

## NOXXON ANNONCE L'ÉMISSION D'OBLIGATIONS CONVERTIBLES ET LÈVE DES FONDS SUPPLÉMENTAIRES

**Berlin, Allemagne, le 19 septembre 2018, 18h00 CEST - NOXXON Pharma N.V. (Euronext Growth Paris : ALNOX)**, société biopharmaceutique développant principalement des traitements contre le cancer ciblant le microenvironnement tumoral, annonce que les obligations convertibles préalablement annoncées (voir les communiqués de presse du 15 juin et 1<sup>er</sup> août 2018) ont été émises sur le marché d'Euronext Access à Paris comme obligations convertibles en actions NOXXON (les Obligations). En parallèle de cette émission, NOXXON a sécurisé un financement supplémentaire de 420 000€ sous forme d'Obligations. Le montant total investi en Obligations s'élève ainsi à 1 000 000€.

Les Obligations sont assorties d'un taux d'intérêt de 7%, payable en actions NOXXON lors de la conversion, et peuvent être converties à la demande de l'investisseur ou celle de la Société, sous certaines conditions. Les investisseurs peuvent convertir leurs Obligations en actions NOXXON à partir du 1<sup>er</sup> octobre 2018. La société peut convertir toutes les Obligations restantes en actions NOXXON à du 30 juin 2020, date d'échéance, ou en amont d'une fusion, une acquisition ou un autre événement entraînant un changement de contrôle. Dans les cas énoncés précédemment, la conversion d'Obligations en actions NOXXON sera égale au cours moyen des actions NOXXON sur Euronext Growth pondéré par les volumes des dix dernières séances de bourse du trimestre précédent. La société peut également convertir toutes les Obligations restantes en actions NOXXON au terme d'une levée de fonds auprès d'investisseurs. L'ensemble des modalités et conditions complètes des Obligations sont disponibles en annexe de ce communiqué de presse, ainsi que sur le site internet de NOXXON ([www.noxxon.com](http://www.noxxon.com)).

« Nous apprécions particulièrement le soutien additionnel des nouveaux investisseurs institutionnels européens ayant rejoint ce financement. Ayant sécurisé avec succès le montant maximum de 1.000.000 € autorisé dans le cadre de ce véhicule de prêt convertible, nous nous concentrons maintenant sur la finalisation de l'essai clinique du NOX-A12 et du Keytruda® chez les patients atteints de cancers colorectaux et pancréatiques, définissant les prochaines étapes dans ces indications ainsi que sur le financement d'un essai clinique de phase I/II du NOX-A12 en première ligne chez des patients atteints de glioblastome, testant l'association du NOX-A12 avec la radiothérapie, où nous bénéficions d'un soutien solide d'experts en tumeur du cerveau ainsi qu'un ensemble important de données précliniques. La Société continue d'être en actives discussions avec un certain nombre d'investisseurs et cherchera à obtenir des capitaux supplémentaires dans un futur proche, comme indiqué dans notre Rapport Annuel de 2017 » a commenté Aram Mangasarian, Directeur Général de NOXXON.

Dans l'hypothèse d'une conversion immédiate du montant total de 1 000 000€ d'Obligations émises au prix de 2,46€ par action (le cours moyen pondéré des volumes de l'action du 27 août au 7 septembre 2018), la dilution pour les actionnaires existants conformément à la conversion de ces Obligations en actions ordinaires serait d'environ 7,38%, en supposant l'émission de 406 236 actions ordinaires.

**Pour plus d'informations, merci de contacter :**

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**À propos de NOXXON**

Les produits oncologiques développés par NOXXON agissent sur le microenvironnement tumoral et le cycle immunitaire anticancéreux par la rupture de la barrière de protection tumorale, l'inhibition de la réparation tumorale et l'exposition au système immunitaire des cellules tumorales cachées. Par la neutralisation des chimiokines dans le microenvironnement tumoral, NOXXON associe son approche à celle d'autres formes de traitement visant à affaiblir les défenses tumorales contre le système immunitaire et augmenter l'impact thérapeutique. Son programme phare NOX-A12 s'appuie sur une longue période de développement clinique et de nombreuses données de sécurité. Les premiers résultats de son essai clinique de phase I/II sur l'association de NOX-A12 avec le Keytruda® chez des patients atteints d'un cancer métastatique colorectal ou du pancréas seront publiés en 2018. La société prévoit de lancer d'autres études avec NOX-A12 dans le cancer du cerveau en association avec la radiothérapie, qui a obtenu le statut de médicament orphelin aux États-Unis et en Europe. Actuellement en phase II, le deuxième actif de la société, NOX-E36, agit sur le microenvironnement tumoral en ciblant le système immunitaire inné. NOXXON prévoit d'évaluer l'action de NOX-E36 chez les patients atteints d'un cancer du pancréas, en monothérapie ainsi qu'en association.

