



Rex Bionics Plc
("Rex Bionics" or the "Company")

Maiden Interim Results for the six months ended 31 May 2014

5 August 2014, Rex Bionics Plc (RXB) (formerly Union MedTech Plc) the AIM-listed developer and manufacturer of hands-free robotic exoskeletons for use by wheelchair users, today announces its maiden unaudited results for the six months ended 31 May 2014.

Highlights:

Financial:

- Transfer of listing from ISDX Growth Market to AIM in May 2014, with the successful completion of an IPO raising £10 million (gross)
- Completion of the acquisition of Rex Bionics Ltd, for an all-share consideration, and simultaneous change of parent company name from Union MedTech Plc to Rex Bionics Plc
- Total comprehensive loss for the period £1.246 million (31 May 2013: £0.075 million)
- Period-end cash reserves £8.777 million (31 May 2013: £0.302 million)

Operational:

- International commercialisation activities accelerating – UK sales and marketing team now in place
- Rex Bionics New Zealand operations transferred to new, larger facility in Auckland as Company scales up manufacturing
- Patents covering REX technology granted in China and Japan
- Richard Little, co-inventor of REX technology, joined the Board as Chief Technology Officer immediately following the IPO. Board further strengthened at same time by appointment of John Plimmer and Victoria Provis as Non-Executive Directors
- Appointment of VP International Sales and Marketing

Post period-end highlights:

- Appointment of Crispin Simon, formerly CEO of Biocompatibles International Plc ("Biocompatibles"), as Chief Executive Officer. Jeremy Curnock Cook to become Deputy Chairman – see separate announcement issued today

- Appointment of Tracey White, previously General Manager of Siemens Healthcare, as General Manager of Rex Bionics Ltd
- Appointment of Michael Heath, most recently at Bombardier manufacturing aircraft fuselages, as Director of Manufacturing in Auckland
- Control System patent accepted for grant in New Zealand

Commenting on the announcement, David Macfarlane, Chairman of the Board, said:

“The successful completion of Rex Bionics’ transfer to AIM in early May and the simultaneous completion of our acquisition of Rex Bionics Ltd was a transformational event for the Company. The funds raised have enabled us to advance our commercialisation strategy and commence the scale-up of manufacturing plans. We have already seen an exceptional level of interest internationally in the REX technology and I am delighted to see this being translated into the advanced discussions we are having regarding the first sales of REX Rehab since the time of the IPO. Based on the progress achieved to date, I believe we have good reasons to be very optimistic about the future.”

“At this time I would again like to welcome Crispin to the Company as CEO in October and I would also like to take this opportunity to thank Jeremy Curnock Cook once again for his leadership and the commitment he has made to the Company to date. I am delighted to be working with both of them as we embark upon the next phase of our growth and continue our efforts to bring the unique benefits of REX to an increasing number of wheelchair users around the world.”

For more information, please contact:

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Notes for Editors:

About Rex Bionics

Rex Bionics (AIM: RXB) is an AIM-listed developer and manufacturer of hands-free robotic exoskeletons for use by people with mobility impairments. Founded in Auckland, New Zealand by two robotics engineers with first-hand experience of wheelchair users and their needs, Rex Bionics focuses on producing products designed to enable wheelchair users to stand and walk autonomously without the need for crutches or supports and is the only company to mass produce hands-free walking devices for wheelchair users. Rex Bionics' marketed products: REX Rehab and REX Personal, can be used by people with complete spinal cord injury, but also by a much broader potential customer base, including people with multiple sclerosis and muscular dystrophy. In May 2014, Rex Bionics joined AIM with a fundraising of £10 million (gross) to scale up production, distribution and marketing internationally, in order to support growing demand for both REX products as well as developing the next generation of REX devices, REX 3.

For more information please visit, www.rexbionics.com

Chairman's statement

Overview

Fundraising and transfer to AIM Market

Rex Bionics completed an IPO on AIM on 8 May 2014, at the same time completing the acquisition of Rex Bionics Ltd and changing its name from Union MedTech Plc to Rex Bionics Plc. The Company's objective of raising £10 million before expenses at a price of £1.80 per share and welcoming a number of new investors to the share register was successfully achieved. As a consequence of the move to AIM, the Company's previous listing on the ISDX Growth Market was withdrawn.

The new funding has provided the Company with the resources to properly support the international commercialisation of the REX technology and scale-up of manufacturing in order to allow for the further development of the Rex Bionics business.

The market opportunity

Rex Bionics' Board and management view the commercialisation of the Company's hands-free robotic exoskeleton, which they believe offers unique advantages to wheelchair users, as a key value inflection point for the Company. With some 2.8 million wheelchair users in the US alone, and numbers in Europe reported to be similar, the Company believes there is a significant untapped market opportunity for the REX technology.

