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

Interim Results for the six months ending 30 September 2016

5 December 2016: Rex Bionics, (AIM: RXB) the pioneer of the REX™ Robot technology that enhances the mobility of wheelchair users, today announces its unaudited interim results for the six-month period ending 30 September 2016.

Highlights within the six-month period:

Operational:

- Three REX units sold or rented during the period, including the first sale to an individual with traumatic brain injury (TBI);

- Release of software upgrade, to provide wide range of repeatable exercises ("Rexercises™") to enhance the value of the REX proposition – the combination of upper and lower body exercise, as well as walking.

- Tri-partite memorandum of understanding signed with MAAB International and Maxhealth Medicine Co. Ltd in April 2016, significantly enhancing REX distribution capacity and capability in China;

- Agreement signed with Avicenna Partners, based in Dubai, to provide Robot Assisted Physiotherapy with REX in the United Arab Emirates;

- Strategic re-positioning, emphasising the unique capability of REX for patients with the most severe spinal cord and traumatic brain injuries, as well as rehabilitation-resistant stroke.

Financial (unaudited):

- Loss for the period of £2.64 million (6 months ended 30 September 2015: £2.18 million, year to 31 March 2016: £4.87 million);

- Available cash reserves at 30 September 2016 £2.13 million (30 September 2015: £3.70 million, 31 March 2016: £1.86 million);

- Equity fundraising completed 10 August 2016 raising £2.30 million before expenses, to be used to maintain commercial momentum during strategic re-positioning and review of further fund-raising opportunities;

- Fundraising included £1m investment by Company's Chinese distributor Maxhealth Medicine Co. Ltd.

Post Period Highlights:

- Final results from RAPPER II trial presented at the American Congress of Rehabilitation Medicine in Chicago November 2016:-
    - Positive results maintained
    - Six out of eight sleep indicators showed improvement after a single treatment
    - Equivalent results between paraplegic and tetraplegic volunteers

- New investigator-led trial with REX in stroke and traumatic brain injury started at the Australian Institute for Neuro-rehabilitation in Melbourne, Australia October 2016;

- Case report presented at the annual meeting of the Australian & New Zealand Spinal Cord Society in Adelaide, Australia November – subject experienced significant reduction in pain following multiple sessions with REX;

- REX order from US Army in connection with previously announced research collaboration, shipped October 2016.

Commenting on the interim results, Crispin Simon, Chief Executive Officer of Rex Bionics, said:

"We made good progress in the first six months of the year - implementing our strategy of establishing the solid foundations required for a successful novel medical device – accumulating clinical data, building distribution and generating market awareness. We have built some important clinical and commercial relationships, which we expect to yield worthwhile collaborative initiatives in the second half of the year."

For more information, please contact:

Rex Bionics Plc

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About Rex Bionics Plc

Rex Bionics is the pioneer of the "REX", that provides robotic standing, walking and exercise support for wheelchair users; and was founded by two British engineers with first-hand experience of the needs of wheelchair users. REX is used by people who have suffered a spinal cord injury, stroke or other traumatic brain injury; and people with multiple sclerosis, muscular dystrophy and cerebral palsy.

We are working with physiotherapists to develop the concept and practice of Robot-Assisted Physiotherapy (RAP); and also offer REX P, for use in the home, enabling customers to walk and stand with their hands free - providing more work and recreation options.

Wheelchair users are at risk of developing numerous medical complications from extended periods of sitting. By enabling them to spend more time standing, walking and exercising, REX may offer significant health benefits, including improved sleep and maintenance of joint range, and a reduction in spasm, pain, common abdominal problems and prescription drug use.

Our commitment to engineering excellence is complemented by a commitment to clinical science and the RAPPER II clinical trial results show high levels of practicality, safety and user enthusiasm.

Our Vision is that every day, around the world, thousands of people get relief with REX, from the harm – the pain, discomfort and inconvenience - of neurological accidents and illnesses; and that many will be cured.

Rex Bionics was admitted to trading on the London Stock Exchange's AIM in 2014. REX is not registered for At-Home use in the United States of America.

Enquiries to (info@rexbionics.com)

Chief Executive's Review

Overview

I am pleased to be able to report to shareholders on progress over the last six months.

It has been another very busy period, with important progress on a number of fronts, in particular the generation of clinical data and the establishment of further commercial partnerships. However sales volumes remain modest, despite continuing, highly positive feedback from REX users and a growing awareness of the product in the marketplace. It is clear, both from our own experience, as well as that of other manufacturers of robotic rehabilitation devices, that as with any novel medical product it takes time and investment to create a substantial new category. We continue to believe that this time and investment will bear fruit for our shareholders.