Plus d'informations sont disponibles sur : [www.noxxon.com](http://www.noxxon.com).



<https://www.linkedin.com/company/noxxon-pharma-ag>



[https://twitter.com/noxxon\\_pharma](https://twitter.com/noxxon_pharma)

**Déclarations prospectives**

Ce communiqué contient des déclarations prospectives ou des termes se rapportant aux développements futurs ou futurs, ainsi que les négations de telles formulations ou termes, ou une terminologie similaire. Ces déclarations ne constituent pas des faits historiques. Ces déclarations comprennent des projections et des estimations ainsi que les hypothèses sur lesquelles celles-ci reposent, des déclarations portant sur des projets, des objectifs, des intentions et des attentes concernant des résultats financiers, des événements, des opérations, des services futurs, le développement de produits et leur potentiel ou les performances futures. La société ne prend aucun engagement de mettre à jour les informations et déclarations prospectives, qui ne représente que l'état des choses le jour de la publication.

**APPENDIX:**



**Terms and Conditions  
of the Notes**

14 September 2018

## Terms and Conditions of the Notes

### Q&A and example calculations

#### What are the Notes?

The Notes are a convertible obligation (a debt instrument that may be converted into ordinary shares of NOXXON Pharma N.V. listed on the Euronext Growth Market in Paris as ALNOX) with a nominal value of €10,000 each issued by NOXXON Pharma N.V. and listed on the Euronext Access market in Paris which accrue interest at a rate of 7% per year on the amount invested.

#### How is interest calculated?

Interest is calculated on the nominal value (the amount initially invested) based on an accounting year of 360 days (twelve 30-day months). In the 360 day system, starting dates and ending dates that occur on the 31st day of a month become equal to the 30th day of the same month. In months with less than 30 days, e.g. a February of 28 days, the last days of the month shall be credited on the 1<sup>st</sup> day of the following month.

Interest due on a particular date after issuance = the number of accounting days from the date of issue \* 7%<sup>1</sup> / 360 days \* number of Notes to be converted \* nominal value per note

Interest will no longer accumulate after the maturity date of the Notes, 30 June 2020.

#### Example calculations on interest due for a single Note

Column 1	2	3	4	5	6	7	8
Number of Notes	Nominal Value (amount initially invested, column 1 * €10,000)	Interest commencement date for interest calculation	End date for interest calculation	Number of days for interest calculation (based on a 360 day year <sup>2</sup> )	Percent interest for calculation (column 5 * 7% / 360 days)	Amount interest accumulated (column 1 * column 6)	Nominal value + interest (column 2 + column 7)
1	€10,000	1-Jan-2018	1-Jan-2019	360	7%	€700.00	€10,700.00
1	€10,000	1-Jan-2018	28-Feb-2018	57	1.1083%	€110.83	€10,110.83
1	€10,000	1-Jan-2018	1-Mar-2018	60	1.1667%	€116.67	€10,116.67

<sup>1</sup> In case of an event of default by the Issuer, the rate of interest will increase to 15% from the date on which such event has occurred until the earlier of (i) the date the event of default is cured or (ii) date on which the conversion of the Notes into shares and/or the date on which such Notes have been redeemed in cash.

<sup>2</sup> The Microsoft Excel formula DAYS360 shall be used to calculate the number days using. For example the following formula shall be used to calculate the number days between 1-Jan-2018 and 28-Feb-2018: "=DAYS360(1-jan-2018, 28-Feb-2018,TRUE)".

**Is interest paid out in regular payments?**

No, accumulated interest is compensated upon conversion of the Notes to ALNOX shares in the form of additional shares or upon redemption in cash which is only permitted after the maturity date.

**How can Investors convert their Notes to ALNOX shares?**

Starting on 1 Oct 2018 and as long as any Note remains outstanding investors may contact their financial institution holding the Notes in order to initiate a conversion of Notes they hold into ALNOX shares. Their financial institution will then send the investor's Notes along with a request to convert the Note(s) to the appropriate financial institution managing the conversion (the Agent). After the corresponding number of shares is calculated, shares will be issued and sent to the investor's financial institution for crediting to the investor's account. If the Issuer has already issued a conversion notice for all outstanding Notes, the investor may not submit a request to convert their Notes.

Conversion into shares will be a cashless exercise: the nominal value of the Notes plus any interest will be exchanged for ordinary shares. Any taxes and expenses charged by investor's financial institution will be the responsibility of the investor.

**Can the Issuer convert Notes to ALNOX shares independent of the Investor?**

Yes, the Issuer may trigger conversion of all outstanding Notes to ALNOX shares:

1. Anytime starting at maturity date of the Notes, 30 June 2020, or
2. earlier if it raises €3 million or more through the sale of shares directly to investors at any time following the listing of the Notes, or
3. Immediately prior to a merger or acquisition of the Issuer, or any other change of control event.

