

	30 Sep 2023	*31 March 2022*
	£	*£*
Licensing Fees	-	50,000
	-	**50,000**

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

4. Operating loss

Arrived at after charging

	30 Sep 2023 £	*31 March 2022* £
Depreciation expense	438	519
Amortisation expense	54,686	36,457
Profit on disposal of intangible fixed assets	35,552	-
Research and development expenditure	245,101	572,921
Share option and warrant charge	31,854	20,712

Details of the share-based payments can be found in Note 15.

5. Staff costs

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

	30 Sep 2023 £	*31 March 2022* £
Wages and salaries	141,833	197,983
Social security costs	7,112	18,533
Pension costs, defined contribution scheme	-	1,721
	148,945	218,237

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

	30 Sep 2023 No.	*31 March 2022* No.
Research and development	1	3
Non-executive directors	2	2
Total	3	5

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

6. Directors' remuneration

The Directors' remuneration for the year was as follows:

	30 Sep 2023 £	*31 March 2022 £*
Remuneration	141,833	197,983
Share based payment charge	19,474	3,895
	161,307	201,878

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

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

	30 Sep 2023 No.	*31 March 2022 No.*
Accruing benefits under money purchase pension scheme	-	2

Details of the total remuneration paid for the services of the directors are set out on pages 23 to 27 in the Remuneration Report.

In respect of the highest paid director:

	30 Sep 2023 £	*31 March 2022 £*
Remuneration	44,500	72,143

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

7. Auditors' remuneration

	30 Sep 2023	*31 March 2022*
	£	*£*
Audit of the financial statements – Group	37,000	34,000
Audit of the financial statements – Subsidiary	18,000	19,000

8. Income tax

Tax (credited) in the income statement

	30 Sep 2023	*31 March 2022*
	£	*£*
Current taxation		
UK corporation tax	(67,342)	(161,279)
Adjustment in respect of prior years	(1,163)	-
	(68,505)	(161,279)

The tax on loss before tax for the period is higher than (2022: lower than) the standard rate of corporation tax in the UK of 25% (2022: 19%).

The differences are reconciled below:

	30 Sep 2023	*31 Mar 2022*
	£	*£*
Loss before tax	(927,972)	(1,270,272)
Corporation tax at standard rate 19%	(176,315)	(241,352)
Excess of depreciation over capital allowances	3,611	6,932
Expenses not deductible	45	3,935
Tax losses for which no deferred tax asset was recognised	135,025	138,601
Adjustment in respect of research and development tax credit	(29,708)	(69,396)
Adjustment in respect of prior years	(1,163)	-
Total tax credit	(68,505)	(161,279)

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 30 September 2023 the Group has tax losses carried forward of approximately £5,535,000 (2022: £4,853,000).

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

8. Income Tax (cont.)

Factors that may affect future tax charges

Since 1 April 2017 there has been a single rate of corporation tax of 19% in place. From 1 April 2023, the main rate of corporation tax will rise to 25% for companies with profits over £250,000. For companies with profits of £50,000 or less, they will pay corporation tax at the small profits rate of 19%. Where a company's profits fall between £50,000 and £250,000, they will pay corporation tax at the main rate reduced by marginal relief. The upper and lower limits will be proportionally reduced for short accounting periods and where there are associated companies.

9. 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.

	30 Sep 2023 £	*31 March 2022* £
Loss after tax	(859,467)	(1,108,993)
Weighted average number of shares – basic and diluted	719,462,470	598,447,724
Basic and diluted loss per share	(0.12)p	(0.19)p

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

10. Property, plant and equipment

	Computer equipment £	*Total* £
Cost		
At 1 April 2022	1,561	1,561
Disposals	(1,561)	(1,561)
At 30 September 2023	-	-
Depreciation		
At 1 April 2022	1,123	1,123
Charge for the year	438	438
Eliminated on disposal	(1,561)	(1,561)
At 30 September 2023	-	-
Carrying amount		
At 30 September 2023	-	-
At 31 March 2022	438	438

