



September 9, 2020

Dear Fellow Shareholders:

I am writing to inform you of several actions which I believe are important steps in the development of our company. First, since we became a publicly traded company in 1995, our shares of common stock have traded “over-the-counter” (OTC), now on the OTC Markets Group, Inc. (OTCQB) stock trading system. Our Board of Directors has determined that at this stage of our company’s development, our common stock should trade on a national securities exchange. There are several advantages to having our stock listed on a national exchange. Companies whose shares trade on a national exchange are often seen as meeting a higher standard. Many brokerage firms are not accepting OTC stocks for deposit and certain investment entities are precluded from investing in OTC stocks. Consequently, we are in the process of applying to have our stock listed on Nasdaq Capital Market. This move from the OTC to a national exchange is sometimes referred to as an “uplisting.”

In conjunction with the uplisting process, we have filed a registration statement on Form S-1 with the Securities and Exchange Commission (SEC) for a follow-on public offering of our common stock. We believe it to be advantageous to conduct a public offering in connection with the uplisting. In the past, the Company has raised capital through a series of modest private placements, which have resulted in minimal working capital. Our Board has determined that raising at least 24 months of capital will make it easier for us to demonstrate our ability to fund new clinical trials and potentially obtain better terms, though of course this remains to be seen.

To be approved to list our common stock on the Nasdaq Capital Market, our stock price must exceed \$4.00 per share. As of the date hereof, our common stock is currently quoted at \$1.18 per share. The most effective way to satisfy the Nasdaq stock price requirement is to effectuate a reverse stock split. The Board has recommended a one-for-six reverse split, which would raise our stock price well above the Nasdaq Capital Market minimum.

As always, thank you for your support. Please stay safe and healthy.

Sincerely,

A handwritten signature in black ink, appearing to read "John Kovach", is written over a large, stylized checkmark.

John Kovach  
CEO, Lixte Biotechnology Holdings, Inc.