



NOXXON PHARMA N.V. REPORTS 2016 FINANCIAL RESULTS & ANNOUNCES ADVANCED DISCUSSIONS REGARDING A CONVERTIBLE BOND FINANCING

Year marked by successful transition to clinical-stage, cancer focused publicly listed company

Berlin, Germany, April 30, 2017 – NOXXON Pharma N.V. (Alternext Paris: ALNOX), a biotechnology company focused on improving cancer treatment by targeting the tumor microenvironment, today announced its financial results for the fiscal year ending December 31, 2016. The consolidated financial statements of NOXXON Pharma N.V. and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Aram Mangasarian, PhD, Chief Executive Officer of NOXXON commented: “The year 2016 was an important time for NOXXON as we completed our transition to a clinical-stage, cancer-focused company. By narrowing our focus to our lead clinical program, NOX-A12, we were able to take major steps towards securing a stronger financial future: We significantly decreased costs, completed a public listing and converted the majority of outstanding debt to equity.”

He continued: “Already by the end of 2016 we saw our new strategy bear fruit: We entered a collaboration with Merck to evaluate NOX-A12 with Keytruda® in tumor types that traditionally have not responded to treatment with an immune checkpoint inhibitor alone. We also non-exclusively licensed our Spiegelmer® technology and assigned our preclinical Spiegelmer® programs in a deal that provides NOXXON with potential upside as these programs advance and without our incurring additional costs.”

Recent Business Highlights

- September 2016: Private placement executed consisting of equity contributions, a debt-to-equity conversion and further contributions. Under a new agreement, €7.0 million of €9.6 million debt converted to equity.
- September 2016: NOXXON becomes public company, lists on Alternext Paris.
- Fall 2016: Preclinical data presented at major medical conferences. Synergy demonstrated between NOX-A12 and therapies working through T cells, such as checkpoint inhibitors, or through NK cell-mediated antibody-dependent cellular cytotoxicity (ADCC).
- December 2016: Clinical trial collaboration with Merck & Co./MSD consummated to evaluate NOX-A12 and anti-PD-1 inhibitor, Keytruda® (pembrolizumab), in patients with metastatic solid tumors that do not usually respond to checkpoint inhibitor monotherapy.
- January 2017: NOXXON announces that it licensed preclinical Spiegelmer® program to Aptarion in exchange for cash, royalties and equity stake in Aptarion.

- February 2017: Experienced industry cancer clinician Dr. Jarl Ulf Jungnelius increases his involvement with NOXXON to serve as Chief Medical Officer. Of relevance to NOXXON is his prior experience in immune-oncology and his involvement with two therapeutics that have been approved for pancreatic cancer, one of the indications pursued in the upcoming clinical trial of NOX-A12.

2016 Financial Summary

Revenue was €83 thousand for 2016 compared to €43 thousand for 2015. Research and development expenses decreased by 30% to €5.3 million (2015: €7.6 million). In third quarter of 2016, NOXXON decided to focus all of its business activities on the NOX-A12 clinical program. This strategic change in focus and the related headcount reduction, decreased personnel expenses by €1.0 million in 2016.

Other operating income increased from €74 thousand to €437 thousand in 2016, mainly due to income from government grants related to research and development projects of €385 thousand compared to nil in 2015 and income from the sale of financial assets and property, plant and equipment of €20 thousand compared to nil in 2015.

General and administrative expenses decreased by 48% to €3.8 million (2015: €7.3 million). This decrease was mainly due to lower legal and consulting expenses related to financing transactions. Additionally, restructuring costs and settlement benefits, which were mainly related to the restructuring initiated in July 2015, decreased in 2016 compared to 2015. Restructuring expenses were €22 thousand for 2016 compared to €510 thousand in 2015; settlement benefits were €33 thousand in 2016 compared to €521 thousand in 2015.

Finance income was €1 thousand for 2016 (2015: € 0), and finance cost was €2.1 million (2015: €1.3 million), mainly related to the interest incurred on financial liabilities, applying the effective interest rate method, the modifications of and the debt-for-equity conversion on two venture loans.

Net loss for the full year 2016 was €10.8 million, compared to €16.1 million in 2015, a reduction of 33%. The decrease was primarily due to the €6.2 million decreased operating loss (2016: €8.6 million; 2015: €14.8 million).

As of December 31, 2016, cash and cash equivalents amounted to €2.2 million, compared to €4.1 million at December 31, 2015.

The consolidated financial statements for 2016, approved by the board of directors on April 28, 2017, are available on NOXXON's website (www.noxxon.com).

2016 Financial Results

NOXXON's key financial figures for fiscal year 2016 compared to the same period in 2015 are summarized below:

[in € thousands]	2016	2015
Revenues	83	43
Other operating income	437	74
Research and development expenses	(5,327)	(7,587)
General and administrative expenses	(3,780)	(7,319)
Foreign exchange losses	(12)	(41)
Loss from operations	(8,599)	(14,830)
Finance income	1	0
Finance cost	(2,127)	(1,294)
Loss before income tax	(10,725)	(16,124)
Income tax	(27)	22
Net loss	(10,752)	(16,102)

Outlook 2017

As disclosed in the financials and the annual report available on NOXXON's website (www.noxxon.com), NOXXON expects to sign shortly a financing agreement composed of 1) a private placement for an amount of €1.0 million financed by existing investors and a new investor and 2) a convertible bond vehicle financed by a new investor for up to €10.0 million, of which €3.5m may be received at the discretion of NOXXON over the 12 months following the transfer of the NOXXON shares from the "private placement" compartment to the "public offering" compartment of Alternext Paris, provided that certain conditions are met, principally the approval of a prospectus relating to such transfer by the Dutch regulator, the AFM, which will then be passported to France and approved by the French regulator the AMF.

NOXXON expects to see rapid and significant progress in the achievement of clinical data points. Based on these findings, NOXXON expects a sufficient data base to enable a Go/No-Go for pivotal studies with NOX-A12 as a combination therapy with Keytruda® in microsatellite stable (MSS) metastatic colorectal cancer (mCRC) and/or pancreatic cancer. NOXXON also plans to initiate clinical combination trials of NOX-A12 and radiotherapy for the therapy of glioblastoma. Additional financing is needed to secure the execution of the planned clinical trials, including the collaborative trial evaluating the combination of NOX-A12/Keytruda®.

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About NOXXON

NOXXON Pharma N.V. is a clinical-stage biopharmaceutical company focused on improving cancer treatment by targeting the tumor microenvironment. NOXXON's goal is to significantly enhance the effectiveness of cancer treatments including immuno-oncology approaches (such as immune checkpoint inhibitors) and current standards of care (such as chemotherapy and radiotherapy). NOXXON's Spiegelmer® platform has generated a proprietary pipeline of clinical-stage product candidates including its lead cancer drug candidate NOX-A12, which is the subject of a clinical immuno-oncology collaboration agreement with Merck & Co. / MSD (NYSE: MRK) to study NOX-A12 combined with Keytruda® (pembrolizumab) in pancreatic and colorectal cancer. NOXXON is supported by a strong group of leading international investors, including TVM Capital, Sofinnova Partners, Edmond de Rothschild Investment Partners, DEWB, NGN and Seventure. NOXXON has its statutory seat in Amsterdam, The Netherlands and its office in Berlin, Germany. Further information can be found at: www.noxxon.com

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