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N4 Pharma PLC
25 September 2017

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N4 Pharma Plc

("N4 Pharma" or the "Company")

Interim Results

N4 Pharma Plc (AIM: N4P) ("N4 Pharma" or the "Company"), formerly known as Onzima Ventures Plc, a specialist pharmaceutical company which reformulates existing drugs and vaccines to improve their performance, announces its unaudited interim results for the six months ended 30 June 2017.

Highlights:

- Successfully completed the reverse takeover of N4 Pharma Limited ("RTO")
- Successful placing to raise £1.7m (the "Placing") and re-admission to AIM
- Change of name to N4 Pharma Plc (formerly known as Onzima Ventures Plc)
- Divestment of investment portfolio to focus solely on reformulation of generic drugs and vaccines
- Filing of sildenafil PCT patent application
- Filing of additional generic product patent opportunities
- Appointment of BDD to undertake initial human pilot clinical trial for sildenafil reformulation
- Cash balance at period end of approximately £1.5 million

Nigel Theobald, Chief Executive Officer of N4 Pharma Plc, commented:

"This has been an exciting period for the Company. We are pleased to report these interim results, our maiden results since completion of the Company's acquisition of 100 per cent. of N4 Pharma Limited and re-admission to AIM with our new management team and business model.

Activity in the first half of the year was focused on the divestment of the legacy investment portfolio and completion of the RTO. Since then, we have moved quickly to progress the development of our lead product, the reformulation of sildenafil, and we will shortly be commencing our initial human pilot clinical trials based on our formulation. Concurrently, we have been adding to our product pipeline through the filing of additional generic product patent opportunities with the potential for reformulation and improvement.

"On behalf of the Board, I would like to thank all of our shareholders for their support leading up to completion of the RTO and welcome all new shareholders to the Company for what we believe will be an exciting time in the development of our products."

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N4 Pharma Plc, formerly known as Onzima Ventures Plc, is the holding company of N4 Pharma UK Limited ("N4 UK") and with N4 UK form the group (the "Group"). N4 UK is a specialist pharmaceutical company which reformulates existing drugs and vaccines to improve their performance.

The Company acquired the remaining 51 per cent. of the share capital of N4 UK on 3 May 2017 by way of a reverse takeover ("RTO").

As the Company did not trade in line with the interpretation of IFRS 3, Business Combinations, until the acquisition of N4 UK, the transaction is treated as a reverse acquisition into a non-operating public shell within the scope of IFRS 2.

In accordance with the requirements of accounting standards, the results of the Company are only consolidated for the period post-acquisition. The comparative figures and pre-acquisition results show N4 UK only.

This is the first set of interim results produced by the Company following the reverse takeover of N4 to form the Group with effect from 3 May 2017.

Chief Executive's Statement

Half year results

During the half year to 30 June 2017, as anticipated, no revenue was generated by the Company. Other operating income included £22,910 of government grants.

The operating loss for the period of £390,377 (2016: £73,701) was impacted by the costs associated with the RTO.

Key Events and Opportunities

Following the successful placing and reverse takeover of N4 UK by the Company in May 2017, the new Board has completed its planned reorganisation of the Company to focus on its research and development programme for both its generic and vaccine divisions.

The net proceeds of the Placing ensure that the Company will be funded throughout 2017 and 2018. The funds raised will enable us to produce initial human clinical data to establish the pharmacokinetic profile of our sildenafil reformulation and help us to determine how we will position the Nuvec vaccine delivery system for the best approach to engage with vaccine companies.

Generic Division

The main focus for the Company's generic division is the reformulation of sildenafil (commonly known as Viagra), where we are seeking to improve the speed at which the drug takes effect whilst also extending the duration of the action. We have completed our initial in vitro reformulation work on the drug and have recently appointed Bio-Images Drug Delivery Limited ("BDD") who will undertake a small scale human pilot clinical trial. This will be conducted in a limited number of healthy male volunteers to give us human pharmacokinetic data, which will determine the amount of drug our reformulation will deliver, and which can then be compared against existing erectile dysfunction products. Once we have this data, we will be able to make any final adjustments to our reformulation and present the pharmacokinetic data together with relevant manufacturing (quality) information to the Food and Drug Administration ("FDA") and the relevant European regulatory authorities along with a proposed approach to conducting a pivotal clinical study which will be required for marketing authorisation.

