

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014, as retained as part of the law of England and Wales. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

Press Release

31 August 2021

Clarify Pharma PLC

("Clarify Pharma" or "The Company")

Interim results

Clarify Pharma (AQSE: PSYC), an investment vehicle specialising in biotech and life sciences companies seeking to prove the safety and efficacy of psychedelic-based substances, announces its unaudited financial results for the six months ended 31 May 2021.

Highlights:

- Raised a total of £1.29 million in a pre-IPO funding round

Post-period highlights:

- Successfully completed an IPO on London's AQSE Growth Market (AQSE) on 11 June 2021 with a market capitalisation of approximately £7.43 million
- Raised £1.96 million in total before expenses via a placing and subscription at 2.5p per share at flotation
- Made a first capital investment in Beckley Psytech Limited ("Beckley Psytech"), a private company dedicated to addressing neurological and psychiatric disorders through the novel application of psychedelic medicines
- Net cash of £1.79 million as at 31 August 2021

Outlook:

- The deal flow of potential investments remains strong and the Directors and Advisers continue to evaluate exciting new opportunities that will generate long-term value for investors
- The Company is well positioned to take advantage of the growing psychedelics market as it continues to develop significantly along with the regulatory environment

Commenting on the results, Jonathan Bixby, Executive Director of Clarify Pharma, said: "The successful flotation on the AQSE Growth Market has been Clarify Pharma's most significant milestone and indicates investor appetite for this innovative chapter in modern pharmaceuticals. It has provided us with the capital and agency to become a credible investor in this nascent market.

“We have made a first capital investment in a trailblazing company and are currently pursuing new opportunities that meet our investment criteria and due diligence process. We look forward to making further investments in this exciting market as investors continue to gain confidence in the development of the research and regulatory environment for alternative treatments and pharmaceuticals.”

The directors of Clarify Pharma plc accept responsibility for this announcement.

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About Clarify Pharma PLC:

Listed on the Aquis Stock Exchange in London, Clarify Pharma is an investment vehicle focusing on investing in biotech and life sciences companies seeking to prove the safety and efficacy of psychedelic-based substances. The Company looks to identify investment opportunities in the life sciences sector within the UK, Canada and other growing markets, with the objective of generating long-term capital growth and building investments in an R&D pipeline of companies which are discovering, developing, or deploying safe and evidence-based psychedelic inspired medicines and experiential therapies that alleviate mental health problems and enhance wellbeing.

The Company’s Directors have an established track record, experience and networks in the psychedelic, cannabinoid and media industries, to drive value creation.

<https://www.clarifypharma.com/>

Executive Director’s Statement

Introduction

I am delighted to report the Company's first set of results since its debut on AQSE on 11 June 2021.

The Company held cash and cash equivalents of £1.15 million as at 31 May 2021, reflecting proceeds from the £1.29 million pre-IPO fundraising. Cash and cash equivalents amounted to £1.79 million as at 31 August 2021.

The potential benefits of psychedelic drugs have been recognised in both the UK and the US and the medical use of psychedelics is progressively emerging as an alternative candidate to conventional therapies for individuals suffering from elusive maladies like PTSD, addiction, Alzheimer's, and depression.

We see opportunities for investing in companies with the required expertise and potential to become pioneers in the market. Psychedelic assisted therapy is in its earliest days of development, particularly in the U.K. There is a new window of opportunity as the industry continues to gain more traction and credibility as a result of new scientific research and evidence. We look forward to capitalising on these promising long-term trends in this cutting-edge medical frontier.

I would also like to take this opportunity to thank all our shareholders for their support.

Jonathan Bixby, Executive Director

Investment strategy

The Company's objective is to generate capital growth over the long term through a portfolio of businesses concentrating on fast growing biotech and life science companies that research or produce neuro-pharmaceutical drug development platforms advancing medicines based on psychedelic substances through rigorous science and clinical trials.

The Board expects to be able to substantially develop its business within 12 months from Admission. The Board is building out an R&D pipeline of companies which are discovering, developing or deploying safe and evidence-based psychedelic inspired medicines and experiential therapies that alleviate mental health problems and enhance wellbeing. Through those drug development platforms, Clarify will invest in companies which seek to prove the safety and efficacy of psychedelic-based substances as disruptive technologies and solutions for a continuum of mental illnesses and high unmet medical need.

Clarify will assemble a portfolio of compelling drug development pipeline of psychedelic inspired medicines and experiential therapies for human clinical trials under the supervision and strict adherence to the guidelines of the United Kingdom's MHRA, Canada's Health Canada and similar regulatory authorities in other jurisdictions where Clarify or its Investee Companies operate.