Operational Review

Following the IPO, a number of important steps required to commercialise the REX internationally are now underway.

Manufacturing and R&D

The Company's manufacturing and R&D operations moved earlier than planned to larger premises near Auckland in July. The move to the new facilities, whilst creating a temporary disruption to current manufacturing output, will enable the Company to expand operations to meet its volume production requirements over the next three years without further disruption to manufacture. As part of the move, the Company is implementing sophisticated new enterprise resource planning, production, quality systems and procedures to optimise manufacturing efficiency and ensure regulatory compliance. In addition, the Company is implementing a cost reduction programme to reduce REX cost of goods progressively over time.

A number of manufacturing positions in Auckland have been filled since the IPO as production begins to gear up, and recruitment of senior management and key staff across a number of different functions continues. A key hire has been the appointment of Michael Heath as Director of Manufacturing. Michael has extensive experience of working in high technology engineering industries, including robotics, and his most recent role was at Bombardier in Belfast where he was responsible for the manufacture of aircraft fuselages.

New hires have also been made in the research and development team as the development programme for the next generation REX 3 advances.

Sales and Marketing

In February 2014, Rex Bionics appointed Debra Leeves, an experienced sales & marketing executive with a background in pharmaceuticals and medical technology, as VP, International Sales & Marketing. Debra is based in the Company's European Headquarters in Thame, Oxfordshire. Tracey White joined the Company in July 2014 as General Manager of Rex Bionics Ltd, the Southern Hemisphere operating company, and will be based in Auckland. Tracey was most recently General Manager of Siemens Healthcare in New Zealand and has a background in sales & marketing, as well as finance and general management.

A small sales and training team based in the UK was recruited immediately following the IPO and is actively promoting REX to rehabilitation centres and other potential customers, with highly encouraging feedback from early outreach. The Company also expects to establish a sales and marketing presence in Australia/New Zealand, and eventually Asia, and intends to build a regional sales and marketing operation in the US, with an initial focus on South-Eastern US. The Company expects to make further announcements on progress in those markets in the near future.

Since joining the AIM market, the Company has been focused on raising the profile and awareness of REX, building increasing momentum through demonstrations both in rehabilitation settings and to potential private customers. An active programme has been initiated to build market awareness using social media and Key Opinion Leaders to complement the high levels of media interest in the REX technology with extensive coverage across TV, print and social media. Of particular note was the choice of REX to feature in the BBC2 Horizon programme that launched the £10 million Longitude 2014 prize, as an example of an approach within the paralysis category to address some of the challenges faced by people with long-term disabilities.

REX has also been demonstrated to users, clinicians and payers at a number of prestigious conferences and trade shows around the world, including the OTWorld Exhibition in Leipzig, the Neurological Rehabilitation Conference in London, and most recently at the Hamlyn Symposium on Medical Robots at Imperial College chaired by Lord Darzi of Denham.

Advanced discussions are ongoing with several parties for the purchase of a REX device and the first firm orders are anticipated in the near future.

Board Appointments

Richard Little, co-founder of Rex Bionics Ltd and co-inventor of REX, joined the Board as Chief Technology Officer following the IPO and completion of the acquisition.

Two new Non-Executive Directors, John Plimmer and Victoria Provis, joined the Board at the same time, both of whom bring highly relevant skills and experience to Rex Bionics. John, who leads the Audit Committee, is a private investor in, and board member of, a number of companies across different industry sectors following a long and successful career in investment banking and private equity fund management, initially with Hambros Bank and more recently with JZ International. Victoria, who chairs the Remuneration Committee, brings over 30 years' experience in corporate communications, strategic consultancy and, most recently human resources, having been a partner at Odgers for over 16 years until 2011. She now holds a number of Non-Executive positions, primarily in the public sector.

The Company announced via a separate press release issued today that Crispin Simon will join the Board as Chief Executive Officer in early October this year. On the same date, Jeremy Curnock Cook, currently Chief Executive Officer, will assume the role of Deputy Chairman.

Crispin has a 25-year track record in industry with significant success across a range of sub-sectors of healthcare including medical technology and medical devices. Following a career which included working at NM Rothschild, McKinsey, Rexam and Smith & Nephew, where he was latterly President of the Endoscopy Division, Crispin Simon was Chief Executive of Biocompatibles until its sale to BTG Plc in early 2011. At Biocompatibles, he led a team that developed three medical products businesses: the Cardiovascular Stent business, sold to Abbott Laboratories for £145 million; the Contact Lens business, sold to Cooper Industries for £80 million, and the drug-eluting bead business, which was sold as part of the disposal of the whole company to BTG Plc for £165 million. In addition, £123 million in cash was returned to shareholders.

