NOXXON PHARMA N.V. REPORTS 2018 FINANCIAL RESULTS

Berlin, Germany, April 12, 2019, 7.00 p.m. CEST - NOXXON Pharma N.V. (Euronext Growth Paris: ALNOX), a biotechnology company focused on improving cancer treatments by targeting the tumor microenvironment (TME), announced today its financial results for the fiscal year ending December 31, 2018. The consolidated financial statements for 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).

"NOXXON made significant advances in its clinical program in 2018 and with the very encouraging survival data emerging from the NOX-A12 plus Keytruda® trial we are well placed to identify the best partner for NOXXON to work with on subsequent trials in pancreatic and colorectal cancer. This data also supports the discussions NOXXON is pursuing with financial, industrial and M&A partners where our goal is to create attractive options for the company and its stakeholders. Also, we initiated preparations for another clinical trial combining NOX-A12 with radiotherapy to treat brain cancer; creating another opportunity for NOX-A12 in an indication with high unmet medical need. For the remaining months of 2019, I look forward to further exploring the high potential of our lead candidate NOX-A12 in colorectal and pancreatic cancer, and the initiation of our trial in brain cancer," said Aram Mangasarian, CEO of NOXXON.

Highlights for 2018 and 2019 Year-to-Date

As planned, NOXXON completed patient recruitment in mid-2018 and subsequently, in December 2018, delivered top-line data from the clinical trial of the NOX-A12 combination with Keytruda® (pembrolizumab) in heavily pre-treated metastatic microsatellite stable pancreatic and colorectal cancer patients. More mature data on survival, which compare favorably with already approved drugs in pancreatic and colorectal cancer, were disclosed in April 2019 at the American Association for Cancer Research (AACR) congress in the United States.

The clinical trial data demonstrated that NOX-A12 penetrated the tumor tissue where it neutralized its target and stimulated an increased immune response within the tumor, making the tumor microenvironment immunologically "hotter". In the second part of the study, when NOX-A12 was combined with Merck's anti-PD-1 immunotherapeutic antibody, Keytruda®, 25% of patients achieved stable disease and 35% responded with prolonged time on treatment relative to their prior therapy. As reported at the AACR conference in April, the latest update of overall survival stands at 48% at 6 months and 33% at 12 months, which compares favorably with already approved therapies in both metastatic pancreatic and colorectal cancer. The study further confirmed that NOX-A12 was safe and well-tolerated in advanced cancer patients both as monotherapy and in combination with Keytruda®.

NOXXON's Clinical Experts in Brain Cancer event in Frankfurt on September 4, 2018 presented to investors the strong case for NOX-A12 + radiotherapy. After the November 2018 capital raise, NOXXON announced that it would initiate preparations for the brain cancer clinical trial in Germany with a targeted initiation in the 2nd quarter of 2019.

The company raised a total of € 7.75 million (which includes transaction costs of € 0.15 million) during the financial year 2018 from a mix of sources. While this fund raising was dilutive to existing shareholders, it enabled NOXXON to continue its development strategy while also providing the financial runway to engage in discussions with potential financial, industrial and M&A partners using the data emerging from the clinical trial. At year-end there was a significant strengthening of the

balance sheet which allowed the elimination a of long-term debt facility owed to Kreos and the conversion of outstanding convertible bonds into ordinary shares.

2018 Financial Summary

In both the Fiscal Year 2018 (FY 2018) and Fiscal Year 2017 (FY 2017), NOXXON, as expected, did not generate revenues. The Group – NOXXON Pharma N.V. and NOXXON Pharma AG – does not expect to generate revenues until the signing of collaborations or the successful commercialization of product candidates.

Other operating income increased from € 261 thousand in FY 2017 to € 378 thousand in FY 2018. The increase was mainly due to a partial waiver of management and supervisory board members concerning their receivables from remunerations due from the company.