It is expected that this small scale human pilot clinical trial will commence in Q1 2018, with results due in Q2 2018. It is our intention then either to partner with a large pharmaceutical company to complete the pivotal trial (thereby earning a licence fee and generating milestone payments for N4 Pharma) or to explore the possibility of conducting the pivotal trial ourselves and, in doing so, assess the balance of increased capital risk versus the rewards relative to a company of our size.

In addition to licensing the patents for sildenafil from Opal IP Limited ("Opal IP") and Nuvec from the University of Queensland, we have licensed four further patents from Opal IP for reformulations, namely valsartan, aprepitant, duloxetine and paroxetine. Our initial approach for these products is to file the relevant data needed for a Patent Co-operation Treaty ("PCT") patent application before we publish our sildenafil patent. In our opinion, this gives the Company the optimal chance to secure patent protected reformulations for these products as well as sildenafil.

Whilst we continue to commit resources to the reformulation of sildenafil ahead of bringing it to market, we are also undertaking all the necessary preparatory work on the other four drugs referred to above to allow us to take them forward in the future. In doing so, we will be making a market assessment and an analysis of how to progress each reformulated drug to a point of commercial value.

Vaccine Division

The focus for the Company's vaccine division continues to be on generating data for our delivery system which will enable us to engage commercially with pharmaceutical and biotech companies who are looking to utilise delivery systems, such as Nuvec, to improve the ability for their own DNA and RNA vaccines that they have in development. N4 Pharma is currently working with consultants experienced in the field of vaccine delivery, to advise on the nature of the research we need to undertake to positively differentiate Nuvec from other existing delivery technologies. We intend to engage with commercial partners to exploit the potential clinical utility of Nuvec. Our intention is not to develop vaccines ourselves, but provide licences to third party companies which will enable them to use our delivery system for their own vaccines in development. The business model is similar to that in our generics division in that we aim to secure licence payments for the use of our delivery system and ultimately royalties on any products sold using Nuvec.

In the short term, we will focus our efforts on Nuvec and have placed additional research on a potential hepatitis B vaccine on hold.

N4 will be attending the World Vaccine Congress in Barcelona 10-12th October , which will be widely attended by the leading experts and companies in the vaccine field and presenting a poster summarising its initial work showing how the topography of its nanoparticles are important in influencing pDNA vaccine development.

Outlook

The Board remains optimistic about the future of the Company and its prospects. We are reaching a key milestone as we move towards the pilot human trial for our reformulation which, if the results are positive, will greatly advance the value of the data we have obtained and furthermore provide a clearer path towards commercialisation.

Whilst we are excited about the Company's potential pipeline of products we are establishing, our immediate focus is on those products with the potential for near term commercialisation, namely sildenafil and Nuvec. In parallel, we hope shortly to have a plan and budget in place for our pipeline of other generic products which also seek to address potential multi-billion dollar markets whilst, as detailed above, setting out a programme for our vaccine work. We look forward to providing updates on both at the appropriate time.

By order of the Board
Nigel Theobald
Chief Executive Officer
N4 Pharma Plc

N4 Pharma Plc (formerly Onzima Ventures Plc) and its controlled entities
Condensed consolidated Statement of Comprehensive Income (unaudited) for the six months ended 30 June 2017

	Notes	Proforma Six months to 30 June 2017 (Unaudited) £	Proforma Six months to 30 June 2016 (Unaudited) £
Government grant income	2	22,910	-
Gross Profit		**22,910**	**-**
Research and development costs		(137,449)	-
General and administration costs		(148,759)	(73,701)
Reorganisation costs		(127,079)	-
Operating loss for the period		(390,377)	(73,701)
Deemed cost of acquisition	4	(1,023,734)	-
Finance income/ (expenditure)		(5,126)	(191)
Loss for the period before tax		(1,419,237)	(73,892)
Taxation		-	-
Loss for the period after tax		(1,419,237)	(73,892)
Other comprehensive income net of tax		-	-
Total comprehensive loss for the period attributable to equity owners of N4 Pharma Plc		**(1,419,237)**	**(73,892)**
Loss per share attributable to owners of the parent			
Weighted average number of shares:			
Basic		54,521,134	8,844,706
Diluted		55,549,561	8,844,706
Basic loss per share		**(2.60p)**	**(0.84p)**
Diluted loss per share		**(2.55p)**	**(0.84p)**

All activities derive from continuing operation
The notes below form an integral part of these financial statements.