Intellectual Property

The importance of establishing and maintaining strong intellectual property protection for products, particularly in high-tech sectors such as the international medical technology industry, is well understood. The Company maintains a strong patent estate and during the period achieved patent grants for its key REX patent families in two important potential markets for REX products, China and Japan, in addition to having a Control System patent accepted for grant in New Zealand.

Accounting Period

The Company's intention is to change its accounting reference date from 30 November to 31 March during the current accounting period in order to coincide with the Rex Bionics Ltd accounting reference date. This will be accomplished by extending the Company's current accounting period from 12 to 16 months and announcing a second set of interim results, covering the 12 month period to 30 November 2014, in February 2015. Final results covering the 16-month period from 1 December 2013 to 31 March 2015 are expected to be announced around the end of May 2015.

Summary and Outlook

Following the successful fundraising in May this year, the Company now has the financial resources to support the international commercialisation of the REX technology and the further development of the Rex Bionics business upon firm foundations. The funds raised from a number of new and existing major institutional investors have enabled the Company to put in place the personnel and infrastructure necessary to achieve the short term strategic objectives for the business.

REX is a remarkable piece of technology which in our view offers the potential to completely transform the lives of wheelchair users across the world. Support for that view has been demonstrated by the exceptional level of media interest the product has generated recently.

I would like to welcome Crispin Simon to the Rex Bionics team where his expertise will be invaluable in helping to take the Company to the next phase of its growth, and to thank Jeremy Curnock Cook for his leadership over the past year.

The next stage of development will see the Company focusing on bringing the benefits of REX to those people who can most benefit from it, both through our focus on the rehabilitation market and in outreach to private individuals. We will also seek to apply the intelligence we gain from this into developing the best possible next generation REX. We would like to thank our committed staff and shareholders for making this possible and look forward to the next part of this journey.

David Macfarlane

Chairman

5 August 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 May 2014

	Notes	6 Months to 31 May 2014 £'000	6 Months to 31 May 2013 £'000	Year ended 30 November 2013 £'000
Revenue				
Other income		176	-	-
Operating expenses				
Administrative expenses		(387)	(61)	(75)
Legal and professional		(1,006)	(14)	(407)
Operating loss		(1,217)	(75)	(482)
Other gains and losses		(29)	-	2
Loss on ordinary activities before taxation		(1,246)	(75)	(480)
Taxation		-	-	
Loss for the period and total comprehensive income		(1,246)	(75)	(480)
Basic and diluted loss per share (pence):				
From continuing and total operations	4	(46.8)	(22.1)	(141.4)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 May 2014

	Notes	As at 31 May 2014 £'000	As at 31 May 2013 £'000	As at 30 November 2013 £'000
Assets				
Non-current assets				
Goodwill	6	10,024	-	-
Property, plant and equipment		98	-	-
Intangible assets		235	-	-
		10,357	-	-
Current Assets				
Inventory		150	-	-
Trade and other receivables		146	14	10
Cash and cash equivalents		8,777	302	174
		9,073	316	184
Total assets		19,430	316	184
Equity and liabilities				
Equity				
Share capital	5	14,289	340	340
Share premium	5	5,555	1,247	1,247
Merger relief reserve		1,780	-	-
Equity reserve		92	92	92
Retained losses		(3,131)	(1,480)	(1,885)
		18,585	199	(206)
Current Liabilities				
Trade and other payables		845	117	390
		845	117	390
Total equity and liabilities		19,430	316	184

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 May 2014**

	Share capital £'000	Share premium £'000	Merger relief reserve £'000	Equity reserve £'000	Retained losses £'000	Total £'000
Balance at 1 December 2012	340	1,247	-	92	(1,405)	274
Loss for the period	-	-	-	-	(75)	(75)
Balance at 31 May 2013	340	1,247	-	92	(1,480)	199
Share based payment	-	-	-	-	-	-
Loss for the year	-	-	-	-	(405)	(405)
Balance at 30 November 2013	340	1,247	-	92	(1,885)	(206)
Issuance of shares	13,949	6,088	-	-	-	20,037
Shares on acquisition	-	(1,780)	1,780	-	-	-
Loss for the period	-	-	-	-	(1,246)	(1,246)
Balance at 31 May 2014	14,289	5,555	1,780	92	(3,131)	18,585

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 31 May 2014

	6 Months to 31 May 2014 £'000	6 Months to 31 May 2013 £'000	Year ended 30 November 2013 £'000
Loss before taxation	(1,246)	(75)	(480)
Unrealised loss on foreign exchange	21		
Depreciation	2	-	-
(Increase) in receivables	(135)	(10)	(6)
Increase in payables	452	5	278
Cash outflow from operations	(906)	(80)	(208)
Interest paid	-	-	-
Net cash outflow from operating activities	(906)	(80)	(208)
Cash flow from investing activities:			
Property, plant equipment at cost	(100)	-	-
Net cash outflow from investing activities	(100)	-	-
Cash flow from financing activities:			
Proceeds of share issues	10,000	-	-
Share issuance costs	(391)	-	-
Net cash from financing activities	9,609	-	-
Net increase / (decrease) in cash and cash equivalents	8,603	(80)	(208)
Cash and cash equivalents at beginning of period	174	382	382
Cash and cash equivalents at end of period	8,777	302	174

Accounting Policies

Interim financial statements for the six months ended 31 May 2014

1. Basis of preparation and accounting policies

The financial information for the six months ended 31 May 2014 included in this condensed interim report comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the related notes 4-8.

