NOXXON PUBLISHES INTERIM 2020 RESULTS

NOX-A12 combination trials advancing well and balance sheet strengthened

Berlin, Germany, October 29, 2020, 08.00 a.m. CET - NOXXON Pharma N.V. (Euronext Growth Paris: ALNOX), a biotechnology company focused on improving cancer treatments by targeting the tumor microenvironment (TME), released today its interim 2020 results for the six months ended June 30, 2020.

"*Despite the challenging operational environment posed by COVID-19, the NOXXON team, along with dedicated clinical researchers, was able to finalize the NOX-A12 plus immunotherapy trial in pre-treated microsatellite stable metastatic pancreatic and colorectal cancer patients. The final trial results including overall survival and the safety profile warrant further clinical development of NOX-A12 plus immunotherapy combinations. We also advanced our ongoing NOX-A12 plus radiotherapy trial in first-line brain cancer patients,*" said Aram Mangasarian, CEO of NOXXON. "*In addition, the balance sheet of the company has been significantly strengthened and simplified, putting NOXXON in better negotiating position with potential industrial and financial partners.*"

Business Overview

NOXXON has been focused on clinical trials combining NOX-A12, its anti-CXCL12 tumor microenvironment targeting agent, in two distinct therapeutic combinations: 1) NOX-A12 plus immunotherapy (anti-PD1 checkpoint inhibitors) and 2) NOX-A12 plus radiotherapy. Each combination approach has a different underlying rationale and mechanism of action, and thus diversifies the risk of NOXXON's clinical pipeline.

The combination approach of NOX-A12 plus standard of care radiotherapy is currently being tested in a dose escalation Phase 1/2 trial in newly diagnosed patients with aggressive brain cancer (glioblastoma) who would not benefit from standard of care chemotherapy and whose tumor cannot be fully resected by surgery. At multiple points in the trial, the independent Data Safety Monitoring Board (DSMB) reviewed safety and tolerability of the NOX-A12 combination and each time concluded that the trial should continue as planned. All patients in the low dose cohort completed six months of therapy in October 2020 and the data are very encouraging. Tumor volume reductions were observed in two of three patients during the six-month treatment, and in the third patient in the period after a second surgery following continued NOX-A12 treatment. Maximum tumor volume reductions were 6% and 60% for the first two patients. The third patient experienced 23% tumor volume reduction relative to the post-second surgery baseline. All patients in the mid dose cohort have been enrolled, with the first patient completing four months of combination therapy and other patients receiving their initial doses of NOX-A12 in October 2020. This means that six months of therapy for Cohort 2 will complete in April 2021.

NOXXON plans to advance the NOX-A12 plus radiotherapy combination in first-line brain cancer if the ongoing Phase 1/2 data warrant additional studies. NOXXON believes that such a pivotal trial following the current study could allow first filing of a market approval application for NOX-A12 in 2024 with first market approval targeted for 2025 if data are positive.

The Phase 1/2 trial studying the combination of NOX-A12 plus immunotherapy in metastatic pancreatic and colorectal cancer patients who had failed standard therapy reported final top-line data in September 2020. Both the NOX-A12 mechanistic data as well as the overall survival figures observed following treatment with the combination of NOX-A12 and anti-PD1 have been highly encouraging for the patient population treated in this study. The patients enrolled in the trial all had advanced disease with liver metastases and received on average their sixth-line of therapy in colorectal cancer and their fourth-line of therapy in pancreatic cancer. Despite the advanced disease and heavy pre-treatment, overall survival

at one year was 20%, assessed using the Kaplan-Meier method. Notably, this group of longer-term survivors included two pancreatic cancer patients who had received their fourth-line of treatment.

NOXXON is planning to test the NOX-A12 plus immunotherapy combination in second-line pancreatic cancer with a dosing regimen of NOX-A12 optimized to induce anti-tumor immune responses. A two-step approach is planned for this indication with a first trial comparing two NOX-A12 chemotherapy combinations in second-line patients followed by a pivotal trial comparing the best combination to standard of care. With this approach, completion of the pivotal trial and filing of the first market approval application for this indication could be achieved in 2026 with approval targeted for 2027.

On the financing front, the company was able to raise €11.1 million net cash during the reporting period from a mix of private placements, convertible bonds and warrant exercises, thereby significantly strengthening its balance sheet.

NOXXON is closely monitoring the progress of COVID-19 and its potential impact on its operations. As requested by the European Medicines Agency (EMA), NOXXON has critically assessed the risks and benefits of therapy continuation and inclusion of new trial participants in its clinical trial of NOX-A12 combined with radiotherapy in first-line brain cancer patients. Following a thorough evaluation and discussion with the partners involved in the trial, it has been decided to continue both the treatment of enrolled patients and recruitment of additional patients. The safety of patients, hospital staff and employees, as well as the severity of the disease under study and the limited options currently available for treatment, were important factors in this decision. As there have been delays due to factors including COVID-19, NOXXON has added further centers to the trial to ensure adequate recruitment capacity to meet its targeted timelines. Overall, the impact on trial recruitment, the organization and the staff has been manageable.