N4 Pharma Plc (formerly Onzima Ventures Plc) and its controlled entities
Condensed consolidated Statement of Financial Position (unaudited) for the six months ended 30 June 2017

	Notes	Proforma 30 June 2017 (Unaudited) £	Proforma 30 June 2016 (Unaudited) £	Proforma 31 December 2016 (Audited) £
Assets				
Non-current assets				
Investments	3	-	-	-
		-	-	-
Current assets				
Trade and other receivables		152,239	26,173	23,187
Cash and cash equivalents		1,507,936	41,300	19,751
		1,660,175	67,473	42,938
Total Assets		1,660,175	67,473	42,938
Liabilities				
Current liabilities				
Trade and other payables		(169,102)	(102,567)	(102,046)
Accruals and deferred income		-	-	(20,634)
Total assets less current liabilities		1,491,073	(35,094)	(79,742)
Non-current liabilities				
Amounts falling due after more than one year		-	(119,922)	(204,922)
Net Assets/ (Liabilities)		**1,491,073**	**(155,016)**	**(284,664)**
Equity				
Share capital	5	8,569,682	100	100
Share premium	6	8,286,313	-	-
Reverse acquisition reserve	6	(14,138,244)	-	-
Merger relief reserve	6	299,045	-	-
Share option reserve	7	178,278	-	-
Retained earnings		(1,704,001)	(163,578)	(284,764)
Total Equity		**1,491,073**	**(163,478)**	**(284,664)**

The notes below form an integral part of these financial statements.

N4 Pharma Plc (formerly Onzima Ventures Plc) and its controlled entities
Condensed consolidated Statement of Changes in Equity (unaudited) for the six months ended 30 June 2017

(i) Six months ended 30 June 2017 - Unaudited

	Share Capital	Share Premium	Share Option Reserve	Reverse Acquisition Reserve	Merger Relief Reserve	Retained Earnings	Proforma Total Equity
	£	£	£	£	£	£	£
Balance at 1 January 2017	**100**	**-**	**-**	**-**	**-**	**(284,764)**	**(284,664)**
Total comprehensive loss for the period	-	-	-	-	-	(1,419,237)	**(1,419,237)**
Share issue	8,551,539	8,415,653	-	-	-	-	16,967,192
Cost of share issue	-	(129,340)	-	-	-	-	**(129,340)**
Share option reserve	-	-	178,278	-	-	-	**178,278**
Group Reconstruction	18,043	-	-	(14,138,244)	299,045	-	**(13,821,156)**
At 30 June 2017	**8,569,682**	**8,286,313**	**178,278**	**(14,138,244)**	**299,045**	**(1,704,001)**	**1,491,073**

(ii) Six months ended 30 June 2016 - Unaudited

	Share Capital	Share Premium	Share Option Reserve	Share Based Payments Reserve		Retained Earnings	Proforma Total Equity
	£	£	£	£		£	£
Balance at 1 January 2016	**100**	**-**	**-**	**-**		**(89,686)**	**(89,586)**
Total comprehensive loss for the period	-	-	-	-		(73,892)	**(73,892)**
At 30 June 2016	**100**	**-**	**-**	**-**		**(163,578)**	**(163,478)**

The notes below form an integral part of these financial statements.

