

## **Q&A for AGM 2021**

### **1. What is the status on the licensing discussions with Oxilio?**

The licensing discussions with Oxilio for NXP001 are ongoing and further news on this will be announced via RNS once it is available.

For more information, please see NFX annual report 2021 (page 6):  
[https://nuformix.com/app/uploads/2021/07/Nuformix-Annual-Report-2021\\_Final.pdf](https://nuformix.com/app/uploads/2021/07/Nuformix-Annual-Report-2021_Final.pdf)

### **2. How is Oxilio at a higher valuation than Nuformix?**

We cannot comment on the valuation of another company, especially that of a privately held one.

### **3. Would an upfront payment be significant if a deal were to be made with Oxilio?**

Details of the Oxilio deal have been disclosed previously and this comprises an upfront payment, development milestones and royalties on sales capped at £2m per annum. Further details of the deal have not been communicated. A key aspect to any deal is the endorsement of the Nuformix technology and strategy.

### **4. Are there any incentives for outsourced contractors working on behalf of Nuformix to perform to their very best ability and swiftly?**

The company conducts its R&D via a fully virtual operating model, outsourcing to a network of experienced external contractors (including CROs and consultants), with whom the Company has long-standing relationships. This model helps minimise the cost base and prioritise use of funds for project activities.

All contractors that Nuformix utilise are very well-known in the pharma industry, reputable and reliable and contracts include obligations to perform with skill and care commensurate with pharma industry standards. Timelines are agreed with each contractor prior to engagement for each study.

- 5. As the current board of Nuformix holds a derisory amount of shares between them following the discounted placing, is there any plan to purchase once allowed (assuming not in a closed period)?**
- **And if not, what incentives are there in place currently for the board to raise this share price from this all-time low? (There is currently a disconnect between the board and shareholders, our investments have reduced significantly yet the board are not feeling this anguish and will be paid regardless)**

The Company cannot provide comment on a Board member's own share purchases. Regarding incentives to raise the share price, the Board is motivated to realise value for shareholders by generation of key data on its assets and through completion of licensing deals. As outlined in the Company's remuneration policy set out in pages 25-26 of the 2021 Annual Report (see [https://nuformix.com/app/uploads/2021/07/Nuformix-Annual-Report-2021\\_Final.pdf](https://nuformix.com/app/uploads/2021/07/Nuformix-Annual-Report-2021_Final.pdf)), Nuformix's executive management is currently eligible to receive bonus payments in relation to commercial transactions relating to the licensing of the Company's patents (1% of License Fees received from the out-licensing of Nuformix patents for a period of three years from commencement).

- 6. Is a recruitment process underway to replace Dr Anne Brindley?**

The company will not be recruiting a new CEO until the readouts from the NXP002 and NXP004 programmes are received, which are due in Q4 2021.

In the meantime, Anne Brindley remains very committed to working on the ongoing Company projects during her six-month notice period and will continue to push forward the development of the Company's assets.

- 7. Anne – are you more or less confident in the Company's prospects than when you joined?**

The Company is in a better position than when I joined – it is on a stronger financial footing with sufficient funds to do the planned studies with a runway beyond that. In addition, operational activities have been optimized and costs minimized, such that funds can be prioritized towards generating data on the portfolio assets to add to their value. The R&D work is progressing well for both NXP002 and NXP004 and I remain confident that these assets bring

good opportunities. I remain fully committed to Nuformix to deliver on the strategy, for the duration of my tenure.

**8. Why have there been no board personal share purchases?**

The Company cannot provide comment on a Board member's own share purchases. Note that from 20<sup>th</sup> June to 20<sup>th</sup> July, members of Board were prohibited from purchasing shares due to it being a closed period. It is in the best interests of the Company if Board members purchase shares at the time of share placings.

**9. Does the company have contact with major shareholders and founders such as Dr Dan Gooding and Joanne Holland? Do they reiterate their support for the company?**

In the course of acting as the Company's corporate broker, Allenby Capital speaks to major shareholders on a regular basis and keeps them informed of the Company's latest developments. Joanne Holland remains a consultant to Nuformix and is contributing to the projects where she can add the most value.

**10. When do you expect results from the second application for the innovate grant?**

The outcome of the resubmission of the Innovate UK grant was recently received. Unfortunately, this application was unsuccessful. It should be noted that these grant applications are extremely competitive and the chance of success is usually very low.

