NOXXON PHARMA N.V. REPORTS 2019 FINANCIAL RESULTS

Berlin, Germany, April 22, 2020, 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), announced today its financial results for the fiscal year ending December 31, 2019.

"In 2019 the team at NOXXON along with dedicated and determined doctors and hospital staff managed to advance multiple NOX-A12 combination clinical trials in difficult-to-treat solid cancers. Despite the ongoing COVID-19 pandemic, this team has successfully continued the NOX-A12 + radiotherapy clinical trial for first line brain cancer patients. We believe that NOX-A12 and NOX-E36 represent unique approaches to address the tumor microenvironment and we look forward to driving these programs further through clinical development and ultimately bringing them to patients in collaboration with strategic partners," said Aram Mangasarian, CEO of NOXXON.

Highlights for 2019 and 2020 Year-to-Date

NOX-A12 + Radiotherapy Clinical Trial in First Line Brain Cancer Patients Initiated

In September 2019, the company initiated a Phase 1/2 clinical trial testing the combination of radiotherapy and NOX-A12 in newly diagnosed brain cancer patients for up to six months. The study investigates three dose regimens of NOX-A12 (200, 400 and 600 mg/week), each combined with external-beam radiotherapy. In a planned assessment in December 2019, an independent Data Safety Monitoring Board (DSMB) had analyzed safety data from ten weeks of treatment of the first patient and confirmed that it was safe and appropriate to continue the recruitment of additional patients according to the study protocol. Recruitment of the patients of the first dose cohort was completed in March 2020. The DSMB will reconvene at the end of April 2020 to determine whether it is safe to proceed from the low to the middle dose regimen of NOX-A12. Provided that the results from this ongoing clinical trial are positive, NOXXON will seek advice from competent authorities under its orphan drug designation in the United States and Europe to identify the most efficient manner to complete development in this indication. Recruitment of new patients continues despite the COVID-19 pandemic.

NOX-A12 + Immunotherapy Clinical Trial in Heavily Pre-Treated Metastatic Pancreatic and Colorectal Cancer Patients

In September 2019, the company reported updated data from the clinical trial of the combination of NOX-A12 with Keytruda® in heavily pre-treated metastatic micro-satellite stable pancreatic and colorectal cancer patients. One of the most interesting aspects of the results was the updated overall survival data showing that three patients including two receiving their fourth line of therapy for metastatic pancreas cancer had lived more than one year. Overall, data from this study has so far demonstrated 25% of patients achieved stable disease according to the iRECIST criteria, despite 95% of all patients having progressive disease as their best response to their prior anti-cancer treatment. Furthermore, 35% of patients had prolonged time on therapy, relative to their prior treatment. As such, further work in both tumor types is warranted for NOX-A12. NOXXON is now discussing the 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). The goal is to identify a collaboration partner who will financially support the further development of NOX-A12 in colorectal and pancreatic cancer.

In June 2019, a leading international pharmaceutical company signed an agreement with NOXXON to evaluate NOX-A12 in an undisclosed non-oncology indication. The pharmaceutical company has

been investigating a broader therapeutic profile of NOX-A12 in an indication which is a serious disease with significant unmet medical need. The market for this indication has been valued at more than a billion euros. NOXXON supplied NOX-A12 to the pharmaceutical company that has funded and been conducting the preclinical studies. The evaluation results are anticipated in Q2-2020.

Strengthening its cash position and financing clinical objectives have been a key priority for NOXXON. Despite an unfavorable financing climate, the company raised € 1.5 million in 2019 and an additional € 1 million in January 2020 through capital increases. The support came from the historical investment community as well as a new group of European investors representing small funds and family offices. Importantly, there were no warrants or other option-like instruments attached to these financing rounds.

2019 Financial Summary

In both, Fiscal Year 2019 (FY 2019) and Fiscal Year 2018 (FY 2018), NOXXON, did not generate any revenues. The Group – NOXXON Pharma N.V. and NOXXON Pharma AG – does not expect to generate revenues until the signing of strategic collaborations or the successful commercialization of product candidates.

Other operating income decreased from € 378 thousand in FY 2018 to € 279 thousand in FY 2019 on an overall basis and results from the sale of raw materials and a partial waiver of management and supervisory board members concerning their receivables from remuneration due from the Group in 2019 being lower than the partial waiver of management and supervisory members concerning their receivables from remunerations due from the Group and other income in 2018.

Research and development (R&D) expenses decreased from € 2,205 thousand in FY 2018 to € 2,108 thousand in FY 2019. The decrease in R&D expenses in 2019 compared to 2018 is mainly due to lower personnel expenses, partly offset by higher costs for production of drug substances, service fees and other costs related to clinical trials and preclinical testing as well as higher patent and consulting services costs. Personnel expenses include non-cash share-based payment expenses amounting to € 53 thousand in 2019 and € 119 thousand in 2018. When such non-cash share-based payment expenses are not taken into account, the remaining personnel expenses are € 530 thousand in 2019 and € 625 thousand in 2018.