N4 Pharma Plc (formerly Onzima Plc) and its controlled entities
Condensed consolidated Statement of Cash Flows (unaudited) for the six months ended 30 June 2017

	Proforma Six months to 30 June 2017 (Unaudited) £	Proforma Six months to 30 June 2016 (Unaudited) £
Operating activities		
Loss before tax	(1,419,237)	(65,430)
Interest	5,126	191
Deemed cost of acquisition	1,023,734	-
Operating loss before changes in	**(390,377)**	**(65,239)**

working capital		
Movements in working capital:		
(Increase) in trade and other receivables	(129,052)	(8,835)
Increase in trade and other payables	52,602	20,472
(Decrease) in trade and other payables	(204,922)	-
Cash used in operations	(671,749)	(53,602)
Net cash flows used in operating activities	**(671,749)**	**(53,602)**
Investing activities		
Cash acquired on reverse acquisition	402,654	-
Net cash flows from investing activities	**402,654**	**-**
Financing activities		
Interest paid	-	(191)
Proceeds from loan advanced	104,078	44,922
Net proceeds of ordinary share issue	1,782,542	-
Cost of share issue	(129,340)	-
Net cash flows used in financing activities	**1,757,280**	**44,731**
Net increase/ (decrease) in cash and cash equivalents	**1,488,185**	**(8,871)**
Cash and cash equivalents at beginning of the period	19,751	50,171
Cash and cash equivalents at 30 June 2017	**1,507,936**	**41,300**

The notes below form an integral part of these financial statements.

N4 Pharma Plc (formerly Onzima Ventures Plc) and its controlled entities
Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2017

1. Corporate information

N4 Pharma Plc (the "Company"), (formerly known as Onzima Ventures Plc) is the holding company for N4 Pharma UK Limited ("N4 UK"), (formerly known as N4 Pharma Limited) and together form the group (the "Group"). N4 UK is a specialist pharmaceutical company which reformulates existing drugs and vaccines to improve their performance. The nature of the business is not deemed to be impacted by seasonal fluctuations and as such performance is expected to be consistent.

The Company acquired the remaining 51 per cent. of the share capital of N4 UK on 3 May 2017 by way of a reverse takeover. The Company is domiciled in England and Wales and was incorporated and registered in England and Wales on 6 July 1979 as a public limited company and its shares are admitted to trading on AIM (LSE: N4P). The Company's registered office is located at 6th Floor, 60 Gracechurch Street, London EC3V 0HR.

2. Accounting policies

Adoption of new and revised International Financial Reporting Standards

No new IFRS standards, amendments or interpretations became effective in the six months to 30 June 2017 which had a material effect on this interim consolidated financial information. New standards that have been issued, but that are not yet effective, have also been considered and it has been decided not to adopt these new standards early.

Basis of Preparation:

The Group's condensed consolidated interim financial statements, which are unaudited, have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting".

This is the first accounting period of the Group and as such, no statutory financial statements have yet been prepared. The first accounting reference date will be 31 December 2017 and the financial statements will be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The interim consolidated financial information for the six months ended 30 June 2017 are unaudited. In the opinion of the Directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period.

The financial statements are presented in sterling, which is the Group's functional currency as the UK is the primary environment in which it operates.

Basis of consolidation:

On 3 May 2017, the Company became the legal parent of N4 UK through a reverse takeover transaction ("RTO" or "reverse takeover"). The Company was not a business as defined by IFRS 3 prior to the transaction and as such was outside of the scope of IFRS 3, Business Combinations. The consolidated financial statements present the substance of the transaction in accordance with IFRS2. The comparative results to 31 December 2016 and 30 June 2016 represent the position of N4 UK prior to the reverse takeover.

The consolidated financial statements of the Company are presented as a continuation of N4 UK's financial statements, reflecting the commercial substance of the transaction. However, the equity structure presented in the consolidated financial statements reflects the equity structure of the Company, including the new shares issued as part of the transaction. Where information relates or includes the results of N4 UK prior to the reverse takeover, it has been labelled 'pro forma'.

Significant Accounting Policies:

The condensed, consolidated interim financial statements have been prepared under the historical cost convention, with the exception of investments, in accordance with International Financial Reporting Standards as adopted by the European Union.

While the financial information has been prepared in accordance with IFRS, as adopted by the European Union, the interim condensed, consolidated financial statements do not contain sufficient information to comply with IFRSs.