In all above cases the Issuer will contact the financial institution managing conversions (the Agent, as defined in the terms and conditions below) to initiate a procedure to identify all financial institutions holding Notes. The Notes will then be sent by the investor's financial institution to the Agent. Upon receipt of the Notes by the Agent, and calculation of the appropriate number of shares to be issued, the ALNOX shares will be sent to the investor's financial institution. Due to the time required for identifying all Note holders through their financial institutions the Issuer may announce a conversion of all outstanding Notes up to 12 trading days in advance. During this period investors may not submit a request to convert their Notes.

Conversion shares will be a cashless exercise: the nominal value of the Notes plus any interest will be exchanged for ordinary shares. Any taxes and expenses charged by investor's financial institution will be the responsibility of the investor.

Example:

- D-12
  - o Issuer announces upcoming conversion of all outstanding unconverted Notes via all required regulatory channels.
  - o No further Note holder Conversions may be effected after this time.

- Delivery of Note Holder Conversion Notice to Agent Specifying Conversion Date D by 4:00 pm (Paris Time) at the very latest
- D-11 Agent begins centralizations process to identify all financial institutions holding outstanding Notes and to request their transfer to the specified Agent account
- D-1 Centralization complete and all Notes received by Agent
- D: Conversion Date
- D+2: Calculation made by Calculation Agent and corporate authorization for issuance of new shares before 4:00 pm (Paris Time)
- As from D+5: Delivery of the newly issued shares and admission on Euronext Growth

**How will the price per share and the number of shares to be issued be calculated in a conversion?**

The number of shares issued will be calculated according to the following formula:

$$\text{number of Notes} * (\text{nominal value per Note} + \text{accrued interest on the Note}) / \text{the price per share}$$

The price per share used in the calculation will generally be the volume weighted average price (VWAP) of ALNOX shares on Euronext Growth in the last 10 trading days of the previous calendar quarter rounded down to 2 decimal places (available on the Issuer's website). However, in the special case when the Issuer requests conversion following a capital raise of €3m or more, the price per share shall be the average price per share obtained by the company in this financing in the shares rounded down to two decimal places.

The number of shares issued will always be rounded down to the nearest whole number of shares.

Example calculations for converting the bonds of nominal + interest amount in the table above to ALNOX shares assuming different nominal + interest amounts

Column Number 9	10	11	12
Nominal value + interest	Price per share (e.g. from volume-weighted average price (VWAP) of ALNOX shares	Price per share used for calculation (from column 10, rounded down to 2 decimal places)	Number of ALNOX shares to be issued (column 9 / column 11, rounded down to nearest whole number of shares)
€10,700.00	€2.0074	2.00	5,350
€10,110.83	€2.0074	2.00	5.055
€10,116.67	€2.0074	2.00	5.058

**How long will it take for Investors to receive their shares after conversion of Notes?**

If an investor requests conversion it may take up to 5 days from the Conversion Date which is the business day after receipt by the Agent of the request to convert **and** the Notes to be converted:

- D-1: Conversion Notice Delivery Date and delivery of Notes to be converted by 4:00 pm (Paris Time) at the very latest
- D: Conversion Date
- D+2: Calculation made by Calculation Agent and corporate authorization for issuance of new shares before 4:00 pm (Paris Time)
- As from D+5: Delivery of the newly issued shares and admission on Euronext Growth

***Can the Investor request reimbursement of the Notes in cash?***

*After the maturity date, 30 June 2020 and until 31 Aug 2020, investors may request that the amount invested plus accrued interest be redeemed in cash. However, the Issuer then has 1 month to decide to convert the investor's Note(s) into shares instead.*

## Terms and Conditions of the Notes

The following is the text of the terms and conditions applicable to the Notes. References in these terms and conditions to the singular include references to the plural and vice versa.

The board of directors of the Issuer adopted the terms and conditions for the Notes set out below and approved to issue the Notes subject to those terms and conditions on 13 August 2018. The terms and conditions for the Notes and the issuance of the Notes by the board of directors were approved by the supervisory board of the Issuer on 13 August 2018. In respect of the issuance of Shares upon conversion of the Notes, the board of directors will operate under the delegation of authority to issue Shares and exclude pre-emption rights in respect therewith as granted to the board of directors by the general meeting of shareholders on 24 April 2018.

**“Account Holders”** means any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream Banking, S.A. and Euroclear Bank S.A./N.V.

**“Agent”** means BNP PARIBAS SECURITIES SERVICES (Euroclear France affiliated number 30), 9 rue du Débarcadère, 93500 Pantin, France, which is the investment service provider coordinating Conversions and redemptions of Notes.

