NOXXON SECURES EXPANDED CAPACITY AND IMPROVED CONVERSION CONDITIONS FOR CONVERTIBLE BONDS FROM ATLAS

Berlin, Germany, October 14, 2020, 07.00 p.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 the amendment of its flexible convertible bond agreement with Atlas Special Opportunities, LLC (ASO), which was disclosed on April 23, 2020, in order to expand its capacity and improve the conversion conditions.

Ten additional tranches of € 475,000 nominal value each have been added to the convertible bond facility which brings the total nominal capacity to € 18.95 million, of which € 16.23 million remain unissued by NOXXON. The conversion price for conversion of outstanding convertible bonds to shares shall now be the 5-day volume weighted average price ("VWAP") of the company's shares directly preceding the date of conversion. The issuance of the convertible bonds remains at NOXXON's entire discretion.

"*These changes provide additional capacity for financing on an as-needed basis and improve the conditions of conversion. We are pleased to have such support and commitment from Atlas as this vehicle continues to provide a significant level of financial security for NOXXON's business plans into 2022,*" said Aram Mangasarian, CEO of NOXXON. *"We have been working with external experts on development plans for our ongoing clinical trials in both pancreatic and brain cancer and look forward to communicating them to our shareholders."*

NOXXON will draw-down two additional € 475,000 tranches of convertible bonds following the closure of the amended agreement.

The amended characteristics, terms, conditions and dilutive potential of the financing may be found in the **Annex** to this press release. Further information on the transaction may be found in the April 23, 2020 press release announcing the agreement.

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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 as amended

Terms and conditions of the transaction

The agreement between the company and ASO procures financing for the company of up to € 18,950,000 (less an issuance discount of 7%) by way of the issuance to ASO of Convertible Bonds ("**CB**s") each with a nominal value of € 1,000. This financing instrument allows the company over the 24 months from April 22, 2020 to draw down up to 35 tranches, thereof a first tranche in an amount of € 1,300,000 (the "**First Tranche**"), followed by 30 middle tranches for a total amount of € 14,250,000 (the "**Middle Tranches**") and 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 18,950 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 (the "**Conversion Price**") shall be the volume weighted average price ("**VWAP**") of the company's share over the period of five consecutive trading days immediately prior to the receipt of the conversion notice ("**Pricing Period**") during which the holder of the CBs may not sell more than 10% of daily trading volume on each day of the Pricing Period.

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 October 13, 2020 5-day volume weighted average price € 0.509)

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	€ 0.509	1,300	2,554,027	€ 1,300,000	5.88%	0.94%
Each Middle Tranche (not cumulative with First Tranche for this calculation, there are 30 subsequent Middle Tranches)	€ 0.509	475	933,202	€ 475,000	2.23%	0.98%
All Drug Manufacturing Tranches	€ 0.509	3,400	6,679,764	€ 3,400,000	14.04%	0.86%
Full Vehicle	€ 0.509	18,950	37,229,862	€ 18,950,000	47.65%	0.52%

*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.