**11. Has there been any delays to NXP002 results? Are there any early indication of results?**

There are no readouts regarding the preclinical work on NXP002 that can be communicated yet. The work comprises a number of studies although, due to the nature of the R&D being conducted, the complete package of data is required in order to draw robust conclusions. There have been no delays to conducting the studies or receiving results to date – however, the R&D process takes time. The Company is focused on delivering a robust data package to potentially increase the asset's value and attractiveness to

partners/licensees, and an update will be given once the full data package has been received, expected in Q4 2021.

**12. Have you seen anything in the studies so far that suggest that they are not going well?**

No, the studies have been progressing well so far.

**13. What about the timeframe for NXP004 results?**

We expect to get further data on NXP004 within Q4 2021. If the data are positive, we intend to file an additional patent before entering any licensing discussions for NXP004.

**14. Can you provide some detail on theory behind NXP002?**

Tranilast, delivered orally, is marketed for the treatment of asthma. However, research shows that it also has potential for the treatment of fibrosis, including the lung disease, idiopathic pulmonary fibrosis (IPF). Tranilast is poorly soluble with low oral bioavailability. A new form of tranilast discovered by Nuformix, NXP002, is more soluble and lends itself to formulation into a nebulizer formulation for inhalation. Typically for lung diseases, inhalation is a good route of administration as the dose of drug required can be significantly lower than if delivered orally, thus reducing potential for systemic side-effects.

**15. A study in collaboration with the University of Newcastle found that NXP002 in combination with therapies used as standard of care in the treatment of idiopathic pulmonary fibrosis (IPF) showed benefits compared to the standard of care alone. Could you elaborate on that?**

The results from the ex-vivo study in lung slices taken from IPF patients who had undergone a lung transplant were encouraging. This preliminary study showed that the combination of NXP002 with standard of care (SOC) provided strong evidence of additional effects compared to either SOC alone on both fibrotic and inflammatory markers. These data supplement the previously reported study of NXP002 in the same preclinical model where positive effects were seen when NXP002 was dosed alone. Thus, the studies showed that NXP002 could have potential either in combination with the current standard of care treatment or as a standalone therapy. Standalone

therapy may be important since a portion of IPF patients do not tolerate the current standard of care drugs.

**16. Are there many competitors to NXP002?**

There are competitors, including some that are targeting the inhaled route of administration. The research notes published by Allenby Capital Ltd contain information on IPF competitors and can be found at:

<http://www.allenbycapital.com/research/research-nfx.html>

Several competitors are researching novel drugs with unproven mechanisms of action and there is inevitably a risk and several have failed over the years. With repurposed drugs, the development risk is generally lower due to the body of data already generated.

**17. Once the data readout is received, we would expect to see a share price increase. Is it possible we would also see a fundraising, with some institutions brought on board?**

The Company is currently in a strong cash position and has sufficient funds available to perform the planned studies with a runway beyond this. If the readout of the studies is positive, the company has options to seek to license the assets or continue with further R&D, subject to further funding.

**18. In June 2020, shareholders were informed via RNS that Dr Daniel Gooding was stepping down with immediate effect and would leave the company at the end of June following an orderly handover. In this year's Annual Report, there is a footnote to the Director's remuneration data which states that Dr Daniel Gooding received £20,000 as compensation for "loss of office". Does this mean that Dr Gooding was forced to leave his role as CEO (as opposed to resigning of his own accord) and, if so, why were the circumstances surrounding this decision not made clear to shareholders?**

It is entirely normal that in the event of the departure of a Director, a settlement agreement would be agreed upon. Given that the Company has disclosed all of the necessary information regarding this, it will not be commenting further on the specific circumstances surrounding Dr Gooding's resignation.

**19. Dr Chris Blackwell mentioned in podcast last year that Nuformix were looking at targeting long covid, are we still doing this?**

NXP002 does have potential to be evaluated as an inhaled therapy for COVID conditions. The studies ongoing to determine the feasibility of NXP002 as an inhaled therapy for IPF would, if positive, also be supportive of further exploration in COVID-related conditions.

**20. What happened to deals that the previous management indicated were close to being signed in January 2020?**

Nuformix cannot comment on previous communications by the prior leadership. However, the current management will only publicly comment on deals once they are fully signed and delivered, as is the appropriate approach for a listed company.