General and administrative (G&A) expenses decreased from € 2,492 thousand in FY 2018 to € 2,115 thousand in FY 2019. The decrease in G&A expenses in 2019 is mainly driven by lower personnel as well as public and investor relations expenses compared to 2018, partly offset by higher legal, consulting and audit fees and other expenses. Personnel expenses include non-cash share-based payment expenses amounting to € 54 thousand in 2019 and € 278 thousand in 2018. When such non-cash share-based payment expenses are not taken into account, the remaining personnel expenses are € 741 thousand in 2019 and € 922 thousand in 2018.

Foreign exchange losses decreased from € 48 thousand in FY 2018 to € 4 thousand in FY 2019 due to financing transactions and a higher volume of purchases denominated in currencies other than euro in FY 2018.

Finance income (all non-cash) increased from € 388 thousand in FY 2018 to € 3,091 thousand in FY 2019. Finance income in FY 2019 was mainly due to the reduction of the financial liability payable on demand and due to Acuitas by € 3,013 thousand. A further € 72 thousand of finance income resulted from the fair value adjustment of warrants issued and outstanding to Yorkville, Kreos and other investors and the remaining € 6 thousand resulted from the cashless exercise of warrants by Acuitas.

Finance costs in FY 2019 and FY 2018 were non-cash finance costs, except for transaction costs of € 133 thousand in 2018 borne by the Group in conjunction with its issuance of convertible bonds. Finance costs decreased from € 6,758 thousand in FY 2018 to € 3 thousand in FY 2019.

As a result of the above factors, the Group's loss before income tax decreased by € 9,877 thousand from € 10,737 thousand in FY 2018 to € 860 thousand in FY 2019. The reduction of net loss is predominately driven by non-cash effects resulting from finance income and finance cost.

On December 31, 2019, the Group had cash resources of € 1.4 million (compared to € 4.3 million on December 31, 2018). The Group succeeded in raising € 1.5 million in cash during the financial year 2019 from investors buying shares. Importantly, no warrants or other option-like instruments were attached to the shares issued in these financings. The continued support of investors willing to purchase shares in this manner is key for NOXXON to reduce reliance on instruments that have the potential to create divergent interests between various groups of investors. These financings were essential to allow NOXXON continue follow-up of patients in the NOX-A12/Keytruda® trial in pancreatic and colorectal cancer patients, and to initiate the NOX-A12/radiotherapy combination trial in brain cancer patients. On December 31, 2019, a significant number of warrants linked to previous financings and subject to anti-dilution adjustments affecting exercise price and number of shares issued were outstanding. Before the date of the Annual Report, Acuitas executed its right to cashless exercise for all of its remaining warrants.

Outlook 2020

The current budget projects a cash need of approximately € 400 thousand per month, including working capital and all planned activities for the brain cancer trial. Current cash resources are projected to finance the Group into July 2020. As such, it is a key priority for the company to raise additional funds before the end of June 2020 in order to continue its operations.

Management is pursuing various financing alternatives to meet the Group's future cash requirements. While management is confident to be able to raise additional capital and its preference is to do so via private placement of shares to long-term investors or industrial partnerships, market conditions and restrictions on many activities resulting from the COVID-19 pandemic have made it more difficult. As such, management has been working in parallel on alternative financing vehicles, such as convertible debt and assesses these financing alternatives by how well they meet the following key criteria: potential to meet financial needs of the Group through multiple key value inflection points; absence of warrants or option-like instruments creating long-term overhang; flexibility to end plan at any time; timing and decision to take additional money being under control of the Group; ability of the Group to buy out any unconverted instruments; extent of restrictions on M&A or asset sales; discount on financing consistent with investment risk; and potential to impact on share price.

The Annual Report 2019, as approved by the management and supervisory boards on April 21, 2020, is available on NOXXON's website (www.noxxon.com).

2019 Financial Results

NOXXON's Key Financial Figures for Fiscal Year 2019 Compared to the Same Period in 2018

[in € thousands]	**2019**	**2018**
Other operating income	**279**	**378**
Research and development expenses	(2,108)	(2,205)
General and administrative expenses	(2,115)	(2,492)
Foreign exchange losses	(4)	(48)
Loss from operations	**(3,948)**	**(4,367)**
Finance income	3,091	388
Finance cost	(3)	(6,758)
Loss before income tax	**(860)**	**(10,737)**
Income tax	(1)	(1)
Net loss – attributable to owners of the company	**(861)**	**(10,734)**
Net loss – attributable to non-controlling interest	**(0)**	**(4)**
Loss per share (in €, basic and diluted)	**(0.08)**	**(2.70)**

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

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

NewCap
Arthur Rouillé
Tel. +33 (0) 1 44 71 00 15
arouille@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 and further studies are being planned in these indications. In September 2019 the company initiated 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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