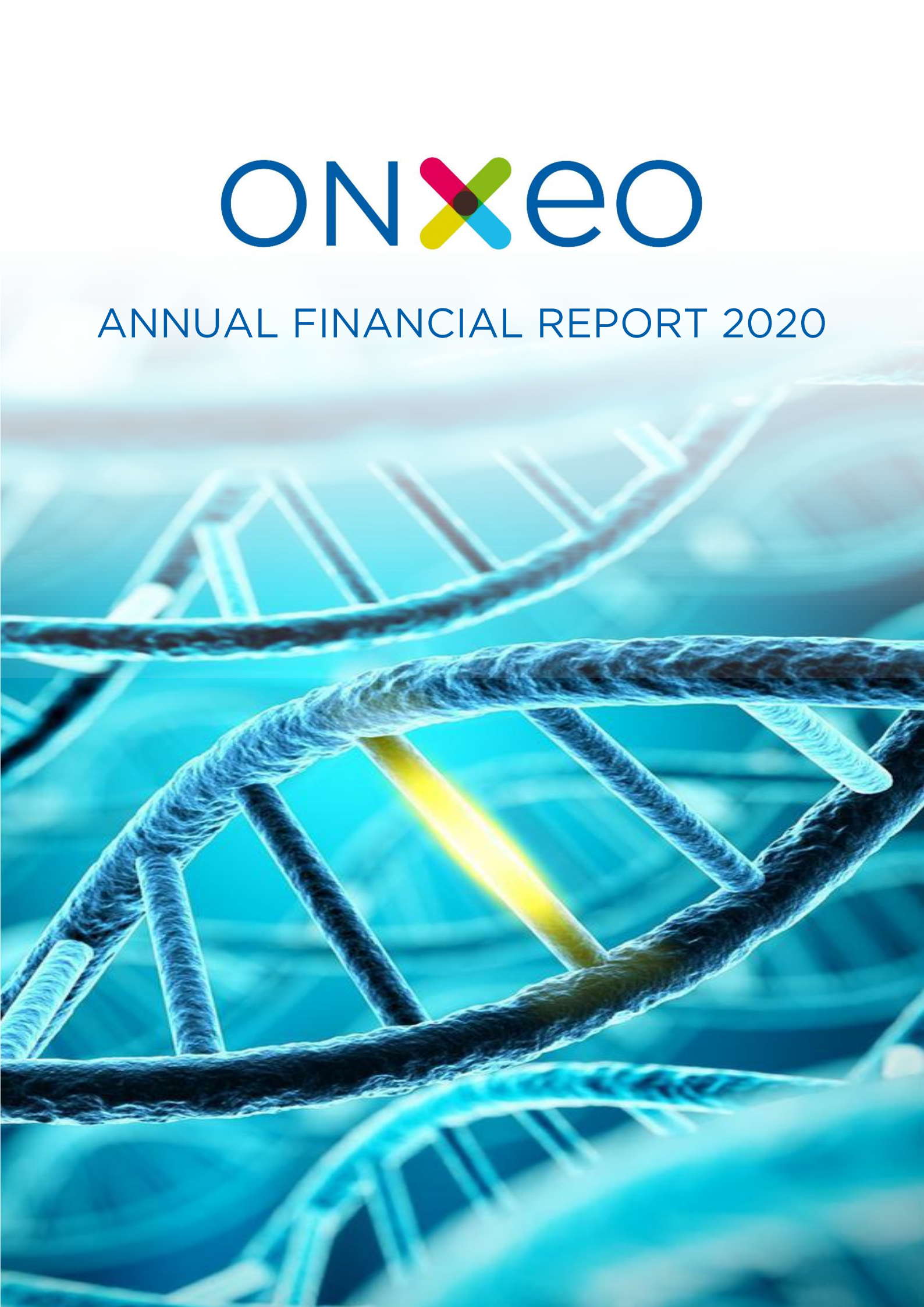
ONXEO

# ANNUAL FINANCIAL REPORT 2020



Public limited company with a capital of 22,998,733.75 euros
Headquarters: 49, boulevard du général Martial Valin – 75015 Paris
RCS Paris 410 910 095

# ANNUAL FINANCIAL REPORT 2020

## 1. DECLARATION BY THE RESPONSIBLE PERSONS

"I certify, to my knowledge, that the accounts are prepared in accordance with applicable accounting standards and provide a true picture of the company's wealth, financial position and results and all of the companies included in the consolidation, and that the management report on page 5 provides a true picture of the company's business, results and financial position and all the companies included in the consolidation and described the main risks and uncertainties they face.

Done on April 23, 2021, in Paris, France

Judith GRECIET, Chief Executive Officer"

Public limited company with a capital of 22,998,733.75 euros
Headquarters: 49, boulevard du général Martial Valin – 75015 Paris
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# MANAGEMENT REPORT

## INCLUDING THE CORPORATE GOVERNANCE REPORT

## YEAR ENDING DECEMBER 31, 2021

# SUMMARY

## I - MANAGEMENT REPORT

# II - CORPORATE GOVERNANCE REPORT

This report is prepared in accordance with Articles L. 225-100, L. 233-26 and L. 232-1 of the French Commercial Code and is available to shareholders. Its purpose is to present the evolution of the financial situation of Onxeo (hereinafter referred to as the "Company") and that of the group (hereinafter referred to as the "Group").

In accordance with the provisions of Article L. 225-37 paragraph 6 of the French Commercial Code, the corporate governance report (section II) is included in this management report.

# I - MANAGEMENT REPORT

## 1. SITUATION AND EVOLUTION OF THE COMPANY'S AND THE GROUP'S ACTIVITIES DURING THE YEAR

Onxeo is a French clinical-stage biotechnology company that develops new cancer drugs by targeting tumor DNA functions through unique mechanisms of action in the highly sought-after field of DNA Damage Response (DDR).

The Company focuses on the development of innovative or disruptive compounds from preclinical (translational) research to human clinical proof of concept, which represents its know-how and expertise. It thus leads its programs to the most value-creating and attractive inflection points for potential partners.

Onxeo is listed on the Euronext Growth Paris and First North Copenhagen markets.

The Company's portfolio includes:

- AsiDNA™, a first-in-class inhibitor of tumor DNA break repair based on a decoy agonist mechanism, unlike any other in the DDR field, which could contribute to the fight against tumor resistance. AsiDNA™ was previously successfully evaluated in a Phase 1 trial in metastatic melanoma by local administration, and then demonstrated safety and systemic (IV) activity in solid tumors in the phase 1 DRIIV trial. It is currently in clinical development, particularly in combination with chemotherapy or with targeted therapies such as PARP inhibitors.
- platON™, Onxeo's platform of decoy-agonists oligonucleotides. PlatON™ is intended to expand the Company's product portfolio by generating new compounds based on this same decoy mechanism and capitalizing on the expertise the Company has developed on this type of oligonucleotide.
- A new compound, OX401, which is in preclinical phase, is positioned as a next-generation PARP agonist, and is designed to activate the immune response without inducing resistance.

This portfolio, through innovative therapeutic approaches with high scientific value, positions Onxeo as a key stakeholder in one of the most sought-after fields in oncology.

In addition, belinostat, an HDAC inhibitor (epigenetic) that already has conditional FDA approval for the second-line treatment of patients with peripheral T-cell lymphoma, has been licensed to Acrotech Biopharma LLC for this indication under the name Beleodaq®.

### 1.1. SCOPE OF THE GROUP

The Group comprises the Company, which conducts most of its business, and its subsidiaries, most of which have limited activity:

- Onxeo US
- Topotarget UK
- Topotarget Switzerland

## 1.2. BUSINESS DEVELOPMENTS AND SIGNIFICANT EVENTS DURING THE YEAR

In 2020, the Group's development programs advanced significantly and in line with expectations, with favorable preliminary results from the DRIIV-1b study of AsiDNA™ in combination with chemotherapy, particularly in terms of the duration of disease stabilization, the initiation of the Phase 1b/2 Revocan study of AsiDNA™ in combination with the PARP inhibitor niraparib in relapsed ovarian cancer, and the continued preclinical development of the OX400 family, including the preclinical proof of concept of OX401, an innovative compound at the intersection of the DNA damage response and immunotherapy fields.

The main operational advances and organizational changes of the Group in fiscal year 2020 are detailed below.

## 1.3. PROGRAMS UNDER DEVELOPMENT

### 1.3.1 ASIDNA™

AsiDNA™ positions the Group in a new field at the forefront of scientific and clinical research in oncology, that of tumor DNA damage response (DDR: DNA Damage Response).

DNA damage response consists of a network of cellular pathways that detect, report and repair DNA damage. Proteins monitor DNA integrity and can activate cell cycle checkpoints and repair pathways in response to damage to prevent the generation of potentially deleterious mutations.

Applied to oncology, this new field of research aims to weaken or block the ability of tumor cells to repair damage to their DNA, either naturally or under the effect of cytotoxic treatments. Tumor cells are much more dependent on DNA repair mechanisms than healthy cells, due to their uncontrolled proliferation.

AsiDNA™ is a first-in-class product in the DDR field. It interferes with tumor DNA repair through a highly original decoy agonist mechanism, resulting from research studies at the Institut Curie.

The product is composed of a double-stranded DNA fragment that behaves like a fragment of damaged tumor DNA and causes hyperactivation of repair pathways (agonist mechanism) and the hijacking and sequestration of repair proteins (decoy mechanism). AsiDNA™ thus induces inhibition of DNA repair and depletion of the repair pathways of the tumor cell, which nonetheless continues its replication cycle, but with damaged DNA, leading to cell death. AsiDNA™ specifically targets tumor cells: preclinical and clinical studies conducted to date have shown that it has no effect on healthy cells, suggesting a favorable safety profile including in combination with other treatments, which was confirmed in humans after systemic administration in the multi-center DRIIV-1 and DRIIV-1b studies.

Of particular interest is that, unlike targeted products that inhibit a specific protein or pathway, such as PARP inhibitors (PARPi), AsiDNA™ interferes with the entire repair pathway. Acting upstream of multiple pathways, it does not inhibit one or more repair proteins but instead captures and hyperactivates them, thereby disrupting the entire repair cascade. Thus, it does not induce resistance mechanisms to anti-cancer treatment, which all targeted therapies used in oncology nowadays face. This resistance leads to therapeutic failures after several treatment cycles.

This is an important differentiating factor that allows for its use in combination with other tumor DNA damaging agents such as radiotherapy and chemotherapy, or in combination with inhibitors of a specific repair pathway such as PARP inhibitors (PARPi), to significantly increase their efficacy, notably by abrogating resistance to those treatments.

The Group actively pursued the preclinical and clinical development of this lead systemic candidate in 2020, both as a single agent and in combination with other treatments in various types of solid tumors, and achieved several major milestones in both R&D and the clinical development of AsiDNA™.

**In terms of R&D**

At the American Association for Cancer Research (AACR) Annual (Virtual) Meeting in June 2020, the Company presented results from preclinical studies corroborating the differentiated properties of AsiDNA™, its "first-

in-class" tumor DNA repair inhibitor, to reverse resistance to PARP inhibitors (PARPi) by preventing the regrowth of persistent cells.

This new data shows for the first time that PARPi resistance can be caused by drug-tolerant cells, and that the addition of AsiDNA™ to a PARP inhibitor prevents the regrowth of these cells, thereby completely and irreversibly abolishing the emergence of resistance in ovarian tumor cells. The results of this study are extremely encouraging for the conduct of the Phase 1b/2 REVOCAN trial combining AsiDNA™ with the PARP inhibitor niraparib in recurrent ovarian cancer. (see below). They clearly reinforce the value of AsiDNA™ in the fight against resistance, which is the main issue in cancer treatment today.

The role of persistent cells in resistance to other targeted therapies such as tyrosine kinase inhibitors has long been established. AsiDNA™ could thus become a gold standard combination therapy to counter resistance to multiple targeted therapies when induced by persistent cells. Preclinical evaluation of new combinations of AsiDNA™ in this context is underway, with anti-EGFR and anti-ALK tyrosine kinase inhibitors, as well as KRAS inhibitors.

**In terms of clinical development**

In August 2020, the Company announced the publication[1]of the final results of DRIIV, a Phase 1 study of AsiDNA™, its "first-in-class" intravenous (IV) tumor DNA repair inhibitor in the *British Journal of Cancer* . The DRIIV study was instrumental in demonstrating the good safety profile and activity of AsiDNA™ when administered by IV. The optimal active dose for combination therapy has been established at 600 mg and is used today for the clinical evaluation of AsiDNA™:

***In combination with the PARP inhibitor niraparib***

In January 2020, the Company entered into a clinical research agreement with Gustave Roussy to conduct the Revocan1 study to evaluate the effect of AsiDNA™, its "first-in-class" DNA damage response (DDR) inhibitor, on acquired resistance to the PARP inhibitor (PARPi) niraparib in the second-line maintenance treatment of relapsed ovarian cancer.

Niraparib significantly delayed cancer progression in patients with and without a BRCA mutation, but the effectiveness of the treatment decreases over time as tumors establish new repair pathways and become resistant to treatment. In preclinical studies, AsiDNA™ has consistently demonstrated its ability to prevent or abrogate acquired tumor resistance to PARP inhibitors, regardless of tumor mutations.

On this occasion, Dr. Patricia Pautier, oncologist, head of the Gynecological Cancers Committee at Gustave Roussy, and the principal investigator of this study said: *"Gustave Roussy and Onxeo will conduct an original proof-of-concept study of reversion of the resistance mechanism to a major therapeutic class. Labeled by the GINECO group, this first study, if it is positive, may pave the way for other combination trials with this therapeutic class in ovarian cancer as well as in other pathologies and offer patients who benefit from these treatments an additional opportunity to control their disease."*

The study plans to enroll up to 26 platinum-sensitive patients who have been treated with second-line maintenance niraparib for at least six months and have elevated CA 125, a well-established biomarker of ovarian cancer treatment resistance. CA 125 is routinely measured in standard clinical practice and its elevation correlates with impending disease progression, subsequently confirmed by imaging according to RECIST6 criteria.

Revocan aims to demonstrate that the addition of AsiDNA™ to PARPi niraparib, when CA 125 begins to rise, results in a significant and sustained reduction in this biomarker, which is consistent with a later onset of tumor resistance. This would stop or slow down the progression of the disease, thereby delaying the next line of treatment and potentially increasing its effectiveness. Progression-free survival and overall survival will also be evaluated as longer-term efficacy outcomes. Gustave Roussy and Onxeo collaborated on the design of the REVOCAN multicenter clinical trial, which Gustave Roussy submitted as sponsor to the French National Agency for the Safety of Medicines and Health Products (ANSM) and to an ethics committee.

[1] Le Tourneau C et al. British Journal of Cancer (2020) 123:1481–1489; https://doi.org/10.1038/s41416-020-01028-8

In May 2020, Onxeo announced that the REVOCAN study had received approval from the French National Agency for the Safety of Medicines and Health Products (ANSM) and the Committee for the Protection of Persons (CPP). REVOCAN will start in three internationally renowned French centers, all recognized experts in medical oncology: Gustave Roussy (Paris), promoter of the study; the Institut de Cancérologie de l'Ouest (Nantes - St Herblain); and the Hospices Civils de Lyon (CHU Lyon Sud). Other centers in the Arcagy Gineco network will also join the study.

Finally, in October 2020, Onxeo announced the treatment of the first patient in the Revocan study. Initial results from this study are expected in 2021.

***In combination with "DNA breakers"***

In November 2020, the Company announced the completion of enrollment in the DRIIV-1b study and favorable interim results. The purpose of this study was to obtain confirmation of the safety of AsiDNA™ in combination with reference chemotherapies and initial efficacy signals in patients with metastatic tumors. The good safety profile of AsiDNA™ was confirmed, with no AsiDNA™-related serious adverse events or dose-limiting toxicities observed to date. Of the first seven evaluable patients, four had partial responses or longer durations of disease control than on previous treatment lines; as of December 31, 2020, three patients were still on treatment.

This preliminary data is a particularly encouraging efficacy signal that allows for the continued clinical development of AsiDNA™ in combination with these reference chemotherapies, through a Phase 2 study that the Company plans to initiate as early as 2021 in a selected indication of high medical need;

In addition, the Company announced a clinical collaboration agreement with Institut Curie in January 2021 to initiate a Phase 1b/2 study of AsiDNA™ in combination with radiotherapy in the treatment of recurrent high-grade glioma in children (see also Section 1.7.2).

**In terms of intellectual property**

The Company pursues an active policy of industrial protection for AsiDNA™, particularly for its most promising potential combinations. As a result, in September 2021, it obtained a notification of issuance by the European Patent Office (EPO), of a patent that strengthens protection in Europe for AsiDNA™, its first-in-class tumor DNA repair inhibitor, in combination with PARP inhibitors (PARPi).

In particular, this patent protects the method of using AsiDNA™ in combination with PARP inhibitors in the treatment of certain cancers in which the homologous recombination (HR) DNA repair pathway is unaltered or deficient, known as "HR-proficient" cancers, which are not very sensitive to treatment with PARP inhibitors.

This patent will provide protection until 2036. It adds to the already robust set of patent families that protect AsiDNA™ and its related compounds, both alone and in combination.

AsiDNA™ has the potential to be used in a broad spectrum of combinations and multiple indications, which the Group wishes to leverage through partnerships to generate, in both the short and long term, numerous catalysts for growth and value for the Group and its shareholders.

### 1.3.2 OX401

AsiDNA™ is the first compound to be derived from platON™, Onxeo's decoy oligonucleotide platform.

PlatON™ is a chemistry platform that allows for the construction of new molecules using three components: the oligonucleotide (a double-stranded fragment of DNA), a linker between the two strands to ensure the stability of the fragment, and a vector to promote cellular penetration (a cholesterol molecule in the case of AsiDNA™).

With platON™, Onxeo has the means to enrich its portfolio of highly innovative drug candidates while capitalizing on its expertise and knowledge it has accumulated in the field of oligonucleotides and DNA repair mechanisms over several years.

OX401 is a new compound from platON™. Based on Onxeo's proprietary agonist decoy technology, OX401 is positioned both in the field of inhibition of DNA damage response (DDR) by acting on PARP, a key protein in tumor DNA repair, and in the field of immuno-oncology. OX401 has been optimized to specifically target PARP without causing resistance, with high selectivity for cancer cells. Furthermore, OX401 is designed to induce a

strong immune response by activating the STING pathway. Preclinical studies of OX401 in-vitro and in-vivo aim to validate its efficacy, both alone and in combination with immunotherapies.

- On January 29 and 30, 2020, Onxeo presented[2] OX401 to the scientific community at the 2020 PARP & DDR Inhibitors Summit held in Boston, USA.
- On February 27, 2020, Onxeo announced the acceptance of a poster presentation[3] of OX401 at the 2020 ESMO-TAT congress, which is dedicated to research on targeted anticancer therapies.
- On June 25, 2020, the Company announced the confirmation of the preclinical profile of OX401. Through its action on PARP and the activation of antitumor immune response via the cGAS-STING pathway, OX401 has shown in vivo potency that is superior to that of current PARP inhibitors, evidenced by complete control of tumor growth.

The preclinical program that has already been completed has allowed for the confirmation of the main properties of this compound. OX401 exhibits potent antitumor activity, as demonstrated in an animal model of breast cancer, linked to a hyperactivation of PARP and a hijacking of its DNA repair function in tumor cells specifically. PARP is a major component of the DNA repair mechanism, and the clinical value of acting on this protein has already been amply demonstrated by PARP inhibitors. Moreover, this activity on PARP induces a strong engagement of the cGAS-STING pathway[4], as demonstrated by the increase in key biomarkers of the tumor immune response. The activation of this pathway is now a new and very promising approach in immuno-oncology.

Benefiting from a novel decoy agonist mechanism of action like all platON™-derived compounds, OX401 does not induce tumor resistance to treatment, which represents a clear differentiation from targeted therapies like PARP inhibitors. Finally, like AsiDNA™, OX401 has no activity on healthy cells, which should give it a favorable safety profile in the clinic.

The next key preclinical steps will be to study its combination with immune checkpoint inhibitors. The Company is also working on certain improvements, particularly in terms of synthesis, to ensure that it has the best compound in this family (lead compound), combining an original mechanism of action with an optimal pharmacokinetic and pharmacodynamic profile.

The Company is continuing to optimize and protect compounds in the OX400 family, and to conduct translational studies to prepare for entry into the clinic, which could take place within 18 to 24 months.

The Group is convinced of the significant therapeutic potential of its decoy oligonucleotide technology, notably by interfering with tumor DNA repair signals, and of the disruptive innovation it represents, which could pave the way for a new paradigm in cancer treatment.

### 1.3.3 LICENSED PRODUCT (BELINOSTAT)

**Assignment of additional exclusive rights to belinostat to Acrotech Biopharma LLC**

On April 6, 2020, Onxeo entered into an agreement with Acrotech Biopharma LLC, a wholly-owned subsidiary of Aurobindo Pharma, which extends Acrotech's rights to belinostat to all territories not previously covered by a prior agreement between Onxeo and Acrotech (i.e., the United States, Canada, Mexico and India).

This new agreement grants Acrotech a royalty-free commercialization license for the IV from of belinostat in all other territories. As part of this transaction, Onxeo's license agreement with Pint Pharma for South America, as well as the agreements with Clinigen plc and iQone for the Named Patient Program in some European countries, and related agreements, were also transferred to Acrotech.

In addition, this new agreement will transfer certain patents and know-how concerning belinostat to Acrotech.

In return, Onxeo received a one-time payment of $6.6 million from Acrotech.

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[2] OX401, A new generation of PARP-interfering drugs for cancer treatment

[3] Access the poster which was accepted at the European Society of Medical Oncology - Targeted Anticancer Therapies (ESMO-TAT)

[4] The cGAS-STING pathway is a component of the innate immune system, which detects cytosolic DNA (involved in carcinogenesis) and induces an immune response accordingly

This agreement does not affect the existing royalty monetization agreement between Onxeo and SWK Holdings, which was entered into in June 2018. Onxeo will continue to receive royalties and milestone payments from Acrotech on sales of Beleodaq® in the territories initially licensed to SPPI, which will allow for the repayment of the bonded debt contracted with SWK. Upon full repayment of the debt, Onxeo will no longer receive any revenue from Acrotech.

This transaction finalized Onxeo's transition to a company focused solely on development activities in the field of DNA damage response in oncology (DDR). Funding

## 1.4. FUNDING

### 1.4.1 USE OF THE EQUITY FINANCING LINE SET UP ON JUNE 7, 2019

Acting on the authority of the Board of Directors and in accordance with the 20th resolution of the Extraordinary Shareholders' Meeting of June 19, 2018[5],the Company has set up an equity line of credit with Nice & Green on June 7, 2019, through the issuance of new shares over a 12-month period.

The characteristics of this equity line of credit are described in the securities note included in the Prospectus to which the Autorité des marchés financiers (the "AMF") has affixed visa no. 19-247 dated June 7, 2019. The Prospectus consists of Onxeo's 2018 reference document, registered with the AMF on April 5, 2019 under number D.19-0282, and a securities note that includes the summary of the Prospectus.

The balance of this equity line, which corresponded to 6,800,075 warrants as of December 31, 2019, was used in full in the first half of 2020 and provided the Company with total net proceeds of €3.2 million.

### 1.4.2 CAPITAL INCREASE BY WAY OF PRIVATE PLACEMENT OF NEW SHARES

On June 9, 2020, Onxeo announced the completion of a capital increase for a total amount of approximately 7.3 million euros, which was subscribed by a new investor, Invus Public Equities LP, and by Financière de la Montagne, the Company's historical shareholder.

The capital increase was carried out through the issue of 10,136,451 ordinary shares with cancellation of shareholders' preferential subscription rights, in a private placement with qualified investors on the basis of the 15th resolution of the extraordinary general meeting of June 19, 2018. The new shares represent approximately 15% of the Company's share capital before the completion of the private placement. As a result of this placement, a shareholder owning 1% of the Company's capital has seen his stake reduced to 0.87%. The subscription price has been set at €0.7182 per new share, which represents a 10% discount to the weighted average price of the last 3 trading sessions (i.e., from June 3 to 5, 2020 inclusive).

Following the completion of the capital increase, Invus Public Equities LP and Société Financière de la Montagne held 10.7% and 13.4% of the Company's capital respectively, based on a total number of 78,317,810 shares. To the Company's knowledge, no other shareholder holds more than 5% of its capital.

The net proceeds of the issue are intended for:

- the development of AsiDNA™, the Company's leading product, both clinically and industrially in ongoing and future clinical trials,
- the continuation of the preclinical program to evaluate strategies for combining AsiDNA™ with other targeted therapies,
- the development of the preclinical program for OX401 both alone and with immuno-oncology drugs, and,
- more generally, to finance the Company's current expenses.

The funds raised, together with the agreement concluded with Acrotech in April 2020 (see section 2.1.3), extend the Company's cash horizon to the first quarter of 2022.

[5] Capital increase carried out with cancellation of the preferential subscription right for the benefit of a category of persons within the framework of a financing line in shares or bonds.

### 1.4.3 TRANSFER OF ONXEO SHARES FROM THE REGULATED MARKETS EURONEXT GROWTH PARIS AND NASDAQ COPENHAGEN TO THE GROWTH MARKETS EURONEXT GROWTH PARIS AND FIRST NORTH COPENHAGEN

The shareholders at the Ordinary General Meeting of May 29, 2020 approved the project to transfer the listing of Onxeo shares from the regulated market of Euronext Paris, compartment C, to Euronext Growth Paris, and granted full powers to the Board of Directors to initiate the procedure with Euronext Paris (16th resolution). The Board of Directors, which met on July 29, 2020, decided to implement this transfer, which aims to allow Onxeo to be listed on a market that is more appropriate to the size of the company and its market capitalization, and thus benefit from a regulatory framework that is better adapted to SMEs and lower costs related to listing, while continuing to benefit from access to the financial markets.

On November 27, 2020, the Company also applied for admission to trading on the Nasdaq First North Growth Market and delisting from the Nasdaq Main Market in Copenhagen in order to align regulatory requirements in both countries and maintain a secondary listing that is easily accessible to its Danish shareholders.

As a result of the Nasdaq Copenhagen approval announced on November 30, 2020, the listing of Onxeo shares on First North Growth became effective on December 14, 2020.

As a result of the approval of Euronext Paris announced on December 10, 2020, the listing of the shares on Euronext Growth became effective on December 15, 2020.

Onxeo intends to maintain its current standards in terms of financial communication, in the interests of transparency towards its shareholders. The Company will continue to provide accurate, precise and truthful information by making public any privileged information concerning the company, in accordance with the European regulation on market abuse (MAR).

## 1.5. SETTLEMENT AGREEMENT WITH THE COMPANIES SPEPHARM AND SPEBIO

On February 11, 2020, Onxeo entered into an out-of-court settlement agreement (hereinafter the "Settlement Agreement") for the remaining proceedings in the dispute that had been pending since 2009 between Onxeo and SpePharm and SpeBio B.V. The latter is a joint venture led by SpePharm which was dedicated to the European operations of Loramyc®, a product which Onxeo sold to Vectans Pharma in July 2017.

Two residual proceedings remained pending since the decision of the Paris Court of Appeal in December 2018. On the one hand, Onxeo had appealed this decision before the Court of Cassation. On the other hand, the proceedings before the International Court of Arbitration of the International Chamber of Commerce (ICC), which had been suspended pending the decisions of the French courts, had resumed.

The Settlement Agreement includes the immediate, complete and final waiver of these last two outstanding lawsuits, as well as any future claims or causes of action between the parties relating to their past disagreements.

In return, Onxeo will immediately transfer its shares in SpeBio to SpePharm at their nominal value, thereby transferring its share of the joint venture's cash flow of approximately 3.5 million euros, and will pay 15 to 20% of the net amounts to be received under future commercial agreements relating to Onxeo's R&D assets, for a total cumulative amount of 6 million euros within a period of 4 years, i.e. at the latest January 31, 2024

## 1.6. CHRONOLOGICAL SUMMARY OF THE COMPANY'S PRESS RELEASES IN FISCAL YEAR 2020

The full text of these press releases can be accessed on the Company website at (ww.onxeo.com).

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|---|---|
| January 6 | 2019 - Annual review of the liquidity contract |
| January 28 | Onxeo will present its next generation PARP inhibitor, OX401, at the 2020 PARP & DDR Inhibitors Summit |

| | |
|---|---|
| January 29 | Onxeo entered into a clinical research agreement with Gustave Roussy to conduct a clinical trial of AsiDNA™ in the treatment of relapsed ovarian cancer |
| February 11 | Onxeo reached a settlement agreement with SpePharm and SpeBio |
| February 27 | Onxeo to present OX401, a next generation PARP inhibitor, at ESMO-TAT 2020 |
| March 27 | Onxeo will publish its annual results on April 17, 2020 |
| April 6 | Onxeo received $6.6 million in consideration for the grant of exclusive worldwide rights to belinostat to Acrotech Biopharma LLC |
| April 17 | Onxeo released its 2019 annual results and provided an update on its activities |
| April 27 | Universal registration document 2019 made available |
| April 27 | Onxeo's Combined Shareholders' Meeting to be held on May 29, 2020 behind closed doors and voting procedures in the Covid-19 context |
| May 7 | Onxeo's Combined Shareholders' Meeting to be held behind closed doors on May 29, 2020: availability of preparatory documents and information for internet connection |
| May 19 | Onxeo to present new preclinical data at AACR 2020 that confirms the ability of AsiDNA™ to prevent and abrogate cancer resistance to PARPi |
| May 27 | Bryan Garnier & Co Initiates Coverage of Onxeo with a "Buy" Recommendation |
| May 29 | Onxeo announced the approval of the REVOCAN study by the regulatory authorities |
| May 29 | Onxeo announced the adoption of all ordinary resolutions at its General Meeting on May 29, 2020 |
| June 9 | Onxeo announced a €7.3 million capital increase through a private placement with Invus and Financière de la Montagne, the Company's historical shareholder |
| June 19 | Onxeo: minutes of the extraordinary general meeting of June 19, 2020 |
| June 22 | New online e-poster for the AACR 2020 virtual meeting |
| June 25 | Onxeo has confirmed the preclinical profile of OX401, a potent PARP agonist with strong anti-tumor activity and immunological properties |
| July 3 | Half-yearly report on the liquidity contract with Kepler Cheuvreux |
| July 17 | Onxeo published its financial results for H1 2020 and provided an update on its activities |
| July 29 | Transfer of listing of Onxeo shares from the regulated market Euronext Paris (compartment C) to the multilateral trading facility Euronext Growth Paris |
| July 29 | Provision of the 2020 half-yearly financial report |
| August 27 | Onxeo announced the publication of the final results of DRIIV, a Phase 1 dose escalation study of AsiDNA™ in advanced solid tumors, in the British Journal of Cancer |
| September 3 | Onxeo received a notice of allowance from the U.S. Patent and Trademark Office for a new patent that enhances the protection of AsiDNA™ by systemic administration in the United States |
| September 8 | Onxeo has announced its participation in several major investor conferences and events in the second half of 2020 |
| September 17 | Onxeo published its financial results for the first half of 2020 and provided an update on its activities |
| September 29 | Provision of the 2020 half-yearly financial report |
| October 21 | Onxeo announced the enrollment of the first patient in the Revocan Phase 1b/2 study |
| October 22 | Onxeo has received a notification of intent to issue a new patent that strengthens the protection in Europe of AsiDNA™ in combination with PARP inhibitors |
| November 9 | Onxeo announced the completion of patient enrollment in the DRIIV-1b study and favorable interim results |
| November 27 | Onxeo has applied for admission to trading on the Nasdaq First North Growth Market Denmark and delisting from the Nasdaq Main Market in Copenhagen |
| November 30 | Onxeo has received approval for delisting from the Nasdaq Main Market Copenhagen and simultaneous admission to trading on the Nasdaq First North Growth Market Denmark |
| December 10 | Onxeo has announced the transfer of the listing of its shares on the Euronext Growth Paris market on December 15, 2020 |

## 1.7. SIGNIFICANT EVENTS AFTER DECEMBER 31, 2020

### 1.7.1 OBTENTION OF STATE-BACKED LOANS

On January 28, 2021, the Company announced that it had obtained non-dilutive funding of 5 million euros in the form of State-Backed Loans. This funding is part of the systems put in place by the French government to support French companies in the context of the COVID-19 pandemic and allows for the strengthening of the Company's cash position.

