NOXXON PUBLISHES INTERIM 2018 RESULTS

Early data from ongoing Phase 1/2 clinical trial with NOX-A12 shows promising immune responses in patients

Berlin, Germany, October 11, 2018, 8.00 a.m. CEST - NOXXON Pharma N.V. (Euronext Growth Paris: ALNOX), a biotechnology company focused on improving cancer treatments by targeting the tumor microenvironment (TME), today released its interim 2018 results for the six months ended June 30, 2018.

Aram Mangasarian, Chief Executive Officer of NOXXON Pharma, commented: "During the first half of 2018, in line with our strategy, we focused on advancing the Phase 1/2 clinical trial to test our lead compound NOX-A12 in combination with Merck & Co./MSD's Keytruda®, in metastatic microsatellite-stable colorectal and pancreatic cancer patients. Available data from the trial suggest that NOX-A12 penetrates both tumor types and triggers an immune-stimulatory Th1 type immune response. The ability of NOX-A12 monotherapy to trigger an immune response in end-stage patients with extremely difficult-to-treat tumors is a real achievement."

He continued: "As planned, we have raised additional funds and diversified our financing sources by adding new European institutional investors to the existing funding vehicle which is financing the Phase1/2 clinical trial. Once patient responses to NOX-A12 in combination with Keytruda® are known, we will be able to announce the next development steps for NOX-A12 in colorectal and pancreatic cancers."

Clinical Highlights Year to Date

- May 2018: NOXXON announced interim data from part 1 of the NOX-A12 trial comparing baseline tumor biopsies to those taken after two weeks of NOX-A12 monotherapy which showed that NOX-A12 monotherapy could trigger signatures consistent with an immune-stimulatory cytotoxic/Th1 type response.

- September 2018: NOXXON announced the completion of patient recruitment in the ongoing NOX-A12 clinical trial in metastatic microsatellite stable pancreatic and colorectal cancer patients.

- September 2018: NOXXON hosted event entitled, "Novel concepts to tackle the most aggressive form of brain cancer," focused on standard of care and also novel treatment approaches for glioblastoma and featuring world-class thought leaders in neuro-oncology. The experts agreed that medical need in glioblastoma remains high and that the NOXXON approach of combining NOX-A12 with radiotherapy merits clinical investigation.

- October 2018: NOXXON presented top-line data for the NOX-A12 monotherapy part and to safety of the NOX-A12/Keytruda® combination of the ongoing Phase 1/2 trial in pancreatic and colorectal cancer at the Fourth CRI-CIMT-EATI-AACR International Cancer Immunotherapy Conference in New York, NY, USA. Main conclusions of the published data were:
  - NOX-A12 penetrates the tumor microenvironment of both colorectal and pancreatic cancers where it binds and neutralizes its target CXCL12;
  - Changes in the cytokine signature suggest that NOX-A12 modulates the tumor microenvironment and induces an immune-stimulatory Th1-like signature in approximately half of the patients;
  - There is a statistically significant correlation between more complete inhibition of the target in tumors and the changes in the cytokine & chemokine profiles;

- A particular population of cells (CD14 & CD15 double-positive) has been identified that may serve as a biomarker for immune response; and
- Additionally, in part 2 of the trial, to date, the safety profile of NOX-A12 combined with pembrolizumab is consistent with that of pembrolizumab monotherapy in advanced cancer patients.

Business Highlights Year to Date

The company raised € 3.55 million in gross proceeds during the year to date. During the first half of 2018 NOXXON raised € 2.08 million gross proceeds from the ODIRNANE bonds (€ 1.70 million) and convertible bonds purchased by existing investors (€ 380 thousand). The company raised an additional € 1.47 million gross proceeds after the first half of 2018 from the ODIRNANE bonds (€ 850 thousand) and convertible bonds sold to new European investors (€ 620 thousand).

The company also amended its financing agreement extending the timing to cancel YA II PN's (Yorkville's) unilateral right to invest in NOXXON via the ODIRNANE bonds to January 31, 2019. Yorkville's unilateral right to invest shall be definitively cancelled in case NOXXON raises more than € 5 million in equity before the end of January 2019.

First-half 2018 Financial Results (IFRS)

In the first half of 2018 (H1 2018), NOXXON Pharma, as expected, did not generate revenues. The Company does not expect to generate revenues until the successful commercialization of product candidates or the signing of third-party collaborations. The decrease in other operating income to € 77 thousand in H1 2018 (vs. € 245 thousand in H1 2017) was mainly due to the sale of assets held for sale in 2018 which generated less operating income than the release of a financial liability in the first half of 2017.