**“By-laws”** means the articles of association (*statuten*) of the Issuer, as may be amended from time to time.

**“Calculation Agent”** NOXXON Pharma N.V.

Following receipt of relevant Conversion request and the effective delivery of the Notes by the financial intermediaries to the Agent, the Agent informs NOXXON Pharma N.V. in due time, which then take necessary actions to calculate the number of new Shares.

NOXXON Pharma N.V. will be in charge of calculation of accrued Interest.

**“Change of Control Event”** means any person or group of persons acting in concert gaining direct or indirect Control of the Issuer, whether through an acquisition, merger, demerger, public offer or otherwise.

**“Control”** means the power (whether by way of ownership of shares, contract, agency or otherwise) to:

- (i) cast, or control the casting of, more than 50.00 per cent. of the maximum number of votes that might be cast at the general meeting; or
- (ii) to appoint or remove all, or the majority of, the directors or other equivalent officers; or
- (iii) (to the extent possible under applicable law) give directions with respect to the management and policies



(including operating and financial) with which the directors or other equivalent officers are obliged to comply.

<b>“Conversion / to Convert”</b>	as defined in Clause 7 (a) (i).
<b>“Conversion Amount”</b>	as defined in Clause 7 (a) (i).
<b>“Conversion Date”</b>	as defined in Clause 7 (b) (iii).
<b>“Conversion Notice”</b>	means either a Note Holder Conversion Notice or an Issuer Conversion Notice.
<b>“Conversion Notice Delivery Date”</b>	as defined in Clause 7 (b) (ii).
<b>“Conversion Price”</b>	as defined in Clause 7 (c) (ii).
<b>“Euronext Access”</b>	means the open market of Euronext in Paris, a non-regulated market, pursuant to the terms of the 2004/39/EC Directive dated 21 April 2004 relating to the financial market instruments within the European Economic Area.
<b>“Euronext Growth”</b>	means the multilateral trading facility operated under the commercial name “Euronext Growth” by the relevant market operator Euronext Paris S.A. in Paris, a non-regulated market, pursuant to the terms of the 2004/39/EC Directive dated 21 April 2004 relating to the financial market instruments within the European Economic Area.
<b>“Event of Default”</b>	means any of the following and continuing occurrences which is not cured, if applicable, within ten (10) calendar days of such occurrence: <ul style="list-style-type: none"><li>(i) default by the Issuer in the repayment of principal under the Notes when due;</li><li>(ii) the impossibility for any Note to be Converted into Shares, for example due to absence of corporate authorizations (e.g. shareholder approval);</li><li>(iii) the de-listing of the Shares from Euronext Growth or their suspension (other than temporary suspension of no more than five (5) consecutive days during which Euronext Growth is open for business at the request of the Issuer);</li><li>(iv) failure by the Issuer to issue and/or to remit new and/or existing Shares to each Note holder in accordance with the terms of these terms and conditions; and</li><li>(v) the Set Market Price is lower than the nominal value of a Share, as set out under Clause 7(c)(vi) below.</li></ul>
<b>“Interest”</b>	as defined in Clause 5 (a) and (b).

<b>“Issuance Date”</b>	shall be the date on which any Notes are issued.
<b>“Issuer”</b>	means NOXXON Pharma N.V., a Dutch public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat ( <i>statutaire zetel</i> ) in Amsterdam, the Netherlands, and its office address at Max-Dohrn-Strasse 8-10, 10589 Berlin, Germany, and registered with the trade registry of the Dutch Chamber of Commerce under number 62425781.
<b>“Issuer Conversion Notice”</b>	as defined in Clause 7 (b) (i) B.
<b>“Masse”</b>	as defined in Clause 11.
<b>“Maturity Date”</b>	means 30 June 2020.
<b>“Notes”</b>	means the Issuer’s 7.00 per cent. bonds convertible into Shares of the Issuer due 30 June 2020 listed on Euronext Access whose terms and conditions are laid down herein.
<b>“Note Holder Conversion Notice”</b>	as defined in Clause 7 (b) (i) A.
<b>“Qualified Financing”</b>	Qualified Financing means any parties after 15 August 2018 having subscribed for new Shares at an aggregate issuance price of at least EUR 3,000,000 (in the course of one single or several transactions) provided that any issuances of Shares pursuant to (i) the Issuance Agreement between the Issuer and YA II PN, Ltd. or any instruments issued pursuant thereto and/or (ii) the Conversion of Notes according to these terms and conditions shall not be treated as subscriptions of Shares for these purposes.
<b>“Redemption Notice”</b>	as defined in Clause 6 (c).
<b>“Representative of the Masse”</b>	as defined in Clause 12.
<b>“Set Market Price”</b>	<p>means the volume-weighted average trading price of the Share during the last ten Trading Days of the quarter last completed before the relevant Conversion Notice Delivery Date (for this purpose only the “Set Market Price Calculation Period”); in case of a stock split or a share consolidation after the Set Market Price Calculation Period and prior to the Conversion Date, the Set Market Price shall be adjusted (multiplied or divided) taking into account such changes.</p> <p>Example:</p> <p>In case there is a 2:1 stock split and the Set Market Price is €4, the Set Market Price shall be <math>€4 \cdot 1/2 = €2</math> per Share until the establishment of the next Set Market Price.</p>
<b>“Shares”</b>	means the Issuer’s ordinary shares listed in the public offer segment of Euronext Growth under the symbol “ALNOX” ISIN: NL0012044762.

