# September 2024 Quarterly Activities Report and Appendix 4C

- **New Material Transfer Agreement with overseas company**
- **First Sofra™ clinical trial announced**
- **New funding from sophisticated investors**

**Sydney, 29 October 2024:** Australian drug development company **Noxopharm Limited (ASX:NOX)** provides its Quarterly Activities Report and Appendix 4C for the period ending 30 September 2024.

## Corporate activities – External interest continues

During the quarter, Noxopharm signed another Material Transfer Agreement (MTA) with an overseas company, demonstrating ongoing interest in its Sofra™ technology platform.

An MTA is a contract governing the transfer of materials between two parties. It defines the terms of the arrangements, including what exactly is being shared and what the transferred assets will be used for. Importantly, the value of an MTA lies in the fact that it represents an essential step along the path to potential commercialisation.

The new MTA will involve the overseas company investing its own time and resources to assess the potential of a proprietary asset from the Sofra platform, and follows the previous signing of several MTAs with a range of mid-size to multibillion-dollar companies during the June 2024 quarter.

In other news, Noxopharm CEO Dr Gisela Mautner has been appointed to AusBiotech's First 100 Days Policy Taskforce, which is playing a leading role in shaping key policy positions ahead of the 2025 Federal Election. AusBiotech is looking to bring clarity to the challenges and opportunities ahead for industry, and the role industry sees government playing as the Federal Government moves to fulfil its current signature policies and reviews.

On a related note, the Noxopharm team has continued to be heavily involved in a new APAC Committee recently established by the global Alliance for mRNA Medicines, which the company joined earlier this year. These activities include sharing knowledge across industry, liaising with external stakeholders, and supporting the streamlining of mRNA-related activities across the APAC region.

During the quarter, Noxopharm issued A$2.1 million of convertible notes to sophisticated investors, providing ongoing funding for the company and allowing it to fully explore all capital management and other potential opportunities without time pressures.

Reflecting on the quarter, Dr Mautner said: "The signing of another MTA shows that companies continue to be interested in our technology, and their willingness to spend their own resources to evaluate our proprietary assets is a positive sign reflecting the momentum we have built over recent months. We will continue to pursue further MTAs alongside our ongoing marketing of the Sofra platform to the global industry. We are also pleased with the rapid progress we have made on our SOF-SKN™ lupus medication and plans for a clinical trial, which is just the first step in developing the platform across the wider world of autoimmune diseases."

## Sofra™ – Driving future growth

During the quarter, Noxopharm announced its first-in-human trial for SOF-SKN™, a novel drug candidate for autoimmune diseases. The trial is planned to start in early calendar year 2025 and provide proof of concept for the skin disease that is caused by cutaneous lupus erythematosus (CLE).

The first-in-human trial will be known as HERACLES (for '**H**arnessing **E**ndogenous **R**egulators **A**gainst **CLE S**tudy') and will take place in Australia to capitalise on Australian expertise in lupus research and early phase clinical trials. Holding the trial in Australia will also help the company maximise rebates from the Australian Government's R&D Tax Incentive scheme.

Noxopharm sees the development of SOF-SKN as just the first step in leveraging the enormous breadth of the Sofra platform to tackle the much larger autoimmune disease market in areas such as rheumatoid arthritis, for example.

The company also completed formulation development for SOF-SKN in advance of the upcoming trial. Formulation is a critical step in the drug development process as it represents how SOF-SKN will be administered to participants in the trial, and also supports the efficacy of the drug itself.

The formulation has several beneficial characteristics, including enabling an even release and delivery of the active drug ingredient into the skin in a consistent manner. It was found to be superior to a number of other formulations that were tested in delivering sustained concentrations over a 48 hour period.

In preparation for the trial, various technical tests are currently being undertaken to build the requisite safety data package of the drug for regulatory purposes.

Business development and marketing activities also continued for the platform with Sofra being presented to industry stakeholders, in particular in one-on-one meetings and at a specialist conference just after the quarter ended. Noxopharm believes the Sofra platform will attract heightened attention as the global RNA market for vaccines and therapeutics continues to grow and take shape.

## Chroma™ – Expanding oncology pipeline

Noxopharm announced two sets of data over the quarter relating to its pancreatic cancer and glioblastoma research programs.

For pancreatic cancer, a highly sophisticated study saw the company's CRO-67 drug candidate tested in a complex model, in which human pancreatic cancer cells as well as barrier cells were transplanted into the pancreas of mice.

This is a far more stringent approach than most pancreatic cancer studies because it involves replicating human pancreatic cancer much more closely by not only growing a human pancreatic tumour, but also growing the barrier cells around the site of the tumour. It therefore mimics the intricate tumour microenvironment in humans and the challenge that treating patients presents.

The three major results of the study were: a significant decrease in tumour volume growth rate; a significant decrease in barrier cells; and a significant reduction in cancer spread.

In glioblastoma, the most frequent and lethal type of brain cancer, two novel drugs developed from the Chroma platform known as CRO-70 and CRO-71 significantly reduced the growth of glioblastoma explants by an average of 75.94% and 75.87% respectively versus untreated controls.

Preliminary analysis also demonstrated that these drugs could cross the blood-brain barrier, which is an important protective filter for the brain that most drugs do not manage to cross

## Veyonda® clinical program

Regarding the investigator-initiated IONIC Phase 1 proof-of-concept trial led and sponsored by Professor Paul de Souza, combining Veyonda with Bristol Myers Squibb's checkpoint inhibitor Opdivo® (nivolumab), the patient treatment phase of the trial has now concluded. No further costs for the trial have been incurred by Noxopharm since January 2024.