The increased interest of investors in healthcare and the shift in the types of investors considering financing small-cap European biotech companies (particularly in France where over 150,000 new investors opened equity investment accounts according to the French regulator, the AMF), broadened the investor base of the capital market and had a positive impact on NOXXON's ability to raise funds.

Business Highlights During First Half-Year of 2020

- **Significant strengthening of balance sheet** – NOXXON raised €11.1 million net proceeds from multiple sources during the first half of 2020, including €7.3 million via private placements. The Dutch specialist fund Nyenburgh Investment Partners (NYIP) led the largest of the private placements announced on May 8, 2020. In addition, NOXXON has access to a remaining capacity of €16.2 million (nominal) from its convertible bonds financing with Atlas after this financing agreement was amended in October 2020.

- **Simplified capital structure** – Increased price and liquidity during the reporting period allowed the conversion of the vast majority of outstanding warrants held by the investors Acuitas and Yorkville at the beginning of the period.

- **Timely advancement of NOX-A12 plus radiotherapy trial despite COVID-19** – Phase 1/2 clinical trial of NOX-A12 plus radiotherapy in first-line brain cancer patients progressed well despite COVID-19. On April 2, 2020 NOXXON announced completion of patient recruitment for the first dose cohort in the Phase 1/2 brain cancer study of NOX-A12 plus radiotherapy. On April 24, 2020 the DSMB reviewed the available safety data from the low-dose group and validated recruitment of patients in the mid-dose group of NOX-A12. The recruitment of the first patient in the mid-dose group was announced on June 30, 2020.

- **More mature data from NOX-A12 plus immunotherapy trial** –overall survival data from the Phase 1/2 NOX-A12 and immunotherapy combination trial in metastatic pancreatic and colorectal cancer patients supports the benefit to patients from NOX-A12 plus anti-PD-1 therapy. This data was presented by the principal investigator of the trial, Dr. Niels Halama, Head of Department of Translational Immunotherapy at the German Cancer Research Center (DKFZ), Heidelberg and Medical Oncologist at the German National Center for Tumor Diseases, at the American Association for Cancer Research (AACR) Virtual Annual Meeting on April 27, 2020.

- **New Supervisory Board Member** – Oscar Izeboud joined the Supervisory Board of NOXXON on June 30, 2020. Oscar brings both a deep understanding of medicine and extensive experience in the financing and business side of biotechnology. While leading life science and healthcare investment banking at Kempen and NIBC, Oscar successfully closed more than 100 transactions, including seventeen IPOs and fifteen mergers or acquisitions. This experience combined with his operational biotech background makes him a valuable asset for NOXXON's strategic development.

Business Highlights After June 30, 2020

- **July 2020** – NOXXON announced that the first brain cancer patient from the mid-dose cohort in the NOX-A12 plus radiotherapy study reached four weeks of treatment and that the DSMB confirmed safety and validated recruitment of additional patients.

- **September 2020** – Dr. Niels Halama presented final top-line clinical data from the Phase 1/2 NOX-A12 plus immunotherapy combination trial in colorectal and pancreatic cancer patients at the European Society for Medical Oncology (ESMO) Virtual Congress 2020.

- **October 2020** – NOXXON announced that two of the three planned dose cohorts were fully recruited in the NOX-A12 plus radiotherapy clinical trial.

First-half 2020 Financial Results (IFRS)

NOXXON Pharma did not generate any revenues in the first half of 2020 (H1 2020). The Group – NOXXON Pharma N.V. and NOXXON Pharma AG – does not expect to generate any revenues from its product candidates in development until the Group either signs a licensing agreement or obtains regulatory approval and commercializes its products or enters into collaborative agreements with third parties.

Other operating income decreased to €33 thousand in H1 2020 (vs. €274 thousand in H1 2019). Other services provided in 2020 generated lower other operating income than 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 H1 2019.

NOXXON dedicated its resources to research and development (R&D) and general and administrative (G&A) expenses. R&D expenses decreased to €942 thousand in H1 2020 (vs. €1,062 thousand in H1 2019). The decrease in R&D expenses was mainly driven by lower costs for drug manufacturing, service fees and other costs related to clinical trials and preclinical testing, patent costs and consulting services, partly offset by higher personnel expenses.

G&A expenses decreased to €988 thousand in H1 2020 (vs. €1,238 thousand in H1 2019). The decrease in G&A expenses was mainly driven by lower legal, consulting and audit fees, lower public and investor relations and related expenses, as well as lower other expenses, partly offset by higher personnel expenses.

Foreign exchange losses increased to €7 thousand in H1 2020 (vs. €2 thousand in H1 2019) as a result of increased volume of purchases denominated in currencies other than Euro in H1 2020.

Finance cost increased from nil in H1 2019 to €4,173 thousand in H1 2020. Finance cost in H1 2020 was predominantly due to the Atlas convertible bonds financing with respect to the issuance and conversion of convertible notes into equity and the recognition of compound derivative financial instruments, the exercise of warrants of the Yorkville equity line financing, the cashless exercise of all remaining Acuitas warrants outstanding and fair value adjustments of warrants outstanding.

