June 2021 Quarterly Activities Report and Appendix 4C

Highlights

- **DARRT-2.** Progress in logistics brings trial to expected opening in Q3 2021. Study focusing on Veyonda® + radiotherapy combination in triggering the rare abscopal responses in late-stage prostate, breast and lung cancers
- **IONIC**. Delayed start due to study amendment to allow broader patient base plus admission of new sites seeking to join study. Purpose of changes was to ensure faster patient recruitment and earlier completion of study. Trial now expected to open Q3 2021
- **CEP-2.** Progress in U.S. site selection for sarcoma trial points to commencement Q4 2021 following ethics approvals
- **NOXCOVID**. Last patient treated; data collation and analysis starts. Eminent persons advisory panel being constituted to advise on data and future trial strategy
- **Oncology Pipeline.** New family of anti-cancer drugs designed with important implications for brain and pancreatic cancer
- **Pharmorage.** Important progress in design of new drugs for autoimmune diseases and septic shock
- **Financials.** Strong cash position (A$26.8m); expenditures within budget.

Sydney 27 July 2021: Australian clinical-stage drug development company Noxopharm Limited (ASX:NOX) provides this Quarterly Activities Report and Appendix 4C for the period ending 30 June 2021.

Business Report

The Company operates four drug development programs.

Veyonda Clinical - Cancer

(i) DARRT Program

The objective of the DARRT-2 phase 2 trial is to test the ability of Veyonda® and its unique combination of actions including immuno-stimulation and autophagy inhibition to promote the incidence of abscopal responses to radiotherapy in patients with late-stage prostate, breast and lung cancer.

This quarter:

- IND approved by the U.S. FDA, clearing the way for the trial to be conducted in the U.S.
- International trial sites confirmed
- Start-up activities ongoing
- Regulatory dossiers finalised for Australia, USA and Europe
- Ethics submissions made recently in Australia and USA with reviews ongoing.

Refinement of the clinical protocol undertaken this quarter based on investigator feed-back designed to streamline the study and expedite patient recruitment.

(ii) IONIC Program

This study underwent two major modifications in this quarter: (i) expansion of recruitment base to include patients whose cancers have progressed on several different immune checkpoint inhibitors, not just nivolumab, and (ii) application by a number of additional Australian sites, including major teaching hospitals, to join the study. While these changes have resulted in a 4-month delay to the start of the study, the Company is of the view that more sites and a broader patient pool based on prior treatment should ensure considerably faster patient recruitment than originally expected.

A support laboratory also was established at the Ingham Institute of Applied Medical Research in Sydney. This laboratory will conduct a wide range of assays intended to provide insights into how Veyonda is expected to overcome resistance to nivolumab (Opdivo®; Bristol Myers Squibb).

(iii) CEP Program

The CEP-2 clinical trial combining Veyonda with doxorubicin as first-line therapy in soft tissue sarcoma is an important study as treatment prospects for sarcoma patients remain very limited. This quarter focused on the selection of U.S. sites, along with finalisation of the clinical protocol.

Contractual and ethical review formalities are ongoing and expected to be completed in the September quarter, with patient recruitment planned to commence before the end of 2021.

(iv) LuPIN Program

With the LuPIN phase 2 trial completed, the Company is satisfied that the median Overall Survival outcome of 19.7 months with the Veyonda/Lu-PSMA-617 combination flags a meaningful anti-cancer response in such late-stage cancers over that reported with Lu-PSMA-617 therapy on its own.

The field of radioligand therapy has exploded in recent years to include a wide variety of solid and non-solid cancers. A common factor across almost all of these applications is that the effectiveness of radioligand therapy is limited by the degree of radioactivity able to reach the cancer cell. Noxopharm sees a general role for Veyonda in radioligand therapy by enhancing the effectiveness of what limited amount of radiation is present.

Noxopharm was approached by a number of radioligand companies in the quarter and is in the process of reviewing the opportunities.

(v) Cancer Pre-Clinical Programs: Veyonda

Noxopharm continued to strengthen its understanding of the mechanisms conferring Veyonda its oncotoxic and immunomodulatory properties via collaborations with university researchers in Germany, Hong Kong and Australia. The aim is an extensive preclinical package supporting the capacity of idronoxil to lower tumour resistance to immune cell infiltration, to act as a direct cell death agent in cancer cells, and to block autophagy, a cellular process believed to play a role in increasing the likelihood of abscopal responses upon radiation of primary tumours.

Veyonda Clinical – Septic Shock

(vi) NOXCOVID Trial

The last patient in the NOXCOVID trial was treated this quarter, all blood samples were received for analysis, and the process of data check and quality procedures commenced. With 53 blood biomarkers and multiple clinical end-points, the data base is substantial. The data currently is undergoing statistical analysis and then will be reviewed by an independent panel of eminent scientists and physicians before being released in the coming weeks.

(vii) Septic Shock Pre-Clinical Programs

During the last quarter, a program of integrated studies was conducted in collaboration with the Hudson Institute of Medical Research, Monash Health, the Australian National University, and the Centenary UTS Centre for Inflammation. Those studies looked at the ability of idronoxil to:

- Block expression of STING induced inflammation genes
- Block cytokine release syndrome triggered by influenza virus in mice
- Decrease influenza viral loads in lungs of infected mice
- Decrease SARS-Co-V2 infection in a strain of mouse genetically modified to mimic human COVID-19 disease.

