

**NOXXON ANNOUNCES € 6.2 MILLION EQUITY CAPITAL RAISE  
INCLUDING US\$ 5 MILLION FROM US FAMILY OFFICE - ACUITAS CAPITAL, LLC**

**NOXXON ends the use of variable rate equity financing with Yorkville**

**Berlin, Germany, November 16, 2018, 08.00 a.m. CET - NOXXON Pharma N.V. (Euronext Growth Paris: ALNOX)**, a biotechnology company focused on improving cancer treatments by targeting the tumor microenvironment (TME), announced today that it has secured an equity capital raise totaling € 6.2 million, including US\$ 5 million committed by lead investor, Acuitas Capital, LLC, a US based family office.

This equity capital raise meets the criteria to end YA II PN's ("Yorkville") ability to invest in NOXXON via the variable rate equity vehicle without the consent of NOXXON. Additionally, NOXXON has contractually committed not to use Yorkville or any other variable rate vehicles for two years, by which time the ability to pull tranches from the Yorkville vehicle will have expired.

Acuitas Capital, LLC agreed to purchase 3,783,201 shares at € 1.17 per share, a 10% discount to the closing bid price of NOXXON ordinary shares on November 14, 2018 of € 1.30 per share. Furthermore, Acuitas Capital, LLC has been granted warrants to acquire an equivalent number of shares at € 1.4148 per share, 1.2-fold of the purchase price for the ordinary shares. Kreos and holders of the convertible bonds listed on Euronext Access shall also purchase shares in exchange for outstanding obligations at an equivalent price per share to that received by Acuitas Capital, LLC.

"This investment by Acuitas Capital, LLC into ordinary shares of the company is transformational for NOXXON. The support of Acuitas Capital, LLC underscores the potential of our pipeline, enables NOXXON to fully exploit the data from the ongoing NOX-A12 trial and gives the team more flexibility to further develop our clinical assets" said Aram Mangasarian, CEO of NOXXON Pharma. He continued, "In addition, the elimination of the Kreos debt further strengthens NOXXON's balance sheet by eliminating interest and principal payment obligations."

On the basis of 4,817,135 ordinary shares outstanding before today's announcement, the dilution from the issuance of the ordinary shares purchased by Acuitas Capital, LLC for US\$ 5 million plus the ordinary shares purchase by Kreos and the convertible bond holders totals 52%. Further details of the equity investment including the main characteristics of the warrants issued today are available in the annex to this press release.

This communication serves as the official notice to holders of NOXXON's 7% convertible bonds listed on Euronext Access (NOXXON7%PT bonds) that NOXXON has exercised its right to convert all outstanding bonds into ordinary shares following a Qualified Financing. Corresponding Issuer Conversion Notices have been submitted to the Agent with a Conversion Date of December 4, 2018. As a result, no holder of NOXXON7%PT bonds may request an earlier conversion.

Financial community outreach and investor relations support for the financing was provided by Tropic Communications.

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**About NOXXON**

NOXXON's oncology-focused pipeline acts on the tumor microenvironment (TME) and the cancer immunity cycle by breaking the tumor protection barrier, blocking tumor repair and exposing hidden tumor cells. Through neutralizing chemokines in the tumor microenvironment, NOXXON's approach works in combination with other forms of treatment to weaken tumor defenses against the immune system and enable greater therapeutic impact. Building on extensive clinical experience and safety data, the lead program NOX-A12 will deliver top-line data from a Keytruda® combination trial in metastatic colorectal and pancreatic cancer patients in 2018. The company plans to initiate further studies with NOX-A12 in brain cancer in combination with radiotherapy, for which an orphan drug status has been granted in the US and EU. The company's second asset, NOX-E36 is a Phase 2 TME asset targeting the innate immune system. NOXXON plans to test NOX-E36 in pancreatic cancer patients both as a monotherapy and in combination. Further information can be found at: [www.noxxon.com](http://www.noxxon.com)

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## ANNEX: Characteristics, terms and conditions of the financing through the issuance of ordinary shares and warrants

### Terms of the transaction

The equity capital raise in ordinary shares is composed of three principal parts:

Table 1.