Research and development (R&D) expenses decreased in FY 2018 compared to FY 2017 from € 2,410 thousand to € 2,205 thousand. The decrease in R&D expenses was mainly due to lower personnel expenses, as a result of a reduced headcount and an increase in outsourcing activities in relation to the Group's clinical programs. These were, partly offset by the higher costs of production for drug substances, service fees and other costs related to clinical trials and preclinical testing as well as higher patent costs and consulting services. Personnel expenses included non-cash share-based payment expenses amounting to € 119 thousand in FY 2018 and € 131 thousand in FY 2017. When such non-cash share-based payment expenses were removed, the remaining personnel expenses were € 625 thousand in FY 2018 and € 865 thousand in FY 2017.

General and administrative (G&A) expenses decreased from € 2,580 thousand in FY 2017 to € 2,492 thousand in FY 2018. This decrease in G&A expenses in 2018 was mainly driven by lower legal and consulting expenses, compared to FY 2017, related to the preparation of financing transactions, partly offset by higher public and investor relations and related expenses, personnel and other expenses. Personnel expenses included non-cash share-based payment expenses amounting to € 278 thousand in 2018 and € 265 thousand in 2017. When such non-cash share-based payment expenses are removed, the remaining personnel expenses are € 922 thousand in 2018 and € 779 thousand in 2017.

Finance income (all non-cash) decreased from € 1,019 thousand in FY 2017 to € 388 thousand in FY 2018. Finance income (all non-cash) in FY 2018 was due to fair value adjustments of warrants issued and outstanding to Yorkville, Kreos and other investors of € 255 thousand, the substantial modification of the terms and conditions of the Group's venture loans of € 81 thousand, fair value adjustments of conversion derivatives of € 43 thousand and the derecognition of derivatives of € 9 thousand. Finance income in FY 2017 was due to the derecognition of a financial liability of € 419 thousand, a recognition of a derivative financial asset of € 40 thousand and fair value adjustments of warrants issued to Yorkville, Kreos and other investors of € 560 thousand.

Finance costs were € 1,678 thousand in FY 2017 (non-cash except € 101 thousand) and € 6,758 thousand in FY 2018 (non-cash except € 133 thousand). This increase was mainly due to the step-up of € 2,593 thousand of a financial liability recognized to its fair value of € 4,700 thousand in connection with the equity financing completed on November 16, 2018, finance costs of € 2,561 thousand incurred for the notes issued to Yorkville (including the day-one loss), transaction costs and the conversions, the consideration incurred of € 773 thousand (net of derecognition of cancelled warrants) in connection with the amendment of the Issuance Agreement with Yorkville on March 12, 2018, finance costs of € 478 thousand with respect to the issuance and conversion of the convertible bonds and finance costs of € 353 thousand (thereof € 202 thousand in connection with the debt-for-equity swaps) incurred relating to the venture loans.

As a result of the above factors, the Group's loss before income tax increased by € 5,348 thousand from € 5,389 thousand in FY 2017 to € 10,737 thousand in FY 2018. The net cash used in operating activities amounted to € 4,000 thousand in 2018 and € 4,237 thousand in 2017, respectively.

On December 31, 2018, the Group had cash resources of € 4.29 million (compared to € 0.62 million on December 31, 2017). The Group raised € 7.75 million in cash (which includes transaction costs of € 0.15 million) during the financial year 2018 from a mix of sources including convertible notes and convertible bonds. Most of the funds raised, € 4.41 million, were received from the direct sale of shares to a new investor. This was a transformational financing event for the Group underlining the potential of its pipeline, enabling the Group to exploit the results from the NOX-A12 and Keytruda® combination trial in pancreatic and colorectal cancer patients, and giving the R&D team the resources to initiate preparations for the NOX-A12 + radiotherapy combination trial in brain cancer patients. In addition, this financing allowed the company to eliminate all remaining debt owed to Kreos and the listed convertible bond holders, further strengthening its balance sheet. There are significant short-term liabilities amounting to € 4,700 thousand linked to this financing, but these are non-cash obligations linked to the future issuance of new shares from warrants.