Market size

The Company considers that there is a sizable potential market for psychedelic products as clinical trials into psychedelic-assisted psychotherapy continue to show promising results for the treatment of the mental health conditions such as depression, anxiety and addiction. According to analysts at Canaccord, the global psychedelics industry could soon be worth over US\$100 billion.

Post-period Highlights

The Company raised £1.96 million in total before expenses via a placing and subscription at 2.5p per share at the time of flotation

The Company made its maiden equity investment of approximately US\$700,000 into Beckley Psytech, a private company dedicated to addressing neurological and psychiatric disorders through the novel application of psychedelic medicines. The investment was made as part of a Series B fundraising by Beckley Psytech, which is incorporated in the UK, and gives Clarify Pharma a 0.26% interest in the business.

Outlook

As the field of psychedelic science continues to grow, the Board considers that psychedelic-assisted psychotherapy will continue to gain acceptance in the medical community with numerous recent studies highlighting the contributions of psychotherapy treatments and accredited research organisations demonstrating its clinical effectiveness. In particular, the Company believes that over time, the psychedelic (and consumer perceptions thereof) will likely undergo a paradigm shift that is analogous to the change experienced by the cannabis industry, which resulted in the emergence of that global, multibillion-dollar sector. As a result, the Board looks forward to the future with great confidence.

Income Statement for the Period 1 December 2020 to 31 May 2021

		Unaudited Period 1.12.20 to 31.5.21 £	Unaudited Period 1.11.19 to 30.11.20 £
	Notes		
TURNOVER		-	-
Administrative expenses		472,770	-
OPERATING LOSS		(472,770)	-
Interest receivable and similar income		22	-
LOSS BEFORE TAXATION		(472,748)	-
Tax on loss	4	-	-
LOSS FOR THE FINANCIAL PERIOD		145,167	-
Earnings per share expressed In pence per share: Basic	5	-1.05	-

Other Comprehensive Income for the Period 1 December 2020 to 31 May 2021

	Unaudited Period 1.12.20 to 31.5.21 £	Unaudited Period 1.11.19 to 30.11.20 £
	Notes	

LOSS FOR THE PERIOD	(472,748)	-
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(472,748)	-

**Balance Sheet
31 May 2021**

	Notes	Unaudited 31.5.21		Unaudited 30.11.20	
		£	£	£	£
CURRENT ASSETS					
Debtors	6	-		1	
Cash at bank		1,155,870		-	
		<u>1,155,870</u>		<u>1</u>	
CREDITORS					
Amounts falling due within one year	7	(242,588)		-	
NET CURRENT ASSETS			<u>913,282</u>		<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>913,282</u>		<u>1</u>
CAPITAL AND RESERVES					
Called up share capital	8		218,775		1
Share premium	9		807,159		-
Share based payment reserve	9		360,096		-
Retained earnings	9		(472,748)		-
SHAREHOLDERS' FUNDS			<u>913,282</u>		<u>1</u>

**Statement of Changes in Equity
for the Period 1 December.2020 to 31 May.2021**

	Called up Share Capital £	Retained Earnings £	Share Premium £	Share based payment Reserve £	Total Equity £
Changes in equity					
Issue of share capital	1	-	-	-	1
Balance on 30 November 2020	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Changes in equity					
Issue of share capital	218,774	-	807,159	-	1,025,933
Total comprehensive income	-	(472,748)	-	-	(472,748)
Share based payments	-	-	-	360,096	360,096
Balance at 31 May 2021	<u>218,775</u>	<u>(472,748)</u>	<u>807,159</u>	<u>360,096</u>	<u>913,282</u>

**Cash Flow Statement
for the Period 1 December 2020 to 31 May 2021**

Unaudited Period	Unaudited Period
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		1.12.20	1.11.19
		to	to
		31.5.21	30.11.20
		£	£
	Notes		
Cash flows from operating activities			
Cash generated from operations	12	129,915	(1)
Net cash from operating activities		129,915	(1)
Cash flows from investing activities			
Interest received		22	-
Net cash from investing activities		22	-
Cash flows from financing activities			
Share issue		218,774	1
Share premium		807,159	-
Net cash from financing activities		1,025,933	1
Increase in cash and cash equivalents		1,155,870	-
Cash and cash equivalents at beginning of period	13	-	-
Cash and cash equivalents at end of period	13	1,155,870	-

**Notes to the Financial Statements
for the Period 1 December 2020 to 31 May 2021**

1. STATUTORY INFORMATION

Clarify Pharma PLC is a public limited company, registered in England and Wales. The company registered number and registered office address can be found on the Company Information page.

The Company became entitled to do business and borrow on 26 March 2021.

The principal activity of the company during the period under review was that of the incubation of and investment in Companies that are developing therapeutic remedies using compounds with certain psychedelic properties.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to meet its obligations over the assessed period to the end of November 2022. Having raised £1,684,650 net of expenses on 31 May 2021 at the Company's IPO, the Directors have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements. The Directors have considered the impact of Covid-19 on the Company, in the context of their operations. At this stage, the Directors do not envisage a long-term impact to the Company resulting from Covid-19, but will continue to monitor the situation

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period.