The loans are 90% guaranteed by the French government and have a maturity of 12 months. After this initial period, the Company may, at its discretion, defer repayment of the principal amount for up to five additional years.

### 1.7.2 NEW CLINICAL RESEARCH AGREEMENT WITH INSTITUT CURIE

Radiotherapy is also a reference treatment for many cancers. On February 4, 2021, Onxeo announced that it had entered into a clinical research agreement with Institut Curie to conduct a phase 1b/2 study to evaluate the effect of AsiDNA™, a first-in-class inhibitor of DNA damage response, in combination with radiotherapy in children with recurrent high-grade glioma (HGG) who are eligible for re-irradiation, an orphan indication with a poor prognosis.

This study is supported by a grant from the European Fight Kids Cancer program. Institut Curie, as sponsor of the study, will submit the request for authorization of this trial to the health authorities and ethics committees in the coming weeks, with the objective of initiating this study in 2021.

### 1.7.3 CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

In a press release dated March 10, 2021, the Company announced the launch of a capital increase with preferential subscription rights for shareholders in France and Denmark, on the basis of the seventeenth and twentieth resolutions adopted by the extraordinary general meeting of shareholders on June 19, 2020. This operation was the subject of a prospectus approved by the AMF under no. 21-063.

The proceeds of this issue of New Shares are intended to finance, as a priority, the expansion and acceleration of the clinical development of AsiDNA™, particularly in combination with other anti-cancer agents. The Company also intends to continue the optimization and preclinical development of new candidates from the platON™ platform, optimize pharmaceutical development and compound manufacturing operations, and more generally, fund the Company's business.

The main terms of the transaction are summarized below:

- Operation open to the public in France and Denmark
- Subscription Parity: 1 new share for 6 existing shares
- Subscription price: 0.71 € (equal to DKK 5.29) per share, i.e. a discount of 5.3% compared to the market price on March 8, 2021.
- Number of shares offered: 13,052,968 New Shares, which may be increased to a maximum of 15,010,913 New Shares in the event of full exercise of the Extension Clause.
- Gross proceeds from the transaction: 9,267,607 euros, which may be increased to 10,657,748 euros in the event of full exercise of the Extension Clause and to approximately 7,000,000 euros in the event of limitation of the offer to 75.5% of the amount of the envisaged capital increase (corresponding to the subscription commitments of the two reference shareholders, Financière de la Montagne and Invus Public Equities LP)

On April 12, 2021, the Company announced the success of this capital increase, with a subscription rate of 104.8%, corresponding to 13,677,125 New Shares, of which 7,565,328 were requested on a free basis, fully allocated through the exercise of the extension clause.

The gross amount of the capital increase, including issue premium, amounts to 9,710,758.75 euros and this additional cash contribution extends the Company's cash runway until the end of 2022, beyond major clinical milestones expected in the next 18 months.

Following the capital increase, the Company's capital amounts to 22,998,733.75 euros, divided into 91,994,935 shares with a value of 0.25 euros. nominal each.

The following table shows the distribution of capital, to the Company's knowledge, before and after the completion of the capital increase.

| Shareholders | Number of shares before the transaction | % of capital and voting rights (1) before the transaction | Number of shares after the transaction | % of capital and voting rights (1) after the transaction |
|---|---|---|---|---|
| Financière de la Montagne | 10,462,560 | 13.36% | 14,779,009 | 16.07% |
| Invus Public Equities LP | 8,397,270 | 10.72% | 14,031,073 | 15.25% |
| Flottant | 59,457,980 | 75.92% | 63,184,853 | 68.68% |
| **Total** | **78,317,810** | **100.00%** | **91,994,935** | **100.00%** |

(1) Theoretical voting rights. All shares have the same voting rights, with the exception of treasury shares held by the Company.

As an indication, the impact of the issue on the participation in the capital of a shareholder holding 1% of the Company's share capital prior to the issue and not having subscribed to it (calculations made on the basis of the basis of a number of 78,317,810 shares making up the Company's share capital as of December 31, 2020) is as follows:

| | Shareholder's ownership in % | |
|---|---|---|
| | Non-diluted | Diluted (1) |
| Before issuance of the New Shares | 1.00 | 0.95 |
| After issuance of the 13,677,125 New Shares | 0.85 | 0.81 |

(1) Taking into account the 4,335,740 stock options and warrants giving access to the allocated capital and in circulation to date.

# 2. RISK FACTORS

The Group operates in a constantly changing environment, which entails numerous risks, some of which are beyond its control. Before subscribing for or acquiring shares in the Company, investors are invited to review all the information contained in this Report, including the risks described below.

The Company has examined the risks to which it is exposed and presents in this section those which, in its opinion, as of the date of this Report, are likely to have a significant adverse effect on its business, prospects, financial situation, results and growth, and which, in this context, are important in making any investment decision. As of the date of this Report, the Company is not aware of any significant risks other than those presented in this section.

Investors' attention is drawn to the fact that, pursuant to Article 16 of the Prospectus Regulation, the list of risks presented in this section is not exhaustive and that other risks, currently unknown or deemed unlikely, as of the date of this Report, to have a material adverse effect on the Company may exist or could arise.

In order to identify and assess the risks likely to have an adverse impact on the Group's business, prospects, financial situation, results (or its ability to achieve its objectives) and development, the Company periodically draws up a map of these risks.

Every identified risk is assessed in terms of probability of occurrence and potential impact, accounting for the possible consequences, in particular from a financial, legal and reputational point of view, as well as on the achievement of the Group's objectives.

Risk mapping is thus a management tool that makes it possible, where appropriate, to define and monitor the preventive or corrective mitigation measures to be implemented in connection with the various risks identified. The associated action plan specifies the actions to be carried out, who is responsible, who is involved, the deadlines to be met and the budget associated with each action.

The risk management process and risk mapping are presented annually to the audit committee as part of its mission to monitor and control the effectiveness of the internal control and risk management systems.

Risk mapping updated as of the date of this Report has enabled the Company to identify 20 risk factors. The probability of occurrence of each risk is assessed on five levels (from 1 - unlikely, to 5 - probable) and their potential negative impact is assessed on five levels (from 1 - limited, to 5 - major).

Multiplying the two criteria gives an overall criticality score for each risk, making it possible to group the risks into three main groups: acceptable, strong or major.

The **matrix** below graphically presents the 20 risk factors identified according to their probability of occurrence and their potential impact. The numbers correspond to the risk factors listed in the following **table**, grouped into 4 categories according to their nature, with for each of them the section of this URP where they are described.

Within each of the four categories mentioned above, risks were ranked in order of **criticality**, with the risks with the highest probability of occurrence and the highest potential impact placed first, on a "net risk" basis, i.e., after accounting for preventive or mitigating measures. The occurrence of new events, either internal or external to the Group, may change this order of importance in the future.

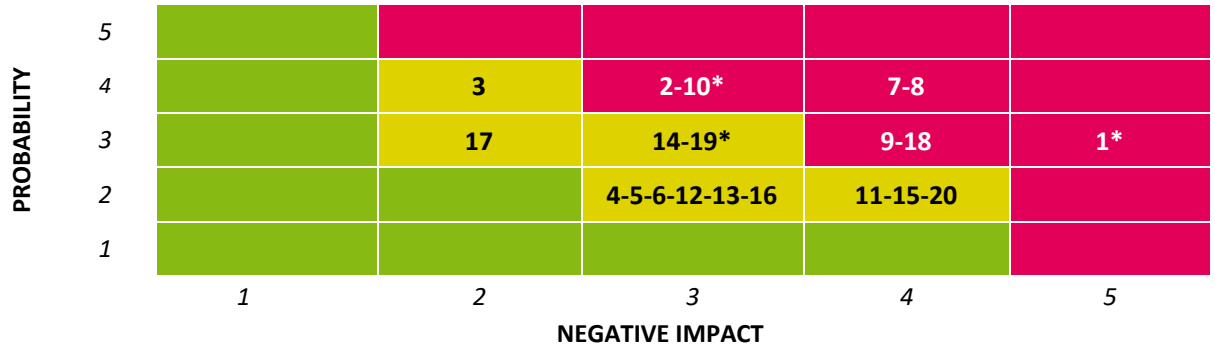
***Important note***

*As of the date of this Report, the Company considers that it is exposed in a limited way to risks on its operations due to the so-called Covid-19 epidemic.*

*However, it does not rule out the possibility that an extension of containment measures taken by states and governments could affect the proper conduct of its outsourced activities, in particular the conduct of clinical trials and production operations.*

*In addition, the effect of this epidemic on the global financial markets has already led to a decline in the Company's share price and could significantly impact in the short term its ability to obtain financing on the capital markets and, consequently, the conduct of its business. The Company has thus identified 3 risks that could be aggravated by the context resulting from this epidemic. They are indicated by an asterisk (*) in the matrix and table below, and the aggravating circumstances are detailed in the corresponding section.*

**RISK MATRIX**




Key: Acceptable risk | Significant risk | Major risk

| Category/ Number | Risk factor | Section |
|---|---|---|
| I | Financial Risks | 3.1 |
| **1** | **Liquidity risk (*)** | **2.1.1** |
| 2 | Risk related to the evolution of the Company's shares | 2.1.2 |
| 3 | Risk of dilution | 2.1.3 |
| 4 | Risks related to the Research Tax Credit | 2.1.4 |
| 5 | Risk of non-reporting of tax losses | 2.1.5 |
| 6 | Currency risk | 2.1.6 |
| II | Risks related to the business | 2.2 |
| 7 | Risk related to the highly innovative nature of the Company's products and the early stage of their development | 2.2.1 |
| 8 | Risk of clinical trial failure | 2.2.2 |
| 9 | Risk related to industrial and commercial partnerships | 2.2.3 |
| **10** | **Risk of major delays in development (*)** | **2.2.4** |
| 11 | Risk of clinical developments in combination | 2.2.5 |
| 12 | Public policy risks related to clinical trials, pricing and reimbursement of drugs | 2.2.7 |
| 13 | Risks related to competition | 2.2.8 |
| III | Legal Risks | 2.3 |
| 14 | Risk of legal disputes | 2.3.1 |
| 15 | Risks related to industrial protection | 2.3.2 |
| 16 | Risks related to non-compliance with legal or regulatory obligations | 2.3.3 |
| 17 | Risk related to the control regime for foreign investments in France | 2.3.4 |
| IV | Risks related to the Company, its organization and its environment | 2.4 |
| 18 | Risk of loss of key employees | 2.4.1 |
| **19** | **Risk of dependence on third parties and failure of a subcontractor (*)** | **2.4.2** |
| 20 | Risk associated with the use of hazardous chemicals and biological materials | 2.4.3 |

## 2.1. FINANCIAL RISKS

### 2.1.1 LIQUIDITY RISK

The Company has conducted a specific review of its liquidity risk and expects to be able to meet its future maturities over the next twelve months as of the date of this Report and has financed its growth primarily in 2020 and to date through:

- payments from licensing agreements with partners, including net proceeds of €6 million from the licensing agreement signed with Acrotech on April 6, 2020;
- the repayment of the 2019 research tax credit;
- 5 million in government-guaranteed loans obtained in January 2021 (see section 1.7.1 of this Report);
- a strengthening of its equity through successive capital increases resulting from:
    - the balance of the equity financing line set up on June 7, 2019 with Nice & Green,

a capital increase through a private placement in June 2020 for a total amount of approximately 7.3 million euros, subscribed by a new investor, Invus Public Equities LP, and by Financière de la Montagne, the Company's historical shareholder,
a capital increase with preferential subscription rights finalized in April 2021 for a net amount of 9.4 million euros (see section 1.7.3 of this Report).

The Company's cash and cash equivalents were 14.5 million euros at December 31, 2020. The Company relies on leading financial institutions for its cash investments and believes that it does not bear significant credit risk on its treasury.

By taking government-backed loans obtained in January 2021, and the capital increase with the continuation of the preferential subscription right from April 2021, the Company expects to be able to extend its cash horizon at least until the fourth quarter of 2022, as of the date of this report.

Beyond this horizon, the advancement of the Company's research and development programs will continue to generate significant funding requirements. The Company's profitability depends primarily on its ability to enter into collaboration or licensing agreements for its drug candidates with industrial partners, which generate upfront and milestone payments and royalties on sales, after market authorization (see section 5. Business overview). These processes are lengthy and the Company, which has recorded net operating losses since the beginning of its research and development activities, anticipates further losses in the coming years as its operations continue.

The level of funding requirements and their timing depend on factors largely beyond Onxeo's control, such as:

- costs associated with potential requests for study modifications or additional work to obtain clinical trial authorizations in Europe and the United States;
- higher costs and slower progress than were anticipated by the Company for the preclinical and clinical development of its products.
- the costs of preparing, filing, defending and maintaining its patents and other intellectual property rights;
- interesting results that may justify starting other unplanned trials to increase the value of AsiDNA™ or platON™;
- significant delays in the negotiation of new partnerships.

The Company will therefore have to seek new sources of financing in the future, notably through new capital increases. The Company cannot guarantee that it will be able to obtain the additional financing required to continue its operations on acceptable financial terms. In addition, debt financing, to the extent available, could include commitments that are binding on the Company and its shareholders.

If the necessary funds are not available, the Company's business activities could be definitively discontinued or, at a minimum, the Company may have to:

- delay, reduce or eliminate the number or scope of its development programs; and

- enter into new collaborative arrangements on terms that are less favorable to it than those it could have obtained in a different context; and

In addition, the effect of the "Covid-19" epidemic on global financial markets has already led to a decline in the Company's share price and could have a significant short-term impact on its ability to obtain financing on the capital markets and, consequently, on the conduct of its business.

### 2.1.2 RISK RELATED TO THE EVOLUTION OF THE COMPANY'S SHARES (VOLATILITY AND LIQUIDITY)

The Company's shares are listed on compartment C of the Euronext regulated market in Paris and are also listed on the Nasdaq market in Copenhagen.

The shares of biotech companies are particularly volatile and this situation may continue. The market price of the Company's shares could be materially affected by numerous factors affecting the Company, its competitors, or general economic conditions and the biotechnology industry.

In addition to geopolitical or macro-economic events that may have a strong impact on the equity market, particularly for biotechnology companies, the following factors could have a significant influence on the volatility and share price in particular:

- the results of preclinical studies and clinical trials conducted by the Company or by competitors and, more generally, published results concerning cancer treatment products;
- proof of the safety and effectiveness of the Company's and/or its competitors' products;
- regulatory decisions, including those governing the pharmaceutical industry or the oncology field, or their anticipation, particularly due to political factors such as the upcoming presidential elections in the United States;
- changes in the Company's or its competitors' outlook from period to period;
- the announcement by the Company or its competitors of technological innovations or the commercialization of new products;
- developments of the Company or of companies competing with partner companies;
- developments concerning the Company's patents or intellectual property rights or those of its competitors, including litigation;
- partnership agreements, whether concluded or terminated, including in respect of litigation;
- announcements concerning changes in the Company's shareholding structure;
- announcements regarding changes in the Company's management team.

The sale of Company shares or the anticipation that such sales may occur may also have an adverse impact on the Company's share price. The Company cannot predict the possible effects on the market price of the shares should its shareholders sell their shares.

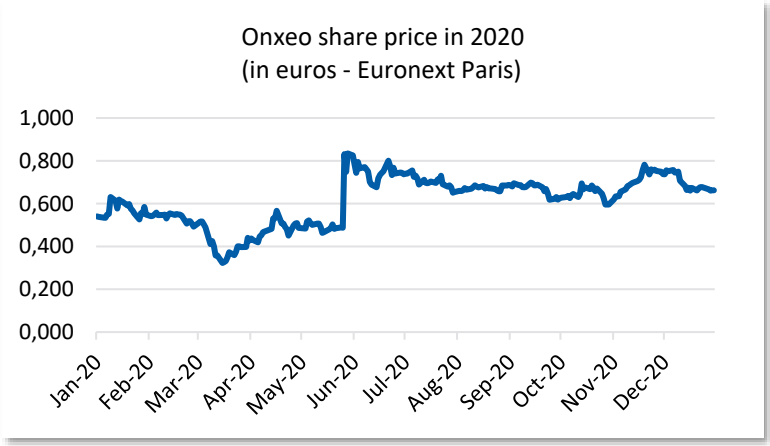
In addition, the terms of any financing may adversely affect the assets or rights of the Company's shareholders, and the issuance of additional securities, whether equity or debt, or the possibility of such issuance, could result in a decline in the Company's share price.

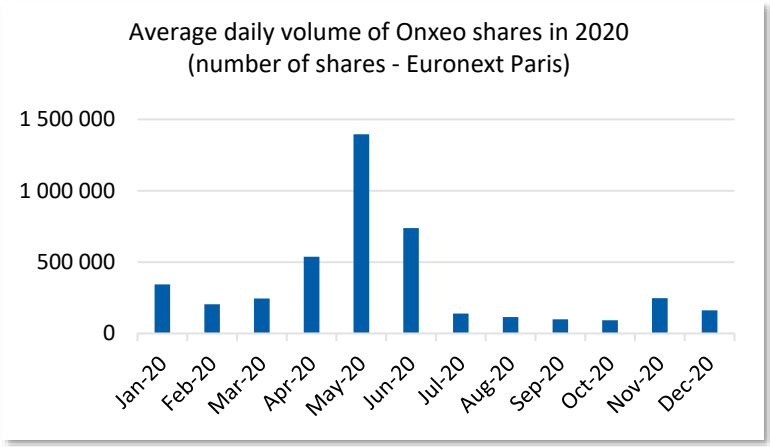
As an example, the Company's market capitalization decreased significantly in 2019 as shown in the illustration below, but this decrease cannot be attributed to the Company's 2019 activity.

**Price evolution and trading volume**

During fiscal year 2020, the share price on the Euronext Paris stock exchange reached a low of 0.323 euros on March 16 and closed at 0.663 euros on December 31. 0.663 on December 31. The highest price was reached on May 29 at

The tables below show the share price and trading volume for the period from January 2 to December 31, 2020 on the Euronext Paris stock exchange.




**Stock market data**

| | |
|---|---|
| Market capitalization at the end of the period *(in millions of euros at December 31, 2019)* | 51.9 |
| Share price *(in euros)* | |
| - Highest *(closing)* | 0.835 |
| - Lowest *(closing)* | 0.323 |
| - At the end of the period *(closing)* | 0.663 |

### 2.1.3 RISK OF DILUTION

The Company regularly finances itself on the market through capital increases, which can represent a significant dilution for shareholders.

In addition, as part of its policy of motivating its managers and employees and in order to attract skills, the Company regularly allocates stock warrants, stock options and free shares that have a potential dilutive effect.

On December 31, 2020, the full exercise of all the instruments giving access to the capital allocated and in circulation would allow the subscription of 4,335,740 new shares, generating a dilution equal to 4.71% on the basis of the capital existing at the date of this Report.

### 2.1.4 RISK RELATED TO THE RESEARCH TAX CREDIT

In France, the Company benefits from the Research Tax Credit ("RTC"), which consists of a tax credit offered by the French government to companies investing significantly in research and development. The research expenditure eligible for the RTC includes, in particular, salaries and wages, depreciation of research

equipment, services subcontracted to approved research organizations (public or private) and intellectual property costs. The RTC recognized for the 2020 financial year amounted to EUR 1.1 million, which represents significant financing compared to the cash position of EUR 14.5 million at 31 December 2019.

It cannot be ruled out that the tax authorities may question the methods used by the Company to calculate research and development expenses, even though the Company complies with the documentation and eligibility requirements for such expenses. In addition, the RTC regime may be subject to regulatory change in the future.

If such a situation were to occur, it could have an adverse effect on the Company's results and financial position.

### 2.1.5 RISK OF NON-REPORTING OF TAX LOSSES

The Company has accumulated tax loss carryforwards of 294 million euros as at December 31, 2020.

In France, the allocation of these deficits is capped at EUR 1 million, plus 50% of the portion of profits exceeding this ceiling. The unused balance of the deficit can be carried forward to future years and is chargeable under the same conditions without time limit. The amount of tax losses accumulated by Onxeo therefore represents a significant financial issue in terms of reducing future income tax expense when the Company will record profits.

There can be no assurance that future changes in applicable tax laws and regulations will not remove or modify these or other provisions in a manner that is unfavorable to the Company.

## 2.2. CURRENCY RISK

The Company incurs a portion of its expenses in currencies other than the euro. In the future, since Onxeo has an ambitious clinical program planned for AsiDNA™, the Company may have to expand its research and development activities internationally, including its clinical trials, which could increase its exposure to foreign exchange risk.

In addition, the Company's asset development strategy is based on the signature of license agreements generally involving upfront and milestone payments as well as royalties on sales and it is possible that these agreements will be concluded in the future with partners outside the Euro zone.

Revenues denominated in US dollars represented approximately 75% of consolidated revenues for the year ended December 31, 2020 but were mainly used to repay the bond issue entered into on June 7, 2018 with SWK Holdings, also denominated in dollars, which represents a natural currency hedge. As the Company has not set up a currency hedging tool, it is thus essentially exposed to the risk of an increase in the value of the US dollar against the euro, which would increase the euro equivalent of its dollar purchases.

In the future, the Company's exposure to foreign exchange risk may vary depending on:

- the currencies in which it receives its income;
- the currencies chosen when signing the agreements, such as licensing or co-development agreements;
- the location of R&D activities and in particular clinical trials on drug candidates; and,
- the Company's policy for hedging foreign exchange risk.

## 4.1 RISKS RELATED TO THE BUSINESS

### 2.2.1 RISK RELATED TO THE HIGHLY INNOVATIVE NATURE OF THE COMPANY'S PRODUCTS AND THE EARLY STAGE OF THEIR DEVELOPMENT

The risks associated with the failure to develop a drug candidate are closely linked to the maturity stage of the drug candidate. Given the relatively early stage of the Company's most important drug candidates, respectively in Phase 1 for AsiDNA™ and in the preclinical phase for OX401 as of the date of this Report, there is a significant risk that some or all of the Company's drug candidates may not be developed, formulated or produced under acceptable economic conditions, may have their development interrupted, may not be the

subject of partnership or licensing agreements, may not obtain regulatory approval or may never be commercialized.

Onxeo is developing a novel therapeutic approach based on an agonist decoy mechanism of tumor DNA repair pathways, which could allow synergistic effect with other anti-cancer treatments and prevent or reverse tumor resistance to certain targeted therapies.

To date, however, no oligonucleotide agonists for tumor DNA repair pathways have been developed or approved for marketing in oncology by the relevant health authorities. The prospects for the development and profitability of Onxeo's most advanced drug candidate, the Company's ability to develop, formulate or produce it under economically acceptable conditions, its safety, efficacy and its acceptance by patients, healthcare prescribers and paying agencies are therefore still highly uncertain.

Given the highly innovative nature of the technology on which it is based, the results of AsiDNA™ in Phase 1 trials, and more generally those relating to all existing or future drug candidates in the Company's portfolio or based on its technology in their research or preclinical phases, may or may not be confirmed by subsequent clinical trials. Such a situation would have a very significant adverse impact on the Company's business, results, financial position and prospects.

### 2.2.2 RISK OF CLINICAL TRIAL FAILURE

The risk of a serious side effect in a clinical trial or negative results from a clinical trial could affect Onxeo’s growth.

As part of its research and development programs, the Company must conduct preclinical trials in animals and clinical trials in humans in order to demonstrate the safety and efficacy of its drug candidates.

Although the Company conducts its trials with the utmost care, in particular, in the definition of protocols, the use of expert partners and the study of competing products, events that could lead to the failure of a clinical development include:

- the occurrence of unexpected and serious adverse events or deaths, whether or not related to the drug candidate tested, that are believed to outweigh the potential benefits, in which case the Company may elect, or the regulatory authorities may require the Company to suspend or terminate clinical trials;
- negative or unconvincing efficacy results: in such cases, the Company could decide to abandon development projects that it initially considered promising or it could be required to conduct additional clinical studies, which would generate higher than expected costs.

Given the early stage of the Company's portfolio in the advanced field of DNA repair and the fact that only one product in this portfolio, AsiDNA™, has reached the stage of clinical development as of the date hereof, the Company's inability to successfully complete clinical trials of AsiDNA™ could have a significant adverse effect on its ability to generate future revenues, its financial condition and its development.

Furthermore, promising results of the drug candidates AsiDNA™ and OX401 during the initial preclinical and clinical phases, and even after advanced clinical trials, do not guarantee that any of the Company's drug candidates can be licensed out or successfully marketed and commercialized.

### 2.2.3 RISK RELATED TO INDUSTRIAL AND COMMERCIAL PARTNERSHIPS

The Company's profitability depends primarily on its ability to enter into collaboration or licensing agreements for its drug candidates with industrial partners, which generate upfront and milestone payments and royalties on sales, after market authorization. Indeed, the Group's strategy favors the conduct of advanced phases of clinical development (particularly phase 3 studies) and the commercialization of its products via partners, rather than directly, given the Group's current structure and the costs in time, energy and financial and human resources required for these activities.

The conclusion of such agreements is the result of negotiations that are often long and complex and could be delayed or called into question by numerous factors, including macroeconomic, political and competitive factors, or by failures or delays in the development of the Company's products.

The Group cannot guarantee that, when the time comes, it will be able to identify a suitable partner or enter into a partnership on the most favorable commercial terms for it. The Company's inability to enter into agreements with one or more partners to pursue the development of its drug candidates would have a material adverse effect on its ability to generate future revenues, its financial position and its development.

Moreover, once these partnerships are entered into, the Company cannot guarantee that they will be profitable for the Group. Even if the Group managed to establish a relationship of trust with partners, it has limited control over them. These partners could call into question or be in default in the performance of their obligations, not devote sufficient time or effort to the proper performance of the Group's activities or favor their interests or those of other partners over those of the Group. Thus, insufficient performance by a current or future partner could slow down product development and thus delay or limit revenues from milestone payments or royalty payments on sales of the Company's products.

Finally, under the settlement agreement signed with SpePharm in February 2020, the Company will pay SpePharm a total of 6 million euros by January 31, 2024. The repayment of this debt will be made from a share of the sums received by Onxeo in the context of new partnership agreements. As of the date of this report, the debt amounts to €5.1 million, after partial reimbursement of €0.9 million corresponding to 15% of the amount received upon signature of the license agreement with Acrotech in April 2020. Any additional amounts received by the Company under new partnership agreements will be subject to a 20% repayment to SpePharm. Should the Company fail to enter into new partnership agreements before January 31, 2024, it would be liable for the balance of the SpePharm debt at that date. As regards the bonded debt to SWK Holdings, the company is only committed to the amount of royalties on sales received from Acrotech. Consequently, the company considers that it is not exposed to any repayment risk.

### 2.2.4 RISK OF MAJOR DELAYS IN DEVELOPMENT (*)

The development of a drug candidate is a long, costly and uncertain process aimed at demonstrating the therapeutic benefit of a drug candidate that competes with existing products or those under development.

The clinical development of our product candidates could be delayed, suspended or canceled due to a number of factors, including the following:

- delays or failures in reaching consensus with regulatory authorities on the clinical trial protocol;
- delays in concluding an agreement on acceptable terms with a potential CRO and potential research sites, the terms of which may be subject to extensive negotiations and may vary significantly between different CROs and research sites;
- the imposition of a temporary or permanent clinical suspension by the regulatory authorities, including following a new safety finding that presents an unreasonable risk to clinical trial participants, a negative finding resulting from an inspection of clinical trial operations or investigator sites, developments in trials conducted by competitors for related technologies that raise concerns for the regulatory authorities about the risks to patients of that technology in a broad sense or if a regulatory authority considers that the protocol or research plan clearly fails to meet the objectives set ;
- delays in enrolling appropriate patients to participate in the Company's clinical trials, particularly in the case of orphan diseases, such as relapsed ovarian cancer, for which the Group is currently developing AsiDNA™ in combination with niraparib in the Revocan study, which means that the potential patient population is limited;
- difficulties in collaborating with patient groups and researchers;
- delays in obtaining full participation of patients in a clinical trial or their return for post-treatment follow-up;
- patients withdrawing from a clinical trial;
- changes in regulations and regulatory directives requiring the amendment or submission of new clinical trial protocols;
- feedback from regulatory authorities requiring changes to the protocols of ongoing clinical trials to take into account safety considerations;
- disagreements with the relevant regulator on how the Company interprets clinical trial data or because the relevant regulator does not accept these therapeutic effects as valid parameters in clinical trials that are sufficient to grant marketing authorization, for example in orphan indications;

- changes in the standard of care on which a clinical development plan is based, which may require new or additional clinical trials;
- the fact that the cost of clinical trials of drug candidates is higher than anticipated.

Delays in clinical studies could also shorten the operating periods during which the Company's products are protected by patent(s) and allow its competitors to commercialize their products in the shorter term, which could adversely affect Onxeo's ability to license or successfully commercialize its drug candidates.

Onxeo plans to initiate new clinical trials with AsiDNA™: these would be phase 1 to 2 studies of limited size, notably in combination with other anti-cancer treatments such as PARP inhibitors or reference cytotoxic treatments such as radiotherapy or chemotherapy, in indications with a high unmet medical need, such as rare, advanced or relapsed cancers.

If a significant delay occurs in a trial and development times deviate significantly from estimates, the Company could be required to abandon the development of one or more of its product candidates and not be able to generate sufficient revenues through partnerships, which could have a negative impact on the Company's financial situation and development.

The "Covid-19" epidemic led to a freeze in Europe in the spring of 2020 on most clinical trials unrelated to the diagnosis or treatment of this virus. The trials conducted and planned in 2021 by the Company are relatively small Phase 1 and 2 trials and concern patients with rare, advanced or relapsed cancers, for which there is a significant medical need. However, if the health situation were to worsen in 2021, this could lead to a freeze or a significant slowdown in the conduct of trials, and this risk, already considered significant, would become major.

### 2.2.5 RISK OF CLINICAL DEVELOPMENTS IN COMBINATION

The combination of several treatments is commonly used for the treatment of cancer, especially for conditions that are difficult to treat and have a high unmet medical need. The Company is currently developing AsiDNA™ and may develop other drug candidates in combination with one or more cancer treatments currently approved or under development.

AsiDNA™ in a Phase 1b trial in combination with chemotherapy (carboplatin and paclitaxel) in patients with advanced solid tumors and Onxeo intends to extend this development with a randomized Phase 2 trial in lung cancer. A Phase 1b/2 study of AsiDNA™ in combination with niraparib, a PARP inhibitor, began in late 2020 in patients with recurrent ovarian cancer. AsiDNA™ has also demonstrated in preclinical studies its ability to prevent resistance to KRAS and tyrosine kinase inhibitors, which could lead to further combination developments. AsiDNA™ has also demonstrated its ability to sensitize tumors to radiotherapy in challenging indications and initiated a pediatric program in this combination with Institut Curie in early 2021. Finally, OX401, a next-generation PARP inhibitor that activates the immune system, could potentially be developed in combination with immune checkpoint inhibitors.

Despite the favorable safety profile to date of Onxeo's decoy agonist technology, patients may not be able to tolerate the combination of the Company's drug candidates with other therapies.

If one or more of the Company's drug candidates were to be developed or receive marketing approval or be marketed for use in combination with other existing treatments, Onxeo and its partners would remain exposed to the risks that the FDA, the EMA or other similar foreign regulatory authorities could withdraw approval of the treatment used in combination with any of the Company's drug candidates or that problems related to safety, efficacy, manufacturing or supply could arise with such existing treatments.