**“Trading Day”** means any day on which the Shares are traded on Euronext Growth, provided that “Trading Day” shall not include any day on which the Shares are scheduled to trade on such market for less than 4.5 hours (it being specified for the avoidance of doubt that any day during which there would be no effective trading would be considered as a Trading Day if this is not due to a suspension requested by the Issuer or the stock market authorities) or any day that the Shares are suspended from trading at the request of the Issuer or of the stock market authorities during the final hour of trading on such market.

**“Withholding Taxes”** as defined in Clause 9.

## **1 Form, Denomination and Title**

- (a) The Notes shall be in de-materialized bearer form.
- (b) The Notes shall have a principal amount of EUR 10,000 each.
- (c) The Notes will at all times be represented in book entry form in the books of the Note holders.
- (d) No document evidencing the ownership of the Notes (including representative certificates under Article R. 211-7 of the French Code monétaire et financier) will be issued relating to the Notes.
- (e) In accordance with Articles L. 211-15 and L. 211-17 of the French Code monétaire et financier, the Notes are transferred from one account to another, and the transfer of ownership of the Notes will occur upon their book entry in the purchaser's securities account.
- (f) A request for the admission of the Notes to the operations of Euroclear France will be made and Euroclear France will be responsible for the clearing of the Notes between Note holders. In addition, a request will also be made for the admission of the Notes to the operations of Euroclear Bank S.A. /N.V. and/or Clearstream Banking, S.A. The ISIN code(s) of the Notes are as follows:
  - FR0013358272 (interest commencement date 14-June-2018)
  - FR0013358280 (interest commencement date 27-July-2018)
  - FR0013358298 (interest commencement date 13-Aug-2018)
  - FR0013358314 (interest commencement date 13-Sep-2018)
- (g) It is expected that the Notes will be registered in securities accounts from the date of the settlement-delivery of the Notes and Issuance Date of the Notes and admitted to trading on Euronext Access.
- (h) The Notes shall constitute an unsecured and unsubordinated obligation of the Issuer and, at all times so long as any Note is outstanding, will rank (subject to such exceptions as are from time to time mandatory under Dutch law) equally and rateably (*pari passu*) with all other present or future unsecured and unsubordinated debt of the Issuer.
- (i) To the extent any Notes are issued in the Netherlands, such Notes shall only be issued to qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

## **2 Enjoyment**

- (a) The Notes are issued with full rights of enjoyment as from the date of their full subscription by the Note holder.

## **3 Assignment and transfer**

- (b) The Notes shall be freely tradable and transferable without the prior written consent of the Issuer.
- (c) To be effective vis-à-vis the Issuer, any transfer of the Notes shall be registered in the securities accounts and the transferor shall be deemed to be the holder of such Notes until the name of the transferee is entered into the securities accounts in respect thereof.
- (d) Any transferee that becomes a Note holder, by whatever means and for whatever reason, shall have the benefit of, and be subject to, all of the rights and obligations as set forth in these terms and conditions.

## **4 Maturity**

- (a) The Notes shall mature on the Maturity Date.

## **5 Interest**

- (a) The Notes shall bear interest at a rate of 7% per annum from the interest commencement date as noted in Clause 1 (f) until the earlier of the Conversion Notice Delivery Date or the Maturity Date; provided however that Clause 5 (b) of these terms and conditions shall apply in case of an Event of Default (the “**Interest**”). The Interest shall be payable together with the Conversion or redemption of the Notes, subject to Clause 5(d) below.
- (b) However, in case of an Event of Default, each outstanding Note shall accrue interest at a rate of 15% p.a. from the date on which the Event of Default has occurred until the earlier of (i) the date the Event of Default is cured or (ii) the Conversion Date and/or the date on which such Notes has been redeemed in cash.
- (c) Interest on a Note shall accrue on the principal amount and shall be computed on the basis of a 360-day year and twelve 30-day months.
- (d) Subject to the Conversion occurring and in compliance with Cause 7 (a), the Note holder’s claim for (i) repayment of the nominal value of the Notes and (ii) payment of the accrued Interest on the one hand and the Issuer’s claim for payment of the aggregate issuance price for the new Shares on the other hand are set off against each other.
- (e) Different Notes may carry different interest commencement dates, such dates shall be reflected in the accrued Interest calculation accordingly.