Share based payments - Note 11

In addition to this, the company has also issued warrants and options to directors which have been valued in accordance with the Black Scholes model. Significant estimation and judgement is required by the directors when using the Black Scholes method.

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the period ended 31 May 2021 nor for the period ended 30 November 2020.

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below.

	Earnings £	Unaudited 31.5.21 Weighted average number of shares	Per-share amount Pence
Basic EPS			
Earnings attributable to ordinary shareholders	(472,748)	44,841,665	-1.05
	<hr/>	<hr/>	<hr/>
	(472,748)	44,841,665	-1.05

	Earnings £	Unaudited 1.12.20 Weighted average number of shares	Per-share amount Pence
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Basic EPS

Earnings attributable to ordinary shareholders	-	-	-
	-	-	-

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making company with outstanding share options, the net loss per share would be decreased by the exercise of options. Therefore, as per IAS33:36, the anti-dilutive potential ordinary shares are disregarded in the calculation of diluted EPS.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unaudited	Unaudited
	31.5.21	30.11.20
	£	£
Other debtors	-	1

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unaudited	Unaudited
	31.5.21	30.11.20
	£	£
Trade creditors	10,000	-
Other creditors	40,000	-
Accrued expenses	192,588	-
	242,588	-

8. CALLED UP SHARE CAPITAL

Allotted and issued:				
Number:	Class:	Nominal value	Unaudited	Unaudited
218,775,000	Ordinary	£0.001	31.5.21	30.11.20
			218,775	1

On the 30 November 2019, 1,000 Ordinary Shares of £0.001 were issued at par value.

Between 5 February 2021 and 31 May 2021, a further 218,774,999 Ordinary Shares of £0.001 were issued at between £0.001 and £0.010.

9. RESERVES

	Retained earnings	Share premium	Share based payment reserve	Totals
	£	£	£	£
Deficit for the period	(472,748)	-	-	(472,748)
Cash share issue	-	807,159	-	807,159
Share based payments	-	-	360,096	360,096
At 31 May 2021	(472,748)	807,159	360,096	694,507

Retained earnings

This reserve comprises the current period's deficit.

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Share Based payment reserve

This reserve comprises the current period's share-based payments costs.

10. RELATED PARTY DISCLOSURES

There have been payments made and expenses accrued in the sum of £63,500 to the companies Briarmount Limited, Dark Peak Services Limited, Haymarket Investments Inc (Canada), Marallo Holdings Inc (Canada) and Toro Consulting Limited (Canada).

These payments relate to director fees of £13,000 to Mr T Le Druillenec, £5,000 to Mr N Lyth, £21,500 to Mr M S Edwards and £36,500 to Mr J F Bixby.

11. SHARE-BASED PAYMENT TRANSACTIONS

DISCLOSURE OF SHARE WARRANTS SCHEME

Details of the number of share warrants outstanding:

	Unaudited 31.5.21	Unaudited 30.11.20
Outstanding at the start of the period	-	-
Granted during the period	20,500,000	-
Forfeited during the period	-	-
Exercised during the period	-	-
Outstanding at the end of the period	20,500,000	-
Exercisable at the end of the period	20,500,000	-

The share warrants outstanding at the end of the period have a weighted average remaining contractual life of 2.77 years.

The fair value of the share warrant rights granted under the scheme are valued using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Unaudited 31.5.21	Unaudited 30.11.20
Risk free rate	0.78%	N/A
Expected life	1.66	N/A
Volatility	99.10%	N/A

Using the above calculation method, the weighted average fair value of warrants at 31st May 2021 were assessed as £360,096.

12. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Unaudited 1.12.20 to 31.5.21 £	Unaudited 1.11.19 to 30.11.20 £
Loss before taxation	(472,748)	-
Share based payments	360,096	-
Finance income	(22)	-
	(112,674)	-
Decrease/(increase) in trade and other debtors	1	(1)
Increase in trade and other creditors	242,588	-
Cash generated from/(used in) operations	129,915	(1)

13. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 May 2021

	Unaudited 31.5.21 £	1.12.20 £
Cash and cash equivalents	<u>1,155,870</u>	<u>-</u>

Period ended 30 November 2020

	Unaudited 30.11.20 £	1.11.19 £
Cash and cash equivalents	<u>-</u>	<u>-</u>

14. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.20 £	Cash flow £	At 31.5.21 £
Net cash			
Cash at bank	<u>-</u>	<u>1,155,870</u>	<u>1,155,870</u>
Total	<u>-</u>	<u>1,155,870</u>	<u>1,155,870</u>