One of our actions during the period has therefore been to conduct a detailed strategic review of the market, as a result of which we have taken the decision to adopt a strategic positioning that more explicitly promotes REX's unique potential for patients with the most severe neurological injuries, typically people with tetraplegia (quadriplegia) and people who have experienced a stroke or traumatic brain injury that has proved resistant to rehabilitation. This new positioning will be accompanied by an increased emphasis, in our clinical trial programme, on other indications in addition to spinal cord injury, including neuro-degenerative diseases such as multiple sclerosis and muscular dystrophy.

Sales and Marketing Activities

Product sales

We placed a total of three REXs during the period, comprising two direct sales to private individuals in the UK, and a rental agreement with Avicenna, our new commercial partner in the United Arab Emirates. Another order, from the US Army, was also received during the period but for logistical reasons was unable to be shipped until after the period end.

Significantly, one of the sales was to an individual in the UK suffering from traumatic brain injury following a road traffic accident. This represents the first sale of a REX for an indication other than spinal cord injury, providing an early endorsement of our increased focus on these additional indications.

First half sales are behind budget, but working with our commercial partners we are now beginning to generate an increasing number of leads, giving us confidence that our full year sales will show worthwhile year on year growth.

Distributors

From a geographical market perspective our commercial focus continues to be the US and China. During the period our US distributor EnableMe has been demonstrating REX at hospitals and rehabilitation units across the US, building market awareness and securing a number of strong leads which it is confident can be converted into sales over the next few months. It has also gained valuable experience about the most effective sales strategies. In response to market feedback, we have agreed to allow clinic customers a more extended trial period, in order to give them more time to build the clinical and commercial case for purchasing a REX. Over the coming months we will be working with EnableMe to increase the availability of loan units to satisfy this requirement.

In April 2016 we entered into a tri-partite agreement with our Chinese distributor MAAB International and Maxhealth Medicine Co. Ltd, an associate of MAAB, for Maxhealth to support MAAB in the distribution of REX in the Chinese market. Based in Wuxi, Jiangsu province, Maxhealth is an experienced

distributor of high technology medical products in China, with a portfolio of products from leading global medical device companies such as Baxter, Olympus and Straumann.

We are delighted that Maxhealth's capacity and expertise are now being brought to bear on establishing REX in China, and we believe that this will greatly enhance the Company's commercial reach in this important market. Maxhealth is emerging as an increasingly important partner as further evidenced by its £1 million investment in the fundraising that the Company completed in August 2016.

MAAB and Maxhealth are now working jointly on the regulatory approvals required to market REX to rehabilitation units in China. An application was filed with the Chinese FDA earlier this year and there continues to be constructive engagement. Clinical specialists have also now been trained and have started to work with potential customers with the REX units that have been imported into China to date, demonstrating the value that REX can provide.

We also continue to explore opportunities to establish commercial relationships in markets outside the US and China. Our appointment of Avicenna Partners, based in Dubai, to provide Robot Assisted Physiotherapy with REX in the United Arab Emirates, represents the Company's first formal collaboration in the Middle East and forms an ideal base from which to develop our business in that region. Avicenna owns and operates the Amana Healthcare Rehabilitation Hospital, an Abu Dhabi-based neuro-rehabilitation clinic, and has plans to open further rehabilitation hospitals in the UAE.

The company is also demonstrating REX at carefully-selected clinics in Germany, a large potential market where there is some evidence that insurers are willing to provide reimbursement for rehabilitation devices such as REX.

Marketing activities

The Company continues to raise awareness of REX in the clinical community by attending and presenting at medical device and neuro-rehabilitation conferences around the world. In the last few months we have attended major events in the US (Philadelphia, Orlando and Chicago), Australia, New Zealand and the UK, and numerous smaller events. Most recently we were invited to participate in the India Tech Summit, an event jointly sponsored by the UK and Indian Governments in New Delhi, where we were delighted to demonstrate a REX to the British Prime Minister, The Rt Hon Theresa May MP.

In July Sophie Morgan, our UK REX Ambassador, was one of the presenters at the Annual Awards Dinner for Business in the Community, a charity founded by His Royal Highness the Prince of Wales. Sophie presented the awards standing in her REX in front of the Prince and an audience of 1,600 senior executives, and described how she benefits from its use.

Clinical Trials

The generation of clinical data that can be used to promote the medical benefits of using REX continues to be an important strategic focus for the Company.