## **6 Redemption in cash**

- (a) A Note holder may not require the Issuer to redeem the Notes in cash prior to the Maturity Date nor after 31 August 2020.
- (b) In case the Issuer has not submitted an Issuer Conversion Notice, the redemption of Notes in cash may be requested by the Notes holder after the Maturity Date and prior to 31 August 2020, subject to the Issuer's rights to Convert Notes within the period of one month thereafter, as laid down in Clause 7 (e) (ii), by submitting a Redemption Notice (as defined herein).
- (c) A Note holder can request repayment of the Conversion Amount by transferring or causing to be transferred by its Account Holder its Notes to be so repaid to the account of the Agent specified in the Redemption Notice (as defined below) for the account of the Issuer, accompanied by a duly completed and signed notice of redemption (a "**Redemption Notice**") in the form (at the time being current) obtainable from the Agent.

## **7 Conversion of the Notes into Shares and termination of Conversion rights**

- (a) *Conversion of the Notes*
  - (i) In compliance with these terms and conditions, a Note can be exercised resulting in the issuance of Shares to the Note holder against cancellation of each Note so exercised (to "**Convert**", or a "**Conversion**"). Such Conversion will be effected in a cashless exercise, i.e. the Note holder's claim for (A) repayment of the nominal value of the Notes and (B) payment of the accrued Interest ((A) and (B) together the "**Conversion Amount**") on the one hand and the Issuer's claim for payment of the aggregate issuance price for the new Shares on the other hand will be set off against each other.
  - (ii) As of 01 October 2018 until its Conversion rights will have expired pursuant to Clause 7 (e) (i), each Note holder has the right to Convert all or any of the Notes held, by submitting a corresponding Note Holder Conversion Notice as laid down in Clause 7 (b) (i) A. In the Note Holder Conversion Notice, the Note holder shall specify the number of Notes to be Converted and the corresponding aggregate principal amount, so Converted.
  - (iii) Unless its Conversion rights have expired pursuant to Clause 7(e)(ii), the Issuer may at its option, at the same time as a Qualified Financing, immediately prior to a Change of Control Event or on the Maturity Date, Convert all outstanding Notes held by all Note holders by submitting a corresponding Issuer Conversion Notice as laid down in Clause 7 (b) (i) B. In the Issuer Conversion Notice, the Issuer shall specify the Conversion Amount. An Issuer Conversion Notice may be issued with a Conversion Date up to and including 12 Trading Days in the future. If the Issuer delivers an Issuer Conversion Notice requesting the Conversion of all Notes of a Note holder, no Note holder may thereafter deliver any Note Holder Conversion Notice.

- (iv) Multiple Conversions of Notes can take place, it being specified that each Note can be Converted once only.
  
- (b) *Conversion Date; Notice*
  - (i) Conversion rights may be exercised:
    - A. by a Note holder by transferring or causing to be transferred by its Account Holder its Notes to be so Converted (as defined herein) to the account of the Agent specified in the Note Holder Conversion Notice (as defined below) for the account of the Issuer, accompanied by a duly completed and signed notice of Conversion (a “**Note Holder Conversion Notice**”) in the form (at the time being current) obtainable from the Agent; and/or
    - B. by the Issuer by transferring to the Agent a duly completed and signed notice of Conversion (an “**Issuer Conversion Notice**”) in the form (at the time being current) obtainable from the Agent. The Agent shall then initiate a centralization procedure requesting all Note holders to transfer or cause to be transferred by its Account Holder its Notes to be so Converted in newly issued Shares (as defined herein) to the account of the Agent specified in the Issuer Conversion Notice for the account of the Issuer.
  - (ii) The date on which a Conversion Notice has been received by the Agent, and in the case of a Note Holder Conversion Notice, also the Notes being delivered to the securities account designated by the Agent is referred to as the “**Conversion Notice Delivery Date**”. If such transfer(s) is received after 4 pm Paris time or on a day which is not a business day in the place of the specified office of the Agent, the Conversion Notice Delivery Date shall be deemed for all purposes of these terms and conditions to have been made on the next business day. If documents are incomplete, or not correctly completed the Conversion Notice will not be considered valid.
  - (iii) The Conversion Date in respect of a Note being Converted shall be, in the case of Note holders, the business day immediately following the Conversion Notice Delivery Date, and in the case of the Issuer, the date specified in the Issuer Conversion Notice which may be up to and including 12 Trading Days following the Conversion Notice Delivery Date (the “**Conversion Date**”).
  