If these problems were to occur, the Company's strategy of leveraging its drug candidates in combination would be called into question, which would have a material adverse effect on the Company's ability to generate future revenues, its financial position and its development.

### 2.2.6 PUBLIC POLICY RISKS RELATED TO CLINICAL TRIALS, PRICING AND REIMBURSEMENT OF DRUGS

Legislative and regulatory provisions defined by the ANSM, the European Commission, the EMA, the FDA and the equivalent regulatory authorities in other countries govern research and development work, preclinical

studies, clinical studies, the regulation of establishments, as well as the manufacturing and marketing of medicines. Throughout the world, the pharmaceutical industry is facing a strengthening of this regulatory environment. Health authorities, including the FDA and EMA, have imposed increasingly stringent requirements, particularly in terms of the volumes of data requested, in order to demonstrate the efficacy and safety of products.

As a result, the regulatory process for the authorization of new therapeutic products is long and complex. In addition, regulatory requirements and processes vary widely from country to country.

The regulatory authorities of the various countries in which the Company intends to market its products could, among other things, prevent it from initiating clinical trials or pursuing clinical developments if the planned trials do not meet the required regulatory standards.

These authorities may also have a different interpretation of the results than the Company and, in any event, may request additional tests on a discretionary basis (including study protocols, patient characteristics and numbers, treatment duration, analytical methods and post-treatment follow-up) or impose additional and unforeseen requirements in such tests.

In the United States, Europe and other countries, authorities are likely to:

- request additional testing to validate the registration of a product;
- limit the indications for which the Company would be authorized to market its products; and
- significantly delay the Company's ability to obtain marketing authorization.

Finally, products already approved could prove to be unsafe and be withdrawn from the market at the request of health authorities, or produce effects different from those originally intended, which could limit or prohibit their commercial use. The occurrence of some or all of these events could have a material adverse effect on the Company's business, results and prospects.

Although the Company is considering the advanced development of AsiDNA™ in partnership, the Phase 2 and Phase 3 clinical trials, as well as the preparation for marketing and strict manufacturing conditions, require and will continue to require significant investments of time and financial resources from Onxeo and its partners, as well as the special attention of the Company's most qualified personnel. As a result, if Onxeo or its partner(s) do not receive marketing authorization in the targeted indications by the end of these steps, the Company's financial condition, results of operations and prospects will be materially and adversely affected.

### 2.2.7 RISKS RELATED TO COMPETITION

The market for biotechnology and pharmaceuticals, including oncology, is characterized by rapidly changing technologies, products protected by intellectual property rights and intense competition, and is subject to significant and rapid change as researchers learn more about diseases and develop new technologies and treatments.

Onxeo faces potential competition from many different sources, including large pharmaceutical and biotechnology companies, academic institutions and government agencies, as well as public and private research institutes. All drug candidates that the Company or its partners will successfully develop will compete with existing treatments and new treatments that may become available in the future.

If competing products are marketed ahead of the Company's products, or at lower prices, or cover a broader therapeutic spectrum, or are found to be more effective or better tolerated, sales of the Company's products would be adversely affected. Although some of the Company's products are "first-in-class" due to their mechanism of action, many companies are targeting tumor DNA repair pathways and have drug candidates in clinical development, in particular large international pharmaceutical companies.

Many of the competitors developing cancer treatments have resources and experience significantly greater than the Company's in research, access to patients for clinical trials, drug development, financing, manufacturing, marketing, technology and personnel. In particular, large pharmaceutical companies have much more experience than Onxeo in conducting clinical trials and obtaining regulatory approvals.

Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostics industries may result in an even greater concentration of resources on a smaller number of competitors. Small or start-up companies

can also be important competitors, particularly through collaborative arrangements with large, well-established companies.

The Company may also face competition to acquire rights to promising drug candidates and other complementary technologies, to establish clinical trial sites and compete with the Company in enrolling patients for clinical trials and acquiring technologies that are complementary or necessary for its programs, as well as to enter into collaborations with partners having access to innovative technologies.

In addition, the Company's marketed products could be subject to competition through the introduction on the market of comparable drugs, and/or upon expiration of their protection by property rights or market exclusivity, the development of generics, which would result in a decrease in prices and/or sales volume and could have an adverse effect on the Company's business and financial condition.

If the Company is unable to compete successfully with new or existing products, its ability to generate revenues from licensing agreements would suffer and it may never be profitable.

## 2.3. LEGAL RISKS

### 2.3.1 RISK OF LEGAL DISPUTES

The Company operates in compliance with applicable laws and regulations, with the support of its internal legal team and law firms. However, legal proceedings could be instituted against the Company by competitors, industrial or commercial partners, subcontractors or other third parties in the course of its activities.

Since 2009, the Company has been faced with a long and costly dispute with SpePharm and SpeBio, which was finally fully resolved by the signing of a settlement agreement in February 2020. In addition to the amounts already paid pursuant to court decisions in 2017 and 2018, this agreement commits Onxeo to pay SpePharm 15 to 20% of the net amounts to be received under future commercial agreements relating to Onxeo's R&D assets, for a total cumulative amount of 6 million euros within 4 years, i.e. by January 31, 2024 at the latest.

Other than this settlement, and the infringement action relating to Beleodaq® U.S. patents described in section 3.3.2 below, as of the date of this Report, there are no governmental, legal or arbitration proceedings, including any proceedings of which the Company is aware, that are pending or of which the Group is threatened, that are likely to have or have had in the past 12 months a material effect on the Group's financial position or profitability.

However, it cannot be excluded that further legal action may be taken against the Company. In particular, it may be held liable for the damaging and/or wrongful conduct of its employees, collaborators, service providers or partners. Even if such legal proceedings would not result in a conviction to the detriment of the Company, these proceedings, and the time and resources required to resolve them, may force the Company to use resources that should have been allocated to the Company's business. It could also damage the Group's reputation.

The Company has purchased liability insurance. However, if the costs or expenses associated with this or any other litigation exceed its insurance coverage, the Company may be required to directly assume all or part of the costs. If, ultimately, the Company were to pay significant defense costs and/or damages, these payments could have an adverse effect on its business.

### 2.3.2 RISKS RELATED TO INDUSTRIAL PROTECTION

The Company's ability to successfully commercialize its products will depend on its ability to obtain, maintain and protect its intellectual property rights. As of the date of this Report, the Company has the rights to three hundred and seventy-nine published patents or patent applications, of which three hundred and thirty-two, or 87%, have been granted in several jurisdictions or major countries, in particular in the United States, Europe, China and Japan.

In the pharmaceutical field, patent law (articles of law, implementing regulations, case law, etc.) continues to evolve and presents uncertainties. In particular, no uniform global policy has so far emerged on the

content of patents granted in the fields of biotechnology or on the scope of permitted claims. Thus, for example, patents may be granted with claims of variable/different scope from one territory to another.

Although the Company implements a proactive "intellectual property" strategy, directly related to its research and development projects, both with respect to the detection of inventions, in order to multiply protection, and with respect to monitoring third-party publications and patent procedures, it cannot, however, guarantee:

- Whether it will succeed in developing new patentable inventions, methods and/or compositions, or whether it will not encounter difficulties in making all necessary or desirable filings, including in the context of the examination procedures for its patent applications;
- That it or its licensing or collaboration partners were the first to file patents on the technology;
- Whether a default in payment or non-compliance with certain requirements of the patent process will occur beyond its will or control, leading to the abandonment or forfeiture of a patent application or patent, and thus to a partial or total loss of patent rights in the jurisdiction concerned.
- That confidentiality agreements entered into with third parties in the context of collaborations, service or subcontracting agreements will not breached and that results will not be disclosed by these third parties before patent applications are filed, thereby jeopardizing the Company's ability to obtain patent protection, or that the third parties concerned will not claim the benefit of intellectual property rights on the Company's inventions;
- That the Company will be able to obtain, at a reasonable cost and on terms acceptable to it, exclusive licensing rights to patents held in co-ownership by the co-owners;
- That the Company will be able to obtain licensing rights to patents owned by third parties on which its own patents or technologies would depend under financial terms and conditions acceptable to the Company. Otherwise, the Company may have to interrupt or modify certain activities or processes (development, sales, use), or even develop or obtain alternative technologies;
- That all patent applications filed will be granted within a reasonable time, or that they will be granted with the scope necessary to protect the technology, in one or more jurisdictions, including in all territories identified as strategic by the Company;
- That the scope of protection conferred by a patent will be sufficient to protect the Company against the risks associated with infringement, that the Company will be able to prevent or obtain compensation for misappropriation or unauthorized use of its products and technology;
- That the patents issued will not be subject to claims by third parties for rights to patents, know-how or other intellectual property rights that the Company owns or licenses;
- That the granted patents will not be contested by third parties (oppositions, nullity actions, limitation actions) or will be respected (infringement, etc ...) by its competitors.
- That third parties will not develop and market products that compete with the technology by falling outside the protection offered by patents;
- That there are no trademark rights or other prior rights of third parties that may claim rights to the exploitation of the technology carried out by the Company or by a licensee or sub-licensee of the Company or that may give rise to an infringement action;
- That the Company's domain names will not be subject to a UDRP *(Uniform Dispute Resolution Policy*) procedure by a third party.

If one or more of these circumstances were to occur, the Company could face significant costs to enforce its rights, could be required to significantly challenge the development strategy of its drug candidates or existing or future partnership agreements, which could have an adverse or negative impact on the Company's business and financial condition.

### 2.3.3 RISKS RELATED TO NON-COMPLIANCE WITH LEGAL OR REGULATORY OBLIGATIONS

Health care providers, physicians and other stakeholders play a critical role in the clinical development, approval and, once obtained, recommendation and prescription of Onxeo's drug candidates. Its agreements with such persons and third-party payers, as well as its activities, could expose the Company to laws and regulations with a broad scope of application with respect to fraud and abuse, as well as other laws and regulations relating to health care, which could limit the commercial or financial agreements and

relationships through which the Company researches, develops and, when authorizations are obtained, markets or distributes its products.

For example, the *U.S. Physician Payments Sunshine Act*, similar state or foreign laws and regulations, such as state "anti-gift" laws and laws relating to false claims, the "Bertrand Act" in France (Law No. 2011-2012 of December 29, 2011), require relevant manufacturers of covered drugs to periodically monitor and report contracts, payments and other transfers of value to physicians and certain property rights and investments held by physicians or their immediate family members or health care professionals.

In addition, the Company may collect, process, use or transfer personal data from persons located within the European Union in the course of its activities, in particular health data, in the context of clinical trials conducted within the European Union. A significant portion of the personal data that the Company may use could be managed by third parties (mainly CROs in connection with clinical trials). The collection and use of personal health data within the European Union is governed by the provisions of the General Data Protection Regulation (EU) 2016/679 (GDPR). Failure to comply with the requirements of the GDPR and the national laws of the Member States of the European Union relating to data protection, including data managed by third parties, for which the Company is unable to ensure compliance with the GDPR, may result in substantial fines, other administrative sanctions and civil actions against the Company, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

## 2.4. RISKS RELATED TO THE COMPANY, ITS ORGANIZATION AND ITS ENVIRONMENT

### 2.4.1 RISK OF LOSS OF KEY EMPLOYEES

The Company may not be able to retain its key personnel and attract the new employees it will need for its development.

The Company's success depends largely on the work and expertise of its senior management and key scientific personnel. The temporary or permanent unavailability of these key persons could impair the Company's ability to achieve its research, development and marketing objectives, in particular by depriving it of their know-how and technical capabilities and could seriously harm the Company's ability to successfully implement its business strategy, even though the Company has taken out a "key person" insurance policy covering the risk of bodily injury to its executives.

In addition, the Company will need to recruit new senior managers and qualified scientific personnel for the development of its activities, particularly in areas requiring expertise that it does not have in-house. The Company competes with other companies, research organizations and academic institutions to recruit and retain highly qualified scientific, technical and management personnel. To the extent that this competition is very intense, the Company may not be able to attract or retain the required key personnel on economically acceptable terms.

### 2.4.2 RISK OF DEPENDENCE ON THIRD PARTIES AND IN PARTICULAR THE RISK OF FAILURE OF A SUBCONTRACTOR IMPORTANT (*)

Due to its structure and size, Onxeo relies on third parties located in France and abroad to conduct its activities, in particular for the manufacture of its products and for the preclinical and clinical trials it conducts. The Company may therefore be dependent on its subcontractors and service providers:

- As regards preclinical and clinical trials, the quality of the trial results depends in particular on the quality of the services expected and their compliance with the specifications initially set and with the applicable standards. The failure of a subcontractor involved in a preclinical or clinical trial, loss of data, data processing delays or errors could adversely affect the validity of the trials and the compilation of regulatory files for the Company's products under development.

  Some of our clinical trials are conducted through research collaborations with renowned centers, such as the Revocan trial or the AsiDNA™ Children trial sponsored by Gustave Roussy and the Curie Institute, respectively, and other collaborations of this type may be initiated in the future. These collaborations provide the Company with undeniable expertise and external validation of the clinical value of these

studies, but imply very little control by the Company over their conduct, particularly with respect to the pace of recruitment and the allocation of resources, including time, devoted to our drug candidates and clinical trials, especially during a health crisis such as the Covid-19 one. The Company is therefore dependent on sponsors to obtain the results of these trials, whose communication to the market may be significantly delayed compared to initial estimates.

- With respect to the manufacturing of products under development, the unavailability of subcontractors to carry out a project or their failure to do so could have an adverse effect on the development of products, their availability or their compliance, thereby affecting the conduct of tests or procedures concerning them and, ultimately, the Company's ability to generate future revenues, its financial position and its development.

This risk is particularly sensitive to the so-called "Covid-19" epidemic, especially with regard to clinical trials (refer to paragraph 3.2.4 of this section) and production operations. An extension of the containment measures beyond Q2 2020 could significantly increase this risk.

### 2.4.3 RISK ASSOCIATED WITH THE USE OF HAZARDOUS CHEMICALS AND BIOLOGICAL MATERIALS

In its laboratory, the Company may use hazardous chemicals and biological materials in the course of its business and any claims relating to improper handling, storage or disposal of these materials could be time-consuming and costly.

Research and development processes involve the controlled use of hazardous materials, including chemical, biological and radioactive products. Onxeo cannot eliminate the risk of accidental contamination or release and any injury resulting from accidental exposure to these materials.

The Company also processes genetically recombinant material, genetically modified species and pathological biological samples. Consequently, in France and in the countries where the Company operates, it is subject to environmental and safety laws and regulations governing the use, storage, handling, release and disposal of hazardous materials, including chemical and biological products and radioactive materials.

The Company imposes preventive and protective measures for the protection of its personnel and waste control management, in accordance with applicable laws. If Onxeo or any of its partners fail to comply with applicable regulations, the Group could be subject to fines and be required to suspend all or part of its activities.

Compliance with environmental, health and safety regulations entails additional costs, and the Company could incur significant costs to comply with future laws and regulations in the relevant jurisdictions. Compliance with environmental laws and regulations may require the Company to purchase equipment, modify facilities and incur significant expenditures. The Company could be held liable for any inadvertent contamination, injury or damage that could harm its business and reputation, although Onxeo has taken out an insurance policy covering certain risks inherent in its business.

## 2.5. INSURANCES AND RISK COVERAGE

The Company has insurance coverage adapted to its worldwide operations, particularly for its clinical trials in France, the United States and all other countries concerned.

The Corporation has purchased several insurance policies, the main ones being as follows:

- A "civil liability" insurance policy covering:

“operating civil liability", which protects the Company against the financial consequences of civil liability that may be incurred by the Company due to bodily injury, property damage and consequential damages caused to third parties and attributable to the Company's activities;
product liability", which protects the Company against the financial consequences of the civil liability that may be incumbent upon it due to bodily injury, material and immaterial damage caused to third parties and attributable to the Company's products, both before and after delivery;
“civil liability, criminal defense and appeals".

- An insurance policy for the "liability of directors and officers" that protects the defendants in the performance of their duties.
- Property damage" insurance policies covering, in particular, fire, water damage, theft, machinery and glass breakage, as well as rental risks, on the Company's premises in Paris, New York and Copenhagen.
- Specific insurance policies for each of the clinical trials sponsored by the Company. The pricing and amounts guaranteed depend on the regulations and local legislation applicable to the clinical investigation center concerned. In France, the Public Health Code requires clinical trial sponsors to take out insurance. In countries where there is no such obligation, the Company has nonetheless taken out an insurance policy covering its liability arising from the conduct of clinical trials. The overall amount of premiums depends on the number of patients included in the trials and their geographical location. The Company believes that it has sufficient coverage for each of the ongoing trials.
- A "key man" insurance policy that covers the risk of bodily injury to managers.
- A "stock and transit" insurance policy that covers the storage and transport of the Company's products.

The definition of the insurance policy is based on a concern for efficiency, both in the negotiation and management of policies. It is in view of the development and internationalization of the Company's activities that the risk management policy should continue, in close coherence with the evolution of our activities.

# 3. PRESENTATION OF ONXEO'S FINANCIAL STATEMENTS AND ALLOCATION OF EARNINGS

The annual financial statements of the Company that we are submitting for your approval have been prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

## 3.1. REVIEW OF ACCOUNTS AND RESULTS

During the year ended December 31, 2020, the Company generated revenues of €488 thousand compared to €1,150 thousand for the year ended December 31, 2019. Most of these sales were generated by direct sales of Beleodaq® under the European controlled access program (NPP), which have been recognized until the transfer of this activity to Acrotech under the licensing agreement signed in early April 2020.

Other operating income totaled 9,396 thousand euros, compared with 3,396 thousand euros recorded in 2019. This item mainly includes a share attributable to Onxeo's Danish establishment of the transaction price in the context of the agreement with Acrotech BioPharma, for an amount of 6,180 thousand euros, as well as royalties on sales of Beleodaq in the context of the licensing agreement with Acrotech for an amount of 2,196 thousand euros. In addition, contractual lump-sum royalties under the business sale agreement entered into in 2018 with Vectans Pharma were recognized in the amount of 694 thousand euros.

Operating expenses for the past fiscal year amount to 13,566 thousand euro and include the full amortization of the Beleodaq® R&D assets for an amount of 2,441 thousand euro, as a result of the agreement with Acrotech, as the assets concerned no longer generate future economic benefits for Onxeo apart from what is required to repay the SWK Holdings bond loan. Apart from this specific item, operating expenses decreased by 4,071 thousand euros compared to 15,193 thousand euros recorded in 2019. This change is primarily related to the progress of the AsiDNA™ program, in particular the finalization of drug development and production operations in preparation for clinical trials, as well as the deferral of certain expenses in the context of the Covid 19 pandemic. Research and development costs incurred in 2020 thus totaled 3,946 thousand euros, compared with 7,640 thousand euros in 2019.

The operating result showed a loss of (3,682) thousand euros, compared with a loss of (10,647) thousand euros in fiscal 2019.

The financial result showed a loss of (586) thousand euros, compared with a loss of (2,045) thousand euros in fiscal 2019. This loss is mainly due to the interest expense of 959 thousand euros related to the bond issue with SWK Holdings.

Income from ordinary activities before taxes showed a loss of (4,268) thousand euros compared with a loss of (12,692) thousand euros for fiscal year 2019.

The extraordinary result showed a loss of (92) thousand euros, mainly due to allocations to provisions for risks and charges.

The Company recognized a research tax credit of 1,123 thousand euros for fiscal year 2020, partially offset by a tax on the profits of Onxeo's Danish establishment resulting from the agreement with Acrotech, in the amount of 297 thousand euros.

As a result of these various income and expense items, net income for the year showed a loss of (3,566) thousand euros, compared with a loss of (28,967) thousand euros for fiscal 2019.

## 3.2. ALLOCATION OF RESULTS

We propose that the loss for the year of 3,566,540 euros be allocated in full to the "Retained Earnings" account, which would thus be increased from a debit of 9,346,626 euros to a debit of 12,913,166 euros.

In accordance with the provisions of Article 243 bis of the French General Tax Code, we remind you that no dividend was distributed in the last three financial years.

## 3.3. NON-TAX-DEDUCTIBLE EXPENSES

In accordance with the provisions of Articles 223 quater of the French General Tax Code, we inform you that no non-tax-deductible expenses were incurred during the year under review.

In addition, no overheads referred to in Articles 39-5 and 223 quinquies of the French General Tax Code that are not included in the special statement were incurred.

## 3.4. TABLE OF FINANCIAL RESULTS

A table showing the Company's results for the last five years is attached to this report in Appendix I, in accordance with Article R. 225-102 paragraph 2 of the French Commercial Code.

## 3.5. ACQUISITIONS OF EQUITY INTERESTS AND CONTROLLING INTERESTS AT YEAR-END

In accordance with the provisions of Article L. 233-6 of the French Commercial Code, we inform you that the Company has not acquired any interest in a company with its registered office in France during the past fiscal year.

## 3.6. TERMS OF PAYMENT STATEMENT

In accordance with the provisions of Article L. 441-6-1 of the French Commercial Code, the table below shows the payment terms of the Company's suppliers and customers for the last two years.

**Invoices received and issued but not yet paid at the end of the fiscal year**

| | Article D.441 I-1°: invoices received but not paid at the closing date of the financial year for which the term is due | | | | | | Article D.441 I-2°: invoices issued but not paid at the closing date of the financial year for which the term is due | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0 days | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and over | Total (1 day and over) | 0 days | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and over | Total (1 day and over) |
| (A) Late payment brackets | | | | | | | | | | | | |
| Number of invoices concerned | 57 | | | | | 122 | 1 | | | | | 3 |
| Total amount of the invoices concerned including VAT. | 194,788 | 13,514 | 801 | 1,021 | 28,396 | 43,732 | 85 | 0 | 0 | 52,000 | 0 | 52,000 |
| Percentage of total purchases including VAT for the year | 2.5 % | 0.2 % | 0.0 % | 0.0 % | 0.4 % | 0.6 % | | | | | | |
| Percentage of sales including VAT for the year | | | | | | | 0.0 % | 0.0 % | 0.0 % | 1.2 % | 0.0 % | 1.2 % |
| | | | | | | | | | | | | |
| Number of excluded invoices | | | | | | | | | | | | |
| Total amount of excluded invoices | | | | | | | | | | | | |
| (C) Reference payment deadline used (contractual or legal deadline—Article L. 441-6 or Article L. 443-1 of the French Commercial Code) | | | | | | | | | | | | |
| Payment terms used to calculate late payments | ■ Contractual deadlines: Each invoice is followed with its own contractual deadline. This deadline usually varies from 20 to 30 days end of the month. | | | | | | ■ Contractual deadlines: Each invoice issued is followed with its own contractual deadline. This deadline is 30 days end of month for sales of goods and 45 to 60 days for other services depending on the contract. | | | | | |

## 3.7. AMOUNT OF LOANS UNDER THREE YEARS GRANTED BY THE COMPANY

Art. L. 511-6, 3 bis al. 2 and R. 511-2-1-1 and R. 511-2-1-2 of the French Monetary and Financial Code

None.

# 4. PRESENTATION OF THE GROUP'S CONSOLIDATED ACCOUNTS

Onxeo group's consolidated financial statements, which we are submitting for your approval, have been prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements show revenues of 1,776 thousand euros compared with 4,289 thousand euros in 2019. This change is mainly due to the decrease in recurring revenues from 3,455 thousand euros in 2019 to 1,077 thousand euros at December 31, 2020. This revenue comes from direct sales of Beleodaq® under the European controlled access program (NPP), accounted for until the transfer of this activity to Acrotech under the licensing agreement signed in early April 2020. It also includes royalties on sales of Beleodaq® in the United States by the partner Acrotech Biopharma, which are recognized as revenues until the date of the agreement. This change in scope explains the decrease in the line item compared to 2019.

Operating expenses amounted to 9,803 thousand euros, compared with 14,178 thousand euros in 2019. This change is mainly due to lower R&D expenditure, reflecting the evolution of the Group's programs, as well as to strict management of all expenditure.

Other non-recurring operating income and expenses amounted to a net income of 10,008 thousand euros; this item includes the impact of the agreement with Acrotech, namely:

- Net proceeds of 5,686 thousand euros which corresponds to the transaction price of 6,116 thousand euros less future product development costs estimated at 430 thousand euros.
- A charge of 2,769 thousand euros for the net book value of the R&D assets related to Beleodaq®/belinostat, which allowed for the treatment of the contract with Acrotech under IFRS as a disposal agreement.
- Income of 7,060 thousand euros, evaluated on the basis of the financing plan drawn up by management, which corresponds to the royalties that the group expects to receive after the date of signature of the agreement and with which it will repay the balance of the SWK loan. This amount includes 1,595 thousand euros in royalties recognized in 2020 subsequent to the transaction.

The financial result showed a loss of 347 thousand euros, mainly due to the interest expense on the bond issue with SWK Holdings.

As a result of the revenues related to the Acrotech agreement, which are subject to Danish tax, the Group has recorded a tax of 757 thousand euros, including a deferred tax of 415 thousand euros related to the expected future royalties through which the Group will repay the SWK loan.

After accounting for these various items of income and expense, the net result showed a profit of 1,089 thousand euros, compared with a loss of 33,728 thousand euros in the previous year.

The contribution of the consolidated companies to the overall result is as follows:

- Onxeo recorded revenues of 1,557 thousand euros and net proceeds of 9,461 thousand euros in relation to the agreement with Acrotech. However, as it bears the bulk of the Group's research and development costs and structural expenses, it generated a limited consolidated profit of 681 thousand euros.
- The contribution of the English subsidiary Topotarget UK, which receives a share of the revenues from the sale of Beleodaq® as holder of certain patents, amounts to a profit of 482 thousand euros, mainly due to the effects of the agreement with Acrotech.
- The other subsidiaries of the Group have a limited activity and their contribution to the consolidated result amounts to a loss of 74 thousand euros.

We submit these financial statements for your approval (Articles L. 225-100, L. 233-16 and R. 225-102 of the French Commercial Code).

# 5. FINANCIAL POSITION IN RELATION TO THE VOLUME AND COMPLEXITY OF THE BUSINESS

## 5.1. FINANCIAL POSITION IN RELATION TO THE VOLUME AND COMPLEXITY OF THE BUSINESS

The Group had cash and cash equivalents of 14.5 million euros at the end of the year and additional resources obtained in the first few months of 2021, including government-backed loans in the amount of €5 million euros and funds raised in the capital increase by public offering in the net amount of 9.4 million euros. The Group can thus finance its activities until the end of 2022 based on its financing plan.

The Group has contracted a financial debt through bonds issued to SWK Holdings, the balance of which amounted to 3.4 million euros at the end of 2020 (IFRS accounts). The repayment of this debt will be made through royalties on sales of Beleodaq® paid by the American partner Acrotech Biopharma.

Onxeo also has reimbursable public grants of 409 thousand euros, relating to the AsiDNA™ and OX401 projects, which will be fully repaid by 2025.

# 6. FORESEEABLE DEVELOPMENTS AND PROSPECTS

In 2021, the Company will continue to pursue its value creation strategy based on the development of its therapeutic innovations against rare or resistant cancers, the achievement of new early clinical milestones and the pursuit of their clinical development through partnership agreements. Onxeo expects the following main growth drivers in 2021:

**AsiDNA™**

- finalization of the DRIIV-1b study in combination with chemotherapy and publication of the results in scientific journals and at international congresses;
- given the favorable interim results from DRIIV-1b, initiation of a randomized Phase 2 study of AsiDNA™ in combination with chemotherapy in lung cancer;
- interim results of the REVOCAN Phase 1b/2 clinical trial of AsiDNA™ in combination with the PARP inhibitor niraparib in relapsed ovarian cancer, to demonstrate the safety of this combination and the effect of AsiDNA™ on acquired resistance to niraparib; the sponsor of REVOCAN is Gustave Roussy;
- initiation by Institut Curie of a phase 1b/2 study of AsiDNA™ in combination with radiotherapy in the treatment of recurrent high-grade glioma in children;
- depending on the resources and progress of the programs, the Company could also file an IND application in the United States in order to extend its clinical development programs in that territory.

Onxeo also intends to enter into new academic collaborations with international teams specialized in areas of interest to the company, in order to benefit from the support of leading experts in its various developments.

**OX401**

OX401 was optimized to be a next-generation PARP agonist, with no acquired resistance and higher specificity for cancer cells. Furthermore, OX401 is designed to induce a strong immune response by activating the STING pathway. The preclinical studies of OX401 in-vitro and in-vivo aim in particular to validate its efficacy, both alone and in combination with immunotherapy treatment, and also to build a knowledge base for the optimization of new platON™-derived decoy oligonucleotides. The preclinical proof of concept of one or more compounds of the OX400 family, expected in 2021, will be the starting point for the activities that are necessary to enter the clinic within 18 to 24 months.

**platON™:** continued evaluation and optimization of new compounds.

Onxeo believes that, given its current activities, it has no specific comments to make on trends that would be likely to affect its revenues and general operating conditions since the date of the last fiscal year ended December 31, 2020, up to the date of publication of this report.

Significant events that have occurred since the end of the financial year are described in paragraph 1.7. "Significant events subsequent to December 31, 2020" of this report.

# 7. OTHER INFORMATION CONCERNING THE CAPITAL

## 7.1. CROSS-SHAREHOLDINGS AND TREASURY SHARES

We inform you that our Company has not carried out any of the transactions provided for in Articles L. 233-29 and L. 233-30 of the French Commercial Code.

## 7.2. ACQUISITION BY THE COMPANY OF ITS OWN SHARES DURING THE YEAR ENDED DECEMBER 31, 2020

### 7.2.1 OBJECTIVES OF THE BUYBACK PROGRAM AND USE OF THE REPURCHASED SECURITIES

We remind you that, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, the Company has been authorized by its shareholders to trade in its own shares, up to a maximum of 10% of the share capital. This authorization was granted for a period of eighteen months by the Company's Ordinary and Extraordinary Shareholders' Meeting of May 22, 2019 under the terms of its thirteenth resolution, and then renewed for a period of eighteen months by the Company's Ordinary Shareholders' Meeting of May 29, 2020 under the terms of its fifteenth resolution.

During the year ended December 31, 2020, the Board of Directors successively implemented the program authorized by the Shareholders' Meeting of May 22, 2019 and, as of May 30, 2020, the program authorized by the Shareholders' Meeting of May 29, 2020, which is identical to the previous one.

The objectives of this buyback program concern, in decreasing order of priority, the following situations:

- stimulation of the secondary market or the liquidity of the Company's shares by an investment services provider acting independently under a liquidity contract that complies with a code of ethics recognized by the Autorité des marchés financiers;
- implementation of any Company stock option plan in accordance with the provisions of Articles L. 225-177 et seq. of the Commercial Code;
- free allocation of shares to employees and corporate officers in accordance with the provisions of Articles L. 225-197-1 et seq;
- allocation of shares to employees and, where applicable, to corporate officers in connection with profit-sharing and the implementation of any company savings plan, in accordance with the conditions laid down by law, in particular Articles L. 3332-18 et seq. of the French Labor Code;
- purchase of shares for retention and subsequent remittance in exchange or as payment in the context of external growth transactions, up to a limit of 5% of the share capital;
- delivery of shares on the exercise of rights attached to securities that give access to the capital;
- cancellation of the shares thus repurchased within the limits set by law.

The description of this share buyback program is available at the Company's headquarters and on its website.

### 7.2.2 IMPLEMENTATION OF THE SHARE BUYBACK PROGRAM

In accordance with the provisions of Article L. 225-211 of the French Commercial Code, we hereby report to you on the implementation of the share buyback program during the past year.

During fiscal year 2020, the share buyback program was used exclusively within the framework of a liquidity contract with the objective of stimulating the secondary market or the liquidity of the Company's shares, by an investment services provider.

On January 2, 2007, the Company entered into a liquidity agreement with CM-CIC Securities in accordance with the code of conduct of the French Financial Markets Association (AMAFI), which is recognized by the Autorité des Marchés Financiers (AMF), in compliance with the regulations in force, and in particular the provisions of European Regulation 2273/2003 of December 22, 2003.