Following the very positive results we announced in November 2015 from an interim analysis of data from the first 20 volunteers in our RAPPER II (Robot-Assisted PhysiotheraPy Exercises with REX) clinical trial, a second interim analysis of the results, based on a total of 53 volunteers, was presented on 17 August 2016 at the 2016 meeting of the Military Health System Research Symposium in Orlando, Florida, US. This second interim analysis confirmed that the positive results seen with the first 20 volunteer cohort have been maintained in this larger volunteer cohort, with a 96% Treatment Success and no Serious Adverse Events.

The RAPPER II study was originally planned to look at 100 volunteers, but as a result of the strength and clarity of the data the investigators were able to close the study in August 2016, several months earlier than expected, after only 56 volunteers had been recruited. Following an analysis of the final results, Quality of Life data from the study were presented by the Principal Physiotherapy Investigator, Jon Graham BA, MSc, MSCP, at the American College of Rehabilitation Medicine's 93rd Annual Conference (30 October - 4 November 2016) in Chicago, Illinois, US.

The Chicago presentation focused on the sleep questionnaire completed by study participants, with responses collected before and after a single treatment with REX. In six out of the eight statements, the responses indicated an improvement in sleep reduction, suggesting a beneficial exercise-induced fatigue. The greatest improvement was seen in relation to the proposition "*I felt physically tense at night*", where there was a 90% improvement in the mean score of all respondents. The next greatest improvements were seen in "*I had trouble stopping my thoughts at bed-time*"; and "*Pain woke me up*". It was particularly noteworthy that the trial's 18 tetraplegic patients achieved essentially the same results as the 38 paraplegic patients, demonstrating that the benefits of the REX technology are available to people with more severe injuries – including those in the upper to mid cervical range in the spinal column.

The final step for RAPPER II is the publication of the trial results in a peer-reviewed journal, which we expect to take place in 2017.

Following the completion of the RAPPER II trial, the next phase of the REX clinical strategy comprises two elements:

- the design of a trial in spinal cord injury to show that REX has a significant and cost-justifiable medical benefit when used in a prescribed course of treatment. In contrast to RAPPER II, which involved a single use of REX and focused on safety and feasibility, future trials with REX in spinal cord injury will involve a full course of REX treatment with a therapeutically meaningful frequency and duration;

- the establishment of trials in indications other than spinal cord injury, for example stroke, traumatic brain injury, multiple sclerosis and muscular dystrophy.

Plans for the next trial in spinal cord injury have not yet been finalised. However we were delighted to announce very recently the findings of a case report that were presented in November 2016 at the annual meeting of the Australian & New Zealand Spinal Cord Society, "ANZCoS", in Adelaide, Australia.

The case report, which was presented by the investigator herself, related to a 35-year old male with a T5 level spinal cord injury from a traumatic injury in 2006, who had been suffering with chronic right shoulder, neck and thoracic spine pain with intermittent headaches for the previous two years. Following a once a week exercise regime in the REX over a 10-week period, the subject experienced a significant reduction in pain levels as assessed against an established pain rating scale, with a complete resolution of headaches and neck pain and a significant reduction in shoulder and thoracic pain.

The significance of this case report is that it represents the first results to be presented to date from the use of REX in multiple sessions. The investigator, Gilly Davy, Senior Neurological Physiotherapist and Clinical Director of Connect Neuro Physiotherapy, Auckland, New Zealand, concluded her presentation by saying: *"Standing, while completing upper body rehabilitation and strengthening in a stand-alone robotic exercise device, can significantly enhance neck and shoulder pain management and improve quality of life - highlighting that robotic exercise devices can offer a range of rehabilitation opportunities."*

In relation to trials in non-spinal cord injury indications we were also pleased to be able to announce in late October 2016 the start of a new clinical trial in Australia in which patients who have had a stroke or traumatic brain injury will receive Robot-Assisted Physiotherapy with REX. This is an investigator-

led study being conducted by the Australian Institute of Neuro-rehabilitation, Nelson Bay, New South Wales (NSW), and the University of Newcastle, NSW, with support from The Newcastle Permanent Charitable Foundation and from Rex itself. The trial has received ethics clearance through the Hunter New England Human Research Ethics Committee (Ref: 16/08/17/4.06) and will be carried out according to the standards of the National Health and Medical Research Council of Australia.

The intention is to recruit volunteers from the Hunter Region of NSW who have had a stroke or head injury more than three months previously and continue to have difficulty standing and walking. Volunteers will be treated twice a week for twelve weeks and the REX treatment will be supplemented by a home programme of exercises. There is provision for MRI examination to correlate the functional and neurological response to treatment.

