

NOXXON SECURES FINANCING OF UP TO € 14.2 MILLION THROUGH CONVERTIBLE BONDS FROM ATLAS

Berlin, Germany, April 23, 2020, 08.00 a.m. CEST - 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 entered into a flexible convertible bond agreement securing access to financing of up to € 14.2 million (gross amount before issuance discount and transaction fees) with Atlas Special Opportunities, LLC (ASO). The full financing instrument, if drawn in total, would allow NOXXON to finance its activities to the beginning of 2022 including completion of the brain cancer trial and manufacturing of additional drug supply for upcoming trials.

Under this financing vehicle, the company will have the option to access capital in twenty-one tranches plus additional tranches for the drug manufacturing by issuing convertible bonds to ASO, drawable at the company's discretion and subject to customary conditions being met. The first tranche with a nominal value of € 1,300,000 may be followed by up to twenty further tranches, each of a nominal value of € 475,000. Drug manufacturing tranches in a total nominal amount of € 3,400,000 may be drawn during the term of this agreement upon certain milestones being achieved in the brain cancer clinical trial: 1) the Data Safety Monitoring Board shall have agreed that the safety profile of patients receiving the low dose (200 mg/week) in the NOX-A12 brain cancer trial is appropriate to allow increasing the dose; 2) at least three patients have been enrolled in the middle dose cohort (400 mg/week), and 3) the 4-month post-treatment initiation MRI data being available from all brain cancer patients in the low dose group. The company has exercised its right to the first tranche of funding immediately upon signing. The remaining convertible bonds can be issued by the company over the next 24 months following the signing of the agreement.

"This flexible financing, which provides significant level of financial security for NOXXON's business plan into 2022, enables us to fully focus on bringing our brain cancer trial to completion and preparing for the next phase of the clinical study in pancreatic cancer patients," said Aram Mangasarian, CEO of NOXXON. *"We look forward to working together with Atlas Special Opportunities to ensure the best outcome for the patients and the future of NOXXON. We are confident that strengthening our financial position will be welcomed by our long-term shareholders and investors."*

NOXXON was advised and supported in this transaction by Marsac Advisors.

Use of Proceeds

The proceeds from this transaction will be used as general working capital and to advance the company's pipeline. The proceeds may also be used to manufacture drug supply intended for future clinical trials.

Legal Framework of the Transaction

The company is a Dutch public limited liability company whose shares are listed on Euronext Growth Paris, a multilateral trading facility operated by Euronext Paris S.A., with the ticker symbol ALNOX and the International Securities Identification Number (ISIN): NL0012044762. The company has an authorized share capital of € 479,502 divided into 47,950,200 ordinary shares with a par value of € 0.01 each. Immediately prior to completion of the transaction, the company's issued share capital amounted to 19,014,408 shares with 35,000 ordinary shares held by the company as treasury shares.

On January 2, 2019, the general meeting authorized the company's Board of Directors subject to approval of the Supervisory Board, to issue ordinary shares in the capital of the company and grant rights to subscribe for ordinary shares in the capital of the company, at any time during a period of 5

years as from the date of such general meeting and therefore up to and including January 1, 2024 up to the maximum available under the authorized share capital as included in the company's articles of association after all changes proposed at that meeting have been implemented and therefore up to an authorized capital of € 479,502 or € 1,000,000 when the issued share capital will have reached € 400,000 (as per the transitional provision laid down in article 37 of the company's articles of association). The authorization includes designating the Board of Directors to limit or exclude pre-emptive rights in connection with any issuance under the designation.

Within the framework of such authorization granted by the general meeting of January 2, 2019, on April 22, 2020 the company's Supervisory Board has approved the transactions laid down in the financing instrument. On April 22, 2020 the Board of Directors has approved the draw-down of the first tranche in an amount of € 1,300,000.

The shares to be issued upon conversion of the convertible bonds shall give ASO access immediately or in the future to the company's share capital excluding shareholders' preferential subscription rights.

Issuance of the convertible bonds and of the shares that may be issued upon conversion is not subject to obligation to publish a prospectus to be approved by the Dutch Authority for the Financial Markets (AFM) or the French Financial Markets Authority (AMF).

Characteristics, Terms and Conditions of the Financing Through the Issuance of Convertible Bonds

The characteristics, terms, conditions and dilutive potential of the financing may be found in the **Annex** to this press release.