Onxeo has then entrusted Kepler Cheuvreux with the implementation of a liquidity contract for its ordinary shares, effective December 3, 2018 for a period of twelve months, and renewable by tacit agreement. This contract complies with the code of ethics of the Association Française des Marchés Financiers ("AMAFI").

For the implementation of this contract, 87,612 shares and 196,423 euros in cash were allocated to the liquidity account. The negotiation costs for this contract amount to 25,000 euros per year.

Under the liquidity contract entrusted by ONXEO to Kepler Cheuvreux, as of December 31, 2020, the following resources were included in the liquidity account:

- 272,438 securities
- € 110,175.28 in cash

The 272,438 bearer shares held in treasury at December 31, 2020, with a par value of 68,109.5 euros, represented 0.34% of the capital and were valued at 189,370.21 euros at the share purchase price.

During the 2nd half of 2020, a total of:

| | | | |
|---|---|---|---|
| BUY | 402,783 securities | € 275,075.79 | 205 transactions |
| SALE | 330,339 securities | € 234,721.02 | 187 transactions |

As a reminder, at the time of the last half-yearly balance sheet as of June 30, 2020, the following resources were included in the liquidity account:

- 199,994 securities
- € 150,846.71 in cash

During the 1st half of 2020, a total of:

| | | | |
|---|---|---|---|
| BUY | 861,697 securities | € 551,206.32 | 783 transactions |
| SALE | 1,002,772 securities | € 688,199.73 | 1,052 transactions |

In accordance with the requirements of Article 2 of AMF Decision No. 2018-01, the half-yearly and annual reports on the liquidity contract include an appendix with details of daily transactions and are available on the Company's website

As of December 31, 2020, the Company did not hold any treasury shares.

Sales of treasury shares under the liquidity contract generated a net gain of 62,352.43 euros during the year ended December 31, 2020.

# 8. EMPLOYEE SHAREHOLDING

In accordance with Article L. 225-102 of the French Commercial Code, we inform you that as of December 31, 2020, the Company's employees and officers did not hold any interests in the Company's share capital under collective management.

To the best of the Company's knowledge, as of December 31, 2020, 722,002 shares representing 0.92% of the share capital were held directly by employees or corporate officers in accordance with Article L. 225-197-1 of the Commercial Code.

# 9. TRANSACTIONS BY OFFICERS OR MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY'S SECURITIES

In accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code, we hereby inform you of the transactions in the Company's shares (acquisitions, sales, subscriptions or exchanges of shares) carried out, to the best of the Company's knowledge, by the Company's directors or officers, or by persons with whom they have close personal ties during the year ended December 31, 2020.

| Persons concerned | Nature of the transaction | Date of the transaction | Number of shares | Amount of the transaction (€) |
|---|---|---|---|---|
| Financière de la Montagne SARL, Director | Share subscription | 06/09/2020 | 2,339,181 | 1,680,000 |
| Invus Public Equities LP, Director* | Share subscription | 06/09/2020 | 8,397,270 | 6,030,919 |
| Financière de la Montagne SARL, Director | Vesting of stock options | 10/05/2020 | 75,000 | 12,075 |
| Financière de la Montagne SARL, Director | Acquisition of shares | 10/28/2020 | 10,000 | 6,000 |
| Financière de la Montagne SARL, Director | Acquisition of shares | 10/29/2020 | 57,894 | 34,736 |
| Financière de la Montagne SARL, Director | Acquisition of shares | 10/30/2020 | 22,870 | 13,722 |
| Financière de la Montagne SARL, Director | Acquisition of shares | 11/02/2020 | 333 | 200 |

** Co-opted by the Board of Directors on September 29, 2020*

# 10. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY ONXEO

## 10.1. COMPONENTS OF THE RISK MANAGEMENT PROCESS

### 10.1.1 ORGANIZATIONAL FRAMEWORK

The risk management process and risk mapping are adjusted and assessed on an ongoing basis by senior management and department heads and are presented at least annually to the Audit Committee as part of its task of monitoring and controlling the effectiveness of internal control and risk management systems.

The Group has adopted a procedure designed to provide a framework for all the risk management methods and tools used and which specifies the terminology adopted within the Group (probability and severity criteria, risk typology and ranking, etc.).

The objectives of this risk management policy are essentially to preserve the Group's assets and image, minimize its costs and promote the achievement of its strategic objectives.

### 10.1.2 RISK MANAGEMENT PROCESS: IDENTIFICATION AND ANALYSIS OF KEY RISKS

In order to identify and assess the risks that could have an adverse impact on its business, prospects, financial situation, results (or its ability to achieve its objectives) and development, the Company has mapped the risks associated with its business periodically, at least once a year. This has allowed for the identification of potential risks and the assessment of their likelihood of impact and, where possible, their potential impact from a financial, legal and reputational perspective, as well as on the achievement of the Company's objectives. It then allowed for the identification and evaluation of ways to control these risks.

Risk mapping is a management tool. The risk management process and the annual risk map are presented annually to the Audit Committee, as part of its task of monitoring and controlling the effectiveness of internal control and risk management systems.

At the time of the periodic risk review, all risks and mitigation measures are reviewed and reassessed. This tool is also supplemented by a detailed analysis of the causes and impacts in the event of the occurrence of any significant risk and accounts for the actions and control measures put in place by the Company. This methodology should provide an overview of the risk environment affecting the Company and should allow it to define, if necessary, a risk management plan that specifies the actions to be taken, the persons responsible, the stakeholders, the deadlines to be met, the budget associated with each action as well as the areas of control and internal audits for the coming year.

For each of the identified risks, the potential impact in terms of financial impact, lost workdays, impact on the company's activity and on its image are analyzed, and a probability index and a criticality index are assigned from which a coefficient combining these two criteria is deduced.

The risks are then classified in order of decreasing importance, which allows them to be categorized according to the following typology: major risk, strong risk or acceptable risk.

Every major risk is the subject of a risk management plan that specifies the actions to be taken, the persons responsible, the stakeholders, the deadlines to be met, and the budget associated with each action.

The significant risk factors to which the Company considers itself exposed are presented in section 2 of the Management Report.

### 10.1.3 INSURANCE AND RISK COVERAGE

The Company has insurance coverage that is adapted to its activities worldwide, and in particular for its clinical trials in France, the United States and all other countries concerned.

The Company has taken out several insurance policies, the main ones being the following:

- A "public liability" insurance policy that covers:

"operating liability", which covers the Company against the financial consequences of any civil liability it may incur for bodily injury, property damage and consequential loss caused to third parties and attributable to the Company's activities,
"product liability", which covers the Company against the financial consequences of any civil liability it may incur as a result of bodily injury, property damage or consequential loss caused to third parties and attributable to the Company's products, both before and after delivery,
"Civil liability, criminal defense and recourse";

- A "Directors' and Officers' Liability" insurance policy that covers those involved in the performance of their duties;
- "Property damage" insurance policies that cover risks such as fire, water damage, theft, machinery and glass breakage, as well as rental risks, at the Company's premises in Paris, New York and Copenhagen;
- Specific insurance policies for each of the clinical trials sponsored by the Company. Pricing and coverage amounts depend on the local regulations and legislation that apply to the clinical investigation center concerned. In France, the Public Health Code provides for an insurance obligation for clinical trial sponsors. In countries where there is no such obligation, the Company has nevertheless taken out an insurance policy that covers its liability arising from the conduct of clinical trials. The overall amount of premiums depends on the number of patients included in the trials and their geographic location. The Company believes that it is adequately covered for each of the current trials;
- A "key man" insurance policy that covers the risk of bodily injury to officers;
- A "stock and transit" insurance policy, which covers the storage and transportation of the Company's products.

The definition of the insurance policy is part of a concern for efficiency, both in the negotiation and in the management of the policies. In view of the development and internationalization of the Group's activities, the risk management policy should be continued, in close coherence with the evolution of our activities.

### 10.1.4 ARTICULATION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

The purpose of risk management is to identify and analyze the main risks and risk factors that may affect the company's activities, processes and objectives, and to define the means that allow for these risks to be maintained at an acceptable level, in particular by putting in place preventive measures and controls that fall under the internal control system.

At the same time, the internal control process relies on risk management to identify the main risks to be controlled.

## 10.2. GENERAL PRINCIPLES OF INTERNAL CONTROL

### 10.2.1 DEFINITION AND OBJECTIVES

Internal control comprises a set of resources, behaviors, procedures and actions that are adapted to the specific characteristics of each company and of the group as a whole, which:

- contributes to the control of its activities, the effectiveness of its operations and the efficient use of its resources; and
- must allow for appropriate consideration of significant operational, financial and compliance risks.

The purpose of internal control is to ensure:

- compliance with laws and regulations;
- the application of the instructions and guidelines set by the Board of Directors;
- the proper functioning of the Group's internal processes, particularly those contributing to the safeguarding of its assets;
- the reliability of financial information.

However, while internal control promotes the achievement of the Company's objectives, it cannot provide an absolute guarantee that they will be achieved. There are inherent limitations to any internal control system, such as the uncertainties of the external environment, the exercise of judgment, or the cost/benefit ratio of implementing new controls.

### 10.2.2 REFERENCE FRAMEWORK USED BY ONXEO

Onxeo continues to develop its internal control process based on the AMF reference framework and its application guide in its updated version of July 22, 2010. This process applies to the general organization of the operational departments and to the risk management procedures implemented by the Company.

The Group's internal control system is implemented by taking into account both the Group's operational functioning and its legal structure.

It concerns all fully consolidated subsidiaries of the Group.

The summary information on the internal control procedures implemented described in this report focuses on the significant elements likely to have an impact on the financial and accounting information published by the Company.

### 10.2.3 COMPONENTS OF INTERNAL CONTROL

#### *10.2.3.1 Organization*

The internal control system is based on a clear organization of responsibilities, guidelines, resources and procedures.

Since the Company's inception, Onxeo has had a quality assurance system. The processes in all areas of activity are described by procedures (Standard Operating Procedures or SOPs), operating modes, notices and forms. These written documents trace the progress of activities, define the resources and responsibilities of those involved, specify the Company's know-how and give precise instructions for performing a given operation.

All the Company's stakeholders are involved in the internal control system.

#### *10.2.3.2 Frame of reference*

The Onxeo Group, established in the health and biotechnology sector, is subject to very specific regulations that govern its activities, and compliance with which is also the subject of internal control. Legislative and regulatory provisions, defined by the European Commission and the equivalent regulatory authorities in other countries, in particular the French National Agency for the Safety of Medicines (ANSM), the European Medicines Agency (EMA), and the Food and Drug Administration (FDA), provide a framework for research and development studies, preclinical studies, clinical studies, the regulation of establishments, as well as the manufacture and marketing of medicines. The main regulatory texts that apply to the activity of the two companies are the following: Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Manufacturing Practices (GMP), French and European regulatory texts that apply to the development and use of drugs, regulatory texts on GMOs, waste disposal, transport of hazardous products, handling of micro-organisms, hygiene and safety.

#### *10.2.3.3 Control activities*

The control activities implemented by the Company are based on various tools, including:

- a documentation system;
- reporting;
- specific controls over the preparation and processing of accounting and financial information.

These activities are implemented within different departments and R&D project groups, in liaison with the Executive Committee.

- **The documentation system**

All documentation relating to the internal control system is recorded on a dedicated intranet that allows for optimal access to documents and their permanent adaptation to changes in the business (document life cycle management). The objective is to continuously improve the quality of the Company's and the Group's operating processes, whether they be operational, management or support processes.

The internal control system covers the following areas in particular:

- quality assurance, health and safety, risk management;
- administrative, legal, social and financial matters, including financial communication and rules related to the Company's listing on Euronext;
- regulatory activities;
- pharmaceutical, preclinical and clinical research and development, including, in particular, for the very specific activity of animal experimentation, an Animal Experimentation Ethics Committee whose objectives are the validation of all experimental protocols and the monitoring of compliance with regulations;
- pharmacovigilance;
- information systems: computerized management of rules for the access, protection and storage of information;
- human resources and labor regulations;

- **Reporting**

The Company's general management has established specific reporting procedures for each department within the Company, under the responsibility of the members of the Executive Committee. These reports include key information that is representative of the reality of the activity concerned and allows for both quantitative and qualitative tracking of the activity. This key information must be verifiable and documented. It is intended to be updated every month by the people who carry out the activity.

- **Stakeholders in risk management and internal control procedures**

Internal control is implemented by the management bodies and by all Group employees through their daily actions.

Internal stakeholders involved in the internal control system include:

- the Board of Directors, which validates the major orientations of the Group's activities and strategy;
- the Audit Committee, referred to earlier in this report, whose responsibilities are defined by the Board of Directors, and which plays an essential role in monitoring (i) the process of preparing financial information, (ii) the effectiveness of internal control and risk management systems, and (iii) the statutory audit of the annual and consolidated financial statements by the statutory auditors;
- general management and department directors, who steer the group's strategy and human resources, allocate the resources needed to achieve them, set objectives and monitor their achievement, and update the risk map and related action plans;
- the finance department, the quality department and the legal affairs department, which have a special role to play in internal control because of their cross-disciplinary skills;
- the quality assurance department, which plays a key role through its involvement in the Company's various activities, its support in drafting procedures and document management, the performance and monitoring of internal audits of departments and external audits of the Company's service providers, and the implementation of improvement actions;
- Finally, employees are responsible on a daily basis for compliance with the standards and guidelines that apply to their field, as well as for the reliability and relevance of the information they generate or transmit.

These provisions are supplemented by the involvement of external stakeholders, including the statutory auditors. The latter rely in particular on a review of the internal control procedures relating to the

preparation of accounting and financial information in the context of their statutory mission to certify or audit the consolidated and individual financial statements of Group companies.

## 10.3. MAIN DEVELOPMENTS

The Company continues to improve its internal control systems and regularly reviews its risk mapping and the action plans identified within its various departments in order to consolidate the management system put in place in previous years.

# II - REPORT ON CORPORATE GOVERNANCE

## 1. COMPOSITION AND MISSIONS OF THE BOARD OF DIRECTORS

It should be noted that the Company refers to the corporate governance code established by Middlenext, which can be consulted on the website www.middlenext.com and complies with all the recommendations of the said code.

### 1.1. COMPOSITION OF THE BOARD OF DIRECTORS

Under the applicable laws, regulations and bylaws, the Board of Directors must be composed of at least three and no more than eighteen members, appointed by the Shareholders' Meeting for a three-year term.

The Board of Directors is free to decide how to exercise the general management of the Company. This responsibility may be assumed by the Chairman of the Board of Directors himself, or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

**The Board of Directors of Onxeo currently separates the functions of Chairman and CEO**

As of the date of this report, the Board of Directors is composed of nine members:

- Ms. Danièle Guyot-Caparros Independent Director, Chairman
- Ms. Judith Greciet Director, Chief Executive Officer
- Mr. Thomas Hofstaetter Independent Director
- Mr. Jean-Pierre Bizarri Independent Director
- Ms. Christine Garnier Independent Director
- Financière de la Montagne SARL Director and shareholder, whose permanent representative is Mr Nicolas Trebouta, and
- Invus Public Equities LP Director and shareholder, whose permanent representative is Mr. Julien Miara

The Board of Directors also has a senior independent director in the person of Ms. Danièle Guyot-Caparros. This director ensures that the Company complies at all times with the good governance practices that apply to it, particularly with regard to French regulations. Her role is to assist the Board in ensuring the proper functioning of the Company's governance bodies and to advise it on the transactions on which the Board is called upon to deliberate.

The members of the Board bring together a wealth of expertise and enrich the studies and deliberations of the Board and its specialized committees with their varied experience in their field of expertise, particularly in the fields of healthcare and biotechnology companies. They are concerned with the interests of all shareholders and are fully involved in the deliberations in order to participate effectively in the Board's decisions and support them validly.

### 1.2. MISSIONS OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for determining the strategic, economic and financial orientations of the Company and the Onxeo Group. It ensures their proper implementation.

Subject to the powers expressly granted by the shareholders' meetings and within the limits of the Company's corporate purpose, the Board deals with all matters relating to the proper operation of the Company and settles, through its deliberations, all matters that concern it, in particular all strategic decisions of the Company and the Group, on the initiative of its Chief Executive Officer.

The internal regulations, which are available to shareholders at the headquarters and also on the Company's website www.onxeo.com, determine the mission of the Board and the committees and organize their studies.

It specifies the Board's mode of operation and the procedures for implementing the legal requirements and statutory provisions concerning its role in the management of the Company and the Group. It also indicates the rights and duties of the members of the Board of Directors, mainly with regard to the prevention of conflicts of interest, the holding of multiple offices, the strict confidentiality of its deliberations and the diligence required to participate in Board studies. Finally, it deals with the rules relating to transactions in Onxeo shares, as recommended by the Autorité des Marchés Financiers.

To allow for the full exercise of the Board of Directors' mission, the bylaws state:

(i) that it is the responsibility of the Chief Executive Officer and the Chairman of the Board of Directors, as well as the Chairman of each of the Committees, to transmit the relevant information to the other members of the Board;

(ii) that meetings of the Board and Committees are preceded by the provision of information within a reasonable period of time on agenda items that require special consideration and analysis, accompanied, where appropriate, by documents;

(iii) that the Board shall be regularly informed of any significant event affecting the Company's business;

(iv) that in order to increase the flexibility of Board consultation and to facilitate decision-making by directors in certain cases and in accordance with the law, the use of videoconferencing and teleconferencing is authorized.

# 2. CORPORATE OFFICES

## 2.1. CORPORATE OFFICES

### 2.1.1. EVOLUTION OF THE BOARD OF DIRECTORS.

On May 29, 2020, the Ordinary General Meeting of Shareholders renewed the terms of office as directors of Judith Greciet and Christine Garnier, and of Financière de la Montagne SARL, represented by Nicolas Trebouta, for three years.

At its meeting of September 17, 2020, the Board of Directors of Onxeo decided to co-opt Mr. Julien Miara, Director of Invus, representing Invus Public Equities LP, as a Director of the Company, replacing Mr. Jean-Pierre Kinet, who resigned. This co-option of Mr. Miara follows his appointment as an observer to the Board of Directors on June 2, 2020 and will be submitted to the shareholders for approval at the Company's next ordinary general meeting.

### 2.1.2. OFFICES AND POSITIONS HELD BY EACH OF THE COMPANY'S DIRECTORS

The following is a list of all the offices and positions held in all French and foreign companies by each of the Company's directors during the year. This description is extended to the last five years to comply with Annex I of Regulation (EC) No. 809/2004, which governs the drafting of reference documents.

The other offices and/or functions of the directors listed below are based on the declarations of the persons concerned. The Company specifies that it is not responsible for the information provided by the managers or corporate officers.

| **Director** | **Offices and functions** |
|---|---|
| **Danièle GUYOT-CAPARROS**<br><br>Danièle Guyot-Caparros has been a Director of Onxeo since June 26, 2013. Her term of office will expire at the 2022 Shareholders' Meeting.<br><br>Danièle Guyot-Caparros was born on October 16, 1958. After working in an audit firm on international assignments, she joined Rhône-Poulenc, which became Aventis and then Sanofi, in various positions of increasing scope, with responsibilities in finance at the European level and then in Business Planning and Performance Monitoring at the global level.<br><br>Senior Life Sciences advisor for Deloitte since 2008, she holds a Master's degree in Finance/Accounting as well as a DECF (chartered accountant diploma).<br><br>Business address<br>4, rue Eblé<br>75007 Paris<br>France | *In the Company*<br>• Director since 2013<br>• Chairman of the Board of Directors since 2019<br><br>*Outside the Company*<br>• Senior Advisor Life Sciences & Health Care Deloitte France<br><br>*Other offices and positions held over the past five years and completed*<br>• Member of the Supervisory Board of Diaxonhit<br>• Director of Supersonic Imagine SA (France) |

| Director | Offices and functions |
|---|---|
| **Judith GRECIET**<br><br>Judith Greciet joined Onxeo on March 1, 2011 as Deputy Chief Executive Officer in charge of R&D and Operations. She has been Chief Executive Officer and Director of Onxeo since June 29, 2011. Her term of office will expire at the 2023 Shareholders' Meeting.<br><br>Born on October 27, 1968, Judith Greciet has spent her career in various international laboratories (notably Eisai, Zeneca, Wyeth) holding positions of increasing managerial and strategic importance in the fields of oncology and immunology, with innovative products. She holds a PhD in Pharmacy and has a post-graduate degree in pharmaceutical management and marketing.<br><br>Business address<br>Onxeo<br>49, boulevard du Général Martial Valin<br>75015 – Paris. | *In the Company*<br>• Director and Chief Executive Officer of Onxeo SA<br><br>*Outside the Company*<br>• Chairman of Onxeo Inc. (United States) |

| Director | Offices and functions |
|---|---|
| **Christine GARNIER**<br><br>Christine Garnier has served as a director since April 26, 2017. Her term of office will expire at the 2023 Annual Shareholders' Meeting.<br><br>Born on February 28, 1961, Christine Garnier is co-founder of AEC Partners and has been a Managing Partner since 1998. Graduated from ESCP Europe, her consulting activity is specialized in corporate, international and operational strategies, business model and organization evolutions, and performance optimization in the life sciences sector. Over the past 20 years, Christine Garnier has managed more than 200 assignments on primary care and specialty products, vaccine products, as well as medical devices and OTC drugs. She assists executive committees and operational and functional departments in developing their vision, their strategies and the evolution of their organizations. The scope of its interventions is focused on Europe and rapidly developing countries (South-East Asia, Latin America ...) as well as on international headquarters. She provides her clients with a solid expertise in strategy and organization coupled with her competence to identify and initiate the necessary transformations. Prior to joining AEC Partners, Christine Garnier worked for 12 years in the pharmaceutical industry in marketing positions at Wyeth and in international marketing and strategic planning at Rhône Poulenc Rorer.<br><br>Business address<br>AEC Partners<br>27 avenue Pierre 1er de Serbie<br>75116 Paris<br>France | *In the Company*<br>• Director of Onxeo SA<br><br>*Outside the Company*<br>• Chief Executive Officer of AEC General Partners<br>• Chief Executive Officer of AEC Limited<br>• Director of AEC Asia<br><br>*Other offices and positions held over the past five years and completed*<br>• None |

| Director | Offices and functions |
|---|---|
| **Thomas HOFSTAETTER**<br><br>Mr. Thomas Hofstaetter has been a director of Onxeo since May 31, 2012. His term of office will expire at the 2021 Shareholders' Meeting.<br><br>Born on June 4, 1948, Thomas Hofstaetter is a doctor in molecular biology (University of Tuebingen - Germany). He has over thirty years of experience in corporate development and mergers and acquisitions in the pharmaceutical and biotechnology sectors, including at Wyeth, Inc. and Aventis, VaxInnate Corporation and Geron Corporation.<br><br>Business address:<br>Lindenstr. 37 - 60325 Frankfurt<br>Germany | *In the Company*<br>• Director of Onxeo SA<br><br>*Outside the Company*<br>None<br><br>*Other offices and positions held over the past five years and completed*<br>• Director of Bionor Pharma ASA, Norway<br>• Director of Geron Corporation, USA |

| Director | Offices and functions |
|---|---|
| **FINANCIERE DE LA MONTAGNE, represented by Nicolas TREBOUTA**<br><br>Financière de la Montagne has been a director since June 29, 2011. His term of office will expire at the Shareholders' Meeting in 2023.<br><br>Born on May 29, 1963, Nicolas Trebouta has been investing directly or through funds in biotech companies since 2004 through his company Financière de la Montagne. Co-founder of Chevrillon et Associés in 2000, he participated with this structure in several LBO operations including Picard surgelés, the printing company CPI, and the insurance company Albingia. He is a physician and has been a shareholder of Onxeo since 2008.<br><br>Business address<br>Financière de la Montagne<br>4-6, Rond-Point des Champs Elysées<br>75008 Paris<br>France | *In the Company*<br>• Director of Onxeo SA<br><br>*Outside the Company*<br>• Manager of SARL Financière de la Montagne<br>• Manager of SCI Fleurus Immobilier<br>• Manager of SCI 5 rue de la Liberté<br>• Chairman of SAS Dragon 8<br>• Managing partner of SC Financière des Associés<br>• Director of GIE IO<br>• Chairman of the Supervisory Board of SCA Chevrillon & Associés<br>• Manager of the EARL Ferme de Bissy<br>• Managing partner of SC Valois<br>• Manager of SCI du Trillon<br>• Co-manager of SC Aster<br>• Managing partner of SCI du Chardonnet<br><br>*Other offices and positions held over the past five years and completed*<br>• None |

| Director | Offices and functions |
|---|---|
| **Jean-Pierre BIZZARI**<br><br>Jean-Pierre Bizzari has served as a director since April 6, 2016. His term will expire at the 2022 annual shareholders' meeting.<br><br>Born on October 29, 1954, Dr. Jean-Pierre Bizzari was Executive Vice President and Head of Oncology Clinical Development (U.S., Europe, Asia and Japan) at Celgene from 2008 to 2015. He has participated in the clinical development of several anti-cancer agents such as Taxotere®, Eloxatin®, Abraxane® and Irinotecan® (CPT-11). A world-renowned expert in oncology, he is a member of the Scientific Advisory Board of the French National Cancer Institute (INCa), the European Organization for Research and Treatment of Cancer (EORTC) and Chairman of the New Drug Advisory Committee. Mr. Bizzari is also an active member of the Board of Directors of several biotechnology companies in France and the United States. He has published more than 70 papers in leading scientific journals and presented more than 160 abstracts at scientific conferences.<br><br>Business address<br>100 St Georges Road - Unit 4A<br>Ardmore. 19003. PA - USA | *In the Company*<br>• Director of Onxeo SA<br><br>*Outside the Company*<br>• Director of Transgene SA (France)<br>• Director of Halozyme Therapeutics, Inc. (United States)<br>• Director of Nordic Nanovector ASA (Public, Norway)<br>• Director of Oxford BioTherapeutics Ltd (UK)<br>• Director of the European Organization for Research and Treatment of Cancer (EORTC)<br><br>*Other offices and positions held over the past five years and completed*<br>• Director of Celator Pharmaceuticals (United States)<br>• Director of iTeos Therapeutics (Belgium)<br>• Director of Pieris Pharmaceuticals, Inc. (USA) |

| Director | Offices and functions |
|---|---|
| **Invus Public Equities LP, represented by Julien Miara**<br><br>At its meeting on September 17, 2020, the Board of Directors of Onxeo decided to co-opt Mr. Julien Miara, Director of Invus, representing Invus Public Equities LP, as a Director of the Company. This co-option of Mr. Miara follows his appointment as an observer to the Board of Directors on June 2, 2020 and will be submitted to the shareholders for approval at the Company's next ordinary general meeting.<br><br>Born on June 15, 1983, Julien Miara is a Director at Invus, which he joined in 2010 as an analyst for the investment activity in listed companies (Invus Public Equities LP), covering in particular biotechnologies. In 2018, he was promoted to lead the team in Europe. Previously, he worked in investment banking at BNP Paribas in Paris, Société Générale in New York, and in consulting.<br><br>Julien Miara obtained his Master's degree in Management from EDHEC Business School in Lille (France) in 2009.<br><br>Business address<br>INVUS - 21 Avenue Kléber, 75116 Paris<br>France | *In the Company*<br>• Director of Onxeo SA<br><br>*Outside the Company*<br>• Director of Sensorion SA |

**Stock options granted during the year to each executive officer**

In fiscal year 2020, 170,000 stock options (SO) were granted to executive directors (Ms. Judith Greciet).

**Stock options exercised during the year by each executive officer**

No stock options were exercised by executive directors during fiscal year 2020.

**Performance shares granted during the year to each executive director**

During fiscal year 2020, no performance shares were granted to executive directors.

**Performance shares that became available during the year for each executive director**

No performance shares (AGAs) became available in fiscal year 2020.

**History of warrants and stock options grants**

As part of its compensation and motivation policy for its managers and employees, Onxeo regularly sets up stock option plans and free share plans.

The independent members of the Board also benefit from successive stock purchase warrant (BSA) plans. As of 2014, these grants have been extended to all directors who are not officers or employees of the Company, including the Chairman, but excluding the Chief Executive Officer.

For both stock options and warrants, the exercise price is determined as the average of the last twenty stock market prices preceding the grant date.

The terms and conditions of exercise of stock options and warrants granted to officers and directors, outstanding as of December 31, 2020, are described in the table below.

**History of grants of financial instruments giving access to the capital**

| Information on stock options granted to executive directors | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **SO Dir. 2011** | **SO Dir.2012** | **SO Dir.2014** | **SO Dir.2015** | **SO Dir.2016** | **SO Dir.2017** | **SO Dir.2018** | **SO Dir.2020** |
| Date of meeting | 06/29/2011 | 05/31/2012 | 06/30/2014 | 05/20/2015 | 04/06/2016 | 05/24/2017 | 06/19/2018 | 06/19/2020 |
| Date of Board of Directors | 09/21/2011 | 09/13/2012 | 09/22/2014 | 10/27/2015 | 07/28/2016 | 07/28/2017 | 07/27/2018 | 09/17/2020 |
| Methods of exercise | 1 SO/1 share - Granted over 4 years | | | | | | 1 SO/1 share - Granted over 2 years | 1 SO/1 share - Granted over 4 years |
| Shares granted to corporate officers (Judith Greciet) (1) | 167,453 | 62,537 | 26,027 | 60,000 | 70,000 | 70,000 | 150,723 | 170,000 |
| Starting point of exercise | 09/21/2015 | 09/13/2016 | 09/22/2018 | 10/27/2016 | 07/28/2017 | 07/28/2018 | 06/30/2019 | 09/17/2021 |
| Expiration date | 09/21/2021 | 09/13/2022 | 09/22/2024 | 10/27/2025 | 07/28/2026 | 07/28/2027 | 07/27/2028 | 09/17/2030 |
| Subscription price (1) | 3.63 | 3.75 | 6.17 | 3.61 | 3.16 | 4.00 | 1.187 | 0.684 |
| Shares subscribed as of 12/31/2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Canceled or expired options | 0 | 6,030 | 7,156 | 0 | 14,000 | 7,000 | 42,000 | (2) |
| **Options remaining at 12/31/2020** (1) | **167,453** | **56,507** | **18,871** | **60,000** | **56,000** | **63,000** | **108,723** | **170,000** |

(1) After adjustment of the number and subscription price of the warrants as a result of the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L. 228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015)

(2) Grant subject to the achievement of performance conditions assessed one year after the grant and related to (i) the progress of the Company's key programs for 40% of the options, (ii) the negotiation of a strategic agreement (financing and/or industrial) for 30% of the options, (iii) the performance of the share price for 15% of the options and (iv) the organization of the Company for 15% of the options.

| Information on warrants (BSA) granted to non-executive directors | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **BSA 2013** | **BSA 2014-1** | **BSA 2014-2** | **BSA 2015-1** | **BSA 2015-2** | **BSA 2016-1** | **BSA 2016-3** | **BSA 2017** | **BSA 2018-1** | **BSA 2018-2** | **BSA 2020** |
| Date of meeting | 06/26/2013 | 06/30/2014 | 06/30/2014 | 05/20/2015 | 05/20/2015 | 04/06/2016 | 04/06/2016 | 05/24/2017 | 06/19/2018 | 06/19/2018 | 06/19/2020 |
| Date of Board of Directors | 09/19/2013 | 09/22/2014 | 03/04/2015 | 10/27/2015 | 01/22/2016 | 07/28/2016 | 12/21/2016 | 07/28/2017 | 07/27/2018 | 10/25/2018 | 09/17/2020 |
| Methods of exercise | 1 warrant/ 1 share - Granted over 18 months | | | | | | | | 1 warrant/ 1 share | 1 warrant/ 1 share | 1 warrant/ 1 share (4) |
| Shares available for subscription by corporate officers (1) (2) | 88,490 | 85,886 | 19,000 | 65,000 | 90,000 | 160,000 | 52,500 | 300,000 | 274,500 | 85,000 | 350,000 |
| of which Danielle Guyot-Caparros | 15,616 | 13,013 | - | - | - | - | - | 40,000 | 42,500 | - | 75,000 |
| of which Thomas Hofstaetter | 15,616 | 13,013 | - | 15,000 | - | 20,000 | - | 40,000 | 42,500 | - | 50,000 |
| of which Jean-Pierre Bizarri | - | - | - | - | - | 30,000 | 17,500 | 40,000 | - | - | 75,000 |
| of which Financière de la Montagne | - | 13,013 | 5,500 | 15,000 | - | 30,000 | 17,500 | 40,000 | 42,500 | 42,500 | 75,000 |
| of which Christine Garnier | - | - | - | - | - | - | - | 40,000 | 42,500 | - | - |
| of which Invus Public Equities LP | - | - | - | - | - | - | - | - | - | - | 75,000 |
| of which Jean-Pierre Kinet | - | - | - | - | - | 30,000 | - | - | - | - | - |
| of which Elvira Sanz | - | - | - | - | - | - | - | 40,000 | 42,500 | - | - |
| of which Joseph Zakrzewski | - | - | - | - | 90,000 | 50,000 | 17,500 | 60,000 | 62,000 | 42,500 | - |
| of which Patrick Langlois | 26,026 | 20,821 | 8,000 | 5,000 | - | - | - | - | - | - | - |
| of which David Solomon | 15,616 | 13,013 | 5,500 | 15,000 | - | - | - | - | - | - | - |
| including Russell Greig | 15,616 | 13,013 | - | 15,000 | - | - | - | - | - | - | - |
| Starting point for the exercise of the warrants | 03/19/2014 | 03/22/2015 | 09/04/2015 | 04/27/2016 | 01/22/2016 | 01/28/2017 | 06/21/2017 | 04/28/2018 | 06/30/2019 | 06/30/2019 | 03/17/2021 |
| Expiration date | 09/19/2023 | 09/22/2024 | 03/04/2025 | 10/27/2025 | 01/22/2026 | 07/28/2026 | 12/21/2026 | 07/28/2027 | 07/27/2028 | 10/25/2028 | 09/17/2030 |
| Issue price | € 0.40 | € 0.64 | € 0.63 | € 0.36 | € 0.33 | € 0.26 | € 0.24 | € 0.20 | 0.21 €(3) | 0.16 €(3) | € 0.16 |
| Subscription price (1) | € 3.85 | € 6.17 | € 6.26 | € 3.61 | € 3.33 | € 3.16 | € 2.43 | € 4.00 | € 1.187 | 1 .017 € | € 0.684 |
| Shares subscribed as of 12/31/2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total cancelled or expired warrants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BSAs remaining at year-end (1) | 88,490 | 85,886 | 19,000 | 65,000 | 90,000 | 160,000 | 52,500 | 300,000 | 274,500 | 85,000 | 350,000 |

(1) After adjustment of the number and subscription price of the warrants as a result of the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L. 228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015).