More than one-third of people who survive a stroke or head injury need help in walking and some will never regain the ability to stand without assistance. This affects the patient's ability to participate in rehabilitation, their long term health, and the ability to do social, work and leisure activities.

In Australia alone there are more than 420,000 people living with the effects of stroke, of whom 30% are of working age. Around 65% of those living with stroke also suffer a disability that impedes their ability to carry out daily living activities unassisted. In 2012, the total financial costs of stroke in Australia were estimated to be A$5 billion.

The Company is currently working with rehabilitation hospitals around the world to design and commission further studies in indications other than spinal cord injury, and we expect to make further announcements in relation to clinical trial strategy in the coming months.

Technology update

During the period we released a software upgrade that enables Therapists and users to put REX into a set of repeatable stances and movement sequences. This REXERCISE software, whereby REX replicates manual physiotherapy movements, enhances the exercise value of REX both in clinics and for home use; and increases our competitive differentiation.

Collaboration with the US Army

In early 2016 we announced a Collaborative Research and Development Agreement (CRADA) with the US Army Medical Research and Materiel Command to modify the REX technology so as to enable an evaluation of its use in the early ambulation of patients with lower limb loss. A key element of the collaboration will be a research programme, to be carried out at the Walter Reed National Military Medical Center (WRNMMC), Bethesda, MD with support from Rex Bionics, to develop design modifications to REX, specifically to its harness system, that will enable its use by individuals who have suffered lower limb loss. After a period of delay, the REX has now been shipped and the project will get under way early in the New Year.

If the objectives of the collaboration are successfully achieved, it would represent the first use of REX in an acute care setting, potentially opening up a substantial new market opportunity.

Financial update

Consolidated Financial Statements

The results reported in the accompanying consolidated financial statements for the six months to 30 September 2016 and for the six months to 30 September 2015 are unaudited. The figures shown for the year ended 31 March 2016 are extracted from the audited financial statements for that period.

Consolidated Statement of Comprehensive Income
Current period product revenues amounted to £0.20 million (six months ended 30 September 2015: £0.18 million, year ended 31 March 2016: £0.45 million).

The gross margin percentage was 27.6% (six months ended 30 September 2015: (42.4)%, year ended 31 March 2016: 17.3%). The improvement over prior periods primarily reflects lower materials costs and improved manufacturing processes, offset by the high unit overhead costs in the start-up phase of commercial production as a result of low production volumes as well as the adverse foreign exchange effect caused by the fall in Sterling against the NZ Dollar on NZD denominated manufacturing costs in New Zealand following the "BREXIT" vote.

Other income of £0.11 million (six months ended 31 March 2015: £0.08 million, year ended 31 March 2016: £0.17 million) relates entirely to receipts under a New Zealand Government research & development grant awarded to Rex Bionics Ltd in July 2014.

Administrative expenses for the period of £2.97 million (six months ended 30 September 2015: £2.45m, year ended 31 March 2016: £5.62 million) included research & development expenditure of £0.38 million (six months ended 30 September 2015: £0.27 million, year ended 31 March 2016: £0.65 million). In addition to higher research & development expenditure, the increase in administrative expenses over the comparative prior year period primarily reflected increases of £0.13 million in fixed asset depreciation due to higher levels of demonstration inventory and of £0.21 million in intangible asset amortisation due a change in accounting estimate of the useful life of intangible assets that was introduced in the full year results for the year to 31 March 2016.

The taxation credit of £0.16 million (six months ended 30 September 2015: 0.10 million, year ended 31 March 2016: £0.32 million) reflects the reduction in the deferred tax liability on intellectual property assets of Rex Bionics Ltd capitalised following its acquisition by the Company as a result of the decrease in the net book value of those assets since the acquisition date due to amortisation.

Consolidated Statement of Financial Position and Cash
The net assets of the Group at 30 September 2016 were £12.18 million (30 September 2015: £14.70 million, 31 March 2016 were £12.32 million). The major elements of the decrease in net assets during the year were:

- Net proceeds of shares issues £2.00 million;
- Net loss £(2.64) million;
- Effect of foreign exchange rate changes £0.31 million

Net funds
Available cash reserves at 30 September 2016 of £2.12 million (30 September 2015: £3.70 million, 31 March 2016: £1.86 million) comprised cash and short term deposits with maturities of less than three months, primarily denominated in Pounds Sterling and New Zealand Dollars. The Group had no bank borrowings at 30 September 2016 (30 September 2015: £Nil, (31 March 2016: £nil).