Financial assets at fair value through profit or loss:

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Group's documented investment strategy.

The Group's policy requires the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Segmental reporting:

At 30 June 2017, the Group operated in one business segment, that of the development and commercialisation of medicines via reformulation using advanced pharmaceutical technologies to add value to generic and soon to be generic drugs. No revenue has yet been generated by any of the work undertaken by the Group.

The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group.

Cash and cash equivalents:

The Directors consider any cash on short term deposit and other short term investments to be cash equivalents.

Government grant income

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the income statement on a systematic basis over the periods in which the Company recognises and expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the income statement in the period in which they become receivable.

Tax

The Group has accumulated losses available to carry forward against future trading profits. No deferred tax asset has been recognised in respect of tax losses since it is uncertain at the balance sheet date as to whether future profits will be available against which the unused tax losses can be utilised.

Share-based payment arrangements

Equity-settled share-based payments are measured at fair value at the date of grant using a Black Scholes pricing model. The key assumptions used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The value of the change is adjusted to reflect expected and actual levels of awards vesting. Cancellations of equity instruments are treated as an acceleration of the vesting period and any outstanding charge is recognised in full immediately.

3. Critical accounting judgements and estimates

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period.

In the process of applying the Group's accounting policies, management has decided the following estimates and assumptions are significant to causing potentially material adjustments to the carrying amounts of assets and liabilities recognised in the condensed consolidated financial statements.

Value of listed investment

The RTO brought into the Group an investment in Alecto Minerals Plc ("Alecto") at a cost of £59,186 which could not be sold prior to completion of the RTO and as at 30 June 2017 forms part of the Group's assets. On 21 December 2016, trading in Alecto's shares on AIM was suspended due to a proposed reverse takeover.

Since the period end, trading on AIM in Alecto's shares has been cancelled with effect from 11 July 2017 due to the delay in publishing an admission document for the proposed reverse takeover.

Although the Board understands that it is Alecto's intention to proceed with the proposed reverse takeover, it remains uncertain at the date of these financial statements whether or when this will be achieved.

Management has taken the view that, in light of the circumstances referred to above, it is reasonable to assume that the Alecto shares no longer hold any value and, as such, has taken the decision to impair the value of the shares to nil.

4. Reverse takeover

The Company previously held 49 per cent. of the issued share capital in N4 UK at 2 May 2017.

On 13 April 2017, the Company published an admission document regarding the proposed acquisition of the remaining 51 per cent. of N4 UK that it did not already own and to raise capital by way of a reverse takeover.

Consideration for the acquisition was satisfied by the issue of 4,510,800 new ordinary shares in the Company to the existing shareholder of N4 UK and 4,591,400 deferred consideration shares. This constitutes the "post-Share Re-Organisation". The post-Share Re-Organisation is discussed in more detail in the share capital note below. The deemed cost of the acquisition is recognised in the Statement of Comprehensive Income.

The Company also conditionally raised £1,500,000 (gross) by way of a placing of 21,428,571 new ordinary shares at 7p per share (the "Placing") to fund the development of additional patent applications for reformulations of a wide range of generic drugs, to undertake clinical trials for N4 UK's reformulation of sildenafil and for working capital purposes.

Shareholders' approval of the proposals was obtained at the Company's general meeting held on 2 May 2017 (the "General Meeting"). The Placing and reverse takeover was completed on 3 May 2017. The consolidated financial statements of the Company are presented as a continuation of N4 UK's financial statements, reflecting the commercial substance of the transaction. However, the equity structure presented in the consolidated financial statements as discussed above and in note 7 below reflects the equity structure of the Company, including the equity instruments issued as part of the transaction.

5. Share Capital

Proforma

Allotted, called up and fully paid	30 June 2017 (Unaudited)	30 June 2016 (Unaudited)	31 December 2016 (Audited)
74,714,285 Ordinary Shares of 0.4p each	298,857	100	100
137,674,431 Deferred Shares of 4p each	5,506,977	-	-
279,176,540 Deferred Shares of 0.099p each	2,763,848	-	-
	8,569,682	**100**	**100**

A resolution was passed at the General Meeting for the issue of 21,428,571 new ordinary shares (the "Placing Shares") at a price of 7 p per share (the "Placing Price") on 2 May 2017. On 3 May 2017, the Placing raised £1,500,000 before fees and expenses.