- (c) *Conversion ratio*
  - (i) Upon a Conversion, the number of new and/or existing Shares to be issued by the Issuer to the relevant Note holder in accordance with Clause 7 (a) will be calculated as the Conversion Amount divided by the Conversion Price (as defined herein) on the applicable Conversion Notice Delivery Date.
  - (ii) The Conversion price means:
    - A. if the Conversion occurs after a Qualified Financing, the average issuance price per Share at which the Qualified Financing has occurred; and
    - B. in any other event, the Set Market Price,  
(the “**Conversion Price**”).

- (iii) The Conversion Price will be determined to two decimals places and rounded down to the nearest 100th.
  - (iv) If the issuance of new Shares would result in the issuance of a fraction of a Share, the Issuer shall round such fraction of a Share down to the nearest whole Share.
  - (v) The Issuer shall promptly deliver freely tradable Shares to the relevant Note holder upon each Conversion of Note(s), it being specified that the reception of the Shares by the relevant Note holder shall occur no later than five (5) Trading Days after the Conversion Date.
  - (vi) No Conversion shall take place if the Set Market Price is lower than the nominal value of a Share theoretically to be issued upon Conversion.
- (d) *Rights attached to the Shares*
- (i) The new Shares issued upon Conversion of the Note(s) shall be subject to all provisions of the By-laws and to decisions of the general meeting of the shareholders of the Issuer. The new Shares shall be admitted to trading on Euronext Growth as from their issuance, will carry immediate and current dividend rights and will be fully assimilated to and fungible with the existing Shares.
- (e) *Termination of Conversion right*
- (i) The right of each Note holder to Convert the Notes pursuant to this Clause 7 shall terminate on the date on which the Notes are fully redeemed in cash and/or Converted into Shares.
  - (ii) The right of the Issuer to Convert Notes pursuant to this Clause 7 shall terminate in the event it has not done so for a period of one month from the date on which the relevant Note holder, after the Maturity Date, has submitted a Redemption Notice compliant with Clause 6 (b).
- (f) *Mandatory Conversion Date*
- (i) Any Note which has not been Converted and/or redeemed in cash by 30 September 2020 (included) shall be Converted into Shares and the Issuer will instruct its Agent to implement the corresponding Conversion of all outstanding Notes.

## 8 Notices by the Issuer

- (a) The Issuer shall deliver all notices concerning the Notes (i) on the Issuer's website ([www.noxxon.com](http://www.noxxon.com)) and (ii) to Euroclear France, Euroclear, Clearstream and/or any other clearing system through which the Notes are for the time being cleared for communication by such clearing systems to the Note holders. Any such notice shall be deemed to have been given to the Note holders on the day on which such notice was published on the Issuer's website.
- (b) If the rules of the stock exchange so require, all notes of the Issuer concerning the Notes shall also be published in accordance with the rules of such stock exchange. A failure to publish any notices in accordance with the rules of any stock exchange shall not affect the effectiveness of notices issued in accordance with the previous paragraph.

## 9 Taxes

If tax withholding or similar obligations in respect of Interest (the "**Withholding Taxes**") are imposed on any payment of Interest under these terms and conditions, the Issuer may deduct such Withholding Taxes from the payment made to relevant Note holders as required by the applicable laws taking into account any (partial) exemption certificate provided by the Note holders (no tax gross-up). To the extent that (i) the Issuer has not deducted such Withholding Taxes or (ii) – contrary to the Issuer's expectation – the Issuer will be liable to pay Withholding Taxes in case of a conversion, the relevant Note holder shall reimburse the Issuer of such amounts. In case of a conversion, the Issuer may request to be reimbursed by the relevant Note holder concurrently with the issuance of the new Shares to the relevant Note holder. For the avoidance of doubt, (i) each Note holder remains responsible for any Withholding Taxes (if any) on Interest attributable to its Notes where no Withholding Tax obligation is applicable to the Issuer and (ii) the Conversion Amount shall not be reduced by any Withholding Taxes.

## 10 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of France.
- (b) **Jurisdiction:** Any claim in connection with the Notes shall be brought before the competent courts within the jurisdiction of the Versailles Court of Appeal (*Cour d'Appel de Versailles*).



## 11 Representation of Note holders

In accordance with Article L. 228-103 of the French Code de commerce, the Note holders will be grouped together in a collective group with a legal personality to defend their common interests (the “**Masse**”).

The Note holders’ general meeting is competent to authorize amendments to the terms and conditions of the Notes and to vote on all decisions that require its approval under applicable law. The general meeting of Note holders also deliberates on merger or demerger proposals presented by the Issuer pursuant to the applicable provisions of Articles L. 228-65, I, 3°, L. 236-13, L. 236-18 and L. 228-73 of the French Code de commerce.

