



22 June 2020

Sydney, Australia

Noxopharm Chair's Letter to Shareholders

Following Noxopharm's recent Non-Renounceable Rights Issue, the CEO and Executive Chairman, Dr Graham Kelly is pleased to provide to shareholders with a letter of thanks.

About Noxopharm

Noxopharm is a clinical-stage Australian 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 U.S. biotechnology 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.



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My Fellow Shareholders

I am writing to thank shareholders, old and new, for their support in the now-closed Entitlement Offer. An almost 70% acceptance rate from shareholders is a pleasing vote of confidence in the Company, matched by the strong demand for underwriting received by Canaccord.

It is also significant that the majority of Noxopharm directors participated in the Offer, including Milligene Pty Ltd (The GE and PR Kelly Family Trust), which increased its shareholding by 5,461,538 shares.

The A\$7.33M net proceeds of the Offer puts the Company on a solid footing as it enters a period of substantial clinical activity.

I will keep this short and focused on three points:

1. An introduction to the Company for new shareholders
2. The proposed use of funds
3. The post-raise capital structure.

1. New shareholder introduction

We have a drug candidate, Veyonda[®] (or NOX66), with a unique drug action. It's an action that we believe opens the door to an entirely new approach to the treatment of a range of human degenerative diseases. I won't overload you with the scientific details other than to say that it involves actions that are hot targets in the pharma industry. What marks Veyonda as unique and leads us to believe we have an outstanding drug candidate is that it only has these actions in cells behaving badly, not in cells behaving well. That is a very valuable point of distinction compared to where the rest of the industry is up to at the moment.

The two obvious uses of this action are in cancer and septic shock.

In the cancer field, our aim is to see Veyonda come to market as an important new anti-cancer therapy across a range of cancers, starting with prostate cancer. We have a high degree of confidence in this aim, given the anti-cancer responses seen in patients to date.

The septic shock field is a new venture and we have yet to test this, but the scientific justification is enough to give us the confidence to try. If we succeed, then we have the chance



to make our mark in an enormous field, with septic shock believed responsible for some 10 million deaths globally each year.

2. Proposed 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 virally-induced 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 Entitlement 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 LuPIN Phase 2 trial, currently in its final stages, and
- initiation of a Phase 1 study testing the ability of Veyonda® to block the development of septic shock syndrome in patients with COVID-19.

3. Post-raise capital structure

	Listed		Unlisted		
	Shares	Options	Options	Options	C Notes
Securities on Issue prior to Rights Issue	152,286,146	-	20,243,216	10,571,401	4
Allotment from Rights Issue *	60,914,434	20,304,792			
	213,200,580	20,304,792	20,243,216	10,571,401	4
			Note 1	Note 2	

* excludes options to be issued to underwriter and sub-underwriter, subject to shareholder approval at EGM

Note 1: Options issued on IPO in 2016

Note 2: All other options including ESOP and convertible note options

Finally, I would like to encourage our shareholders to ensure their future communications preferences with the share registry are set to electronic rather than mailed post. Please contact the share registry, Automic Group, via its website www.automicgroup.com.au or hello@automicgroup.com.au or 1300 288 664 to make these changes.



Yours sincerely,

A handwritten signature in black ink, appearing to read "G. Kelly".

Dr Graham Kelly, CEO and Executive Chairman