In order to align the patent strategy to the value of the growing Chroma and Sofra portfolio, IP-related resources continue to be redirected accordingly. As a result, the European ODD for Veyonda is no longer being pursued.

## Financial update

- As of 30 September 2024, Noxopharm had A$2.2m in cash.
- Net cash outflows from operating activities during the quarter amounted to A$1.9m, compared to A$1.5m in the quarter to 30 June. The company made payments for research and development of A$830k during the quarter, compared to A$495k in the June 2024 quarter.
- Operationally, Noxopharm has approximately three quarters of operating cash flows remaining, based on current cash holdings, the ATO research and development rebate for 2023/2024 (after the repayment of the Endpoints Capital financing facility), convertible notes issued during the quarter, and a forecast operating cash outflow of circa $1.7m per quarter moving forward.
- During the quarter, Noxopharm issued A$2.1 million of convertible notes to sophisticated investors, providing ongoing funding for the company and allowing it to fully explore all capital management and other potential opportunities.
- The notes will be funded in January 2025 and are secured over the 2024/25 Australian Tax Office R&D tax rebate. They attract an interest rate of 12% capitalised until the date the notes are fully repaid or converted into shares.
- Earlier in the quarter, the company also received $1.8 million in advanced funding against its Australian Government R&D Tax Incentive scheme rebate for the 2023-24 financial year. The funding was provided by Endpoints Capital Pty Ltd, a specialist in R&D finance to the life sciences industry, via a secured loan agreement over the rebate at an annual interest rate of 15.80%. The loan is repayable from the proceeds of the R&D rebate, which are expected to be in the region of $2.3 million for the period ended 30 June 2024.

- The company continues to be vigilant with its cash resources and is exploring a range of options in relation to securing additional capital. It is looking at its strategic plan and exploring the likelihood of short-term catalysts which may impact the timing and range of options to secure follow-on funding.
- In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C relate to director fees (including superannuation) for non-executive directors.

**-ENDS-**

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**About Noxopharm**

Noxopharm Limited (ASX:NOX) is an innovative Australian biotech company discovering and developing novel treatments for cancer and inflammation, including a pioneering technology to enhance mRNA vaccines.

The company utilises specialist in-house capabilities and strategic partnerships with leading researchers to build a growing pipeline of new proprietary drugs based on two technology platforms – Chroma™ (oncology) and Sofra™ (inflammation, autoimmunity, and mRNA vaccine enhancement).

Noxopharm also has a major shareholding in US registered, Australia based Nyrada Inc (ASX:NYR), a drug discovery and development company specialising in novel small molecule therapies.

To learn more, please visit: noxopharm.com


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*Dr Gisela Mautner, CEO and Managing Director of Noxopharm, has approved the release of this document to the market on behalf of the Board of Directors.*

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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 September 2024 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) research and development | (830) | (830) |
| | (b) product manufacturing and operating costs | - | - |
| | (c) advertising and marketing | (6) | (63) |
| | (d) leased assets | - | - |
| | (e) staff costs | (773) | (773) |
| | (f) administration and corporate costs | (300) | (300) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (1) | (1) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | | |
| **1.9** | **Net cash from / (used in) operating activities** | **(1,910)** | **(1,910)** |

| **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 | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 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 | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **-** | **-** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 1,800 | 1,800 |
| 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** | **1,800** | **1,800** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 2,311 | 2,311 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,910) | (1,910) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,800 | 1,800 |
| 4.5 | Effect of movement in exchange rates on cash held | (7) | (7) |
| **4.6** | **Cash and cash equivalents at end of period** | **2,194** | **2,194** |

| 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 | 2,194 | 2,310 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (business debit cards) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **2,194** | **2,310** |

| 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 | 38 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: Payments in 6.1 include payments of $38k to Directors for non-executive directors fees.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*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 | 2,600 | 2,600 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | 2,600 | 2,600 |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | 2,600 |

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.

$2.1 million through secured convertible notes issued to sophisticated investors to be funded January 2025, interest rate 12% p.a. capitalised until expiry of the facility or on conversion of the Notes into shares. The Notes expire on 2 January 2026, and are secured over the 2024/25 ATO research and development rebate. An additional $500K has been committed through an unsecured Convertible Note by 4F Investments Pty Limited, a company controlled by the chairman Fred Bart. This Note is to be funded in January 2025, interest rate 12% p.a. capitalised until expiry of the facility or on conversion of the Notes into shares. This Note matures on 2 January 2026.

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,910) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 2,194 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 2,600 |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 4,794 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | 2.51 |

*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:. No – the forecast average net operating cash outflows are budgeted to be lower over the next twelve months, in the region of $1.7m per quarter.

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: In order to sustain the anticipated level of R&D activities, additional funding will be required within the next 12 months. The precise timing, method and quantum of the additional funding to be secured remains subject to ongoing review and discussions between the Board as well as its advisers and potential funders. The timing of securing additional funds will also be subject to market conditions prevailing at the time. In addition, the Company continues to look for opportunities to apply for non-dilutive funding through government and other grants programs.

| | |
|---|---|
| 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: The Company believes it has sufficient working capital to meet its obligations and continue with the implementation of its revised business plans for the foreseeable future. Moreover, the Company is highly diligent in managing its ongoing cash reserves and will take the necessary steps to ensure that it remains a viable business. | |

*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: 29 October 2024

Authorised by: ...By order of 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.