The major elements of the increase of £0.26 million in available cash reserves during the period were net proceeds of £2.00 million from the August 2016 fundraising, offset by operating costs of £1.81 million and capital expenditure of £0.18 million. The fall in GBP against other currencies following BREXIT, in particular against the NZ Dollar, also led to a gain on translation of £0.25 million on foreign currency denominated balances.

EIS Relief

The August 2016 fundraising is expected to qualify for EIS relief, although formal confirmation has still to be obtained from HMRC.

Management change

As announced on 19 September 2016, Peter Worrall, Chief Financial Officer, has informed the Company of his intention to retire and to step down as a Director on 31 March 2017. Peter joined the Board of Union MedTech, as the Company was called at that time, in February 2013, and played a vital role in the acquisition of our New Zealand subsidiary Rex Bionics Ltd and the Company's IPO on AIM.

We would like to take this opportunity to thank Peter on behalf of the Board for the exemplary dedication and professionalism that he has shown throughout his time with Rex, and to wish him well in his retirement.

Strategic update, funding position and outlook

The strategic review that the Company carried out during the period has given us continued confidence that, while it is taking longer than expected to achieve significant commercial revenues, the market opportunity remains significant; the RAPPER II data has shown not only that REX is safe and effective, but that user feedback is extremely positive; and there are many wheelchair users for whom REX is the only viable option for the achievement of an improvement in health and fitness for work and for recreation. We are optimistic that the resulting increased strategic focus on the unique benefits of REX relative to competing products will lead to improved sales performance going forwards, in particular as the data from clinical trials in indications other than spinal cord injury begin to come through.

A second conclusion of our review was that the capital required by the Company appears unlikely to be readily available from new public market portfolio investors at this time and that it is therefore appropriate to evaluate alternative opportunities with a view to maximising value for the shareholders and to build on the successes to date. Our assessment of the funding environment remains unchanged, notwithstanding the equity fundraising that we successfully completed on 10 August 2016.

As previously announced therefore, the Company has been evaluating a number of potential future strategic options, including seeking alternative sources of funding, strategic partnerships or other transactions. The participation by our distributor Maxhealth in the August 2016 fundraising, as described earlier in this report, is the first example of this new approach, and other discussions remain ongoing.

At the current burn rate the net proceeds of the fundraising, together with existing cash reserves at that time, will extend the Company's cash runway into the second quarter of 2017, and will be used to maintain commercial momentum during the strategic re-positioning and review of further funding opportunities. Additional funding will continue to be required before the end of the current financial year, but the Board remains confident that this will be forthcoming if the progress achieved in the development of the business over the last period can be maintained.

Crispin Simon
Chief Executive Officer
5 December 2016

Rex Bionics Plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2016

	Note	**6 months ended 30 September 2016 (Unaudited) £'000**	6 months ended 30 September 2015 (Unaudited) £'000	Year ended 31 March 2016 (Audited) £'000
Revenue		**196**	184	451
Cost of sales		**(142)**	(262)	(373)
Gross (loss) / profit		**54**	(78)	78
Other income		**115**	85	174
Administrative expenses		**(2,974)**	(2,446)	(5,619)
Loss from operations	3	**(2,805)**	(2,439)	(5,367)
Interest income		**5**	41	61
Finance credit		**-**	113	113
Loss on ordinary activities before tax		**(2,800)**	(2,285)	(5,193)
Tax credit		**158**	101	318
Loss for the period		**(2,642)**	(2,184)	(4,875)
Other comprehensive income, net of tax				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**312**	(565)	(285)
Other comprehensive (expenses) / income		**312**	(565)	(285)
Total comprehensive loss for the period, net of tax		**(2,330)**	(2,749)	(5,160)
Basic and diluted loss per share – from continuing activities (pence)	5	**(13.1)**	(13.6)	(28.8)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2016

	Note	**30 September 2016 (Unaudited)**	30 September 2015 (Unaudited)	31 March 2016 (Audited)
Assets		**£'000**	£'000	£'000
Non-current assets				
Goodwill		**3,258**	3,258	3,258
Other intangible assets		**8,854**	10,152	9,351
Property, plant and equipment		**410**	280	444
		12,522	13,690	13,053
Current assets				
Inventories		**616**	387	416
Trade and other receivables		**238**	386	284
Restricted cash		**197**	-	168
Cash and cash equivalents		**2,125**	3,696	1,862
		3,176	4,469	2,730
Total assets		**15,698**	18,159	15,783
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	4	**15,412**	14,643	14,643
Share premium	4	**10,864**	9,630	9,630
Share option reserve		**517**	293	327
Foreign currency translation reserve		**73**	(519)	(239)
Retained losses		**(14,681)**	(9,348)	12,039
		12,185	14,699	12,322
Liabilities				
Non-current liabilities				
Deferred tax liability		**2,385**	2,760	2,543
		2,385	2,760	2,543
Current liabilities				
Trade and other payables		**1,128**	700	918
		1,128	700	918
Total equity and liabilities		**15,698**	18,159	15,783