(2) On May 10, 2019, the Board of Directors decided, in accordance with the recommendations of the AMF, to retroactively raise the subscription price of the warrants to their market value as determined by an independent expert.

(3) Allocation over 18 months.

**Stock options granted to or exercised by the ten largest non-executive employees during the year**

| | Total number of options granted | Weighted average price | Plan |
|---|---|---|---|
| **Options granted during the year to the ten non-corporate officer employees with the highest number of options granted (aggregate information)** | 745,000 | € 0.684 | SO Employees Plan 2020 |

**Other benefits granted to corporate officers**

| Executive Directors | Work contract | | Supplementary pension plan | | Indemnities or benefits due as a result of termination/change of duties | | Compensation for a non-competition clause | |
|---|---|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| **Judith Greciet**<br>Chief Executive Officer since 06/29/2011<br>Start of term: 06/29/2011<br>End of term: Shareholders' Meeting to approve the financial statements for the year ending December 31, 2022 | | X | X | | | X | | X |

At the Board meeting of May 21, 2014, on the proposal of the Compensation and Appointments Committee of May 16, 2014, the Board validated the suspension of Judith Greciet's employment contract as of July 1, 2014 during the period of her corporate mandate as Chief Executive Officer.

In accordance with the provisions of articles L. 225-197-1 and L. 225-185 of the Commercial Code, the Board of Directors, on the recommendation of the Compensation Committee, has set the number of shares (shares allocated or shares resulting from the exercise of options) that the executive directors of Onxeo are obliged to keep in registered form until the end of their functions. This quota was set at 10% of the acquisition capital gains net of related taxes and contributions obtained by exercising options.

## 2.2. AGREEMENTS REFERRED TO IN ARTICLE L. 225-37-4, 2° OF THE COMMERCIAL CODE

In accordance with the provisions of Article L. 225-37-4-2° of the French Commercial Code, no agreement has been concluded, either directly or through an intermediary, between a corporate officer or a shareholder with more than 10% of the voting rights of a company and another company in which the former directly or indirectly holds more than half of the capital, with the exception of agreements relating to current transactions concluded under normal conditions.

# 3. CAPITAL STRUCTURE OF THE COMPANY

## 3.1. BREAKDOWN OF SHARE CAPITAL AT DECEMBER 31, 2020

The share capital as of December 31, 2020 was 19,579,452.50 euros, divided into 78,317,810 shares with a par value of 0.25 euros each, all of the same class and fully paid up.

As of December 31, 2020, 91.1% of the Company's capital was held by bearer shareholders and 8.9% by registered shareholders.

In accordance with the provisions of Article L. 233-13 of the French Commercial Code, we hereby inform you of the identity of shareholders whose threshold exceeds 5% of the share capital, i.e. who own more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-fourth, one-third, one-half, two-thirds or nineteen-twentieths of the share capital or voting rights as at December 31, 2020.

| Shareholders | Shares | | Voting rights | |
|---|---|---|---|---|
| | Number of shares | % of share capital | Number of voting rights | % of voting rights |
| **Financière de la Montagne (Director)** | **10,462,560** | **13.36 %** | **10462560** | **13.41 %** |
| **Invus Public Equities LP (Director)** | **8,397,270** | **10.72 %** | **8397270** | **10.76 %** |
| Treasury shares | 272,438 | 0.35 % | - | - |
| Others | 59,185,542 | 75.57 % | 59,185,542 | 75.83 % |
| **Total as of 12/31/2020** | **78,317,810** | **100.00 %** | **78,045,372** | **100.00 %** |

No shareholders' agreements have been declared to the Company.

## 3.2. CHANGES DURING THE YEAR

| | Number | Nominal value (euros) | Share capital after modification |
|---|---|---|---|
| **Shares comprising the share capital at the beginning of the year** | 61,117,851 | 0.25 | 15,279,462.75 |
| **Board of Directors meeting of April 17, 2020:** increase in share capital by a nominal amount of 1,586,095.75 euros, through the issue of 6,280,950 ordinary shares on the exercise of warrants and the definitive acquisition of 63,433 bonus shares, with a par value of 0.25 euro each | 67,462,234 | 0.25 | 16,865,558.50 |
| **Board of Directors meeting of June 2, 2020**: increase in share capital by a nominal amount of 179,781.25 euros through the issue of 719,125 ordinary shares on the exercise of warrants, with a par value of 0.25 euros each | 68,181,359 | 0.25 | 17,045,339.75 |
| **Decision of the Chief Executive Officer of June 9, 2020**: increase of the share capital by a nominal amount of 2,534,112.75 euros by issuing 10,136,451 ordinary shares with a nominal value of 0.25 euros each | 78,317,810 | 0.25 | 19,579,452.50 |
| **Shares comprising the share capital at year-end** | 78,317,810 | 0.25 | 19,579,452.50 |

# 4. WARRANTS, STOCK OPTIONS AND FREE SHARES RESERVED FOR EMPLOYEES AND OFFICERS OF THE COMPANY

## 4.1. SHARE SUBSCRIPTION WARRANTS

On September 17, 2020, the Board of Directors, making use of the Thirtieth and Thirty-first Extraordinary Resolutions of the General Shareholders' Meeting of June 19, 2020, decided to grant the following securities giving access to the capital:

- 500,000 share subscription warrants (BSA) to non-executive directors
  - Subscription price: 0.161 (market value determined by an independent expert
  - Number of warrants effectively subscribed: 350,000
  - Terms of exercise: by thirds every six months, i.e. on March 17, 2021, September 17, 2021 and March 17, 2022
  - Expiry: 10 years

A summary of the warrants at December 31, 2020 granted to members of the Board of Directors who are not employees or officers of the Company is provided in note 10.4.1 to the consolidated financial statements.

## 4.2. STOCK OPTIONS

On September 17, 2020, the Board of Directors, making use of the Thirtieth and Thirty-first Extraordinary Resolutions of the General Shareholders' Meeting of June 19, 2020, decided to grant the following securities giving access to the capital:

- 1,200,000 stock options (SO) to employees and the Chief Executive Officer (including 170,000 to Judith Greciet, Chief Executive Officer)
  - Subscription price: 0.684 euros
  - Terms of Exercise: 1 SO/1 share - granted over 4 years (subject to performance conditions for the CEO)
  - Expiry: 10 years

A summary of stock options at December 31, 2020 is provided in note 10.4.2 to the consolidated financial statements.

## 4.3. BONUS SHARES

No bonus shares were granted to employees or officers of the Company during fiscal year 2020.

# 5. CAPITAL LIKELY TO BE SUBSCRIBED BY EMPLOYEES AND MANAGERS AND DILUTED CAPITAL

The fully diluted capital as of December 31, 2020 amounts to 82,653,550 shares. It includes the share capital as of December 31, 2020, consisting of 78,317,810 shares plus 4,335,740 shares likely to be issued as a result of the plans for the granting of securities giving access to the Company's share capital detailed below, representing a potential dilution of 5.54% on the basis of the share capital existing at the closing date of the financial year.

| Name of the plan | Beneficiaries | Adjusted subscription price (*) per share in euros | Expiration date | Adjusted number of warrants/options (*) outstanding at 12/31/20 | % dilution of share capital | % accumulated |
|---|---|---|---|---|---|---|
| BSA 2013 | Non-employee board members or officers | 3.85 | 09/19/2023 | 88,490 | 0.11 % | 2.01 % |
| BSA 2014 | | 6.17 | 09/22/2024 | 85,886 | 0.11 % | |
| BSA 2014-2 | | 6.26 | 03/04/2025 | 19,000 | 0.02 % | |
| BSA 2015 | | 3.61 | 10/27/2025 | 65,000 | 0.08 % | |
| BSA 2015-2 | | 3.33 | 01/23/2026 | 90,000 | 0.11 % | |
| BSA 2016 | | 3.16 | 07/28/2026 | 160,000 | 0.20 % | |
| BSA 2016-3 | | 2.43 | 12/21/2026 | 52,500 | 0.07 % | |
| BSA-2017 | | 4.00 | 07/28/2027 | 300,000 | 0.38 % | |
| BSA 2018 | | 1.19 | 07/27/2028 | 274,500 | 0.35 % | |
| BSA 2018-2 | | 1.02 | 10/25/2028 | 85,000 | 0.11 % | |
| BSA 2020 | | 0.68 | 09/17/2030 | 350,000 | 0.45 % | |
| BSA 2016-2 | Consultants | 2.61 | 10/25/2026 | 30,000 | 0.04 % | 0.04 % |
| SO 2011 | Officers | 3.63 | 09/21/2021 | 219,782 | 0.28 % | 1.04 % |
| SO 2012 | | 3.75 | 09/13/2022 | 103,597 | 0.13 % | |
| SO 2014 | | 6.17 | 09/22/2024 | 34,487 | 0.04 % | |
| SO 2015 | | 3.61 | 10/27/2025 | 60,000 | 0.08 % | |
| SO 2016 | | 3.16 | 07/27/2026 | 56,000 | 0.07 % | |
| SO 2017 | | 4.00 | 07/28/2027 | 63,000 | 0.08 % | |
| SO 2018 | | 1.19 | 07/27/2028 | 108,723 | 0.14 % | |
| SO 2020 | | 0.68 | 09/17/2030 | 170,000 | 0.22 % | |
| SO 2011 | Employees | 3.63 | 09/21/2021 | 36,634 | 0.05 % | 2.45 % |
| SO 2012 | | 3.75 | 09/13/2022 | 88,950 | 0.11 % | |
| SO 2013 | | 3.85 | 09/19/2023 | 67,672 | 0.09 % | |
| SO 2014 | | 6.17 | 09/22/2024 | 21,937 | 0.03 % | |
| SO 2015 | | 3.61 | 10/27/2025 | 67,500 | 0.09 % | |
| SO 2016 | | 3.16 | 07/27/2026 | 110,900 | 0.14 % | |
| SO 2017 | | 4.00 | 07/28/2027 | 153,975 | 0.20 % | |
| SO 2017-2 | | 1.48 | 03/29/2028 | 25,000 | 0.03 % | |
| SO 2018 | | 1.19 | 07/27/2028 | 427,207 | 0.55 % | |
| SO 2020 | | 0.68 | 09/17/2030 | 920,000 | 1.17 % | |
| **TOTAL** | | | | **4,335,740** | | **5.54 %** |

(*) After adjustment of the number and subscription price of warrants, options and free bonus shares as a result of the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L. 228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015).

(1) Under the equity line of credit put in place on June 7, 2019.

Pursuant to the provisions of Article L. 225-185 of the French Commercial Code, the Board of Directors has decided that the Chief Executive Officer must hold 10% of the shares resulting from the exercise of options granted by the Board of Directors in registered form until he or she ceases to hold office, up to a limit of a number of options such that their cumulative exercise price does not exceed one year's gross compensation.

In accordance with the provisions of Article L. 225-197-1 II paragraph 4, the Board of Directors has decided that the Chief Executive Officer must keep 10% of the shares granted in registered form until he or she ceases to hold office, up to a limit of a number of shares such that their cumulative value does not exceed one year's total gross compensation.

## Appendix I – Results of the last five years (statutory accounts)

| In euros | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Capital at year-end | | | | | |
| Share capital | 11,760,851 | 12,673,913 | 13,344,094 | 15,329.462.75 | 19,579,452.50 |
| Number of existing common shares | 47,043,404 | 50,695,653 | 53,376,375 | 61,317,851 | 78,317,810 |
| Number of existing preferred dividend shares | | | | | |
| Maximum number of future shares to be created: | | | | | |
| By conversion of bonds | | | | | |
| By exercising the subscription right | | | | | |
| **Operations and results for the year** | | | | | |
| Turnover before tax | 556,854 | 894,784 | 548,504 | 1,150,646 | 488,518 |
| Income before tax, employee profit-sharing, depreciation and provisions | -45,158,403 | -30,432,231 | -9,632,677 | -23,097,256 | -8,246,501 |
| Income tax | -3,954,873 | -3,686,612 | -2,436,446 | -1,381,822 | -794,638 |
| Employee profit-sharing due for the year | | | | | |
| Income after tax, employee profit-sharing, depreciation and provisions | -21,236,246 | -66,424,572 | -12,955,412 | -28,967,798 | -3,566,539 |
| Distributed income | | | | | |
| **Earnings per share** | | | | | |
| Income after tax, employee profit-sharing, but before depreciation and provisions | -0.88 | -0.53 | -0.13 | -0.35 | -0.09 |
| Income after tax, employee profit-sharing, depreciation and provisions | -0.45 | -1.31 | -0.24 | -0.47 | -0.05 |
| Dividend allocated to each share | | | | | |
| **Employees** | | | | | |
| Average number of employees during the year | 52 | 49 | 39 | 30 | 25 |
| Total payroll for the year | 4,613,673 | 5,181,976 | 3,202,473 | 3,029,115 | 2,773,547 |
| Amounts paid for employee benefits | 2,070,805 | 2,395,768 | 1,449,962 | 1,490,970 | 1,258,312 |

## Appendix II – Summary table of current delegations of authority granted by the Shareholders' Meeting to the Board of Directors to increase the share capital

### Year ended December 31, 2020

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we report to you in this document on the current delegations of authority granted by the General Meeting of Shareholders to the Board of Directors, in respect of capital increases, and the use made of these delegations during the year ended December 31, 2020.

| | **Duration of validity / expiry date** | **Ceiling (nominal value)** | **Use made of the delegation** |
|---|---|---|---|
| **Delegations granted by the Shareholders' Meeting of Tuesday, June 19, 2018** | | | |
| Delegation of authority granted to the Board of Directors to increase the share capital, immediately or in the future, by issuing ordinary shares or any securities giving access to the share capital, with preferential subscription rights (13th resolution) | 26 months / August 19, 2020 **This delegation was replaced by the delegation granted by the Shareholders' Meeting of June 19, 2020 under its 17th resolution** | 6.336.750 € (25.347.000 shares) | The Board did not make use of this delegation. |
| Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights and public offering (14th resolution) | 26 months / August 19, 2020 **This delegation was replaced by the delegation granted by the Shareholders' Meeting of June 19, 2020 under its 18th resolution** | 6.336.750 € (25.347.000 shares) | The Board did not make use of this delegation. |
| Delegation of authority granted to the Board of Directors to issue shares or any securities giving immediate or future access to the capital, without shareholders' pre-emptive subscription rights, by way of an offer to qualified investors or to a limited circle of investors within the meaning of paragraph II of Article L 411-2 of the French Monetary and Financial Code (15th resolution) | 26 months / August 19, 2020 **This delegation was replaced by the delegation granted by the Shareholders' Meeting of June 19, 2020 under its 19th resolution** | 2.534.750 € (10.139.000 shares) | By a decision of June 5, 2020, the Chief Executive Officer, by delegation of the Board of Directors of June 2, 2020, decided to issue 10,136,451 ordinary shares with a par value of 0.25 euro each at a price of 0.7182 euro per share, representing a subscription of a total amount of 7,279,999.10 euros to qualified investors. |
| Delegation of authority granted to the Board of Directors to increase the amount of issues with or without preferential subscription rights that would be decided pursuant to the 14th to 15th resolutions above (16th resolution) | 26 months / August 19, 2020 **This delegation was replaced by the delegation granted by the Shareholders' Meeting of June 19, 2020 under its 20th resolution** | 15% of the initial issue | The Board did not make use of this delegation. |
| Authorization granted to the Board of Directors, in the event of the issue of shares or any other securities giving access to the capital, with waiver of shareholders' preferential subscription rights, to set the | 26 months / August 19, 2020 **This delegation was replaced by the delegation granted** | Up to 10% of the share capital | The Board did not make use of this authority. |

| | **Duration of validity / expiry date** | **Ceiling (nominal value)** | **Use made of the delegation** |
|---|---|---|---|
| issue price within the limit of 10% of the share capital and within the limits provided for by the Shareholders' Meeting by virtue of the delegations decided under the 14th and 15th resolutions above (17th resolution) | **by the Shareholders' Meeting of June 19, 2020 under its 21st resolution** | | |
| Delegation of authority granted to the Board of Directors to increase the share capital, within the limits of 10% of the capital, in order to remunerate contributions in kind of equity securities or securities giving access to the capital of third-party companies outside a public exchange offer (22nd resolution) | 26 months / August 19, 2020 **This delegation was replaced by the delegation granted by the Shareholders' Meeting of June 19, 2020 under its 26th resolution** | 10% of the share capital | The Board did not make use of this delegation. |
| Authorization for the Board of Directors to grant existing shares or shares to be issued free of charge in lieu of payment in cash of part of the variable compensation of the persons concerned in respect of the 2017 financial year (25th resolution) | 38 months / August 19, 2021 | 300,000 shares representing a maximum nominal amount of 75,000 euros | The Board did not make use of this delegation. |
| Authorization for the Board of Directors to grant existing or new shares at no cost (26th resolution) | 38 months / August 19, 2021 | 435,000 shares representing a maximum nominal amount of 108,750 euros | The Board did not make use of this delegation. |
| Authorization for the Board of Directors to grant stock options (27th resolution) | 38 months / August 19, 2021 **This delegation was replaced by the delegation granted by the Shareholders' Meeting of June 19, 2020 under its 30th resolution** | 970.000 options representing a maximum nominal amount of 227,500 euros | The Board did not make use of this delegation. |
| **Delegations granted by the Shareholders' Meeting of Friday, June 19, 2020** | | | |
| Delegation of authority granted to the Board of Directors to increase the share capital, immediately or in the future, by issuing ordinary shares or any securities giving access to the share capital, with preferential subscription rights (17th resolution) | 26 months / August 19, 2022 | 16.865.558 € (67.462.232 shares) | The Board did not make use of this delegation. |
| Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights and public offering (18th resolution) | 26 months / August 19, 2022 | 16.865.558 € (67.462.232 shares) | The Board did not make use of this delegation. |
| Delegation of authority granted to the Board of Directors to issue shares or any securities giving immediate or future | 26 months / August 19, 2022 | 3.373.112 € (13.492.450 shares) | The Board did not make use of this delegation. |

| | Duration of validity / expiry date | Ceiling (nominal value) | Use made of the delegation |
|---|---|---|---|
| access to the capital, with waiver of shareholders' preferential subscription rights, by way of an offer as provided for in Article L 411-2 of the French Monetary and Financial Code (19th resolution) | | | |
| Delegation of authority granted to the Board of Directors to increase the amount of issues with or without preferential subscription rights that would be decided pursuant to the 17th to 19th resolutions above (20th resolution) | 26 months / August 19, 2022 | 15% of the initial issue | The Board did not make use of this delegation. |
| Authorization granted to the Board of Directors, in the event of the issue of shares or any other securities giving access to the capital, with waiver of shareholders' preferential subscription rights, to set the issue price within the limit of 10% of the share capital and within the limits provided for by the Shareholders' Meeting by virtue of the delegations decided under the terms of the 18th and 19th resolutions above (21st resolution) | 26 months / August 19, 2022 | Up to 10% of the share capital | The Board did not make use of this authority. |
| Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights in favor of a first category of persons (22nd resolution) | 18 months / December 19, 2021 | 6.746.223 € (26.984.892 shares) | The Board did not make use of this delegation. |
| Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights in favor of a second category of persons (24th resolution) | 18 months / December 19, 2021 | 6.746.223 € (26.984.892 shares) | The Board did not make use of this delegation. |
| Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any other securities with waiver of shareholders' preferential subscription rights for the benefit of a category of persons in the context of an equity or bond financing agreement (26th resolution) | 18 months / December 19, 2021 | 3.373.112 € (13.492.450 shares) | The Board did not make use of this delegation. |
| Delegation of authority granted to the Board of Directors to increase the share capital, within the limits of 10% of the capital, in order to remunerate contributions in kind of equity securities or securities giving access to the capital of third-party companies outside a public exchange offer (27th resolution) | 26 months / August 19, 2022 | 10% of the share capital | The Board did not make use of this delegation. |

| | **Duration of validity / expiry date** | **Ceiling (nominal value)** | **Use made of the delegation** |
|---|---|---|---|
| Authorization for the Board of Directors to grant stock options (30th resolution) | 38 months / August 19, 2022 | 1,200,000 options representing a maximum nominal amount of 300,000 euros | See special report of the Board of Directors - grant of 1,200,000 stock options on September 17, 2020 |
| Delegation of authority to the Board of Directors to issue a maximum of 500,000 warrants to members of the Board of Directors in office on the date of allocation of the warrants, who are not employees or executives of the Company or one of its subsidiaries, and persons linked by a service or consultancy contract to the Company or one of its subsidiaries (31st resolution) | 18 months / December 19, 2021 | 500,000 warrants representing a maximum nominal amount of 125,000 euros | See additional reports of the Board of Directors and the Statutory Auditor. The Board of Directors made use of this delegation on September 17, 2020 and decided to issue, at a price of 0.161 euros each, 500,000 warrants giving the right to subscribe for one share of the Company with a par value of 0.25 euro at a price of 0.684 euro (including issue premium) for the benefit of non-executive directors. |

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Public limited company with a capital of 22,998,733.75 euros
Headquarters: 49, boulevard du général Martial Valin – 75015 Paris
410 910 095 R.C.S. Paris

# FINANCIAL STATEMENTS AT 31/12/2020

## PREPARED ACCORDING TO FRENCH STANDARDS

# SUMMARY

# BALANCE SHEET

## BALANCE SHEET ASSETS

| In thousands of euros | Gross | Amortization / Impairment | Net 2020 | Net 2019 |
|---|---|---|---|---|
| **UNCALLED SUBSCRIBED CAPITAL** | | | | |
| **INTANGIBLE ASSETS** | | | | |
| **Set-up expenses** | | | | |
| **Development costs** | 65 089 | 61 830 | 3 259 | 5 803 |
| **Concessions, patents and similar rights** | 180 | 180 | | |
| **Goodwill** | 4 449 | | 4 449 | 4 449 |
| **Other intangible assets** | 244 | 240 | 3 | |
| **Advances and down payments on intangible assets** | | | | |
| **Total intangible assets** | **69 964** | **62 251** | **7 712** | **10 253** |
| **TANGIBLE ASSETS** | | | | |
| **Land** | | | | |
| **Constructions** | | | | |
| **Technical installations, industrial equipment and tools** | 1 317 | 1 268 | 48 | 56 |
| **Other tangible assets** | 1 826 | 1 792 | 33 | 52 |
| **Assets under construction** | | | | |
| **Advances and down payments** | | | | |
| **Total tangible assets** | **3 143** | **3 060** | **82** | **108** |
| **FINANCIAL FIXED ASSETS** | | | | |
| **Investments accounted for using the equity method** | | | | |
| **Other investments** | 48 577 | 43 521 | 5,056 | 4 835 |
| **Receivables from equity investments** | | | | |
| **Other long-term securities** | 181 | | 181 | 189 |
| **Other financial fixed assets** | 226 | | 226 | 134 |
| **Total financial fixed assets** | **48 986** | **43 521** | **5 464** | **5 158** |
| **FIXED ASSET** | **122 094** | **108,834** | **13 260** | **15 521** |
| **STOCKS** | | | | |
| **Raw materials, supplies** | | | | |
| **Goods in process of production** | | | | |
| **Services in process of production** | | | | |
| **Intermediate and finished products** | | | | |
| **Goods** | | | | 64 |
| **Total Inventories** | | | | **64** |
| **RECEIVABLES** | | | | |
| **Advances and deposits paid on orders** | | | | |
| **Accounts receivable and related accounts** | 548 | | 548 | 1 174 |
| **Other receivables** | 28 701 | 23 301 | 5 399 | 7 972 |
| **Capital subscribed and called up, not paid** | | | | |
| **Total receivables** | **29 249** | **23 301** | **5 947** | **9 146** |
| **LIQUID ASSETS AND MISCELLANEOUS** | | | | |
| **Transferable securities including treasury shares:** | | | | |
| **Cash assets** | 14 432 | | 14 432 | 5 609 |
| **Total cash and miscellaneous** | **14 432** | | **14 432** | **5 609** |
| **CURRENT ASSET** | 43 682 | 23 301 | 20 380 | 14 820 |
| **Prepaid expenses** | 396 | | 396 | 184 |
| **Deferred loan issue expenses** | | | | |
| **Bond redemption premiums** | | | | |
| **Currency translation differences assets** | 36 | | 36 | 306 |
| **GENERAL TOTAL** | **166 210** | **132 136** | **34 074** | **30 832** |

## BALANCE SHEET LIABILITIES

| In thousands of euros | | | Net 2020 | Net 2019 |
|---|---|---|---|---|
| **NET POSITION** | | | | |
| Share or individual capital | Of which paid in: | 9 579 | 19 579 | 15 329 |
| Share premiums, merger premiums, contribution premiums, ... | | | 5 277 | 31 624 |
| Revaluation differences | | | | |
| Legal reserve | | | | |
| Statutory or contractual reserves | | | | |
| Regulated reserves | | | | |
| Other reserves | | | | |
| Carry forward | | | (9 346) | (12 955) |
| **RESULT FOR THE YEAR (profit or loss)** | | | **(3 566)** | **(28 967)** |
| **Total net equity** | | | **11,944** | **5 030** |
| Investment subsidies | | | | |
| Regulated provisions | | | | |
| **EQUITY** | | | **11,944** | **5 030** |
| | | | | |
| Proceeds from issues of equity securities | | | | |
| Conditional advances | | | 327 | 408 |
| **OTHER EQUITY** | | | 327 | 408 |
| | | | | |
| Provisions for risks | | | 36 | 6 306 |
| Provisions for expenses | | | 326 | 126 |
| **rovision for risks and expenses** | | | **363** | **6 433** |
| | | | | |
| **FINANCIAL DEBTS** | | | | |
| Convertible bonds | | | | |
| Other debenture loans | | | 3 471 | 4 980 |
| Borrowings and debts with credit institutions | | | 1 | 2 |
| Miscellaneous borrowings and financial liabilities | | | 220 | 294 |
| **Total financial liabilities** | | | **3 693** | **5 277** |
| | | | | |
| **OPERATING LIABILITIES** | | | | |
| Advances and deposits received on current orders | | | | |
| Trade payables and related accounts | | | 3 239 | 4 910 |
| Tax and social security liabilities | | | 1 261 | 1 333 |
| **Total operating liabilities** | | | **4,501** | **6 243** |
| | | | | |
| **MISCELLANEOUS LIABILITIES** | | | | |
| Payables on fixed assets and related accounts | | | | |
| Other liabilities | | | 10 068 | 4 479 |
| Total miscellaneous liabilities | | | 10,068 | 4 479 |
| | | | | |
| **ACCRUALS** | | | | |
| **Deferred income** | | | 23 | 168 |
| **LIABILITIES** | | | **18,163** | **16 169** |
| | | | | |
| **Currency translation differences liabilities** | | | 3 152 | 2 790 |
| **GENERAL TOTAL** | | | **34 074** | **30 832** |

# INCOME STATEMENT

## INCOME STATEMENT (PART 1)

| In thousands of euros | France | Export | Net 2020 | Net 2019 |
|---|---|---|---|---|
| Sale of goods | 471 | | 471 | 1 118 |
| Sold production of goods | | | | |
| Sold production of services | 17 | | 17 | 31 |
| **NET TURNOVER** | **488** | | **488** | **1 150** |
| | | | | |
| Stored production | | | | |
| Capitalized production | | | | |
| Operating grants | | | 80 | 60 |
| Reversals of depreciation, amortization and provisions, expense transfers | | | 234 | 170 |
| License fees and other products | | | 9 080 | 3 165 |
| TOTAL REVENUE | | | 9 884 | 4 546 |
| | | | | |
| **EXTERNAL EXPENSES** | | | | |
| Purchase of goods (including customs duties) | | | | 115 |
| Inventory change (goods) | | | 64 | (17) |
| Purchase of raw materials and other supplies (including customs duties) | | | 221 | 231 |
| Change in inventories (raw materials and supplies) | | | | |
| Other purchases and external expenses | | | 5 460 | 9 512 |
| Total external expenses | | | 5 746 | 9 842 |
| | | | | |
| Tax, duties and other levies | | | 172 | 129 |
| | | | | |
| **PERSONNEL EXPENSES** | | | | |
| Wages and salaries | | | 2 773 | 3 029 |
| Social security charges | | | 1 258 | 1 490 |
| Total personnel expenses | | | 4 031 | 4 520 |
| | | | | |
| **DEPRECIATION, AMORTIZATION AND PROVISIONS** | | | | |
| Depreciation of fixed assets | | | 2,589 | 344 |
| Allocations to provisions on fixed assets | | | | |
| Allocations to provisions on current assets | | | 77 | 56 |
| Allocations to provisions for risks and expenses | | | | |
| Total depreciation, amortization and provisions | | | 2,666 | 400 |
| | | | | |
| **OTHER OPERATING EXPENSES** | | | **949** | **300** |
| | | | | |
| **TOTAL OPERATING EXPENSES** | | | **13,566** | **15 193** |
| | | | | |
| **OPERATING INCOME** | | | (3 682) | (10 646) |

# INCOME STATEMENT (PART 2)

| In thousands of euros | Net 2020 | Net 2019 |
|---|---|---|
| **OPERATING INCOME** | **(3 682)** | **(10 646)** |
| | | |
| **JOINT OPERATIONS** | | |
| Profit allocated or loss transferred | | |
| Loss incurred or profit transferred | | |
| | | |
| **FINANCIAL INCOME** | | |
| Financial income from investments | 28 | 112 |
| Income from other securities and receivables from fixed assets | 1 | 18 |
| Other interest and similar income | 2 | 25 |
| Reversals of provisions and expense transfers | 567 | 5 |
| Positive exchange rate differences | 157 | 108 |
| Net proceeds from sales of marketable securities | | |
| **TOTAL FINANCIAL INCOME** | **757** | **270** |
| | | |
| **FINANCIAL EXPENSES** | | |
| Depreciation, amortization and provisions | 36 | 1 009 |
| Interest and similar charges | 1,194 | 1 262 |
| Negative exchange rate differences | 112 | 44 |
| Net expenses on disposals of marketable securities | | |
| **TOTAL FINANCIAL EXPENSES** | **1 344** | **2 316** |
| | | |
| **FINANCIAL RESULT** | **(586)** | **(2 045)** |
| | | |
| **CURRENT RESULT** | **(4 268)** | **(12 692)** |
| | | |
| **EXTRAORDINARY INCOME** | | |
| Extraordinary income on management operations | 54 | 24 |
| Extraordinary income on capital transactions | 288 | 4 |
| Reversals of provisions and expense transfers | 6 000 | |
| **TOTAL EXTRAORDINARY INCOME** | **6 343** | **29** |
| | | |
| **EXTRAORDINARY EXPENSES** | | |
| Extraordinary expenses on management operations | 6,081 | 11 611 |
| Extraordinary expenses on capital transactions | 154 | 75 |
| Extraordinary depreciation, amortization and provisions | 200 | 6 000 |
| **TOTAL EXTRAORDINARY EXPENSES** | **6,435** | **17 686** |
| | | |
| **EXTRAORDINARY RESULT** | **(92)** | **(17 657)** |
| | | |
| Employee profit-sharing | | |
| Income taxes | (794) | (1 381) |
| **TOTAL INCOME** | **16 985** | **4 846** |
| | | |
| **TOTAL EXPENSES** | **20 551** | **33 814** |
| | | |
| **PROFIT or LOSS** | **(3 566)** | **(28 967)** |

# ACCOUNTING METHODS AND RULES

Onxeo (the "Company") is a clinical-stage biotechnology company developing novel cancer drugs by targeting tumor DNA functions through unique mechanisms of action in the highly sought-after area of DNA damage response (DDR). The Company focuses on the development of novel first-in-class or disruptive compounds (in-house, acquired or in-licensed) from translational research to human clinical proof-of-concept, a value-creating and attractive inflection point for potential partners.