NOXXON dedicated its resources to research and development (R&D) and supportive general and administrative (G&A) expenses. R&D expenses slightly decreased to € 1,189 thousand in H1 2018 (vs. € 1,215 thousand in H1 2017). Although R&D expenses changed only slightly overall, the cost of purchased services increased and personnel expenses decreased as a result reduced staff and increased outsourcing activities in line with NOXXON's business plan.

The increase in G&A expenses to € 1,359 thousand in H1 2018 (vs. € 1,263 thousand in H1 2017) was mainly driven by higher personnel expenses due to the recognition of non-cash share-based payment expenses amounting to € 164 thousand (vs. nil in H1 2017), higher public and investor relation expenses related to the preparation of financing transactions in the first half of 2018, partly offset by lower legal, consulting and audit fees.

Foreign exchange losses increased € 2 thousand in H1 2018 (vs. nil in H1 2017) as a result of higher volume of purchases denominated in currencies other than euro in the first half of 2018.

Finance income decreased to € 59 thousand in H1 2018 (vs. € 593 thousand in H1 2017). Finance income in H1 2018 only related to the fair value adjustments of warrants issued and outstanding. Whereas finance income in H1 2017 was due to the derecognition of a financial liability of € 419 thousand and fair value adjustments of warrants issued and outstanding of € 174 thousand. Finance income in H1 2018 and H1 2017 was entirely non-cash related.

Finance costs increased by € 1,051 thousand to € 1,637 thousand in H1 2018 (vs. € 586 thousand H1 2017). This increase mainly reflected the amendment of the Issuance Agreement with Yorkville on March 12, 2018 and the finance costs relating to conversions of outstanding notes, as well as the issuance of notes and the recognition of warrants relating to the Yorkville financing. Finance costs in H1 2018 and H1 2017 were non-cash related, except for transaction costs amounting to € 139 thousand in H1 2018 which were deducted from the proceeds paid to the company.

Net loss was € 4,051 thousand in H1 2018 (vs. € 2,226 thousand in H1 2017).

Consolidated income statement for the six months ended

In € thousands	**June 30, 2018**	**June 30, 2017***
Other operating income	77	245
Research and development expenses	(1,189)	(1,215)
General and administrative expenses	(1,359)	(1,263)
Foreign exchange losses	(2)	(0)
Loss from operations	**(2,473)**	**(2,233)**
Finance cost	(1,637)	(586)
Finance income	59	593
Loss before income tax	**(4,051)**	**(2,226)**
Income tax	(0)	(0)
Net loss	**(4,051)**	**(2,226)**

*** restated, refer to note 4 of the Notes to the condensed consolidated interim financial statements**

Outlook

NOXXON presented top-line data from the ongoing NOX-A12 clinical trial in metastatic microsatellite stable pancreatic and colorectal cancer patients on October 2, 2018. The company now plans to provide initial top-line efficacy data on the percentage of patients whose tumors are responding to the combination therapy in December 2018. Once these data are available NOXXON will communicate its plans for further development in these indications.

Based on its present requirements resulting from NOXXON's updated business plan focusing on clinical development of its lead product candidate NOX-A12 for the treatment of advanced solid tumors, NOXXON will require additional resources of approximately € 4.0 million by November 2018 to provide sufficient working capital for the twelve months following the date of these interim financial statements.

In line with discussions from the recent brain tumor key opinion leader event and if sufficient financing is available, NOXXON is considering conducting a Phase 1/2 trial with NOX-A12 in combination with radiotherapy in front-line, inoperable glioblastoma patients who have shown, through biomarker analysis, to be resistant to the current standard of care chemotherapy.

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About NOXXON

NOXXON's oncology-focused pipeline acts on the tumor microenvironment (TME) and the cancer immunity cycle by breaking the tumor protection barrier, blocking tumor repair and exposing hidden tumor cells. Through neutralizing chemokines in the tumor microenvironment, NOXXON's approach works in combination with other forms of treatment to weaken tumor defenses against the immune system and enable greater therapeutic impact. Building on extensive clinical experience and safety data, the lead program NOX-A12 will deliver top-line data from a Keytruda® combination trial in metastatic colorectal and pancreatic cancer patients in 2018. The company plans to initiate further studies with NOX-A12 in brain cancer in combination with radiotherapy, for which an orphan drug status has been granted in the US and EU. The company's second asset, NOX-E36 is a Phase 2 TME asset targeting the innate immune system. NOXXON plans to test NOX-E36 in pancreatic cancer patients both as a monotherapy and in combination. Further information can be found at: www.noxxon.com

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