Component of Transaction	Amount Invested in Equity	Dilution
1. Purchase by Acuitas Capital, LLC of ordinary shares for cash consideration	US\$ 5.0 million (€ 4.426 million) for 3,783,201 ordinary shares	44%
2. Purchase by Kreos of ordinary shares for outstanding debt obligation	€ 841k for 718,869 ordinary shares	13%
3. Purchase by NOXXON 7% convertible bond holders of ordinary shares for outstanding debt obligation	€ 943k for 806,352 ordinary shares	14%
<b>TOTAL</b>	<b>€ 6.21 million for 5,308,422 shares</b>	<b>52%</b>

Notes: Component (2) Kreos' purchase of ordinary shares is set off against its outstanding debt obligations. As a result, the company is no longer in debt to Kreos and the pledges on NOXXON assets and intellectual property shall cease to exist.

Component (3) All outstanding 92 Notes (NOXXON7%PT bonds convertible into ordinary shares of the Issuer and listed on Euronext Access) with the following ISIN numbers FR0013358272, FR0013358280, FR0013358298, and FR0013358314 will be converted into ordinary shares upon the Issuer's Conversion Notice in line with the published terms and conditions.

It has been agreed as part of this transaction that NOXXON shall convoke an extraordinary shareholders meeting in order to vote on a reduction in the nominal value of its shares. Acuitas Capital, LLC will endeavor to participate in such shareholders meeting and to vote in favour of such resolution as have investors represented on the NOXXON board.

This transaction has triggered anti-dilution protection on outstanding warrants including those held by YA II PN (Yorkville), Kreos and other historical investors. Assuming all of these warrants were immediately exercised following this transaction, the additional dilutive effect of these adjustments would be 17%. The adjustment factor to the number of shares to be received by YA II PN is noted on the dedicated web-page:

[Updated Summary Table of ODIRNANE & BSA](#)

In connection with the transaction, each of the company's directors and officers agreed to a customary lock-up period of 90 calendar days after the closing date of the transaction.

### Main characteristics of the Acuitas Capital, LLC Warrant

The warrant entitles Acuitas Capital, LLC to acquire 3,783,201 shares at an exercise price of € 1.4148.

The warrant holders may exercise their rights by paying cash or via a mechanism commercially equivalent to a cashless exercise based on the Black Scholes valuation of the warrants.

In the event that NOXXON's ordinary shares are trading at a price 25% or more above the exercise price of the warrants for a period of 20 consecutive days (with an average daily dollar volume at least equivalent to \$ 500,000), the company may call the warrants for cash.

Anti-dilution provisions are included in the warrant which may be summarized generally as increasing the number of ordinary shares provided to the warrant holders upon exercise of their warrants if financial instruments are sold by NOXXON that allow the purchase of ordinary shares at a price per share less than (i) the price per ordinary share paid by Acuitas Capital, LLC in the case of a sale of ordinary shares for cash, and (ii) the exercise price of the Acuitas Capital, LLC warrants for all other transactions (e.g. sale of warrants, options, convertible debt).

In the case of certain merger or acquisition transactions, the warrant holder's consent may be required, and the warrant holder may request that the remaining warrant value, as calculated by a negotiated Black Scholes formula, be paid by the company in cash compensation, unless the entity into which NOXXON will merge with or be acquired by is publicly traded and meets minimum market capitalization and liquidity criteria.

The warrant terms and conditions are available in full on the NOXXON Pharma website at:  
[https://www.noxxon.com/index.php?option=com\\_content&view=article&id=67&Itemid=571](https://www.noxxon.com/index.php?option=com_content&view=article&id=67&Itemid=571)

#### **Theoretical future impact the Warrants issue**

If fully exercised, these warrants would result in additional dilution of 27% on the basis of the number of outstanding shares following the equity transaction outlined in Table 1 above. Note that under cashless exercise, it is possible that a higher number of shares will be issued resulting in a higher percentage of dilution. The number of shares issuable in case of a cashless exercise is capped at four times the number of ordinary shares that would have been issuable in a cash exercise for one year from the date of this agreement and at two times the number of ordinary shares thereafter.

#### **New shares resulting from these transactions**

The new shares issued will be tradeable on Euronext Growth Paris as from their issuance, will carry immediate and current dividend rights and will be fully assimilated to and fungible with the existing shares (ISIN code NL0012044762).

The company will publish and update on its website a follow-up table of the outstanding Acuitas Capital, LLC warrants and number of ordinary shares.