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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 and blocking tumor repair. By 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 has delivered top-line data from a Keytruda® combination trial in metastatic colorectal and pancreatic cancer patients and further studies are being planned in these indications. In September 2019 the company initiated an additional trial with NOX-A12 in brain cancer in combination with radiotherapy. The combination of NOX-A12 and radiotherapy has been granted orphan drug status in the US and EU for the treatment of certain brain cancers. The company's second clinical-stage asset NOX-E36 is a Phase 2 TME asset targeting the innate immune system. NOXXON plans to test NOX-E36 in patients with solid tumors both as a monotherapy and in combination. Further information can be found at: www.noxxon.com

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ANNEX: Main Characteristics, terms and conditions of the financing through the issuance of convertible bonds

Terms and conditions of the transaction

The agreement between the company and ASO procures financing for the company of up to € 14,200,000 (less an issuance discount of 7%) by way of the issuance to ASO of Convertible Bonds (“**CBs**”) each with a nominal value of € 1,000. This financing instrument allows the company over the next 24 months to draw down up to 25 tranches, thereof a first tranche in an amount of € 1,300,000 (the “**First Tranche**”), followed by 20 middle tranches for a total amount of € 9,500,000 (the “**Middle Tranches**”) and 4 drug manufacturing tranches for a total amount of € 3,400,000 (the “**Drug Manufacturing Tranches**”) (each such amounts being subject to said discount of 7%), by issuing up to 14,200 CBs, convertible into ordinary shares and/or repaid in cash if the company so chooses.

The tranches can be drawn subject to certain terms and conditions being met, which include the expiration of a cool down period of 30 days for the Middle Tranches and certain milestones being achieved in the brain cancer clinical trial for the Drug Manufacturing Tranches as well as the lapse of 45 days for the tranches 2-4 of the Drug Manufacturing Tranches.

The company is required to pay a transaction fee in an amount of 2% of the cash actually received under each tranche. The company may however elect to pay the transaction fee by way of issuing further convertible bonds.

Upon the request by the holder of the CBs to convert, the company may elect to issue shares, cash or a combination of shares and cash.

The company has the option to redeem the CBs prior to their maturity date at 105% of the nominal value of the outstanding CBs so to be redeemed. If a material change of ownership (being the acquisition of ownership of, or voting control or direction over, more than 50% of the issued and outstanding shares of the company) occurs, or a certain material adverse effect or event of default occurs, ASO has the right to request redemption of all outstanding CBs.

Main characteristics of the bonds

The CBs are unsecured and rank pari passu with all other present or future unsubordinated and unsecured obligations (with the exception of those benefiting from a preference in accordance with the law) of the company. The CBs bear no interest and have a maturity date of 24 months from their issuance. The company may elect to redeem outstanding CBs in cash against payment of a 5% premium in addition to the nominal value of the CBs to be redeemed. Each CB gives its holder a conversion right (“**Conversion**”) to receive, at the company’s discretion, ordinary shares, cash or a combination of ordinary shares and cash.

If upon Conversion the company chooses to remit in ordinary shares (“**Conversion Shares**”), the number of these shall be determined by dividing the nominal amount of the CBs so to be converted by the Conversion Price (as defined below).

The conversion price shall be determined by (a) the average of any three daily volume weighted average prices of the company’s share (“**VWAPs**”) selected from any of the 10 consecutive trading days preceding the receipt of the conversion notice (“**Pricing Period**”) on which the subscriber has not sold more than 20% of the daily volume in the market or (b) 100% of the VWAP over the Pricing Period, but may not be lower than the par value of the company’s ordinary share (the “**Conversion Price**”).

On the maturity date, each outstanding CB will be mandatorily converted applying the same calculations as above.

The CBs will be freely transferable and will not be admitted to trading on Euronext Growth Paris and therefore will not be listed.

Impact of the new shares resulting from this transaction

(assuming that Conversion Price will always be equivalent to the April 21, 2020 10-day volume weighted average price € 0.777)

Table: Dilutive Potential of Convertible Bonds

Description	Price per share paid	No. of bonds converted	Shares received	Nominal value converted to shares*	Dilution	Shareholder starting with 1% would then hold**
First Tranche	€ 0.777	1,300	1,673,101	€ 1,299,999	9.09%	0.91%
Each Middle Tranche (not cumulative with First Tranche for this calculation, there are 20 subsequent Middle Tranches)	€ 0.777	475	611,325	€ 475,000	3.53%	0.96%
All Drug Manufacturing Tranches	€ 0.777	3,400	4,375,804	€ 3,400,000	20.73%	0.79%
Full Vehicle	€ 0.777	14,200	18,275,418	€ 14,200,000	52.21%	0.48%

*rounded up for simplicity of presentation for amounts not used due to fractional shares

** the percentages shown each take into consideration only the dilutive effect of the transaction(s) specified in the Description column of the same row; these percentages are not cumulative with above rows.