Finance cost in H1 2020 was non-cash finance cost, except for €105 thousand, thereof for transaction costs of €103 thousand borne by the company in conjunction with the issuance of convertible bonds.

Finance income (all non-cash) increased to €154 thousand in H1 2020 (vs. €75 thousand in H1 2019). The increase was due to the derecognition gain of compound derivative financial instruments in connection with the Atlas convertible bonds financing in H1 2020.

As a result of the above factors, the Group's loss before income tax increased to €5,923 thousand in H1 2020 (vs. €1,953 thousand in H1 2019). The net cash used in operating activities amounted to €1,811 thousand in H1 2020 vs. €2,687 thousand in H1 2019.

Consolidated Income Statements for the six months ended

In € thousands	**June 30, 2020**	**June 30, 2019**
Other operating income	33	274
Research and development expenses	(942)	(1,062)
General and administrative expenses	(988)	(1,238)
Foreign exchange losses	(7)	(2)
Loss from operations	**(1,904)**	**(2,028)**
Finance cost	(4,173)	(0)
Finance income	154	75
Loss before income tax	**(5,923)**	**(1,953)**
Income tax	(0)	(1)
Net loss	**(5,923)**	**(1,954)**

Outlook

NOXXON is making progress in its ongoing Phase 1/2 trial of NOX-A12 plus radiotherapy in first-line, inoperable brain cancer (glioblastoma) patients who are shown by biomarker analysis of their tumor tissue to be resistant to the current standard of care chemotherapy. Currently, two of the three planned dose cohorts are fully recruited. If study results are positive, NOXXON plans to seek advice from authorities under its EU/US orphan drug designation to confirm that its planned approach is acceptable to complete development and achieve market approval in brain cancer. NOXXON's partnering goal for this combination is the identification of industrial partners that will finance additional clinical trials in brain cancer and other indications where radiotherapy is core to the standard of care. NOXXON anticipates that at least partial top-line clinical data including post-treatment follow-up from the trial will be required to close a partnership in this area.

NOXXON published more mature data from the NOX-A12 clinical trial in metastatic microsatellite stable pancreatic and colorectal cancer patients in April 2020 and has published final top-line data in September 2020. NOXXON believes that further clinical trials are warranted based on this data, in particular in pancreatic cancer, where it plans to focus its near-term efforts. The goal of NOXXON is to find industrial partners that will not only provide anti-PD1 therapy but also financial support to conduct a trial.

To prepare for future trials leading to approval of NOX-A12, NOXXON has made additional investment commitments for the manufacturing of drug supply for clinical trials.

NOXXON's long-term strategic plans now include the following trials by indication:

NOX-A12 plus radiotherapy in Brain Cancer

- Completion of the ongoing Phase 1/2 dose escalation trial, potentially with an expansion of the dose chosen for the pivotal trial. Trial completion planned for 2021 (without any expansion).
- Pivotal trial of NOX-A12 combined with radiotherapy in first-line MGMT promoter unmethylated glioblastoma patients vs. standard of care (assuming ongoing Phase 1/2 trial data supports further development) planned initiation in 2022, with first market authorization application targeted for 2024 and approval targeted for 2025.

NOX-A12 plus immunotherapy in Pancreatic Cancer

- Two-arm Phase 2 "pick the winner" trial testing NOX-A12 plus anti-PD1 antibody with two different standard of care chemotherapy regimens to determine the choice of regimen for the pivotal trial. Trial initiation planned for 2021 and completion in 2023.
- Pivotal trial of NOX-A12 combined with immunotherapy and standard of care in second-line pancreas cancer vs. standard of care, with market authorization application targeted for 2026 and approval targeted for 2027.

The second clinical stage asset, NOX-E36, is also being prepared for the next clinical trial. Manufacturing of clinical supply has been contracted and is projected to be available in mid-2021. Pre-clinical work comparing combination strategies for NOX-E36 in solid tumors to identify the most promising approaches are also advancing. NOXXON plans to initiate the first clinical trial of NOX-E36 combinations testing safety in 2021.

NOXXON continues to evaluate other indications and therapeutic combinations in which to test NOX-A12 and NOX-E36 as well as the relative priority of such indications for the overall corporate strategy.

The Group will carefully monitor its available cash and calibrate additional financings through various sources in order to ensure its development plans and, to the extent deemed appropriate, maintenance of a sufficient cash runway. Considering cash and cash equivalents as well as financial assets as of June 30, 2020 of €10.7 million and available, secured financing of €11.5 million (nominal) as well as a subsequent amendment to this financing agreement increasing its capacity by an additional €4.7 million (nominal) drawable at the company's discretion and subject to customary conditions being met, cash reach of NOXXON will be into Q1 2022, including the above planned manufacturing and clinical trial commitments.

The Half-Year Financial Report 2020 can be downloaded from the NOXXON website.

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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 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

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