As part of the Placing, a post-Share Re-Organisation took place, for which a number of actions occurred. On 2 May 2017, prior to the RTO being completed, the following transactions took place:

§ 242 shares were allotted before the share capital re-organisation resulting in a share capital of 181,956,800 ordinary shares of £0.001 each;
§ The total ordinary shares were then consolidated into 227,446 ordinary shares of £0.80 each; &
§ The 227,446 ordinary shares of £0.80 each were then sub-divided into 45,489,200 ordinary shares of £0.004 each.

The transactions that took place on 3 May 2017 were as follows:

§ 4,510,800 new ordinary shares were issued to the remaining shareholder of N4 UK in return for the remaining 51 per cent. of shares in N4 UK constituting the reverse takeover;
§ 4,591,400 deferred consideration shares to be issued under certain conditions to the same recipient in return for the remaining 51 per cent. of shares constituting the reverse takeover (see Note 7 below);
§ £1,500,000 was raised by the Placing of 21,428,571 new ordinary shares at 7 pence per share;
§ Issue of placing warrants on a 1 for 1 basis at an exercise price of 8.5p per placing warrant;
§ The Company settled a broker invoice via the issue of 285,714 ordinary shares at 7p each; and
§ Warrants exercised resulting in the issue of 3,000,000 new ordinary shares (see Note 9b).

All ordinary shares rank equally in all respects, including for dividends, shareholder attendance and voting rights at meetings, on a return of capital and in a winding-up.

The 137,674,431 deferred shares acquired as part of the reverse takeover as noted above, have no right to dividends nor do the holders thereof have the right to receive notice of or to attend or vote at any general meeting of the Company. On a return of capital or on a winding up of the Company, the holders of the deferred shares shall only be entitled to receive the amount paid up on such shares after the holders of the ordinary shares have received the sum of £1,000,000 for each ordinary share held by them.

6. Reserves

The share premium account represents the amount received on the issue of ordinary shares by the Company in excess of their nominal value and is non-distributable.

The merger relief reserve arose on the Company's acquisition of N4 UK and consists of both the consideration shares amounting to £297,713 and the deferred consideration shares. There is no legal share premium on the shares issued as consideration as section 612 of the Companies Act 2006, which deals with merger relief, applies in respect of the acquisition.

The deferred consideration shares will only be issued if the mid-market price of the Company's ordinary shares exceeds 15p per share for at least ten consecutive dealing days in the period of two years following Admission. These shares have been valued using the Black Scholes model and are included in the merger relief reserve at a fair value of £1,332.

The reverse takeover reserve arises due to the elimination of the Company's investment in N4 UK. Since the shareholder in N4 UK became a shareholder of the Company, the acquisition is accounted for as though the legal acquiree (N4 UK) is the accounting acquirer.

7. Share-based payments and Share Option Reserve

a) **Options**

The Company has the ability to issue options to Directors to compensate them for services rendered and incentivise them to add value to the Group's longer term share value. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined is expensed on a straight line basis over the vesting period based on the Group's estimate of the number of shares that will vest. The value of the change is adjusted to reflect the expected and actual levels of vesting.

Cancellations of equity instruments are treated as an acceleration of the vesting period and any outstanding charge is recognised in full immediately.

Fair value is measured using a Black Scholes pricing model. The key assumptions used in the model have been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

As at 30 June 2017, there were 6,245,084.50 options in existence over ordinary shares of the Company.

On 14 October 2015, 10,804,840 share options were granted to Gavin Burnell, the Company's former chief executive. Following the post-Share Re-Organisation, including the consolidation of shares and subsequent sub-division, these options now equate to a quarter of the original options issued. The 2,701,210 options held by Gavin Burnell, issued on 14 October 2015 are exercisable at a price of 0.7p per share (pre-Share Re-Organisation) at any time before 14 October 2025.