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 September 2016

	Ordinary share capital £'000	Deferred share capital	Share premium £'000	Share option reserve £'000	Foreign currency translation reserve £'000	Other reserve £'000	Retained losses £'000	Total £'000
Balance at 31 March 2014	340	-	1,247	92	-	-	(2,209)	(530)
Comprehensive income								
Loss for the period							(2,286)	(2,286)
Other comprehensive income								
Exchange differences on translation of foreign operations	-	-	-	-	(98)	-	-	(98)
Total comprehensive loss	-	-	-	-	(98)	-	(2,286)	(2,384)
Transactions with owners								
Share-based payment charge	-	-	-	185	-	-	-	185
Issue of share capital:								
As consideration for acquisitions	7,668	-	2,805	-	-	-	-	10,473
To subscribers in IPO	5,555	-	4,445	-	-	-	-	10,000
On conversion of loan notes at IPO	726	-	254	-	-	-	-	980
Share issuance costs	-	-	(664)	-	-	-	-	(664)
	13,949	-	6,840	185	-	-	-	20,974
Balance at 30 September 2014	14,289	-	8,087	277	(98)	-	(4,495)	18,060
Comprehensive income								
Loss for the period	-	-	-	-	-	113	(2,669)	(2,556)
Other comprehensive income								
Exchange differences on translation of foreign operations	-	-	-	-	144	-	-	144
Total comprehensive loss	-	-	-	-	46	113	(2,669)	(2,412)
Balance at 31 March 2015	14,289	-	8,087	277	46	113	(7,164)	15,648

Comprehensive income								
Loss for the period	-	-	-	-	-	(113)	(2,184)	(2,297)
Other comprehensive income								
Exchange differences on translation of foreign operations	-	-	-	-	(565)	-	-	(565)
Total comprehensive loss	-	-	-	-	(565)	(113)	(2,184)	(2,862)
Transactions with owners								
Share-based payment charge	-	-	-	16	-	-	-	16
Restructuring of share capital	(12,860)	12,860	-	-	-	-	-	-
Issue of share capital:								
To subscribers in 30 June 2015 Placing	354	-	1,543	-	-	-	-	1,897
	(12,506)	12,860	1,543	16	-	-	-	1,913
Balance at 30 September 2015	**1,783**	**12,860**	**9,630**	**293**	**(519)**	**-**	**(9,348)**	**14,699**
Comprehensive income								
Loss for the period	**-**	**-**	**-**	**-**	**-**	**113**	**(2,804)**	**(2,691)**
Other comprehensive income								
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**280**	**-**	**-**	**280**
Total comprehensive loss	**-**	**-**	**-**	**-**	**280**	**113**	**(2,804)**	**(2,411)**
Transactions with owners								
Share-based payment charge	**-**	**-**	**-**	**34**	**-**	**-**	**-**	**34**
	-	**-**	**-**	**34**	**-**	**-**	**-**	**34**
Balance at 31 March 2016	**1,783**	**12,860**	**9,630**	**327**	**(239)**	**-**	**(12,039)**	**12,322**
Comprehensive income								
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(2,642)**	**(2,642)**
Other comprehensive income								
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**312**	**-**	**-**	**312**
Total comprehensive loss	**-**	**-**	**-**	**-**	**312**	**-**	**(2,642)**	**(2,330)**
Transactions with owners								
Share-based payment charge	**-**	**-**	**-**	**190**	**-**	**-**	**-**	**190**
Issue of share capital:								
To subscribers in the August 2016 Placing	**769**	**-**	**1,234**	**-**	**-**	**-**	**-**	**2,003**
	769	**-**	**1,234**	**190**	**-**	**-**	**-**	**2,193**
Balance at 30 September 2016	**2,552**	**12,860**	**10,864**	**517**	**73**	**-**	**(14,681)**	**12,185**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	6 months ended 30 September 2016 (Unaudited) £'000	6 months ended 30 September 2015 (Unaudited) £'000	Year ended 31 March 2016 (Audited) £'000
Cash flows from operating activities			
Loss from operations	**(2,805)**	(2,439)	(5,367)
Adjustments for:			
Depreciation	**190**	60	254
Amortisation of intangible assets	**587**	378	1,187
Share based payments	**190**	16	50
Cash flows from operations before changes in working capital	**(1,838)**	(1,985)	(3,876)
Decrease (increase) in inventories	**(200)**	107	78
(Increase) decrease in receivables	**48**	(166)	(64)
(Increase) in restricted cash	**(29)**	-	(168)
Increase (decrease) in payables	**210**	105	322
Net cash outflows from operating activities	**(1,809)**	(1,939)	(3,708)
Cash flows from investing activities			
Interest income	**5**	41	61
Purchases of property, plant and equipment	**(127)**	(148)	(464)
Purchases of intangible assets	**(59)**	(16)	(44)
Net cash outflows from investing activities	**(181)**	(123)	(447)
Cash flows from financing activities			
Proceeds of share issues	**2,305**	2,125	2,125
Share issuance costs	**(302)**	(228)	(228)
Net cash inflows from financing activities	**2,003**	1,897	1,897
Net increase / (decrease) in cash and cash equivalents	**13**	(165)	(2,258)
Cash and cash equivalents at the beginning of the period	**1,862**	4,368	4,368
Effect of foreign exchange rate change	**250**	(507)	(248)
Cash and cash equivalents at the end of the period	**2,125**	3,696	1,862