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

11. Intangible assets

	Goodwill £	*Patents* £	*Total* £
Cost			
At 1 April 2022	4,023,484	364,576	4,388,060
Additions	–	–	–
Disposals	–	(72,915)	(72,915)
At 30 September 2023	4,023,484	291,661	4,315,145
Amortisation			
At 1 April 2022	–	237,649	237,649
Amortisation charge	–	54,686	54,686
On disposals	-	(58,467)	(58,467)
At 30 September 2023	–	233,868	233,868
Net book value			
At 30 September 2023	4,023,484	57,793	4,081,277
At 31 March 2022	4,023,484	126,927	4,150,411

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 30 September 2023, 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 use cash flow projection based on financial budgets approved by the Directors covering a 30-year period with a discount rate of 20% 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 Period Ended 30 September 2023
continued

12. Trade and other receivables

	30 Sep 2023	*31 March 2022*
	£	*£*
Prepayments	17,919	27,941
Other receivables	48,938	171,659
	66,857	199,600

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

13. Cash and cash equivalents

	30 Sep 2023	*31 March 2022*
	£	*£*
Cash at bank	202,548	464,095

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

14. Share capital

Allotted, called up and fully paid shares

	31 Sep 2023		*31 March 2022*	
	No.	*£*	*No.*	*£*
Ordinary shares of £0.001 each	744,309,368	744,309	615,609,368	615,609

	No.
As at 1 April 2022	615,609,368
Placement of new shares on the stock market	128,700,000
As at 30 September 2023	744,309,368

On 11 April 2022 and 21 April 2023, the company completed capital increases through the issue of 128,700,000 shares of £0.001 each in share placements, with an overall share premium of £160,285.

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

15. 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 30 September 2023:

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 November 2024. 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 (2022: 2.46p). The significant inputs into the model in respect of the options and warrants granted in the periods ended 31 March 2022 and 30 September 2023 were as follows:

	2023 Existing director warrants	*2022 Existing director warrants*
Grant date share price	1p	1.45-4.15p
Exercise price	1.45p	1.45-2.80p
No. of share options	9,000,000	13,746,943
Risk free rate	0.153%	0.153-0.44%
Expected volatility	97%	50-97%
Expected option life	3 years	1-5 years

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

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

Warrant/ option holder	Number of warrants / options at 31 March 2021	Issued in year	Lapsed in year	Number of warrants/ options at 31 March 2022	Issued in period	Lapsed in peiod	Number of warrants/ options at 30 September 2023	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)	-	-	-	-	6.75p	10/05/2021
J Gilbert	-	3,000,000	-	3,000,000	-	-	3,000,000	1.45p	23/11/2024
M Kennedy	-	3,000,000	-	3,000,000	-	-	3,000,000	1.45p	23/11/2024
A Riddell	-	3,000,000	-	3,000,000	-	-	3,000,000	1.45p	23/11/2024
Previous directors									
D Gooding	36,860,000	-	-	36,860,000	-	(36,860,000)	-	4-10p	16/10/2022
C Blackwell	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
Other warrants (2023)	-	-	-	-	35,000,000	-	35,000,000	0.2p	17/04/2025
Alex Eberlin	586,229	-	-	586,229	-	-	586,229	4.691p	18/12/2023
	81,466,942	**9,000,000**	**(6,000,000)**	**84,466,942**	**35,000,000**	**(73,720,000)**	**45,746,942**		

Notes to the Consolidated Financial Statements

for the Period Ended 30 September 2023
continued

16. 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. No contributions were made in the period to 30 September 2023 (2022: £1,721).

No contributions were payable to the scheme at 30 September 2023 or 31 March 2022.

17. Trade and other payables

	30 Sep 2023	*31 March 2022*
		£
Trade payables	69,774	12,351
Accrued expenses	152,043	218,202
Social security and other taxes	1,174	7,308
	222,991	237,861

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 Period Ended 30 September 2023
continued

18. 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 17.

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.

19. 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.

20. Ultimate controlling party

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

21. Post Balance Sheet Events

The directors do not consider that any events after the balance sheet event give rise to adjusting or non-adjusting events and therefore no adjustments or disclosure are required.