Under current law, each Note carries the right to one vote. The general meeting of Note holders may not validly deliberate unless the Note holders present or represented hold at least one-quarter of the Notes carrying voting rights at the first meeting convocation and at least one-fifth at the second meeting convocation. Decisions made by the general meeting of Note holders are only valid if approved by a majority of two-thirds of the votes of the Note holders present or represented.

In accordance with Articles L. 228-59 and R. 228-67 of the French Code de commerce, notice of date, hour, place and agenda of any general meeting of Note holders will be given by way of a notice published by the Issuer on its website ([www.noxxon.com](http://www.noxxon.com)) not less than 15 days prior to the date of such general meeting on first convocation, and five days on second convocation.

Each Note holder has the right to participate in a general meeting of the Note holders in person, by proxy, by correspondence and, in accordance with Article L. 228-61 of the French Code de commerce by videoconference or by any other means of telecommunication allowing the identification of participating Note holders, as provided mutatis mutandis by Article R. 223-20-1 of the French Code de commerce.

Decisions of general meetings of Note holders once approved will be published by way of a notice published by the Issuer on its website ([www.noxxon.com](http://www.noxxon.com)).

## 12 Appointed Representative of the Masse of Note holders

In accordance with Article L. 228-47 of the French Code de commerce, the designated appointed representative of the Masse of Note holders (hereinafter referred to as the “**Representative of the Masse**”) will be:

ÆTHER Financial Services S.à r.l

36 rue de Monceau

75008 Paris

France

Email: [agency@aetherfs.com](mailto:agency@aetherfs.com)

Represented by Edouard Narboux

The Representative of the Masse will have the power, subject to any contrary resolution of the general meeting of Note holders, to carry out, on behalf of the Masse all actions of an administrative nature that may be necessary to protect the common interests of the Note holders.

The Representative of the Masse will exercise its duty until its dissolution, resignation or termination of its duty by a general meeting of Note holders or until it becomes unable to act. Its appointment shall automatically cease on the Maturity Date of the Notes, or if no Notes remain outstanding prior to the Maturity Date of the Notes. Its appointment shall automatically cease on the date of total redemption of the Notes, whether at or prior to maturity. This term may be automatically extended, as the case may be, until the final resolution of any legal proceedings in which the Representative of the Masse is involved and the enforcement of any judgments rendered or settlements made pursuant thereto, if applicable.

### **13 General**

The Representative of the Masse will be entitled to a remuneration of € 700.00 (VAT excluded) per year, with the first payment at the Issue Date of the Notes and then on each anniversary date thereafter, provided that there are still Notes outstanding at such time.

The Issuer will bear the cost of compensation of the Representative of the Masse and the expenses of calling and holding general meetings of the Note holders, the costs related to publishing the decisions thereof, as well as any fees related to the appointment of the Representative of the Masse under Article L. 228-50 of the French Code de commerce, and, more generally, all duly incurred and justified administrative and operational expenses of the Masse.

General meetings of the Note holders will be held at the registered office of the Issuer or such other place as will be specified in the notice convening the meeting. Each Note holder will have the right, during the 15 calendar-day period preceding such meeting, to review or procure a written copy, whether on his own or by proxy, at the registered head office of the Issuer or any other location specified in the notice of the meeting, of the resolutions to be proposed and reports to be presented at such meeting.

In the event that future issuances of bonds give subscribers identical rights to those under the Notes and if the terms and conditions of such future Notes so permit, the holders of all such bonds shall be grouped together in a single masse.

### **14 Agent**

The Issuer reserves the right at any time to modify or terminate the appointment of the Agent and/or appoint a substitute Agent or Calculation Agent or approve any change in the office through which such agent acts, provided that, so long as any Note is outstanding, there will at all times be (i) an Agent and (ii) a Calculation Agent having a specified office in a European city.

Any termination or appointment of the Agent shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' notice thereof

shall have been given to the Note holders by the Issuer through a notice published on its website ([www.noxxon.com](http://www.noxxon.com)) and delivered by the Issuer to (as applicable) Euroclear France, Euroclear Bank S.A./N.V., Clearstream Banking, S.A. and/or any other clearing system through which the Notes are for the time being cleared for communication by such clearing systems to the Note holders.

Adjustments, calculations and determinations performed by the Calculation Agent shall be final and binding (in the absence of bad faith or manifest error) on the Issuer, the Note holders and the Agent. The Calculation Agent may consult with any legal or other professional adviser and it shall be able to rely upon and, to the extent permitted by law, it shall not, in its capacity as Calculation Agent, be liable and shall incur no liability against the Note holders and the Agent in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.

The Calculation Agent in its capacity as Calculation Agent shall not have any relationship of agency or trust with, and, to the extent permitted by law, shall incur no liability as against, the Note holders and the Agent.

## **15 Hardship (Imprévision)**

In relation to these terms and conditions, the Issuer, the Representative of the Masse and each Note holder waive any right under Article 1195 of the French Code Civil.