Onxeo's accounts as of December 31, 2020 were prepared under the responsibility of the Chief Executive Officer and were approved by the Board of Directors on April 21, 2021.

## 1. ACCOUNTING PRINCIPLES AND METHODS

The annual financial statements for the year ended December 31, 2020 have been prepared and presented in accordance with the provisions of the French Commercial Code, the French General Chart of Accounts and ANC regulation 2016-07 of November 4, 2016, in compliance with the principle of prudence and the independence of financial years.

The financial statements have been prepared on a going concern basis. This principle was adopted by the Board of Directors on the basis of a consolidated net cash position of 14.5 million euros at December 31, 2020 and the financial transactions that have taken place since that date, namely the obtaining of government-backed loans in the amount of 5 million euros and a capital increase with shareholders' preferential subscription rights that raised net proceeds of 9.4 million euros. The Company can thus finance its activities until end 2022 on the basis of its financing plan.

The items recorded in the accounts are valued using the historical cost method. The valuation methods used for this year have not been changed from the previous year.

### 1.1. INTANGIBLE ASSETS

Intangible assets are recorded at their acquisition cost or contribution value, minus accumulated amortization and any impairment losses.

Research and development costs incurred by the company are directly expensed. They may be immobilized when the following conditions are simultaneously met:

- The projects involved are clearly individualized,
- Each project must have, at the date of establishment of the accounts, a serious chance of technical success and commercial profitability,
- Their cost can be clearly established.

These criteria are considered not to be met until a marketing authorization has been obtained.

Acquired research and development projects are recognized as intangible assets at their contributed value even in the absence of a marketing authorization.

When their useful life is defined, the cost of intangible assets, minus any residual value, is amortized over the useful life expected by the Company. This period is determined on a case-by-case basis according to the nature and characteristics of the items included under this heading. In particular, concessions and patents are amortized over 10 years on a straight-line basis and software is amortized over 12 months on a straight-line basis and R&D assets with a finite life (in the marketing phase) are amortized over the useful life expected by the Company.

When their useful life is indefinite, intangible assets are not amortized but are subject to annual impairment tests. The goodwill is tested at least once a year, at the end of the financial year. Assets relating to acquired molecules not yet marketed (and therefore not yet depreciated) are also tested on an annual basis, at the end of the financial year, and as soon as an impairment indicator is identified. For example, slower than expected commercialization may be an indication of impairment.

## 1.2. TANGIBLE ASSETS

The gross value of the tangible fixed assets corresponds to the value at which the assets were acquired, accounting for the costs necessary to bring the assets to a usable condition, but excluding the costs incurred for their acquisition.

Amortization for impairment is determined on a straight-line basis. The depreciation periods and methods most commonly used are as follows:

- Machinery and equipment 5 years
- Specialized facilities 5 years
- General installations 10 years
- Office and computer equipment 4 years
- Furniture 5 years

## 1.3. FINANCIAL FIXED ASSETS

Equity interests and other long-term investments are valued at the price for which they were acquired, excluding the costs incurred in their acquisition.

A provision for impairment is recorded if, at the end of the financial year, the value in use is lower than the book value. The value in use of the securities is established on the basis of the net assets at the closing date. The outlook for profitability requires the exercise of Management's judgment in order to confirm the assessment made of the net book value of the equity securities.

The amounts involved in a liquidity contract managed by an Investment Services Provider (ISP) are recorded in the accounts:
under "Other long-term investments" for treasury stock (the portion invested in company shares),
under "Other financial assets" for the part retained in cash.

## 1.4. STOCKS AND WORK IN PROGRESS

Inventories and work-in-progress are valued at cost using the weighted average cost method.

A provision for impairment is recorded if the present value is lower than the carrying amount.

## 1.5. RECEIVABLES AND PAYABLES

Receivables and payables are valued at their nominal value. A provision for impairment is recorded if, at the end of the financial year, the present value of the receivables is less than the book value.

Payables and receivables in foreign currencies are recorded at the exchange rate on the day of the transaction and are revalued at the closing rate. The exchange differences thus recorded are recorded as translation differences. A provision for expenses is recorded in the event of an unrealized foreign exchange loss.

Receivables are reviewed on a case-by-case basis and a provision for impairment is established according to the risk incurred.

## 1.6. MARKETABLE SECURITIES

Marketable securities are valued at acquisition cost, excluding expenses incurred for their acquisition.

In the event of a sale of a group of securities of the same type conferring the same rights, the entry value of the securities sold is estimated using the P.E.P.S. method.

## 1.7. LIQUID ASSETS

Cash in hand or at the bank is valued at nominal value.

## 1.8. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions correspond to commitments resulting from litigation and miscellaneous risks, the timing and amount of which are uncertain, that the company may face in the course of its business. A provision is recognized when the company has a legal or constructive obligation to a third party as a result of a past event that is probable or certain to result in an outflow of resources to the third party, without at least equivalent consideration expected from the third party, and the future cash outflow can be reliably estimated.

## 1.9. LICENSING AGREEMENTS

### *1.9.1. LICENSES GRANTED TO THIRD PARTIES*

Agreements whereby the Company licenses to a third party the right to commercialize one or more products in its portfolio generally include a payment upon signature as well as subsequent payments and royalties on sales.

Payments due in respect of the signature of a license agreement, representing the co-contractor's share of past R&D investments and research expenses remaining payable by Onxeo, are initially recognized as prepaid income and spread over the term of the contract or a shorter period, depending on the company's involvement or the specific features of the contract. This duration generally corresponds to the estimated time required to obtain marketing authorization for the product concerned and this estimate is reviewed annually by the Management. In general, subsequent payments are conditional and depend on the achievement of certain objectives: registration of products, placing products on the market, obtaining a price and/or reaching sales thresholds (sales performance). They are recognized immediately in other income in the year in which they are received by the Company.

In addition, the company benefits from royalties corresponding to a percentage of the net sales effectively realized by the partners over the period, in application of a contractual rate. Royalties are generally calculated on the basis of monthly or quarterly reporting from the partners. At closing, in the event that reporting for the last period has not been received, royalties are valued on the basis of actual quantities sold using a historical net selling price.

In the case of a disposal of assets, the initial payments will be fully recognized on the date the contract is signed.

## 1.10. GRANTS

Operating grants are charged to income at the rate of the expenses incurred.

Repayable advances are recognized in "Other equity". If the project is successful, these advances will be reimbursed taking into account the operational forecast of the project's proceeds. In the event of a duly justified failure with the lending institution, the advances received will generally remain vested and will be recognized in the income statement.

# 2. SIGNIFICANT EVENTS THAT OCCURRED DURING THE FINANCIAL YEAR

## 2.1. R&D PROGRAMS

- ***AsiDNA™***

The Company actively pursued preclinical and clinical development of systemic AsiDNA™ in 2020, both as a single agent and in combination with other therapies in various types of solid tumors, and achieved several major milestones:

- On the clinical front, in May the Company received approval from the French regulatory authorities to initiate the Phase 1b/2 REVOCAN trial, which will evaluate the effect of AsiDNA™ on acquired resistance to the PARP inhibitor niraparib in the maintenance treatment of ovarian cancer. This trial is being conducted by Gustave Roussy and is based on the ability of AsiDNA™ to prevent or abrogate acquired tumor resistance to PARP inhibitors, as demonstrated in preclinical studies. A first patient was treated in late 2020 and the Company expects preliminary results during 2021. In addition, Onxeo continued the DRIIV 1b study evaluating AsiDNA™ in combination with chemotherapies and announced in November the completion of patient recruitment and favorable interim results.
- On the preclinical front, Onxeo presented results from studies at the American Association for Cancer Research (AACR) Annual Meeting in June 2020 corroborating the differentiated properties of AsiDNA™ to reverse resistance to PARP inhibitors by preventing the regrowth of persistent cells, effectively completely and irreversibly abolishing the emergence of resistance in ovarian tumor cells. This new data was extremely encouraging for the conduct of the REVOCAN phase 1b/2 study which started in late 2020. This study, sponsored by Gustave Roussy, evaluates the addition of AsiDNA™ to PARPi niraparib in the 2$^{nd}$ line maintenance of relapsed ovarian cancer.

- ***PlatON™***

After AsiDNA™, OX401 is the second compound to emerge from platON™, Onxeo's chemistry platform that allows for the design of new molecules based on oligonucleotides (a double-stranded DNA fragment).

OX401 is positioned both in the field of DNA damage response inhibition (DDR) and in immuno-oncology.

During 2020, the Company confirmed the preclinical profile of OX401. Thanks to its action on the PARP protein, which is involved in the tumor DNA repair cascade, and to the activation of the antitumor immune response via the cGAS-STING pathway, OX401 has shown in vivo a higher potency than current PARP inhibitors. The next key preclinical step will be to study its combination with immune checkpoint inhibitors.

## 2.2. FUNDING

- ***Use of the equity financing line set up on June 7, 2019***

On June 7, 2019, the company set up an equity financing line with Nice & Green, to the benefit of which it issued 12,000,000 share warrants, in accordance with the authorization given by the extraordinary general meeting of June 19, 2018. By the end of May 2020, all the warrants had been exercised, providing the Company with total net proceeds of 6.2 million euros, including 3.2 million euros in the first half of 2020.

- ***Private placement***

On June 9, 2020, Onxeo announced the completion of a capital increase for a total amount of approximately 7.3 million euros, subscribed by a new investor, Invus Public Equities LP, and by Financière de la Montagne, the Company's historical shareholder.

The capital increase was carried out through the issue of 10,136,451 ordinary shares with waiver of shareholders' preferential subscription rights, in a private placement with qualified investors on the basis of the 15th resolution of the Extraordinary General Meeting of June 19, 2018. The new shares represent approximately 15% of the Company's share capital before the completion of the private placement. As a result of this placement, a shareholder owning 1% of the Company's capital has seen his stake reduced to 0.87%. The subscription price has been set at 0.7182 euro per new share, representing a discount of 10% compared to the weighted average price of the last 3 trading sessions (i.e. from June 3 to June 5, 2020 inclusive).

Following the completion of the capital increase, Invus Public Equities LP and Société Financière de la Montagne held 10.7% and 13.4% of the Company's capital respectively, based on a total number of 78,317,810 shares. To the Company's knowledge, no other shareholder holds more than 5% of its capital.

The net proceeds of the issue are intended for:

- the development of AsiDNA™, the Company's leading product, both clinically and industrially in ongoing and future clinical trials,
- the continuation of the preclinical program to evaluate strategies for combining AsiDNA™ with other targeted therapies,
- the development of the preclinical program for OX401 both alone and with immuno-oncology drugs, and,
- more generally, to finance the Company's current expenses.

## 2.3. SETTLEMENT AGREEMENT WITH THE COMPANIES SPEPHARM AND SPEBIO

On February 11, 2020, Onxeo entered into an out-of-court settlement agreement (hereinafter the "Settlement Agreement") for the remaining proceedings in the dispute that had been pending since 2009 between Onxeo and SpePharm and SpeBio B.V. The latter is a joint venture led by SpePharm which was dedicated to the European operations of Loramyc®, a product which Onxeo sold to Vectans Pharma in July 2017.

The Settlement Agreement includes the immediate, full and final waiver of all pending actions, as well as any future claims or causes of action between the parties related to their past disagreements.

In return, Onxeo has immediately transferred its shares in SpeBio to SpePharm at their nominal value, thereby transferring to SpePharm its share of the joint venture's liquidities in the amount of approximately 3.5 million euros, and will pay SpePharm 15 to 20% of the net amounts to be received under future commercial agreements relating to Onxeo's R&D assets, for a total cumulative amount of 6 million euros within a period of 4 years, i.e. at the latest on January 31, 2024. A first repayment of 0.9 million euros was made in April, following the signature of the license agreement with Acrotech Biopharma described in note 2.4. This amount corresponds to 15% of the amount received at the signing of the agreement. The balance of the debt to SpePharm therefore amounts to 5.1 million euros as of December 31, 2020.

## 2.4. AGREEMENT WITH ACROTECH BIOPHARMA

On April 6, 2020, Onxeo entered into an agreement with Acrotech Biopharma LLC, a wholly owned subsidiary of Aurobindo Pharma, which extends Acrotech's rights to belinostat to all territories not previously covered by a prior agreement between Onxeo and Acrotech (i.e., the United States, Canada, Mexico and India).

Onxeo received a one-time payment of $6.6 million from Acrotech for these rights.

This new agreement grants Acrotech a royalty-free license for the IV form of belinostat in all other territories. As part of this transaction, Onxeo's current licensing agreement with Pint Pharma for South America, as well as the contracts with Clinigen plc and iQone for designated patient programs in European countries, and related agreements, have also been assigned to Acrotech.

This agreement does not affect the existing royalty monetization agreement between Onxeo and SWK Holdings, which was entered into in June 2018, and only relates to future royalties and milestone payments on sales of Beleodaq® in the territories originally licensed to SPPI. These royalties and milestone payments will continue to be recognized as revenue in the Company’s annual financial statements and will be used to repay the bonds held by SWK Holdings. Any royalties or milestone payments payable after repayment of the Bonds shall revert to Acrotech.

## 2.5. IMPACT OF THE HEALTH CRISIS

The continuing major global health crisis related to the Covid-19 epidemic creates an uncertain situation. Even if Onxeo has been little impacted in 2020, it is difficult to measure the repercussions on the Company's activity and financial situation, which will depend on the intensity and duration of this crisis. The Company has put in place appropriate measures for the protection of its employees and to ensure the continuity of its operations. It will adapt them according to the circumstances.

## 2.6. EVENTS AFTER DECEMBER 31 2020

- ***Obtention of State-Backed Loans***

On January 28, 2021, the Company announced that it had obtained non-dilutive funding of 5 million euros in the form of State-Backed Loans. This funding is part of the systems put in place by the French government to support French companies in the context of the Covid-19 pandemic and allows for the strengthening of the Company's cash position.

The loans are 90% guaranteed by the French government and have a maturity of 12 months. After this initial period, the Company may, at its discretion, defer repayment of the principal amount for up to five additional years.

- ***Capital increase with preferential subscription rights for shareholders***

In a press release dated March 10, 2021, the Company announced the launch of a capital increase with maintenance of the preferential subscription rights of shareholders in France and Denmark, on the basis of the seventeenth and twentieth resolutions adopted by the extraordinary general meeting of shareholders of June 19, 2020. This transaction was the subject of a prospectus approved by the AMF under number 21-063.

The proceeds of this issue of New Shares are intended to primarily finance the expansion and acceleration of development clinical use of AsiDNA ™, especially in combination with other anti-cancer agents. The Company also intends to continue the optimization and preclinical development of new candidates from the platON ™ platform, optimize pharmaceutical development and compound manufacturing operations, and more generally, finance the activity of the Company.

The main terms of the transaction are summarized below:

- Subscription parity: 1 new share for 6 existing shares
- Subscription price: € 0.71 (corresponding to DKK 5.29) per share, i.e. a facial discount of 5.3% compared to the market price of March 8, 2021.
- Number of shares offered: 13,052,968 New Shares, which may be increased to a maximum of 15,010,913 new shares in the event of full exercise of the Extension Clause.
- Gross proceeds of the transaction: 9,267,607 euros, likely to be increased to 10,657,748 euros in the event of full exercise of the Extension Clause and to approximately 7,000,000 euros in the event of limitation of the offer 75.5% of the amount of the planned capital increase (corresponding to the subscription commitments of the two reference shareholders, Financière de la Montagne and Invus Public Equities LP).

On April 12, 2021, the Company announced the successful result of the subscriptions of this capital increase, with a subscription rate of approximately 104.8%. The gross amount of the capital increase, including share premium, amounts to 9,7 million euros. This transaction extends the Company’s cash runway until at least end 2022.

The Company's capital following the capital increase amounts to 22,998,733.75 euros, divided into 91,994,935 shares with a par value of 0.25 euros each.

# 3. NOTES TO THE BALANCE SHEET

## 3.1. INTANGIBLE ASSETS

| *In thousands of euros* | 12/31/2019 | Increase | Decrease | 12/31/2020 |
|---|---|---|---|---|
| Beleodaq® R&D assets | 61,830 | 0 | 0 | 61,830 |
| AsiDNA™ R&D assets | 3,259 | 0 | 0 | 3,259 |
| Goodwill | 4,449 | 0 | 0 | 4,449 |
| Other intangible assets | 419 | 6 | 0 | 425 |
| ***Gross TOTAL*** | **69,958** | **6** | **0** | **69,964** |
| | | | | |
| Beleodaq® amortization | -5,682 | -2,545 | 0 | -8,227 |
| Amortization of other intangible assets | -419 | -2 | 0 | -421 |
| ***TOTAL Depreciation and amortization*** | **-6,101** | **-2,547** | **0** | **-8,648** |
| | | | | |
| Beleodaq® Depreciation | -53,603 | 0 | 0 | -53,603 |
| ***TOTAL Impairments*** | **-53,603** | **0** | **0** | **-53,603** |
| | | | | |
| ***Total*** | ***10,253*** | ***-2,541*** | ***0*** | ***7,712*** |

Gross intangible assets amount to 69 964 thousands of euros as of December 31 2020, and are mainly composed of:

- 65 089 thousands of euros in Development Expenses, allocated to Beleodaq® (belinostat) in the amount of 61,830 thousand euros and to AsiDNA™ in the amount of 3,259 thousand euros, these two products coming respectively from the merger-absorption transaction of the company Topotarget in 2014 and the acquisition of DNA Therapeutics in 2016.
- Goodwill in the amount of 4 449 euros representing the difference between the acquisition value of Topotarget and the net assets contributed.

The intangible assets item also includes patents and trademarks acquired by the company for a gross amount of 180 thousands of euros and software for a gross amount of 244 thousands of euros.

The Company has analyzed the impact of the license agreement signed with Acrotech Biopharma on April 6, 2020. This agreement implies that Onxeo will no longer benefit from any future revenues related to Beleodaq®/belinostat, other than what is required to repay the SWK Holdings bond, and consequently the R&D assets related to Beleodaq® have been further depreciated to zero at December 31, 2020. Amortization of intangible assets thus amounted to 8,647,000 euros, including 8,226,000 euros for the amortization of assets related to Beleodaq®.

Other R&D assets, corresponding to AsiDNA™, as well as goodwill, were subject to impairment tests as of December 31, 2020, described below

- ***Recoverable value of intangible assets***

Goodwill is tested for impairment annually; this test is performed at least once a year at year-end. R&D assets, which are depreciable, were also tested. An impairment loss is recognized when the recoverable amount of intangible assets (the higher of fair value less costs to sell and value in use) is less than their carrying amount.

- ***Goodwill***

As of December 31, 2020,the Company has determined the recoverable amount of goodwill as the higher of fair value and value in use. The fair value was assessed by reference to the market capitalization of Onxeo at December 31, 2020. The value in use has been determined on the basis of projected cash flows, based on a financing plan prepared by management and representing its best estimate. These cash flows include all revenues and expenses related to the current indications in the portfolio, including potential developments on

products developed by the Company. The recoverable amount thus obtained, net of disposal costs, being higher than the carrying amount of the goodwill, no impairment loss was necessary.

- ***R&D assets***

The R&D assets acquired as part of the DNA Therapeutics acquisition, namely AsiDNA™, have been tested. The value in use of these assets has been determined using the projected cash flow method, based on a financing plan prepared by management and representing its best estimate. A discount rate of 17.7% has been applied to the cash flows, accounting for the market risk and the specific risks linked to Onxeo. As the values in use obtained at December 31, 2020 were higher than the bases tested, no impairment appeared necessary.

The R&D assets related to AsiDNA™ and goodwill have not been subject to sensitivity testing to the extent that the value in use is significantly higher than the carrying amount.

## 3.2. TANGIBLE FIXED ASSETS

Tangible fixed assets consist mainly of laboratory and research equipment, computer hardware and other fixtures and fittings acquired by the company.

## 3.3. FINANCIAL ASSETS

Financial assets correspond mainly to the investments held by Onxeo in its subsidiaries. The change in this item corresponds mainly to reversals of and charges to provisions for impairment in value of shares in subsidiaries, for a net amount of 273 thousand euros.

The amount of treasury shares held under the liquidity contract as of December 31 2020 is 181 thousand euros corresponding to 272,438 shares recorded under "Other long-term investments". Cash not invested under the contract amounted to 110 thousand euros.

## 3.4. TRADE RECEIVABLES

Trade receivables represent a net amount of 548 thousands of euros as of December 31 2020, of which 496 thousand euros relate to intra-group services. Non-group customers consist of receivables relating to sales of Beleodaq® under the Beleodaq® controlled access program, also known as the Named Patient Program, for an amount of 52 thousand euros.

## 3.5. OTHER RECEIVABLES

| In thousands of € | 12/31/2020 | < 1 year | > 1 year | 12/31/2019 |
|---|---|---|---|---|
| Current accounts of subsidiaries | 3,116 | | 3,116 | 3,660 |
| Receivables from Vectans | 693 | 693 | | 2,362 |
| Research tax credit | 1,123 | 1,123 | | 1,424 |
| Other tax receivables (VAT) | 447 | 447 | | 497 |
| Other receivables | 20 | 20 | | 29 |
| **Net value of Other receivables** | **5,399** | **2,283** | **3,116** | **7,972** |

The decrease in current accounts of subsidiaries for 544 thousand euros is the consequence of the invoicing of intra-group services for 769 thousand euros, offset by the withdrawal of the Bioalliance Switzerland current account for 236 thousand euros following the liquidation of this subsidiary. It should be noted that the net value of the subsidiaries' current accounts as of December 31, 2020 corresponds mainly to a currency translation adjustment liability of 2,642 thousand euros.

Receivables from Vectans, which acquired two of Onxeo's historical products in July 2017, Loramyc and Sitavig, correspond to milestone payments (royalties) received by Vectans from its partners and which were contractually due to be paid to Onxeo. During the year, Onxeo received 2,361 thousand euros. The residual receivable of 693 thousand euros at December 31, 2020 corresponds to the contractual royalty (milestone) due by Vectans as a result of the registration of Loramyc in China in December 2020 by its partner Sciclone.

## 3.6. CASH AND CASH EQUIVALENTS

At December 31, 2020,the cash flow amounts to 14 432 thousand euros, corresponding to cash and cash equivalents including term accounts of 8,000 thousand euros.

The change in net cash is mainly related to the company's operating expenses, notably in research and development, for an amount of 11.5 million euros, offset by the receipt of license revenues and direct sales under the controlled access program for Beleodaq® for 3.3 million euros. The Group also received a net amount of $5.1 million as consideration for the licensing of new rights to Beleodaq® to the partner Acrotech, after deduction of a 15% share allocated to SpePharm as part of the settlement agreement signed with this company.

In terms of financing, the Group used the equity financing line with Nice & Green, which resulted in a capital increase of 3.2 million euros during the period, and also received a net amount of 7.3 million euros in a private placement implemented in June. Finally, the group benefited from the reimbursement of its 2019 research tax credit for an amount of 1.4 million euros.

## 3.7. PREPAID EXPENSES

Prepaid expenses at December 31 2020 amount to 396 thousand euros and correspond mainly to the rent for the headquarters, subcontracting services and fees.

## 3.8. SHAREHOLDERS' EQUITY

At December 31 2020, the capital amounts to 19 579 thousand euros, divided into 78,317,810 ordinary shares with a par value of €0.25 each, all of the same class and fully paid up.

During the year, the share capital changed as follows:

| | | Nominal | Nb Shares | € |
|---|---|---|---|---|
| **Fully paid-up shares as of 12/31/2019** | | **0.25** | **61,317,851** | **15,329,462.75** |
| Capital increase – equity financing line | (1) | 0.25 | 6,800,075 | 1,700,018.75 |
| Capital increase - definitively acquired free shares | (2) | 0.25 | 63,433 | 15,858.25 |
| Capital increase - –private placement | (3) | 0.25 | 10,136,451 | 2,534,112.75 |
| **Fully paid-up shares as of 12/31/2020** | | **0.25** | **78,317,810** | **19,579,452.50** |

(1) Capital increase resulting from the exercise of warrants within the framework of the equity financing line set up with Nice & Green. 6,800,075 new shares with a par value of 0.25 euro each were issued in fiscal year 2020 at a unit price ranging from 0.3136 to 0.5259 euro, corresponding to an increase in share capital of 1,700 thousand euro with an issue premium of 1,458 thousand euro.

(2) Issuance of 63,433 free shares granted in 2019, definitively acquired during the year, with a par value of 0.25 euro each, representing an amount of 15.8 thousand euros.

(3) Capital increase resulting from the issue of 10,136,451 new shares with a par value of 0.25 euro each at a price of 0.7182 euros per share to Invus Private Equities and Financière de la Montagne, corresponding to a capital increase of 2,534 thousand euros with an issue premium of 4,746 thousand euros.

The share premium account decreased from 31,624 thousand euros to 5,277 thousand euros as a result of the allocation of the 2019 loss of 28,968 thousand euros and part of the retained earnings debit in the amount of 3,609 thousand euros. This decrease is partially offset by the issue premiums from the capital increases described above.

## 3.9. OTHER EQUITY

Other equity corresponds to:

- An advance from Bpifrance of €562 thousand paid in 2010 in connection with the AsiDNA™ program, which is repayable in the event of commercial success. The balance of 245 thousand euros at December 31 2020 will be repaid over the period 2021 to 2022. The deferral of repayment proposed by BPI during the first containment to postpone the end of repayments to the second quarter of 2022.
- An advance from Bpifrance in the amount of €83 thousand paid in 2019 as part of the INNOV'UP program, which is related to the PlatON™ program. This amount will be repaid over the period 2021 to 2025.

### 3.10. PROVISIONS FOR LIABILITIES AND CHARGES

This item includes provisions for foreign exchange risk and provisions for litigation for a total amount of 363 thousands of euros.

### 3.11. OTHER DEBENTURE LOANS

The Company issued bonds to SWK Holdings in June 2018 for an initial amount of $7.5 million. The repayment of this debt, for a total amount of $13.5 million, is being made through royalties on Beleodaq® sales paid by the American partner Acrotech Biopharma. The remaining capital due as of December 31 2020 amounts to 3,471 thousand euros and accrued interest amounted to 220 thousand euros.

### 3.12. TRADE PAYABLES

Trade payables decreased from 4,910 thousand euros as of December 31, 2019 to 3,239 thousand euros as of December 31 2020, in line with the change in R&D expenditure.

It is specified that the Company conducts preclinical and clinical research and contracts with external partners who assist Onxeo in its studies. For clinical trials, research expenses accrued at year-end are determined based on management's estimates of costs not yet billed per patient. These estimates are based on information provided by the contracted investigating centers (hospitals) and cost analyses performed by management.

### 3.13. TAX AND SOCIAL SECURITY LIABILITIES

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Social security liabilities | 802 | 1,214 |
| Tax liabilities | 460 | 119 |
| **Total** | **1,262** | **1,333** |

The decrease in social security liabilities is mainly due to the decrease in the provision for bonuses of 280 thousand euros due to a partial payment in 2020 and to the decrease in provisions for paid vacations of 127 thousand euros.

Tax liabilities increase as a consequence of the recognition of the tax liability of the Danish establishment Onxeo DK, for an amount of 329 thousand euros.

### 3.14. OTHER LIABILITIES

This item of 10,069 thousand euros corresponds to the current account in credit of the subsidiary Topotarget UK for 4,980 thousand euros and to the debt to SpePharm for 5,089 thousand euros.

## 4. NOTES ON THE INCOME STATEMENT

### 4.1. TURNOVER

Revenues for the year 2020 in the amount of 488 thousand euros comes mainly from direct sales of Beleodaq® under the European controlled access program (NPP), accounted for until the transfer of this activity to Acrotech under the licensing agreement signed in early April 2020.

### 4.2. LICENSE FEES AND OTHER INCOME.

This item, for an amount of 9,080 thousand euros mainly includes:

- A share attributable to Onxeo's Danish establishment for the transaction price under the agreement with Acrotech BioPharma in April 2020, for an amount of 6,180 thousand euros;
- Royalties on sales of Beleodaq under the license agreement with Acrotech for an amount of 2,196 thousand euros;

- Contractual lump-sum royalties under the business sale agreement entered into with Vectans Pharma in 2018, amounting to 694 thousand euros.

### 4.3. EXTERNAL EXPENSES

External expenses decreased from 9,842 thousand euros in 2019 to 5,746 thousand euros in 2020, in particular due to the decrease in R&D costs to 3,946 thousand euros, compared with 7,718 thousand euros in the previous year.

This significant change is primarily related to the progress of the AsiDNA™ program, in particular the finalization of drug development and production operations in preparation for clinical trials, as well as the deferral of certain expenses in the context of the Covid 19 pandemic.

### 4.4. PERSONNEL COSTS

Personnel costs decreased from 4,520 thousand euro in 2019 to 4,032 thousand euro in 2020. This change is mainly due to the decrease in the number of employees and also to the decrease in provisions for paid vacations.

### 4.5. FINANCIAL RESULT

Financial income mainly includes foreign exchange gains and reversals of provisions for foreign exchange differences for a total of 452 thousand euros, as well as intercompany interest and a reversal of depreciation of the shares of the subsidiaries Bioalliance Pharma Switzerland and Topotarget UK for a total of 273 thousand euros.