Outlook 2019

Based on the data from our and other studies, the company saw that beyond a certain level of target neutralization in the tumor tissue by NOX-A12 there was a consistently increased immune response in both colorectal or pancreatic cancer patients. In future studies, NOXXON plans to test additional dosing schedules with the goal of obtaining this effect more consistently across all patients. We are now discussing our plans for the next steps of NOX-A12 + immunotherapy development with industrial partners and clinical experts to ensure that key stakeholders have been consulted on our upcoming trial(s). Our goal is to identify a collaboration partner who will financially support the further development of NOX-A12 in colorectal and pancreatic cancer.

As previously announced, the company has initiated preparations to test the combination of NOX-A12 + radiotherapy in brain cancer patients, with the aim to initiate the trial in Q2-2019. The combination strategy of NOX-A12 + radiotherapy is supported by strong preclinical data and top-level academics in both the US and Europe. The company will need to raise additional funds prior to the planned initiation of this trial in order to ensure its ability to complete this new study, as currently planned, in mid-2020.

The current budget, including the brain tumor trial, projects a cash need of approximately € 525 thousand per month. Accordingly, the company needs to raise additional funds by September 2019 in order to continue its operations. NOXXON is pursuing several opportunities with industrial and M&A partners. We believe the combination of NOX-A12 with Keytruda® in pancreatic and colorectal cancer has shown strong potential, and that the plans to combine NOX-A12 with radiotherapy in brain cancer places NOX-A12 on the fast-track in a high value indication with minimal investment needed. As such we believe that the company will attract interest from potential partners. M&A is another route to financing the further development of NOXXON compounds. Both the attainment of critical mass to attract further financing and the absorption of NOXXON into a larger entity with better access to capital markets are strategies that are being thoroughly considered.

The consolidated financial statements for 2018, approved by the management and supervisory boards on April 11, 2019, are available on NOXXON's website (www.noxxon.com).

2018 Financial Results

NOXXON's key financial figures for Fiscal Year 2018 compared to the same period in 2017

[in € thousands]	**2018**	**2017**
Revenues	**0**	**0**
Other operating income	378	261
Research and development expenses	(2,205)	(2,410)
General and administrative expenses	(2,492)	(2,580)
Foreign exchange losses	(48)	(1)
Loss from operations	**(4,367)**	**(4,730)**
Finance income	388	1,019
Finance cost	(6,758)	(1,678)
Loss before income tax	**(10,737)**	**(5,389)**
Income tax	**(1)**	**(1)**
Net loss – attributable to owners of the company	**(10,734)**	**(5,385)**
Net loss – attributable to non-controlling interest	**(4)**	**(5)**
Loss per share (in €, basic and diluted)	**(2.70)**	**(2.54)**

For more information, please contact:

NOXXON Pharma N.V.
Aram Mangasarian, Ph.D., Chief Executive Officer
Tel. +49 (0) 30 726247 0
amangasarian@noxxon.com

MC Services AG
Raimund Gabriel, Managing Partner
Tel. +49 (0) 89 210228 0
noxxon@mc-services.eu

Trophic Communications
Gretchen Schweitzer or Joanne Tudorica
Tel. +49 (0) 89 2388 7730 or +49 (0) 176 2103 7191
schweitzer@trophic.eu

NewCap
Alexia Faure
Tel. +33 (0) 1 44 71 98 51
afaure@newcap.fr

About NOXXON

NOXXON's oncology-focused pipeline acts on the tumor microenvironment (TME) and the cancer immunity cycle by breaking the tumor protection barrier and blocking tumor repair. By 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 has delivered top-line data from a Keytruda® combination trial in metastatic colorectal and pancreatic cancer patients in December 2018 and further studies are being planned in these indications. The company initiated preparations for an additional trial with NOX-A12 in brain cancer in combination with radiotherapy. The combination of NOX-A12 and radiotherapy has been granted orphan drug status in the US and EU for the treatment of certain brain cancers. The company's second clinical-stage asset NOX-E36 is a Phase 2 TME asset targeting the innate immune system. NOXXON plans to test NOX-E36 in patients with solid tumors both as a monotherapy and in combination. Further information can be found at: www.noxxon.com

Keytruda® is a registered trademark of Merck Sharp & Dohme Corp

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