The results of those studies, along with the *in vitro* studies demonstrating the exact STING signaling blockade mechanism, are intended to provide the scientific rationale for further testing of Veyonda in the treatment of COVID-19 disease and sepsis.

Oncology Research and Development

(viii) 'Helper' Growth Signal Program

The Company made a series of major advances in the quarter in its development of a drug pipeline designed to complement Veyonda and to increase the Company's profile as a drug discovery company.

The pipeline is focusing on drugs designed to block growth signals from neighboring healthy support cells as well as killing cancer cells directly. These signals, known as 'helper' growth signals, are now seen as major contributors to cancer growth, particularly in highly aggressive cancers such as brain and pancreatic cancers.

The Company has identified a novel family of molecules from the same proprietary technology platform that produced idronoxil that block these so-called 'helper' growth signals and is working with a number of Australian universities to help identify lead candidate compounds.

Pharmorage

(ix) Pre-Clinical Studies

In conjunction with collaborators at Hudson Institute and ANU, Noxopharm has identified the molecular targets through which idronoxil blocks the STING signalling pathway, providing a rationale for the beneficial pre-clinical and clinical effects seen in relation to COVID-19 disease and septic shock.

However, with STING signalling now identified as a legitimate drug target for the treatment of a wide range of chronic inflammatory diseases and autoimmune diseases, the identification of those molecular targets has created what the Company believes is highly valuable intellectual property and a very large opportunity to enter into this new and exciting area of drug development with a starting strong proprietary and highly competitive position.

The first two molecular targets have been identified. Pharmorage currently is screening molecules designed in-house to selectively interact with these targets and is planning to file its first provisional patents on these compounds in the September quarter.

Pharmorage is confident that it has established a key proprietary position in this new area of drug development and proposes to focus on particular autoimmune disease indications along with septic shock.

Financial

The Company remains in a strong financial position, with expenditure in line with forecasts. In light of a rapidly expanding clinical program, the Company remains confident of meeting anticipated business expenses over the 2021-22 FY.

- As at 30 June 2021, Noxopharm held A$26.8m in cash
- Net cash used for operating activities during the quarter amounted to (A$4.4m), compared to A$1.3m in the quarter to March 2021. The company incurred Research and Development expenditure of A$2.9m during the quarter, compared to A$2.0m in the March 2021 quarter, mainly due to upfront clinical trial payments
- The short-term loan convertible note was settled through the issue of shares on 31 May 2021

** In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C includes Director fees and salary (including superannuation) for executive directors and related parties.

Projected developments in the September Quarter

These are the key anticipated developments during the next quarter:

1. Release of NOXCOVID data and a decision on the next stage of clinical development
2. IONIC and DARRT-2 studies commence patient treatment
3. Details of progress in the Oncology Research and Development programs
4. Report on drug discovery progress in the Pharmorage program
5. Progress in obtaining patent grant for current lodgments, plus a series of new lodgments from the Oncology Research and Development Program and Pharmorage programs.

Graham Kelly, CEO and Managing Director of Noxopharm, has approved the release of this document to the market on behalf of the Board of Directors.

About Noxopharm

Noxopharm Limited (ASX:NOX) is an Australian clinical-stage drug development company focused on the treatment of cancer and cytokine release syndrome (septic shock).

Veyonda® is the Company's first pipe-line drug candidate currently in Phase 2 clinical trialling. Veyonda® has two main drug actions – a moderating effect on the ceramide/sphingosine-1-phosphate balance and inhibition of STING signalling. Activity against the former target contributes to its dual-acting oncotoxic and immunomodulatory functions designed to enhance the effectiveness and safety of standard oncology treatments, i.e., chemotherapies, radiation therapies and immune checkpoint inhibitors. Activity against the latter target provides an anti-inflammatory effect, as well as contributing to an anti-cancer action, but also potentially blocking septic shock.

Noxopharm is running comprehensive drug discovery programs in both oncology and inflammation, and is the major shareholder of US biotechnology company, Nyrada Inc (ASX:NYR), active in the areas of drug development for cardiovascular and neurological diseases.

To learn more, please visit: noxopharm.com

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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 (including but not limited to the COVID-19 pandemic) that could cause the actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statement.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

NOXOPHARM LIMITED

ABN	**Quarter ended ("current quarter")**
50 608 966 123	30 June 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	8	13
1.2	Payments for		
	(a) research and development	(2,904)	(7,886)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(50)	(149)
	(d) leased assets	-	-
	(e) staff costs	(854)	(3,238)
	(f) administration and corporate costs	(594)	(2,385)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	(4)	(12)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	4,642
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(4,393)**	**(9,010)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

+ See chapter 19 of the ASX Listing Rules for defined terms.

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	342
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**342**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	23,116
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	30	6,968
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,681)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**30**	**28,402**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	31,158	7,094
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,393)	(9,010)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	342

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	30	28,402
4.5	Effect of movement in exchange rates on cash held	1	(32)
4.6	**Cash and cash equivalents at end of period**	**26,796**	**26,796**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	7,753	6,110
5.2	Call deposits	19,000	25,000
5.3	Bank overdrafts	-	-
5.4	Other (business debit cards)	43	48
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**26,796**	**31,158**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	159
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,393)
8.2	Cash and cash equivalents at quarter end (item 4.6)	26,796
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	26,796
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	6.1

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.