On 14 October 2015, Luke Cairns, a non-executive director of the Company, was granted 2,701,210 share options. Following the post-Share Re-Organisation, including the consolidation of shares and subsequent sub-division, these options now equate to a quarter of the original options issued. The 675,302.50 options held by Luke Cairns, issued on 14 October 2015 are exercisable at a price of 0.7p per share (pre-Share Re-Organisation) at any time before 14 October 2025.

The aggregate fair value of the share options issued on 14 October 2015 as at 30 June 2017 is £30,812.

Following the RTO and subsequent re-admission to AIM on 3 May 2017 ("Admission"), the following options over new ordinary shares were granted under the Company's share option scheme and are exercisable at a price of 7p per share:

Luke Cairns	717,143 options
David Templeton	717,143 options
Paul Titley	1,434,286 options

The above share options are exercisable following the third anniversary of Admission, being 3 May 2020. In the case of Paul Titley, the exercise of options over 717,143 ordinary shares is subject to certain performance conditions. These options are exercisable at a price of 7 pence per share at any time before 14 October 2025.

The fair value of the share options issued on 3 May 2017 is £35,845. The total fair value of share options in issue and not yet exercised as at 30 June 2017 is £66,657.

b) **Warrants**

In addition to the Placing on 3 May 2017 which raised £1,500,000 before fees and expenses, the Company issued placing warrants on a 1 for 1 basis at an exercise price of 8.5p per placing warrant. This resulted in the issue of 21,428,571 warrants exercisable at 8.5p.

As at 30 June 2017, the total number of warrants in issue was 22,710,923.

The warrants entitle holders to subscribe for new ordinary shares at any time in the period of two years following the grant of the warrants. The expiry date of the placing warrants is 3 May 2019. No warrants issued on 3 May 2017 have been exercised.

A previous placing by the Company when trading as Onzima Ventures Plc resulted in the issue of 15,000,000 investor warrants issued at an exercise price of 2p per warrant. These warrants expired on 7 June 2017.

Of these investor warrants, 12,000,000 were exercised before the expiry date resulting in the balance of 3,000,000 warrants expiring. Details of the warrants exercised are set out below. Due to the post-Share Re-Organisation and the 4:1 consolidation of shares, the warrants exercised resulted in the issue of 1 share for every 4 warrants.

Details of the warrants exercised during the period are as follows:

- § Exercise of 1,500,000 warrants over ordinary shares of 0.4p each at an exercise price of 2p per warrant for 375,000 shares.
- § Exercise of 1,750,000 warrants over ordinary shares of 0.4p each at an exercise price of 2p per warrant for 437,500 shares.
- § Exercise of 4,000,000 warrants over ordinary shares of 0.4p each at an exercise price of 2p per warrant for 1,000,000 shares.
- § Exercise of 4,750,000 warrants over ordinary shares of 0.4p each at an exercise price of 2p per warrant for 1,187,500 shares.

During the period, an amount of £228,000, representing the exercised warrants, has been recognised against share premium and £12,000 to share capital. The fair value of the warrants in issue and not yet exercised was determined using the Black Scholes model. The fair value of the warrants at 30 June 2017 was £111,621.

8. Earnings per share

Basic earnings per share is calculated by dividing the loss after tax attributable to the equity holders of the Company by the weighted average number of shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potential dilutive shares, namely share options and warrants.

The basic earnings per share for each comparative period before the acquisition date shall be calculated by dividing the profit of N4 UK in each of those periods by the historical weighted average number of Ordinary shares outstanding multiplied by the exchange ratio.

9. Related Party Transactions

During the period to 30 June 2017, the non-executive directors' fees amounted to £8,000 (6 months to 30 June 2016: £nil); and 6 months to 31 December 2016: £nil).

During the period to 30 June 2017, the Company charged N4 UK £4,800 in respect of 50 per cent. of the fees paid to non-executive directors for the services rendered to N4 UK (6 months to 30 June 2016: £nil; and 6 months to 31 December 2016: £nil).

10. Subsequent events

There are no significant subsequent events which require adjustment or disclosure in these interim condensed consolidated financial statements.

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