NOTES TO THE INTERIM RESULTS ANNOUNCEMENT

For the six months ended 30 September 2016

1 General information

Rex Bionics Plc (the "Company") is a public limited company incorporated and domiciled in England and Wales (registration number 06425793). Its registered office address and principal place of business is 4th Floor, 1-3 Pemberton Row, London EC4A 3BG. The Company's Ordinary Shares are traded on the AIM market of the London Stock Exchange Plc under the ticker "RXB".

The principal activities of the Group are the research & development, manufacture and commercialisation of advanced robotic devices designed to provide physiotherapy to and improve the physical and psychological well-being of people with major mobility impairment as a result of spinal cord injury or other neurological damage.

2 Basis of preparation and statement of compliance with IFRSs

The Consolidated Interim Financial Statements cover the six-month period from 1 April 2016 to 30 September 2016 and are unaudited. The comparative prior year figures are the unaudited results for the six-month period to 30 September 2015.

The Consolidated Interim Financial Statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. They were approved and authorised for issue by the Board of Directors on 2 December 2016.

The accounting policies adopted in the preparation of the Consolidated Interim Financial Statements are consistent with those adopted in the preparation of the Consolidated Financial Statements for the year to 31 March 2016, which can be found on the Company's website at www.rexbionics.com/investors.

The financial statements are presented in Thousand Pounds Sterling (£'000). All amounts are rounded to the nearest thousand Pounds unless otherwise indicated.

Going Concern

The interim financial statements have been prepared on a going concern basis, notwithstanding the trading losses being carried forward and the expectation that the Company will continue to make trading losses for some time to come.

The Group and Company are currently consuming cash resources, and will continue to do so until sales revenues are sufficiently high to generate net cash inflows. Until the Group and Company begin to generate positive net cash flows, they remain dependent upon securing additional funding, primarily through the injection of capital from share issues.

On 10 August 2016 the Company the Company completed an equity fundraising of £2.3 million before expenses through a placing of ordinary shares to new and existing investors, with the potential to raise a further £2.3 million on or before 30 June 2017 to the extent that warrants attaching to the shares issued in the subscription are exercised.

At 30 September 2016 the Company had available cash reserves of £2.1 million. The Directors anticipate obtaining further funding from existing investors in the current financial year, including from the exercise of the warrants, and will also seek funding from new investors. They have a reasonable expectation that additional funding can be raised, although there can be no certainty that additional funds can be raised on acceptable terms or at all. This represents the existence of a material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern and, therefore, that the Group and Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

After taking into account current cash resources, their expectation of being able to raise further funding during the year to 31 March 2017, their financial forecasts for the Group and Company and measures that can be taken to reduce expenditure in the absence of additional funding so as to ensure that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future (being a period of at least twelve months from the date of this report), and after making due and careful enquiries and considering all uncertainties, the Directors believe that it is reasonable to continue to adopt the going concern basis in preparing the annual report and financial statements. The interim financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