These interim financial statements have not been audited nor have they been reviewed by the auditors under ISRE 2410 of the Auditing Practices Board. The financial information set out in this report does not constitute statutory accounts as defined by the Companies Act 2006. The comparative figures for the year ended 30 November 2013 were derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under sections 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

The interim financial statements have been prepared on the basis of the accounting policies set out in the 30 November 2013 financial statements of Rex Bionics Plc, formerly Union MedTech plc, and on a going concern basis. They are presented in sterling which is also the functional currency of the parent company. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 November 2013.

Rex Bionics Plc is the Group's ultimate parent company. It is a public listed company and is domiciled in the United Kingdom. The Company changed its name from Union MedTech plc to Rex Bionics plc On 8 May 2014.

The Company's registered office address is 7 Swallow Place, London W1B 2AG, and its principal place of business is Thame Park, Thame Park Road, Oxfordshire, United Kingdom OX9 3PU. Rex Bionics Plc's shares are listed on the Alternative Investment Market (AIM).

2. Basis of consolidation

The Group's condensed consolidated financial statements incorporate the financial statements of Rex Bionics Plc (the "Company") and entities controlled by the Company (its subsidiaries). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The consolidation of the Group in the 6 month period up to the 31 May 2014 includes one month of trading from the Company's wholly-owned New Zealand subsidiary Rex Bionics Limited, which was acquired by the Company on 8 May 2014.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method under IFRS 3. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is recognised immediately in the income statement.

4. Loss per share

	Six months ended 31 May 2014	Six months ended 31 May 2013	Year ended 30 November 2013
	£'000	£'000	£'000
Loss attributable to equity holders of the parent:			
Loss for the purpose of basic and diluted loss per share	(1,246)	(75)	(496)
Number of shares:			
Weighted average number of shares in issue during the year	2,664,518	339,550	339,550
Effect of outstanding options	-	-	-
Adjusted weighted average number of shares	2,664,518	**339,550	**339,550
Basic and diluted earnings per share (pence) :			
Basic and fully diluted loss per share	(46.8)	(22.1)	(141.4)

**The weighted average number of shares for the six months to 31 May 2013 and the year ended 30 November 2013 have been adjusted to reflect a consolidation of the Company's ordinary share capital in May 2014, under which shareholders received 1 new £1 ordinary share for every 100 £0.1p ordinary share held.

5. Issued share capital

	Number of shares	Nominal value £	Share premium £
Issued and fully paid:			
At 1 December 2012:			
Ordinary shares of £1 each	339,550	339,550	1,246,711
Shares issued for cash	-	-	-
At 31 May 2013	339,550	339,550	1,246,711
Shares issued for cash	-	-	-
At 30 November 2013	339,550	339,550	1,246,711
Shares issued for consideration	13,949,810	13,949,810	6,801,348
Transferred to merger relief reserve	-	-	(1,780,424)
At 31 May 2014	14,289,360	14,289,360	5,554,637

On 8 May 2014 the Company completed an initial public offering on AIM in which it issued 5,555,556 ordinary £1 shares at a price of £1-80p per share, raising £10 million before expenses.

On the same day, the Company completed the acquisition of the entire issued share capital of Rex Bionics Limited in exchange for 7,121,698 new £1 ordinary shares in the Company, and issued a further 1,272,556 new £1 ordinary shares as a result of the conversion of convertible loan notes issued by the Company and by Rex Bionics Ltd during the period.

6. Goodwill

Net assets acquired	Book Value	Adjustments	Fair Value	
	£'000	£'000	Adjustments £'000	Fair Value £'000
Current assets	736	-	-	736
Other Non-current assets	333	-	-	333
Current liabilities	(679)	-	-	(679)
Non-current liabilities	(965)	-	-	(965)
	(575)	-	-	(575)
Goodwill				10,024
Consideration				9,449

No assessment has been performed by management to separately identify and value any intangible assets within the goodwill balance of £10,024,000. This is due to there being insufficient time since the acquisition date of 8 May 2014.

7. Ultimate controlling party

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

8. Directors' responsibility statement

The interim report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial statements in accordance with the AIM Rules for Companies.