Financial expenses include interest on the SWK bond in the amount of 959 thousand euros. Financial expenses also include interest on inter-company current accounts for a total of 236 thousand euros, as well as exchange losses or provisions for exchange losses for 149 thousand euros.

### 4.6. EXTRAORDINARY RESULT

The negative extraordinary result of 92 thousand euros corresponds mainly to:

- Provisions for exceptional expenses in the amount of 200 thousand euros;
- Exceptional income from capital transactions, which reduced this amount by 98 thousand euros.

### 4.7. INCOME TAXES

The income tax item for the year is a revenue of 794 thousands of euros corresponding to:

- French research tax credit for a total of 1,123 thousand euros;
- To the tax of Onxeo's Danish establishment, in the amount of 329 thousand euros, related to the recognition of Beleodaq revenues and in particular the transaction price of the Beleodaq licensing agreement concluded with Acrotech in April 2020, these proceeds being attached to this establishment since the 2014 merger.

Onxeo has a French loss carry forward of 294 million euros at December 31 2020.

## 5. COMMITMENTS OFF-BALANCE SHEET

### 5.1. PENSION OBLIGATIONS

The actuarial valuation method used is the retrospective valuation method. Under this method, the present value of benefits is determined on the basis of services rendered by the employee at the valuation date. This is a defined benefit plan.

The actuarial assumptions used are as follows:
Collective agreement: National Agreement of Pharmaceutical Companies
Retirement age: From the age of 65, in application of the law of November 10, 2010 on pension reform
Calculation date: 31/12/2020
Mortality table: INSEE 2019

Discount rate: 0.64 %
Salary escalation rate: (rate of salary increase + inflation) 2%
Turnover rate: By age structure
Payroll tax rates: 46 %

As at December 31 2020, pension commitments amounted to 613 thousand euros.

### 5.2. LEASING COMMITMENTS

Lease commitments amounted to 262 thousand euros as of December 31 2020.

## 6. COMPENSATION OF CORPORATE OFFICERS

Compensation paid to corporate officers amounted to 831 thousand euros, including pension benefits for the Chief Executive Officer in the amount of 187 thousand euros.

## 7. RELATED PARTIES

The parties related to Onxeo SA are:

- Financière de la Montagne which, as a shareholder of the company with 13.4% of the capital as of December 31, 2020 and as a member of the Board of Directors, is considered to exercise significant influence over the company.
- Invus Public Equities which, as a shareholder of the company with 10.7% of the capital as of December 31, 2020 and as a member of the Board of Directors, is considered to exercise significant influence over the company.

The Chairperson of the Board of Directors, Ms. Danièle Guyot-Caparros, as one of the principal officers presenting the financial statements.

There were no transactions with these related parties in 2020.

## 8. INTRA-GROUP TRANSACTIONS

Transactions with other companies related to the Group concern exclusively the companies included in the scope of consolidation. These mainly consist of sales of finished products and services, invoicing of marketing license fees and intra-group loans and borrowings under cash management agreements.

The table below shows the impact of intra-group transactions as of December 31, 2020 :

| in thousands of € | 31/12/2020 | 12/31/2019 |
|---|---|---|
| | | |
| Assets | 74,996 | 76,020 |
| Liabilities | 5,468 | 5,765 |
| | | |
| Revenues | 9 | 27 |
| Expenses | 1,229 | 791 |

The amount of the assets corresponds mainly to the current account of the subsidiary Topotarget Switzerland and to the equity investments, the amount of the liabilities to the current account of the subsidiary Topotarget UK and to the debts towards the US subsidiary.

# APPENDIX TABLES

## FIXED ASSETS

| In thousands of euros | Start amount 2020 | Increases | Decreases | End amount 2020 |
|---|---|---|---|---|
| | | | | |
| Start-up and development costs | 65 089 | | | 65 089 |
| Other intangible asset items | 4 869 | 6 | | 4 875 |
| **TOTAL INTANGIBLE ASSETS** | **69 958** | **6** | | **69 964** |
| | | | | |
| Land | | | | |
| Buildings on own land | | | | |
| Buildings on third party land | | | | |
| General installations, building fixtures and fittings | | | | |
| Technical installations, equipment and industrial tools | 1 301 | 15 | | 1 317 |
| General installations, miscellaneous fittings and fixtures | 1 463 | 1 | | 1 464 |
| Transport equipment | | | | |
| Office equipment and computer furniture | 361 | | | 361 |
| Recoverable and miscellaneous packaging | | | | |
| Tangible assets in progress | | | | |
| Advances and down payments | | | | |
| **TOTAL TANGIBLE ASSETS** | **3 126** | **16** | | **3 143** |
| | | | | |
| Investments accounted for using the equity method | | | | |
| Other investments | 48 629 | | 51 | 48 577 |
| Other long-term securities | 189 | | 7 | 181 |
| Loans and other financial assets | 134 | 96 | 4 | 226 |
| **TOTAL FINANCIAL FIXED ASSETS** | **48 953** | **96** | **63** | **48 986** |
| | | | | |
| **GENERAL TOTAL** | **122 038** | **118** | **63** | **122 094** |

## AMORTIZATION TABLE

| In thousands of euros | Start amount 2020 | Increases | Decreases | End amount 2020 |
|---|---|---|---|---|
| Establishment, research and development costs | 5,682 | 2,545 | | 8,227 |
| Other intangible asset items | 419 | 2 | | 421 |
| **TOTAL INTANGIBLE ASSETS** | 6,101 | 2,547 | | 8,648 |
| Land | | | | |
| Buildings on own land | | | | |
| Buildings on third party land | | | | |
| General installations, building fixtures and fittings | | | | |
| Technical installations, equipment and industrial tools. | 1 086 | 23 | | 1 109 |
| General installations, fixtures and fittings | 1 414 | 16 | | 1 431 |
| Transport equipment | | | | |
| Office and computer equipment, furniture | 358 | 2 | | 361 |
| Recoverable and miscellaneous packaging | | | | |
| **TOTAL TANGIBLE ASSETS** | 2 859 | 42 | | 2 902 |
| **GENERAL TOTAL** | **8,960** | **2,589** | | **11,550** |

# TABLE OF PROVISIONS

| In thousands of euros | Start amount 2020 | Increases Allocations for the year | Decreases: Used during the year | Decreases: Unused during the year | Decreases: Reversals during the year | End amount 2020 |
|---|---|---|---|---|---|---|
| | | | | | | |
| Regulated provisions | | | | | | |
| Provisions for reconstruction of deposits (mines, oil) | | | | | | |
| Provisions for investment | | | | | | |
| Provisions for price increases | | | | | | |
| Excessive depreciation | | | | | | |
| Of which exceptional increases of 30%. | | | | | | |
| -Provisions for installation loans | | | | | | |
| Other regulated provisions | | | | | | |
| **TOTAL REGULATED PROVISIONS** | | | | | | |
| | | | | | | |
| Provisions for liabilities and charges | | | | | | |
| Provisions for disputes | | | | | | |
| Provisions for guarantees given to customers | | | | | | |
| Provisions for losses on futures markets | | | | | | |
| Provisions for fines and penalties | | | | | | |
| Provisions for foreign exchange losses | 306 | 36 | | | 306 | 36 |
| Provisions for pensions and similar obligations | | | | | | |
| Provisions for taxes | | | | | | |
| Provisions for renewal of fixed assets | | | | | | |
| Provisions for major maintenance and overhauls | | | | | | |
| Provisions for social and tax charges on leave payable | | | | | | |
| Other provisions for liabilities and charges | 6 126 | 200 | | | 6 000 | 326 |
| **TOTAL PROV. FOR LIABILITIES AND CHARGES** | **6 433** | **236** | | | **6 306** | **363** |
| | | | | | | |
| Provisions for depreciation | | | | | | |
| On intangible fixed assets | 53 603 | | | | | 53 603 |
| On tangible fixed assets | 158 | | | | | 158 |
| On capitalization of investments in associates | | | | | | |
| On capitalization of equity investments | 43 794 | - | | | 272 | 43 521 |
| On other financial assets | | | | | | |
| On inventories and work in progress | | | | | | |
| On accounts receivable | | | | | | |
| Other provisions for impairment | 23 433 | 77 | | | 208 | 23 301 |
| **TOTAL PROVISIONS FOR DEPRECIATION** | **120 990** | **182** | | | **240** | **120 585** |
| | | | | | | |
| **GENERAL TOTAL** | 127 423 | 313 | | | 6 788 | 120,948 |

| | | | | |
|---|---|---|---|---|
| Of which operating allowances and reversals | 77 | | | 220 |
| Of which financial allowances and reversals | 36 | | | 567 |
| Of which exceptional allowances and reversals | 200 | | | 6 000 |

## RECEIVABLES

| In thousands of euros | Gross amount | Up to 1 year | More than 1 year |
|---|---|---|---|
| Receivables from equity investments | | | |
| Loans (1) (2) | | | |
| Other financial fixed assets | 226 | | 226 |
| **Total fixed assets** | **226** | | **226** |
| | | | |
| Doubtful or contentious clients | | | |
| Other trade receivables | 548 | 548 | |
| Receivables representing loaned securities | | | |
| Personnel and related accounts | 7 | 7 | |
| Social security and other social organizations | 3 | 3 | |
| Income taxes | 1 123 | 1 123 | |
| Value Added Tax | 356 | 356 | |
| Other taxes and similar payments | | | |
| Miscellaneous | 99 | 99 | |
| Group and Associates (2) | 26 418 | 26 418 | |
| Miscellaneous debtors | 693 | 693 | |
| **Total current assets** | **29 249** | **29 249** | |
| Prepaid expenses | 396 | 396 | |
| **TOTAL RECEIVABLES** | **29 872** | **29 646** | **226** |

| | |
|---|---|
| (1) Amount of loans granted during the year | |
| (1) Amount of repayments obtained during the year | |
| (2) Loans and advances to partners (legal entities) | |

## LIABILITIES

| In thousands of euros | Gross amount | Up to 1 year | More than 1 year up to 5 years | Over 5 years |
|---|---|---|---|---|
| Convertible bonds (1) | | | | |
| Other bonds (1) (A) | 3 417 | 3 417 | | |
| Loans and debts from credit institutions up to one year | 1 | 1 | | |
| Loans and debts from credit institutions of more than one year | | | | |
| Other loans and financial liabilities (1) (2) | 220 | 220 | | |
| Suppliers and related accounts | 3 239 | 3 239 | | |
| Personnel and related accounts | 405 | 405 | | |
| Social security and other social organizations | 396 | 396 | | |
| Income taxes | 205 | 205 | | |
| Value Added Tax | 21 | 21 | | |
| Guaranteed Bonds | | | | |
| Other taxes and similar | 109 | 109 | | |
| Payables on fixed assets and related accounts | | | | |
| Group and Associates (2) | | | | |
| Other liabilities | 9 730 | 9 730 | | |
| Debt on borrowed securities | | | | |
| Deferred income | 23 | 23 | | |
| **TOTAL LIABILITIES** | **17 771** | **17 771** | | |

| | |
|---|---|
| (1) Borrowings taken out during the year | |
| (1) Borrowings repaid during the year | |
| (2) Amount of loans and debts due to partners | |

*The other bonds consist mainly of the loan granted by SWK Holdings. As its reimbursement is linked to the royalties paid by the Spectrum partner, it is not possible to indicate with certainty the breakdown of the reimbursement over time.*

## ACCRUED INCOME

| In thousands of euros | 2020 | 2019 |
|---|---|---|
| Financial assets | | |
| Receivables from equity investments | | |
| Other financial fixed assets | | |
| Total financial fixed assets | | |
| Receivables | | |
| Trade receivables and related accounts | 496 | 533 |
| Other receivables | 789 | 2 459 |
| **Total receivables** | **1 285** | **2 992** |
| Cash and miscellaneous | | |
| Marketable securities | | |
| Cash assets | | 3 |
| **Total cash and miscellaneous** | | **3** |
| **TOTAL** | **1 285** | **2 996** |

## ACCRUED EXPENSES

| In thousands of euros | 2020 | 2019 |
|---|---|---|
| Financial liabilities | | |
| Convertible bonds | | |
| Other debenture loans | 220 | 266 |
| Borrowings and debts with credit institutions | | |
| Miscellaneous borrowings and financial liabilities | | |
| Advances and deposits received on orders in progress | | |
| **Total financial liabilities** | **220** | **266** |
| Operating liabilities | | |
| Trade payables and related accounts | 3 001 | 3 615 |
| Tax and social security liabilities | 660 | 1 138 |
| **Total operating liabilities** | **3 661** | **4 753** |
| Miscellaneous liabilities | | |
| Payables on fixed assets and related accounts | | |
| Other liabilities | | |
| **Total operating liabilities** | | |
| **TOTAL** | **3 882** | **5 020** |

## TABLE OF CHANGES IN SHAREHOLDERS' EQUITY

| In thousands of euros | 01/01/2020 | Capital increase | Capital decrease | Allocation of 2019 results | Other flows | Result 2020 | 31/12/2020 |
|---|---|---|---|---|---|---|---|
| Social or individual capital | 15 329 | 4 249 | | | | | 19 578 |
| Share premium, merger premium, contribution premium ... | 31 624 | 6 229 | | (28 967) | (3 608) | | 5 277 |
| Revaluation differences | | | | | | | |
| Legal reserve | | | | | | | |
| Statutory or contractual reserves. | | | | | | | |
| Regulated reserves | | | | | | | |
| Other reserves | | | | | | | |
| Carry forward | (12 955) | | | | 3 608 | | (9 346) |
| Result for the year | (28 967) | | | 28 967 | | (3 566) | (3,566) |
| Investment subsidies | | | | | | | |
| Regulated provisions | | | | | | | |
| Dividends paid | | | | | | | |
| **.TOTAL** | **5 030** | **10 479** | | | | **(3 566)** | **11,944** |

## LEASING

| LEASED FIXED ASSETS (in thousands of euros) | Initial cost | Depreciation and amortization | | Cumulative net value |
|---|---|---|---|---|
| | | for the | year | |
| Land | | | | |
| Constructions | | | | |
| Technical installations, equipment, tools | 467 | 76 | 205 | 262 |
| Other tangible assets | 67 | 8 | 67 | |
| Assets under construction | | | | |
| **TOTAL** | **534** | **84** | **272** | **262** |

| LEASE COMMITMENTS (in thousands of euros) | Royalties paid | | Outstanding royalties | | | | Cumulative residual purchase price |
|---|---|---|---|---|---|---|---|
| | for the | year | up to 1 year | from 1 to 5 years | more than 5 years | Total | |
| Land | | | | | | | |
| Constructions | | | | | | | |
| Technical installations, ... | 96 | 241 | 104 | 206 | | 311 | |
| Other tangible fixed assets | 12 | 98 | | | | | |
| Assets under construction | | | | | | | |
| **TOTAL** | **108** | **339** | **104** | **206** | | **311** | |

## AVERAGE HEADCOUNT

| Categories | Average number of employees | | Average number of staff made available | | Total | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Executives | 21 | 24 | | | 21 | 24 |
| Supervisors | | | | | | |
| Employees and technicians | 4 | 6 | | | 4 | 6 |
| **Total** | **25** | **30** | | | **25** | **30** |

## RELATED COMPANIES AND SHAREHOLDINGS

| In thousands of euros | Amount for related | |
|---|---|---|
| | companies | with which the company has an equity interest |
| Financial assets | | |
| Advances and deposits on fixed assets | | |
| Shareholdings | 48 577 | |
| Receivables from equity investments | | |
| Loans | | |
| **Total financial fixed assets** | **48 577** | |
| Receivables | | |
| Advances and deposits paid on orders | | |
| Trade receivables and related accounts | | |
| Other receivables | 26 418 | |
| Subscribed capital called but not paid | | |
| **Total receivables** | **26 418** | |
| Convertible bonds | | |
| Other debenture loans | | |
| Borrowings and debts with credit institutions | | |
| Miscellaneous borrowings and financial liabilities | | |
| Advances and deposits received on current orders | | |
| Trade payables and related accounts | 488 | |
| Other liabilities | 4,980 | |
| **Total liabilities** | **5,468** | |
| Financial elements | | |
| Income from investments | | |
| Other financial income | 9 | |
| Financial expenses | (1229) | |
| Other | | |
| **Total financial elements** | **(1 220)** | |

# TABLE OF SUBSIDIARIES AND AFFILIATES

*(in thousands of euros)*

| Companies | Capital | Share of capital held (in %) | Book value of securities held | | Loans and advances granted by the company and not yet repaid | Result (profit or loss for the last fiscal year) |
|---|---|---|---|---|---|---|
| | | | Gross | Net | | |
| Topotarget Switzerland | 92 | 100 | 9,918 | 0 | 25,731 | (28) |
| Topotarget UK | 1,606 | 100 | 38,659 | 5,056 | (4980) | 762 |
| ONXEO US | 1 | 100 | 1 | 0 | 687 | (14) |
| **Total** | | | **48,578** | **5,056** | **21,438** | **720** |

# STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**GRANT THORNTON**
Membre français de Grant Thornton International
29, rue du Pont - CS 20070
92200 Neuilly-sur-Seine
S.A.S. au capital de € 2 297 184
632 013 843 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

**ERNST & YOUNG Audit**
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

# Onxeo

Year ended 31 December 2020

## Statutory auditors' report on the financial statements

To the General Meeting of Shareholders

## Opinion

In compliance with the engagement entrusted to us by your general meeting of shareholders, we have audited the accompanying financial statements of Onxeo for the year ended 31 December 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

## Basis for Opinion

### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2020 to the date of our report.

## Justification of Assessments

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this accounting period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

With regard to the intangible assets relating to R&D and goodwill, as stated in Note 3.1 "Intangible assets" to the financial statements, the valuation used as a reference for the impairment tests corresponds to the recoverable value, which is the higher of the fair value net of disposal costs or the value in use. We examined the conditions for implementation of the impairment tests and the data used by the Group's Management. We verified that Note 3.1 "Intangible assets" provides appropriate information on this matter.

With regard to the new agreement with Acrotech Biopharma entered into on 6 April 2020, as stated in Note 2.4 "Agreement with Acrotech Biopharma" to the financial statements, the Group evaluated the economic consequences of this agreement in order to determine the appropriate accounting treatment under French accounting standards. We verified the substance of the agreement as well as the accounting analysis performed by Onxeo. We verified that Notes 2.4 "Agreement with Acrotech Biopharma" and 3.1 "Intangible assets" provide appropriate information on this matter.

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by the laws and regulations.

- **Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

- **Report on Corporate Governance**

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Article L. 225-37-4 of the French Commercial Code (*Code de commerce*).

- **Other information**

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Onxeo's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine et Paris-La Défense, 23 April 2021

The Statutory Auditors
*(French original signed by)*

| GRANT THORNTON | ERNST & YOUNG Audit |
|---|---|
| *French member of Grant Thornton International* | |
| Samuel Clochard | Franck Sebag |

Public limited company with a capital of 22,998,733.75 euros
Headquarters: 49, boulevard du général Martial Valin – 75015 Paris – France
RCS Paris 410 910 095

# CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2020

## PREPARED IN ACCORDANCE WITH IFRS

# SUMMARY

# CONSOLIDATED BALANCE SHEET

| ASSETS in €K | 12/31/2020 | 12/31/2019 | Note |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 20,534 | 23,358 | **6** |
| Tangible assets | 83 | 109 | **7.1** |
| Rights of use | 2,479 | 2,718 | **7.2** |
| Investments in equity affiliates | | 20 | |
| Other financial fixed assets | 233 | 141 | **8** |
| **Total non-current assets** | **23,329** | **26,345** | |
| | | | |
| **Current assets** | | | |
| Inventories and work in progress | | 64 | |
| Trade receivables | 6,654 | 3,353 | **9.1** |
| Other receivables | 2,000 | 2,159 | **9.2** |
| Cash and cash equivalents | 14,523 | 5,708 | **9.3** |
| **Total current assets** | **23,177** | **11,284** | |
| | | | |
| **TOTAL ASSETS** | **46,506** | **37,629** | |

| LIABILITIES AND SHAREHOLDERS' EQUITY K€ | 12/31/2020 | 12/31/2019 | Note |
|---|---|---|---|
| **Shareholders' equity** | | | |
| Capital | 19,579 | 15,329 | **10.1** |
| Less: Treasury shares | -182 | -189 | **10.2** |
| Share premium | 18,577 | 44,924 | **10.3** |
| Reserves | -10,027 | -9,139 | **10.3** |
| Earnings | 1,089 | -33,728 | |
| **Total shareholders' equity** | **29,036** | **17,197** | |
| | | | |
| **Non-current liabilities** | | | |
| Provisions | 1,640 | 6,821 | **11.1** |
| Deferred tax liability | 415 | | **16** |
| Non-current financial debts | 4,278 | 7,412 | **11.2** |
| Other non-current liabilities | 5,089 | | **11.3** |
| **Total non-current liabilities** | **11,423** | **14,233** | |
| | | | |
| **Current liabilities** | | | |
| Short-term borrowings and financial debts | 1,979 | 1,170 | **12.1** |
| Trade payables | 2,762 | 3,672 | **12.2** |
| Other current liabilities | 1,306 | 1,358 | **12.3** |
| **Total current liabilities** | **6,047** | **6,199** | |
| | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **46,506** | **37,629** | |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| In K€ | 12/31/2020 | 12/31/2019 | Note |
|---|---|---|---|
| Recurring revenue from license agreements | 1,077 | 3,455 | |
| Non-recurring revenues from license agreements | 699 | 833 | |
| **Total revenues** | **1,776** | **4,289** | 14.1 |
| Purchases | -347 | -350 | |
| Personnel expenses | -4,265 | -4,808 | 14.2 |
| External expenses | -3,882 | -7,857 | 14.3 |
| Taxes and duties | -176 | -127 | |
| Net depreciation, amortization and provisions | -618 | -671 | |
| Other current operating expenses | -515 | -365 | |
| **Operating expenses** | **-9,803** | **-14,178** | |
| Other current operating income | 213 | 95 | |
| **Current operating income** | **-7,814** | **-9,794** | |
| Other non-current operating income | 13,500 | | 14.4 |
| Other non-current operating expenses | -3,492 | -24,543 | 14.4 |
| Share of profit from equity affiliates | | -39 | |
| **Operating income after share of profit of associates** | **2,194** | **-34,376** | |
| Cost of net financial debt | -958 | -1,018 | |
| Other financial income | 1,006 | | |
| Other financial expenses | -395 | -659 | |
| **Financial income** | **-347** | **-1,677** | 15 |
| Tax expenses | -757 | 2,324 | 16 |
| - *of which deferred taxes* | *-415* | *2,330* | |
| **Consolidated net income** | **1,089** | **-33,728** | |
| Earnings per share | 0.01 | (0.55) | 17 |
| Diluted earnings per share | 0.01 | (0.55) | 17 |

| In K€ | 12/31/2020 | 12/31/2019 | Note |
|---|---|---|---|
| **Result for the period** | **1,089** | **-33,728** | |
| Currency translation differences | -71 | 75 | |
| **Other items recyclable as a result** | **-71** | **75** | |
| Actuarial gains and losses | -22 | -54 | |
| **Other items not recyclable as a result** | **-22** | **-54** | |
| **Other comprehensive income for the period, net of tax** | **-93** | 21 | |
| **Total comprehensive income for the period** | **996** | **-33,707** | |
| **Total comprehensive income attributable to the the parent company owners** | **996** | **-33,707** | |
| Minority interests | | | |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | | | | Changes in reserves and results | | | | |
|---|---|---|---|---|---|---|---|---|
| **In K€** | **Capital** | **Treasury shares** | **Share premium** | **Translation reserves** | **Gains and losses recognized in equity** | **Reserves and consolidated results** | **Total Differences** | **TOTAL** |
| **Shareholders' equity as of 1/01/2019** | **13,344** | **-97** | **41,824** | **-109** | **-97** | **-9,462** | **-9,669** | **45,402** |
| Total comprehensive income for the period | | | | 75 | -54 | -33,728 | -33,707 | -33,707 |
| Capital increase | 1,986 | | 3,100 | | | | 0 | 5,086 |
| Treasury shares | | -92 | | | | -71 | -71 | -163 |
| Other movements | | | | | | 138 | 138 | 138 |
| Share-based payments | | | | | | 441 | 441 | 441 |
| **Shareholders' equity as of 12/31/2019** | **15,329** | **-189** | **44,924** | **-34** | **-151** | **-42,682** | **-42,868** | **17,197** |
| Total comprehensive income for the period | | | | -71 | -22 | 1,089 | 996 | 996 |
| Capital increase | 4,250 | | 6,230 | | | 188 | 188 | 10,668 |
| Treasury shares | | 7 | | | | 89 | 89 | 95 |
| Other movements[6] | | | -32,577 | 14 | | 32,562 | 32,577 | |
| Share-based payments | | | | | | 79 | 79 | 79 |
| **Shareholders' equity as of 12/31/2020** | **19,579** | **-182** | **18,577** | **-91** | **-173** | **-8,674** | **-8,938** | **29,036** |

[6] This variation is explained in Note 10.3

# CONSOLIDATED STATEMENT OF NET CASH FLOWS

| K€ | 12/31/2020 | 12/31/2019 | Note |
|---|---|---|---|
| **Consolidated net loss** | **1,089** | **-33,728** | |
| +/- Depreciation, amortization and provisions, net (excluding provisions against working capital) | -8,215 | 25,394 | **6/7/11** |
| +/- Unrealized gain and losses associated with changes in fair value | -290 | 484 | |
| +/- Non-cash income and expenses on stock options and similar items | 79 | 441 | |
| +/- Other calculated income and expenses | | | |
| +/- Capital gains and losses on disposal | 57 | | |
| +/- Dilution gains and losses | | | |
| +/- Share of equity affiliates | | 39 | |
| **Gross operating cash flow after cost of net debt and taxes** | **-7,280** | **-7,371** | |
| + Cost of net debt | 959 | 1,037 | **15** |
| +/- Tax expenses (including deferred taxes) | 757 | -2,324 | **16** |
| **Gross Operating cash flow before cost of net debt and taxes** | **-5,564** | **-8,658** | |
| - Taxes paid | | | |
| +/- Changes in operating WCR (including debt related to employee benefits) | 886 | 959 | |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | **-4,678** | **-7,699** | |
| - Expenditures on acquisition of tangible and intangible assets | -119 | -26 | |
| + Proceeds of disposal of tangible and intangible assets | 6,116 | | |
| - Expenditures on acquisition of financial assets | | | |
| + Proceeds of disposal of financial assets | 4 | 163 | |
| +/- Effect on changes in scope of consolidation | 14 | | |
| + Dividends received (equity affiliates, unconsolidated investments) | | | |
| +/- Change in loans and advances granted | | | |
| + Capital grants received | | | |
| +/- Other changes from investment transactions | | | |
| **NET CASH FLOW FROM INVESTING ACTIVITIES** | **6,015** | **137** | |
| + Net amount received from shareholders on capital increase | | | |
| **.** Paid by shareholders of the parent company | 10,568 | 4,743 | **10** |
| **.** Paid by minority interest in consolidated companies | | | |
| + Amount received on exercise of stock options | | | |
| -/+ Purchase and Sale of treasury shares | 8 | | |
| + Amounts received on issuances of new loans | | | |
| - Reimbursements of loans (including lease debts) | -3,094 | -2,729 | **11/12/15** |
| o/w repayment of lease debts (IFRS16) | -475 | -452 | |
| +/- Others flows related to financing activities | -1 | -1 | |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | **7,481** | **2,014** | |
| +/- Effects of fluctuations in foreign exchange rates | **-3** | 3 | |
| **CHANGE IN CASH AND CASH EQUIVALENTS** | **8,815** | **-5,545** | |
| **CASH AND CASH EQUIVALENTS AT START OF YEAR** | **5,708** | **11,253** | |
| **CASH AND CASH EQUIVALENTS AT YEAR END** | **14,523** | **5,708** | |

# NOTE 1 - CORPORATE OVERVIEW

Onxeo is a clinical-stage biotechnology company that develops new cancer drugs by targeting tumor DNA functions through mechanisms of action that are unlike any other in the highly sought-after field of DNA damage response (DDR). The Group focuses on the development of innovative first-in-class or disruptive compounds (in-house, acquired or in-licensed) from translational research to human clinical proof of concept, a value-creating inflection point that is attractive to potential partners.

The Group is based in Paris, France, with offices in Copenhagen and New York, and has approximately 30 employees. The parent company Onxeo is listed on the SME growth markets Euronext Growth in Paris, France, and Nasdaq First North Growth in Denmark.

The consolidated financial statements of Onxeo as of December 31, 2020 were prepared under the responsibility of the Chief Executive Officer and were approved by the Board of Directors on April 21, 2021.

# NOTE 2 - SIGNIFICANT EVENTS AND TRANSACTIONS

## 2.1. R&D PROGRAMS

### *2.1.1. AsiDNA™*

The Group actively pursued preclinical and clinical development of systemic AsiDNA™ in 2020, both as a single agent and in combination with other treatments in various types of solid tumors, and achieved several major milestones:

- On the clinical front, in May, the Group obtained approval from the French regulatory authorities to initiate the REVOCAN Phase 1b/2 trial, which will evaluate the effect of AsiDNA™ on acquired resistance to the PARP inhibitor niraparib in the maintenance treatment of ovarian cancer. This trial is being conducted by Gustave Roussy and is based on the ability of AsiDNA™ to prevent or abrogate acquired tumor resistance to PARP inhibitors, as demonstrated in preclinical studies. A first patient was treated in late 2020 and the Group expects preliminary results during 2021. In addition, Onxeo continued the DRIIV 1b study evaluating AsiDNA™ in combination with chemotherapies and announced in November the completion of patient enrollment and favorable interim results.
- On the preclinical front, Onxeo presented results from studies at the American Association for Cancer Research (AACR) Annual Meeting in June 2020 that substantiated the differentiated properties of AsiDNA™ in reversing resistance to PARP inhibitors by preventing the regrowth of persistent cells, effectively completely and irreversibly abolishing the emergence of resistance in ovarian tumor cells. This new data is extremely encouraging for the conduct of the REVOCAN study.

### *2.1.2. OX401*

After AsiDNA™, OX401 is the second compound to emerge from platON™, Onxeo's chemistry platform that allows for the design of new molecules based on oligonucleotides (a double-stranded DNA fragment).

OX401 is positioned both in the field of DNA damage response inhibition (DDR) and in immuno-oncology.

During 2020, the Group confirmed the preclinical profile of OX401. Thanks to its action on the PARP protein, which is involved in the tumor DNA repair cascade, and to the activation of the antitumor immune response via the cGAS-STING pathway, OX401 has shown in vivo a higher potency than current PARP inhibitors. The next key steps will be to improve the compound to optimize its properties and to study its combination with immune checkpoint inhibitors.

## 2.2. FUNDING

### *2.2.1. Use of the equity financing line set up on June 7, 2019*

On June 7, 2019, the Group set up an equity financing line with Nice & Green, to the benefit of which it issued 12,000,000 share warrants, in accordance with the authorization granted by the extraordinary general meeting

of June 19, 2018. By the end of May 2020, all warrants had been exercised, providing the Group with total net proceeds of €6.2 million, including €3.2 million in 2020.

### *2.2.2. PRIVATE PLACEMENT*

On June 9, 2020, Onxeo announced the completion of a capital increase for a total amount of approximately 7.3 million euros, which was subscribed by a new investor, Invus Public Equities LP, and by Financière de la Montagne, the Company's historical shareholder.

The capital increase was carried out through the issue of 10,136,451 ordinary shares with waiver of shareholders' preferential subscription rights, in a private placement with qualified investors on the basis of the 15th resolution of the Extraordinary General Meeting of June 19, 2018. The new shares represent approximately 15% of the Company's share capital before the completion of the private placement. As a result of this placement, a shareholder possessing 1% of the Company's capital has seen his/her stake reduced to 0.87%. The subscription price has been set at 0.7182 euros per new share, which represents a discount of 10% compared to the weighted average price of the last three trading sessions (i.e. from June 3 to June 5, 2020 inclusive).

