



13 May 2020

Sydney, Australia

\$7.9 Million Fully Underwritten Entitlement Offer Announced

Highlights

- Entitlement offer to raise \$7.9 million
 - Fully underwritten by Canaccord Genuity, a major international bank
 - Funds prioritised to advance development of Veyonda® as a treatment for end-stage prostate cancer and for general corporate purposes
 - Funding also to allow Company to pursue major opportunity in septic shock (COVID-19)
 - Strengthens the balance sheet ahead of the significant advances in the Veyonda® programs
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Sydney, 13 May 2020: Noxopharm (ASX: NOX) today announces it will undertake a 1 for 2.5 fully underwritten, pro-rata entitlement offer ("Entitlement Offer") of new fully paid ordinary shares in the Company ("New Shares") at an Offer Price of \$0.13 cents per share to raise up to \$7.9 million in new equity, with participating shareholders to receive 1 new \$0.30, 3-year Option for every 3 new Shares purchased.

Canaccord Genuity (Australia) Limited is Lead Manager and Underwriter to the Entitlement Offer.

Use of Funds

The Company will use the funds primarily for its ongoing oncology programs, but with a growing investment in its recently-recognised opportunity in the treatment of septic shock, particularly as it applies to infection with the SARS-CoV-2 and influenza viruses.

Other than meeting working capital costs of the Company and the costs of the Offer, funding will be applied to:

- preparation for commencement in early 2021 of the DARRT-2 Phase 2b clinical trial of Veyonda® in late stage prostate cancer patients;
 - completion of the Company's LuPIN Phase 2 trial, currently in its final stages; and
 - initiation of a study in the U.S. and other territories testing the ability of Veyonda® to block the development of septic shock syndrome in patients with COVID-19.
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Graham Kelly PhD, Noxopharm CEO, said, “Noxopharm is looking at an exciting future, and this capital raise is designed to underpin that future in 3 main ways.”

“The first is to secure the oncology opportunities. Recent positive results from our DARRT and LuPIN programs give us the confidence that Veyonda® is set to become a powerful new treatment option for patients with late-stage prostate cancer. Our commercialisation goal is Phase 2 data, with the proposed Phase 2b DARRT-2 trial and the current Phase 2a LuPIN-1 trial intended to fulfill that goal.”

“The second is the potential of Veyonda® in the treatment of septic shock in COVID-19 patients. We didn’t seek this opportunity, but it has landed in our lap and we intend to meet the opportunity. The emerging possibility that over-active STING responses are causing deaths and long-term inflammatory sequelae in adults and children suffering COVID-19 disease, puts Veyonda® as a front-line prospect given its potent ability in blocking the STING signalling pathway.”

“The third is the opportunity to work closely with Canaccord Genuity, an international investment bank with all the resources that brings, and to focus on building a supportive share register.”

Details of Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders (defined below) are being offered the opportunity to subscribe for 1 new Share for every 2.5 existing Shares (Entitlement) held as at 7.00 pm AEST on 20 May 2020 (Record Date) at an offer price of A\$0.13 per new Share. Entitlements under the offer are not tradeable.

Participating shareholders will also receive 1 new listed Option for every 3 new Shares purchased, with an exercise price of \$0.30, and a term of three years from issue date.

The Offer Price of \$0.13 represents a discount of 33% to the 15-day VWAP at the close of trading on Wednesday 6th May 2020, the last trading day of NOX shares prior to issue of the prospectus.

Up to 60,914,458 new Shares and up to 20,304,819 new Options will be issued to participating shareholders under the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing Shares as at their date of issue.

The Entitlement Offer has been fully underwritten by Canaccord Genuity (Australia) Limited.

The Lead Manager and Underwriting fees are set out in the Annexure in the summary of the terms of the Underwriting Agreement.

Sub-underwriters to Canaccord in relation to the Entitlement Offer will be issued one new Option for every three shares underwritten, exercisable at \$0.30 with a three-year term, subject to shareholder approval. The maximum number of Sub-Underwriter options issuable is 20,304,819.



Noxopharm intends to call an Extraordinary General Meeting of shareholders following completion of the Entitlement Offer to seek shareholder approval of the Lead Manager options and Sub-Underwriter options. The Company may seek listing of the Underwriter and Sub-Underwriter options following shareholder approval and issuance of the options.

Underwriter and Sub-Underwriter options will be the same class as options issued to shareholders under the entitlement offer.

The maximum number of shares issuable under the offer is 60,914,458. The maximum number of options (exercisable at \$0.30 with a three-year term) issuable under the offer is 45,609,638, being:

- up to 20,304,819 new Options to shareholders;
- up to 20,304,819 Sub-Underwriter Options; and
- 5,000,000 Lead Manager Options.

The table below shows the number of NOX ordinary shares and options outstanding before and after completion of the Entitlement Offer:

	On issue prior to Entitlement Offer	Issued under Entitlement Offer	On issue after completion of Entitlement Offer
NOX ordinary shares	152,286,146	60,914,458	213,200,604
Options (all classes)	30,814,617	45,609,638*	76,424,255*
<i>*Approximate subject to rounding</i>			

Option numbers stated above are approximate and subject to rounding of individual shareholder option entitlements.

Eligibility to participate in Entitlement Offer

The Offer is made to Eligible Shareholders, being Shareholders who:

- are registered as a holder of Shares as at the Record Date;
- have a registered address on the Register in Australia or New Zealand or are otherwise eligible under all applicable securities laws to receive an offer to subscribe for New Shares under the Offer; and
- are not in the United States and is not acting for the account or benefit of a person in the United States.



Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC and ASX	13 May 2020
Ex Date	19 May 2020
Record Date	20 May 2020
Anticipated despatch of Prospectus and Application Forms	21 May 2020
Offer Opening Date	21 May 2020
Offer Closing Date	11 June 2020
New Shares quoted on deferred settlement basis	12 June 2020
Issue of New Shares and grant of New Options	18 June 2020
Anticipated date for despatch of holding statements for New Shares and New Options	18 June 2020
Anticipated trading of quotation of New Shares and New Options on ASX and trading commences	19 June 2020

Further details of the Underwriting Agreement are set out in the Annexure.

About Noxopharm

Noxopharm is a clinical-stage Australian oncology drug development company with offices in Sydney and New York. The Company has a primary focus on the development of Veyonda® and is the major shareholder in the non-oncology drug development company, Nyrada Inc. (ASX:NYR).

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Graham Kelly, CEO and Chairman of Noxopharm, has approved the release of this document to the market.



Forward Looking Statements

This announcement may contain forward-looking statements. You can identify these statements by the fact they use words such as “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “plan”, “should”, “target”, “will” or “would” or the negative of such terms or other similar expressions. Forward-looking statements are based on estimates, projections and assumptions made by Noxopharm about circumstances and events that have not yet taken place. Although Noxopharm believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control that could cause the actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statement.



Annexure

Summary of Underwriting Agreement

In accordance with the underwriting agreement dated on or about 13 May 2020 between the Company and the Underwriter (**Underwriting Agreement**), the Underwriter has agreed to conditionally underwrite 60,914,458 New Shares at the Offer Price and 20,304,819 New Options the subject of the Offer.

Under the Underwriting Agreement, the Company has agreed to pay the Underwriter as follows:

- (a) A corporate advisory fee of \$75,000 for attendance at all prospectus due diligence meetings, transaction documentation review and feedback, underwriting agreements, general market advice;
- (b) A Management fee of 2.5% the Gross Proceeds raised under the Offer. Third-party broker fees will be paid by the Lead Manager from this fee;
- (c) An Underwriting Fee of 4% of the total amount underwritten.

The Company has also agreed that, subject to Shareholder approval:

- (a) Sub-underwriters to the Offer will receive a one (1) for three (3) sub- underwriting commitment option on the same terms as the New Options ("**Sub-Underwriting Options**"). The Sub-Underwriting Options must only be granted to the Sub-Underwriters if the Sub-Underwriters agree to sub-underwrite the Offer; and
- (b) The Underwriter will receive 5 million New Options ("**Underwriting Options**").

That is, 20,304,819 Sub-Underwriting Options will be issued to Sub-Underwriters and a further 5 million Underwriting Options will be issued to the Underwriter.

If the Company does not obtain Shareholder approval for the grant of the Sub-Underwriting Options and the Underwriting Options (to the extent necessary), it must pay an appropriate alternative consideration to the Underwriter and the sub-underwriters (as negotiated in good faith or, failing agreement, based upon the Black-Scholes valuation).

The Underwriter will also subject to shareholder approval have the right to conduct an additional Placement on equal terms utilising the Company's Placement capacity on completion of the Offer.

All sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter.



The Underwriter may terminate its obligations under the Underwriting Agreement in circumstances typically found in agreements of this nature (in certain of these circumstances including having regard to the materiality of certain events). These circumstances include (but are not limited to), where:

- (a) the All Ordinaries Index is, at any time after the date of the Underwriting Agreement, at a level that is 7.5% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) the shares of the Company that trade on the ASX under the ASX code of "NOX" close at a price lower than \$0.13 for three consecutive days;
- (c) the sub-underwriters introduced by the Company fail to execute sub-underwriting agreements or settle on any shortfall amount they are allocated;
- (d) the ASX does not grant Official Quotation for the New Shares and New Options or, having been granted, Official Quotation is subsequently withdrawn, withheld or qualified;
- (e) a supplementary prospectus is lodged without prior written agreement from the Underwriter;
- (f) this Prospectus does not contain all information required by the Corporations Act;
- (g) the Company is prevented from allotting the New Securities within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (h) any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in this Prospectus or to be named in this Prospectus, withdraws that consent;
- (i) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (j) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Japan, Russia, the United Kingdom, the United States of America, France, North Korea, the People's Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;



- (k) a director or senior manager of the Company or a subsidiary of the Company is charged with an indictable offence;
- (l) subject to the carve-out below, any of the following events (but not limited to these events) occurs:
 - (i) there is a default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any subsidiary of the Company including, without limitation, if any forecast in this Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (iv) a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (v) without the prior approval of the Underwriter, a public statement is made by the Company in relation to the Offer or this Prospectus;
 - (vi) any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any subsidiary of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (vii) material litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company or a subsidiary of the Company other than any claims disclosed to the Underwriter in writing prior to the date of the Underwriting Agreement or foreshadowed in this Prospectus;
 - (viii) there is a material change in the major or controlling shareholdings of the Company or a subsidiary of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or a subsidiary of the Company;
 - (ix) a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;



- (x) the Company or a subsidiary of the Company alters its capital structure in any manner not contemplated by this Prospectus;
- (xi) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a subsidiary of the Company; or
- (xii) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriter may not exercise its rights under paragraph (l) unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a termination event has or is likely to have, or two or more termination events together have or are likely to have:

- (a) a material adverse effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

Upon termination by the Company or the Underwriter for cause, the Company must pay the Underwriter the Corporate Advisory Fee as a termination fee together with the reimbursement of any expenses incurred or accrued) up to the date of termination

The Underwriting Agreement also contains a number of indemnities, representation and warranties from the Company to the Underwriter that are considered standard for an agreement of this nature.