Company Statement of Financial Position

as at 30 September 2023

Registration number: 09632100

	Note	*30 September 2023* £	*31 March 2022* £
Assets			
Non-current assets			
Investment in subsidiary	25	4,023,484	4,023,484
		4,023,484	4,023,484
Current assets			
Trade and other receivables	26	41,857	199,600
Cash and cash equivalents	27	33,976	421,027
		75,833	620,627
Total assets		4,099,317	4,644,111
Equity and liabilities			
Equity			
Share capital	14	744,309	615,609
Share premium		6,656,801	6,500,817
Merger relief reserve		10,950,000	10,950,000
Share option reserve		2,058,518	2,026,664
Retained earnings		(16,352,994)	(15,561,584)
Total equity		4,056,634	4,531,506
Current liabilities			
Trade and other payables	28	42,683	112,605
		42,683	112,605
Total equity and liabilities		4,099,317	4,644,111

The loss attributable to the Company in the period was £791,410 (2022: loss £9,228,831).

These financial statements were approved by the board on 2 January 2024 and were signed on its behalf by:

Madeleine Kennedy

Director

nuformix

Company Statement of Changes in Equity

for the Period Ended 30 September 2023

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2022	615,609	6,500,817	10,950,000	2,026,664	(15,561,584)	4,531,506
Loss for the year and total comprehensive income	–	–	–	–	(791,410)	(791,410)
Share issued and warrant exercised	128,700	160,284	–	–	–	288,984
Share and warrant based payment	–	–	–	31,854	–	31,854
Share issue costs	–	(4,300)	–	–	–	(4,300)
At 30 September 2023	744,309	6,656,801	10,950,000	2,058,518	(16,352,994)	4,056,634

	Sharecapital £	*Share premium* £	*Merger relief reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2021	591,509	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

Company Statement of Cash Flows

for the Period Ended 30 September 2023

	Note	*30 Sep 2023* £	*31 March 2022* £
Cash flows from operating activities			
Loss for the year		(791,410)	(9,228,831)
Adjustments to cash flows from non-cash items			
Investment Impairment		-	7,226,516
Provision against inter group balance		450,202	1,696,434
Share and warrant based payment		31,854	20,712
Equity element of convertible loan note		-	-
		(309,354)	(285,169)
Working capital adjustments			
(increase)/decrease in trade and other receivables	26	(292,459)	(175,209)
(decrease)/Increase in trade and other payables	28	(69,922)	(92,591)
Net cash outflow from operating activities		(671,735)	(552,969)
Cash flows from investing activities			
Loan to subsidiary		-	(754,364)
Loan repayments from subsidiary		-	-
Net cash (used)/generated by investing activities		-	(754,364)
Cash flows from financing activities			
Issue of shares (net of costs)		284,684	139,982
Interest on convertible loan and exchange gains		-	-
Net cash flows from financing activities		284,684	139,982
Net increase in cash and cash equivalents		(387,051)	(1,167,351)
Cash and cash equivalents at 1 April		421,027	1,588,378
Cash and cash equivalents at 31 September		33,976	421,027

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 Period Ended 30 September 2023
continued

22. 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.

23. 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 period was £791,410 (2022: loss £9,228,831).

24. Staff costs

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

	30 Sep 2023	*31 March 2022*
	£	*£*
Wages and salaries	–	–
Social security costs	–	–
	–	–

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

Notes to the Company Financial Statements

for the Period Ended 30 September 2023
continued

25. Investment in subsidiary

	£
At 1 April 2022	4,023,484
Impairment	-
At 30 September 2023	4,023,484

The Company has the following interests in subsidiaries:

		Equity Interest	
Name	*Country of Incorporation*	*2023*	*2022*
Nuformix Technologies Limited	United Kingdom	100%	100%

26. Trade and other receivables

	30 Sep 2023	*31 March 2022*
Prepayments	17,919	27,941
Other receivables	23,938	171,659
	41,857	199,600

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

27. Cash and cash equivalents

	30 Sep 2023 £	*31 March 2022* £
Cash at bank	33,976	421,027

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

Notes to the Company Financial Statements

for the Period Ended 30 September 2023
continued

28. Trade and other payables

	30 Sep 2023	*31 March 2022*
	£	*£*
Trade payables	1,758	8,483
Accrued expenses	40,925	104,122
	42,683	112,605

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

29. 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 28.

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 Period Ended 30 September 2023
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.

30. 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 19.

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 £3,434,636 (2022: £2,984,434) 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 2023 £	*31 March 2022* £
Nuformix Technologies Limited	3,434,636	2,984,434