3 Loss from operations

	6 months ended 30 September 2016 (Unaudited) £'000	6 months ended 30 September 2015 (Unaudited) £'000	Year ended 31 March 2016 (Audited) £'000
The loss from operations is arrived at after charging (crediting):			
Depreciation of property, plant and equipment	**190**	60	254
Amortisation of intangible assets	**587**	378	1,187
Operating lease rentals:			
land and buildings	**92**	62	143
Commercial vehicles	**4**	6	10
Research and development costs	**384**	273	647
Share based compensation	**190**	16	50
Foreign exchange	**(3)**	-	19

4 Share capital and share premium

On 10 August 2016 the Company completed a Placing of 7,683,333 Ordinary 10p Shares to new and existing investors at a subscription price of 30p per Ordinary Share. Subscribers in the Placing also received one Warrant to subscribe for an Ordinary Share for each Ordinary Share subscribed in the Placing. The Warrants may be exercised at any time up to 30 June 2017, at an exercise price of 30p per Ordinary Share.

At 30 September 2016 the share capital of Rex Bionics Plc consisted of fully paid Ordinary Shares with a nominal (par) value of £0.10p per share and Deferred Shares with a nominal value of £0.90p per share. The Deferred Shares were created on 30 June 2015 as a result of a share restructuring in which each £1

Ordinary Share in issue at that date was sub-divided and re-denominated into one £0.10p Ordinary Share and one £0.90p Deferred Share. All Ordinary Shares rank pari passu in respect of the receipt of dividends, the repayment of capital and voting rights at Shareholders' meetings. The Deferred Shares have no dividend or voting rights and rank behind the Ordinary Shares in any repayment of capital.

	Ordinary Shares		Deferred Shares		
	Number of shares	**Nominal value**	**Number of shares**	**Nominal value**	**Share premium**
		£		**£**	**£**
Issued and fully paid at 31 March 2015	14,289,360	14,289,360	-	-	8,087,698
Share Restructuring 30 June 2015 to replace each £1 Ordinary share by 1 £0.10p Ordinary Share and 1 £0.90p Deferred Share	-	(12,860,424)	14,289,360	12,860,424	-
Issue of share capital:					
To subscribers in Placing 30 June 2015	3,541,166	354,117	-	-	1,770,583
Share issuance costs	-	-	-	-	(227,828)
At 30 September 2015 and 31 March 2016	17,830,526	1,783,053	14,289,360	12,860,424	9,630,453
Issue of share capital:					
To subscribers in Placing 10 August 2016	7,683,333	768,333	-	-	1,536,667
Share issuance costs	-				(303,351)
Issued and fully paid at 30 September 2016	**25,513,859**	**2,551,386**	**14,289,360**	**12,860,424**	**10,863,769**

5 Loss per share

Basic and diluted earnings per Ordinary Share have been calculated using the loss attributable to shareholders of the Parent Company as the numerator, i.e. no adjustments to loss were necessary. At 30 September 2016 there were 2,081,765 options and 7,825,347 warrants outstanding (30 September 2015: 1,151,448 options and 142,014 warrants outstanding, 31 March 2016: 1,340,599 options and 142,014 warrants outstanding).

	6 months ended 30 September 2016 £'000	6 months ended 30 September 2015 £'000	Year ended 31 March 2016 £'000
Loss attributable to equity holders in the parent:			
Loss for the period	**(2,642)**	(2,184)	(4,875)
Number of shares:			
Weighted average number of shares in issue during the period	**20,171,146**	16,059,943	16,945,235
Basic and diluted loss per share (pence)	**(13.1)**	(13.6)	(28.8)

6. Share-based payment transactions

The Company issues equity-settled share-based payments to several of its Directors, as well as employees of its subsidiaries. In accordance with IFRS 2, for all grants of share options and awards the cost of the equity-settled share-based payments is measured at fair value at the date of grant.

Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. The fair value is appraised at the grant date and excludes the impact of non-market vesting conditions. That fair value is expensed on a straight line basis over the vesting period for the related options based upon the Company's estimate of the shares that will eventually vest, with a corresponding credit to "share option reserve".

A modification to a share option is accounted for by continuing with the existing accounting for the old option scheme and in addition recognising the increment in fair value of the new option scheme over the vesting periods. The incremental fair value granted is the difference between the fair value of the replacement equity instruments and the net fair value of the cancelled equity instrument sat the date the replacement equity instruments are granted.

The net fair value of the cancelled instruments is their fair value immediately before the cancellation, less the amount of any payment made to the employee on cancellation of the equity instruments. No expense is recognised for awards that do not ultimately vest as a result of the relevant employee ceasing to be employed by the Group.

Fair value is measured using the Black Scholes Option Pricing Model. The expected life used in the model is the expiry date of the options. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the value of the shares issued are allocated to share capital with any excess being recorded as share premium.