Following the completion of the capital increase, Invus Public Equities LP and Société Financière de la Montagne held 10.7% and 13.4% of the Company's capital respectively, based on a total number of 78,317,810 shares. To the Company's knowledge, no other shareholder holds more than 5% of its capital.

The net proceeds of the issue are intended for:

- the development of AsiDNA™, the Company's leading product, both clinically and industrially in ongoing and future clinical trials,
- the continuation of the preclinical program to evaluate strategies for combining AsiDNA™ with other targeted therapies,
- the development of the preclinical program for OX401 both alone and with immuno-oncology drugs, and,
- more generally, the financing of the Company's current expenses.

## 2.3. SETTLEMENT AGREEMENT WITH THE COMPANIES SPEPHARM AND SPEBIO

On February 11, 2020, Onxeo entered into an out-of-court settlement agreement (hereinafter the "Settlement Agreement") for the remaining proceedings in the dispute that had been pending since 2009 between Onxeo and SpePharm and SpeBio B.V. The latter is a joint venture led by SpePharm which was dedicated to the European operations of Loramyc®, a product which Onxeo sold to Vectans Pharma in July 2017.

The Settlement Agreement includes the immediate, full and final release of all pending actions, as well as any future claims or causes of action between the parties related to their past disagreements.

In return, Onxeo has immediately transferred its shares in SpeBio to SpePharm at their nominal value, thereby transferring to SpePharm its share of the joint venture's liquidities in the amount of approximately 3.5 million euros, and will pay SpePharm 15 to 20% of the net amounts to be received under future commercial agreements relating to Onxeo's R&D assets, for a total cumulative amount of 6 million euros within a period of 4 years, i.e. at the latest on January 31, 2024 A first repayment of 0.9 million euros was made in April, following the signature of the license agreement with Acrotech Biopharma described in note 2.4. This amount corresponds to 15% of the amount received at the signing of the agreement. The balance of the debt to SpePharm therefore amounts to 5.1 million euros at December 31, 2020.

## 2.4. AGREEMENT WITH ACROTECH BIOPHARMA

On April 6, 2020, Onxeo entered into an agreement with Acrotech Biopharma LLC, a wholly owned subsidiary of Aurobindo Pharma, which extends Acrotech's rights to belinostat to all territories not previously covered by a prior agreement between Onxeo and Acrotech (i.e., the United States, Canada, Mexico and India).

This new agreement grants Acrotech a royalty-free commercialization license for the Form IV of belinostat in all other territories. As part of this transaction, Onxeo's license agreement with Pint Pharma for South America, as well as the contracts with Clinigen plc and iQone for the Named Patient Program in some European countries, and related agreements, were also transferred to Acrotech.

In addition, this new contract transfers certain patents and know-how concerning belinostat to Acrotech.

In return, Onxeo received a one-time payment of $6.6 million from Acrotech.

This agreement does not affect the existing royalty monetization agreement between Onxeo and SWK Holdings, which was entered into in June 2018. Onxeo will continue to receive royalties and milestone payments from Acrotech on sales of Beleodaq® in the territories initially licensed to Acrotech, which will allow for the repayment of the bonded debt contracted with SWK. Upon full repayment of the debt, Onxeo will no longer receive any revenue from Acrotech. The accounting treatment of this agreement is detailed in note 5.

## 2.5. IMPACTS OF THE HEALTH CRISIS

The continuing major global health crisis related to the Covid-19 epidemic creates an uncertain situation. Even if Onxeo has been little impacted in 2020, it is difficult to measure the repercussions on the Group's activity and financial situation, which will depend on the intensity and duration of this crisis. The Group has put in place appropriate measures for the protection of its employees and to ensure the continuity of its operations and will adapt them as circumstances require. In particular, the Group has set up a teleworking system for all its employees and has not used the partial unemployment scheme. In terms of financing, the Group has negotiated and obtained State-Backed Loans of €5 million in early 2021, allowing it to cope with a possible shift in its activities during 2021.

## 2.6. EVENTS SUBSEQUENT TO DECEMBER 31, 2020

### *2.6.1. OBTENTION OF STATE-BACKED LOANS*

On January 28, 2021, the Company announced that it had obtained non-dilutive funding of 5 million euros in the form of State-Backed Loans. This funding is part of the measures put in place by the French government to support French companies in the context of the COVID-19 pandemic and allows the Company to strengthen its cash position.

The loans are 90% guaranteed by the French government, have interest rates ranging from 0.25% to 1.75%, including the government guarantee, and have a maturity of 12 months. After this initial period, the Company may, at its discretion, defer repayment of the principal amount for up to five additional years.

### *2.6.2. CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS*

In a press release dated March 10, 2021, the Company announced the launch of a capital increase with maintenance of the preferential subscription rights of shareholders in France and Denmark, on the basis of the seventeenth and twentieth resolutions adopted by the extraordinary general meeting of shareholders of June 19, 2020. This transaction was the subject of a prospectus approved by the AMF under number 21-063.

The proceeds of this issue of New Shares are intended to primarily finance the expansion and acceleration of development clinical use of AsiDNA ™, especially in combination with other anti-cancer agents. The Company also intends to continue the optimization and preclinical development of new candidates from the platON ™ platform, optimize pharmaceutical development and compound manufacturing operations, and more generally, finance the activity of the Company.

The main terms of the transaction are summarized below:

- Subscription parity: 1 new share for 6 existing shares
- Subscription price: € 0.71 (corresponding to DKK 5.29) per share, i.e. a facial discount of 5.3% compared to the market price of March 8, 2021.
- Number of shares offered: 13,052,968 New Shares, which may be increased to a maximum of 15,010,913 new shares in the event of full exercise of the Extension Clause.
- Gross proceeds of the transaction: 9,267,607 euros, likely to be increased to 10,657,748 euros in the event of full exercise of the Extension Clause and to approximately 7,000,000 euros in the event of limitation of the offer 75.5% of the amount of the planned capital increase (corresponding to the subscription commitments of the two reference shareholders, Financière de la Montagne and Invus Public Equities LP).

On April 12, 2021, the Company announced the successful result of the subscriptions of this capital increase, with a subscription rate of approximately 104.8%. The gross amount of the capital increase, including share

premium, amounts to 9,7 million euros. This transaction extends the Company's cash runway until at least end 2022.

The Company's capital following the capital increase amounts to 22,998,733.75 euros, divided into 91,994,935 shares with a par value of 0.25 euros each.

# NOTE 3 - ACCOUNTING PRINCIPLES, RULES AND METHODS

## 3.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements as of December 31, 2020 have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB) as of December 31, 2020, as well as with the international standards as adopted by the European Union as of December 31, 2020.

The standard adopted by the European Commission is available on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The accounting principles and methods applied for the consolidated financial statements at December 31, 2020 are identical to those used in the consolidated financial statements at December 31, 2019, and take into account the IFRS standards, amendments and interpretations as adopted by the European Union and the IASB, which are mandatory for financial years beginning on or after January 1, 2020 (and which had not been applied early by the Group), namely:

| Standard | Name |
|---|---|
| Amendments to IFRS 3 | Definition of a Business |
| Amendments to IAS 1 and IAS 8 | Definition of Material |
| Amendments to IAS 39, IFRS 7 and IFRS 9 | Interest Rate Benchmark Reform - Phase I |
| Conceptual framework | |

The application of these standards, amendments and interpretations does not have a material impact on the Group's consolidated financial statements.

In addition, the other standards, amendments or interpretations published respectively by the IASB and the IFRIC (International Financial Reporting Interpretations Committee) and adopted by the European Union as of December 31, 2020, but whose mandatory application is subsequent to the fiscal year beginning on January 1, 2020, have not been applied early by the Group: amendments to IFRS 16 (COVID-19 Related rent concessions), amendment to IFRS 4 (deferral of IFRS 9), amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Interest Rate Benchmark Reform - phase II).

**Judgments and estimates made by the Group Management**

The preparation of financial statements requires management to exercise judgment and to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual values may differ from estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognized in the period of the change and any subsequent periods affected.

Information about the key sources of estimation and assumption uncertainty and the judgments made in applying the accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements relate to the following items:

- The market value of R&D programs acquired as part of business combinations (mergers/acquisitions) - see note 6,
- Share-based payments - see note 10.4,
- Provisions - see note 11.1,
- Trade payables provided for at the end of the year, relating to ongoing clinical trials - see note 12.2,

- The recognition in revenues of amounts received in connection with the signature of license agreements - see note 14.1.
- Acrotech Biopharma's royalties for the fourth quarter of 2020 estimated on the basis of actual quantities, valued according to historical unit revenues.

The disclosure of contingent assets and liabilities existing at the date of preparation of the consolidated financial statements is also subject to estimates (see note 18).

The financial statements have been prepared on a going concern basis. This principle was adopted by the Board of Directors on the basis of a consolidated net cash position of 14.5 million euros at December 31, 2020 and the financial transactions that have taken place since that date, namely the obtaining of government-backed loans in the amount of 5 million euros and a capital increase with preferential subscription rights for shareholders, which provided net proceeds of 9.4 million euros. The Group can thus finance its activities until the end of 2022 on the basis of its financing plan.

## 3.2. SCOPE OF CONSOLIDATION

Group companies close their accounts on December 31 every year.

The scope of consolidation includes the following companies as of December 31, 2020:

- Onxeo,
- Topotarget UK,
- Topotarget Switzerland,
- Onxeo US

In fiscal year 2020, two companies were removed from the scope of consolidation:

- SpeBio, a 50%-owned joint venture, whose shares were sold at their nominal value,
- BioAlliance Pharma Switzerland, which was 100% owned, was dissolved.

All subsidiaries are wholly owned and fully consolidated. Intra-group transactions and balances on transactions between group companies have been eliminated. Where the accounting policies of subsidiaries differ from those of the Group, they are restated in the consolidated financial statements.

TopoTarget UK Limited, a subsidiary registered under company registration number 02899713, is exempt from the requirements of the Audit Act under section 479A of the UK Companies Act of 2006.

## 3.3. SEGMENT REPORTING (IFRS 8)

The Group as a whole constitutes a single business segment. In accordance with IFRS 8.32 and 33, information on the breakdown of revenues by geographic area and product category is provided in note 14.1. In addition, it is specified with reference to this standard that the Group's non-current assets are located mainly in France, Denmark and the United Kingdom.

The Group's main clients, whose share of sales exceeds 10%, are Vectans Pharma and Acrotech Biopharma.

## 3.4. EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES (IAS 21)

### *3.4.1. TRANSLATION OF FINANCIAL STATEMENTS PREPARED IN A CURRENCY OTHER THAN THE EURO*

The presentation currency of the consolidated financial statements is the euro, which is also the functional currency of the parent company.

The assets and liabilities of subsidiaries with a functional currency other than the euro are translated into euros at the exchange rates prevailing at the balance sheet date. Income statements are translated at average rates for the year.

Differences arising from the translation of balance sheet and income statement items are recorded in the balance sheet under "Translation differences" in shareholders' equity. When a foreign entity is disposed of, these translation differences are recycled to the income statement under gains and losses on disposal.

### *3.4.2. ACCOUNTING FOR FOREIGN CURRENCY TRANSACTIONS*

Transactions denominated in foreign currencies are translated into euro using the exchange rates prevailing at the dates of the transactions. At the balance sheet date, cash and cash equivalents and operating receivables and payables denominated in foreign currencies are translated into euro at the latest exchange rate for the year. Unrealized gains and losses resulting from this translation are recognized in the income statement for the year.

## 3.5. INTANGIBLE FIXED ASSETS

### *3.5.1. PATENTS*

Patents created by Onxeo are expensed or capitalized in accordance with the treatment of research and development costs explained below.

Patents acquired for valuable consideration by Onxeo are capitalized and amortized. The amortization period generally used by Onxeo is ten years, which corresponds to the estimated useful life.

### *3.5.2. RESEARCH AND DEVELOPMENT COSTS*

Research costs are systematically expensed. In particular, in the context of clinical trials conducted by the Group, an estimate of costs not yet invoiced per patient is determined by management on the basis of study follow-up documents and recorded as an expense for the year. Development costs are capitalized when all the conditions required by IAS 38 are met. The company considers that the six criteria set out in IAS 38 are only met once a marketing authorization has been obtained.

Acquired (or contributed) research and development projects are recognized as intangible assets at their acquisition cost, even in the absence of marketing authorization.

In accordance with IAS 38, intangible assets are classified into two categories:

- Assets with a finite useful life, which have an initial value recorded in the balance sheet, less any residual value, are depreciated over the period of use expected by the Company, from the time they are put into service (start of marketing). They are tested for impairment whenever there is an indication of impairment. If these assets are not depreciated because they have not yet been put into service, they are also subject to an annual impairment test as soon as there is an indication of impairment, and at least annually.
- Assets with an indefinite useful life, which are not depreciated but are subject to annual impairment tests as soon as there is an indication of impairment.

### *3.5.3. GOODWILL*

In the context of business combinations, mergers or acquisitions, goodwill corresponds to the difference between the amount of the transaction and the market value of the assets and liabilities acquired.

Goodwill is not amortized and is tested for impairment annually and whenever there is an indication of impairment.

### *3.5.4. IMPAIRMENT TEST*

In accordance with IAS 36 "Impairment of Assets":

- CGUs, when they include goodwill, are subject to an impairment test once a year; Onxeo performs this test at the closing date;
- R&D assets relating to products under development or not yet marketed (and therefore not amortized) are subject to an annual impairment test. Onxeo performs this test at the closing date;
- R&D assets relating to marketed products (and therefore amortized) are tested for impairment when new circumstances indicate that these assets may be impaired. This would be the case for indicators that suggest a slower than expected commercialization.
- In the event of impairment of the above intangible assets, a provision for depreciation is recorded.

The Group considers that it comprises a single cash-generating unit (CGU), insofar as the projects it develops belong to the same product family, have overlapping business models and are therefore interdependent. This

single CGU includes, in particular, goodwill and R&D assets acquired in connection with the acquisition of DNA Therapeutics (AsiDNA™).

These impairment tests consist in comparing their recoverable amount (the higher of fair value net of disposal costs and value in use) with their tested basis. The value in use is determined on the basis of a financing plan prepared by management and representing its best estimate. An impairment loss is recognized when the recoverable amount is less than their tested basis. In addition, sensitivity tests on the key parameters of the financial model used to determine the value in use allow for the identification of potential risks of impairment.

## 3.6. TANGIBLE FIXED ASSETS

In accordance with IAS 16, tangible fixed assets are carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method.

The most commonly used amortization periods are as follows:

- Machinery and equipment 5 years
- Specialized installations 5 years
- General installations 10 years
- Office and computer equipment 4 years
- Furniture 5 years

Tangible fixed assets are tested for impairment whenever there is an indication that they may be impaired.

## 3.7. FINANCIAL ASSETS

Financial assets included in the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income.

Non-current financial assets include financial assets, in particular:

- Deposits and guarantees that correspond mainly to deposits requested at the conclusion of rental contracts;
- And the "cash" part of the liquidity contract, linked to the purchase of treasury shares.

Current financial assets include trade receivables, other current assets, and cash and cash equivalents. Cash and cash equivalents include cash in current bank accounts. Cash equivalents include money market funds and mutual funds, which can be converted or sold in the short term into a known amount of cash and are subject to an insignificant risk of change in value.

These assets are accounted for according to their nature, based on the following rules:

### *3.7.1. ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS*

Financial assets at fair value through profit or loss include financial instruments that are designated as being measured at fair value through profit or loss on initial recognition, in accordance with the conditions for the application of the fair value option, or that are managed and whose performance is measured on the basis of fair value, or that are managed in trading. Instruments that do not meet the SPPI test, such as units of funds / UCITS, are also included in this item.

This item includes units in cash UCITS, which can be sold or transferred in the very short term and do not present a significant risk of loss of value in the event of changes in interest rates.

These assets are classified in the balance sheet as cash and cash equivalents. They are recorded at fair value without deduction of transaction costs that may be incurred on their sale. Realized and unrealized gains and losses arising from changes in the fair value of these assets are recognized in the income statement as income from cash and cash equivalents.

### *3.7.2. LOANS AND RECEIVABLES*

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, which are not listed on an active market. Their classification in each of these categories depends on the management model applied to it and the characteristics of its contractual cash flows (criterion of “solely payments of principal and interest - SPPI” or of the “basic loan”). Thus, after their initial recognition, loans and receivables are valued using the amortized cost method by applying the effective interest rate method, less an amount of depreciation where applicable.

This item includes deposits & guarantees for non-current assets, and trade receivables (trade receivables and other current assets) for current assets.

Trade receivables and related accounts are initially recorded at their fair value, which is equal to their nominal value for short-term receivables. They are discounted when their expiration date is greater than 1 year. They are then recorded at amortized cost and interest is recorded as financial income in the income statement.

These assets may be subject to impairment in the event of an expected credit loss.

With regard to trade receivables, the risk analysis is carried out on a case-by-case basis, taking into account criteria such as the client's financial situation (probability of bankruptcy or significant financial difficulties), the age of the receivable or the existence litigation.

## 3.8. STOCKS

Stocks are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress includes raw material costs, direct costs and production overhead.

Impairment is determined by comparing the inventory value with the acquisition cost.

## 3.9. SHARE-BASED PAYMENTS (IFRS 2)

Equity instruments (such as stock options, bonus shares and warrants) granted by the Company are measured at the grant date in accordance with IFRS 2, with the result that an expense is recognized in the income statement. The valuation is performed using the Black & Scholes and binomial/trinomial methods by an external service provider. The implementation of these methods requires, in particular, the use of assumptions on the price of the underlying Onxeo share as well as on its volatility. The expense is generally spread over the vesting period.

The vesting of stock options, warrants or free shares granted to Group employees is subject to a condition of presence at the date of acquisition. If an employee leaves before this date, the condition is no longer met and the employee loses the benefit of his or her rights. In this situation, the Group applies the "forfeiture" method, which consists of reversing in the income statement all expenses previously recognized for plans that have not been definitively acquired.

## 3.10. NON-CURRENT LIABILITIES

### *3.10.1. POST-EMPLOYMENT BENEFITS (IAS 19)*

**Pension obligations**

Pension obligations are recognized as provisions. In accordance with IAS 19, the actuarial valuation method used is the Projected Unit Credit Method with Service Prorate, which is based on financial assumptions (discount rate, inflation rate) and demographic assumptions (rate of salary increase, employee turnover rate).

This method allows for the determination of the present value of benefits based on services rendered by the employee at the measurement date. Actuarial gains and losses are recognized in "other comprehensive income".

### *3.10.2. PROVISIONS FOR DISPUTES*

A provision is recognized when the Group has a present legal or constructive obligation to a third party as a result of a past event, which is likely to result in an outflow of resources to the third party without at least

equivalent consideration being received from the third party, and the future cash outflow can be reliably estimated.

### *3.10.3. REPAYABLE ADVANCES*

In accordance with IAS 20 on accounting for government grants and disclosure of government assistance, the benefits of loans with zero or low interest rates compared to market rates are taken into account and therefore recognized as grants. Repayable advances less the amount of the grant are recorded as financial liabilities. Interest expenses are calculated on the basis of market interest rates.

Repayable advances without a preferential rate are accounted for in accordance with IAS 39 under the "amortized cost" rule; financial expenses are calculated at the effective interest rate.

Repayable advances without a preferential rate are accounted for in accordance with IAS 39 under the "amortized cost" rule; financial expenses are calculated at the effective interest rate. They are measured at fair value on initial recognition, which in most cases is the nominal value, and then at amortized cost.

In the event of the failure of the financed program, which must be duly justified to the lender, the advances received are generally forfeited and the waiver of debt willingness is recorded as a subsidy on the line "Other operating income".

### *3.10.4. FINANCIAL LIABILITIES*

Bank loans and debt instruments are initially recorded at fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Gains and losses are recognized in the income statement when debts are derecognized, as well as through the amortized cost mechanism. The interest expense, as determined using the effective interest rate method (and including amortization of original costs), is recognized in "Financial income, Cost of debt".

Financial liabilities classified as short-term correspond to commitments of less than one year.

### *3.10.5. OTHER CURRENT LIABILITIES*

Other current liabilities at the balance sheet date consist exclusively of the debt to SpePharm and are measured at fair value.

### *3.10.6. OPERATING REVENUES*

Under IFRS 15, revenue is recognized when the Company fulfills a performance obligation by supplying separate goods or services (or a set of goods or services) to a client, i.e. when the client obtains control of those goods or services.

In view of the Group's activity, revenues generally include revenues from licensing agreements signed with commercial partners, royalties received on the sales of these partners, invoicing for services and revenues from sales of pharmaceutical products.

Each transaction or contract has been and will be analyzed, on a case-by-case basis, in order to determine the "performance obligations" towards the client, according to the principles of IFRS 15.

- Licensing Agreements

The Group develops drugs from the early stages to human clinical trials with the objective of obtaining sufficiently conclusive results to obtain the best value for these products through licensing agreements with commercial partners. In exchange for access to the technology of one or more products in its licensed portfolio, the Group generally receives an initial payment on signature of the contract, various additional payments on reaching key development milestones (start of a clinical study, submission of a marketing authorization application, obtaining this authorization, etc.) or contractual sales targets (annual or cumulative), as well as royalties corresponding to a percentage of net sales achieved by the partner.

The group's main contracts were analyzed as including:

- Either a one-time performance obligation (granting of a "right to use" type license), and when the Company has no further obligation to the customer after the effective date of the contract and no services are provided by Onxeo, giving rise to the immediate recognition in revenue of the amount of the contract remuneration (i.e. the upfront payment), which is highly probable that it will not be called into question
- Or two separate performance obligations (granting of a "right to use" type license followed by a service provision). In this case, the amount of the highly probable remuneration of the contract is allocated to the different performance obligations. The portion allocated to the license is recognized immediately as revenue and the portion allocated to services is recognized over the period in which the services are rendered (see below).

Additional amounts paid by the client based on the achievement of contractual milestones or objectives, as well as royalties on revenues, are variable components of the contractual remuneration. They are recognized as revenue when it is highly probable that these objectives will be achieved.

- Product sales

Sales of products are recognized as revenue upon transfer of control to the customer at the time of delivery in an amount that reflects the payment the company expects to receive for the goods.

- Services

In the event that a license agreement includes separate services, the corresponding revenue (allocated to this performance obligation) is prorated over the estimated duration of the Group's involvement in future development studies, which may be subject to periodic review.

### *3.10.7. OPERATING GRANTS*

In accordance with IAS 20, government grants, the amounts of which are related to the rate of corresponding expenditure, are classified as a deduction from the corresponding expenses.

### *3.10.8. OTHER OPERATING INCOME AND EXPENSES*

This item includes non-recurring, non-operational and significant events.

### *3.10.9. DEFERRED TAXES*

A deferred tax asset is recognized for the carry forward of unused tax losses and tax credits where it is probable that future taxable profits will be available against which the unused tax losses and tax credits can be utilized.

A deferred tax liability is recognized for all taxable temporary differences as well as for deferred tax on acquired R&D assets.

### *3.10.10. RESEARCH TAX CREDIT*

Research tax credits (CIR) are granted to companies by the French government to encourage them to carry out technical and scientific research. Companies that can prove that they have incurred expenses that meet the criteria required to benefit from the RTC can use it to pay corporate income tax for the year in which the expenses were incurred, as well as for the three following years. If the amount of tax is not sufficient to cover the full amount of the tax credit at the end of the three-year period, the difference is refunded by the state in cash to the entity. If the company meets certain criteria in terms of sales, headcount or assets to be eligible for the SME category, it can request an immediate refund of the RTC. Onxeo meets these criteria. Onxeo benefits from a similar mechanism in Denmark.

The Group uses RTCs for research expenses incurred during each fiscal year and records the amount receivable as a reduction of these expenses in the same year.

## NOTE 4 - RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (IFRS7)

The Group's operational and financial activities expose it to the following main risks in relation to the financial instruments used:

### 4.1. LIQUIDITY RISK

Liquidity risk is essentially linked to the Company's financial profile as long as it does not generate significant revenues in relation to its expenses, particularly in research and development. The level of cash at the end of the year and the additional financial resources obtained by the Company at the beginning of 2021 (government-backed loans of 5 million euros and a capital increase with shareholders' preferential subscription rights of a net amount of 9.4 million euros) give the Company financial visibility until the end of 2022 on the basis of its financing plan. In the meantime, it is not excluded that the company will have recourse to other non-dilutive funding or raise funds to secure its operations in the event that it does not manage to generate additional resources, notably through new licensing agreements.

Moreover, the company is structurally not a borrower. The only financial liabilities are advances from public bodies (notably BPI France) in connection with R&D programs, which are only repayable in the event of proven technical and commercial success. However, at the beginning of 2021, the company took out government-backed loans of up to 5 million euros as part of the aid measures put in place by the government to deal with the health crisis. These one-year loans can be repaid at maturity or amortized over an additional 1 to 5 years.

### 4.2. CREDIT RISK

The Group's trade receivables at the balance sheet date mainly comprise royalties on current and future sales of Beleodaq, under the licensing agreement with Acrotech Biopharma. This company, a subsidiary of the international pharmaceutical group Aurobindo, is not considered to generate a significant credit risk. The receivables from Vectans Pharma are short-term and were collected at the beginning of 2021.

### 4.3. FINANCIAL COUNTERPARTY RISK

Counterparty risk is limited to the investments made by the company. These investments are made in leading institutions and the company monitors its exposure to financial counterparty risk on an ongoing basis.

### 4.4. FOREIGN EXCHANGE RISK

The company conducts transactions in foreign currencies, however the net exposure to foreign exchange risk is limited. For this reason, no currency hedging instruments have been put in place.

### 4.5. RATE RISK

Although the company contracted a bond issue in fiscal 2018, it is not subject to interest rate risk insofar as the bond redemption premium is fixed and independent of the interest rate markets.

## NOTE 5 - ACCOUNTING TREATMENT OF THE NEW AGREEMENT WITH ACROTECH

On April 6, 2020, Onxeo granted Acrotech a worldwide license to commercialize Beleodaq®, geographically complementing the license Acrotech acquired in March 2019 from Spectrum Pharmaceuticals (SPPI) and limited to the United States, Canada, Mexico and India. This new contract also transfers certain patents and know-how concerning belinostat to Acrotech.

In return, Onxeo received a total of $6.6 million (6.1 million euros) at signature and will not receive any further revenue under the license agreement, apart from royalties on sales required to ensure repayment of the bonded debt contracted in 2018 with SWK Holdings.

In addition, the Group will continue to contribute to finance 10% of the development costs of Beleodaq® incurred by Acrotech.

The Group has analyzed the economic consequences of this agreement for Onxeo to determine the accounting treatment under IFRS.

### 5.1. ANALYSIS OF THE TRANSACTION UNDER IFRS

The agreement with Acrotech has a double nature:

- It includes an effective transfer of patents and know-how that were developed for belinostat by the Onxeo team after the acquisition of the product in 2014. As these patents were developed internally, they were not recorded in the balance sheet.
- It also includes an extension of the initial license (signed in 2010) for the other forms of Beleodaq/belinostat, including the intravenous form marketed by Acrotech. The group remains the legal owner of these patents acquired in 2014 via the merger with Topotarget, however, beyond the transaction price received at the signing of the agreement, it will no longer receive any economic benefit beyond the royalties that are needed to repay the bond loan with SWK. In addition, Acrotech will be free to use the assets covered by the contract during their entire economic life. The new agreement combined with the 2010 agreement resulted in the transfer of control of the asset to Acrotech. This license on the intravenous formulation is in substance a pure and simple transfer of rights because it is exclusive, perpetual and worldwide.

As the transaction was considered as a sale and not as a license, it had the following consequences in the consolidated accounts:

- The R&D assets related to Beleodaq/belinostat have been derecognized.
- The expected future revenues required to repay the SWK loan represent an earn-out, the amount of which is capped at the amount of the SWK loan (nominal + interest). They have been recorded in full in fiscal 2020. The "sales-based royalties" exception (§ B63) of IFRS 15 does not apply in the case of a sale and this variable remuneration should be recognized in accordance with §56 of IFRS 15 (i.e. up to the highly probable amount). In this particular case, the amount recognized satisfies the constraint imposed by IFRS 15 because the time horizon for receiving these revenues is short and the commercial potential is easily assessable, since the product is already marketed.

The impact on the concolidated statement of comprehensive income is recognized in non-current operating income and expenses.

In addition, the 10% share of Beleodaq's future development costs that will be borne by the Group has been estimated by management on the basis of scenarios with a probability of occurrence and will be reassessed at each closing. The Company considers as highly probable that its contribution will not exceed this amount. As the Group will no longer receive revenues under this license agreement, this amount has been deducted from the amount received from Acrotech in April 2020 and recorded in the balance sheet as a provision for liabilities and charges.

### 5.2. IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Given the above rationale, the impacts of the transaction are as follows:

- Recognition in other non-recurring operating income of the transaction price of 6.1 million euros less future product development costs estimated at 0.4 million euros (see note 11.1.2), i.e. net income of 5.7 million euros (see note 14.4).
- Recognition in other non-recurring operating income of the royalties that the Group expects to receive after the date of signature of the agreement and with which it will repay the balance of the SWK loan. Based on the financing plan drawn up by management, this income amounts to 7.1 million euros, including 1.6 million euros in royalties recognized for 2020 subsequent to the transaction (see note 14.4).
- Disposal of the R&D asset relating to Beleodaq® for a net value of 2.8 million euros, recognized in other non-current operating expenses (see notes 6 and 14.4).

## NOTE 6 - INTANGIBLE FIXED ASSETS

Intangible fixed assets in the net amount of 20,534 thousand euros as of December 31, 2020 consisted primarily of R&D assets acquired in connection with the acquisition of DNA Therapeutics (AsiDNA™) and goodwill recognized on the occasion of the merger with Topotarget, as detailed below:

| In thousands of € | 12/31/2018 | Increase | Decrease | 12/31/2019 | Increase | Decrease | 12/31/2020 |
|---|---|---|---|---|---|---|---|
| Beleodaq® R&D assets | 68,700 | | | 68,700 | | -68,700 | 0 |
| AsiDNA™ R&D assets | 2,472 | | | 2,472 | | | 2,472 |
| Goodwill | 20,059 | | | 20,059 | | | 20,059 |
| Other intangible assets | 420 | | | 420 | 83 | | 503 |
| **Total gross values** | **91,651** | **0** | **0** | **91,651** | **83** | **-68,700** | **23,034** |
| Depreciation of Beleodaq® R&D assets | -5,998 | -315 | | -6,313 | -57 | 6,370 | 0 |
| Other depreciation | -419 | | | -419 | -81 | | -500 |
| **Total depreciation** | **-6,417** | **-315** | **0** | **-6,732** | **-138** | **6,370** | **-500** |
| Impairment of Beleodaq® R&D assets | -46,661 | -12,900 | | -59,561 | | 59,561 | 0 |
| Impairment of goodwill | | -2,000 | | -2,000 | | | -2,000 |
| **Total impairments** | **-46,661** | **-12,900** | **0** | **-61,561** | | **59,561** | **-2,000** |
| **TOTAL** | **38,573** | **-15,215** | **0** | **23,358** | **-55** | **-2,769** | **20,534** |

The Group has analyzed the impact of the license agreement signed with Acrotech Biopharma on April 6, 2020, as described in note 5. This agreement implies that Onxeo will no longer benefit from any future revenues related to Beleodaq®/belinostat, other than what is required to repay the SWK Holdings bond. As a consequence, the R&D assets related to Beleodaq® have been treated as if they had been disposed of, resulting in the derecognition of these assets for a net value of 2,769 thousand euros

## 6.1. IMPAIRMENT TESTS

The other R&D assets, corresponding to AsiDNA™, being unamortized, as well as the goodwill, were subject to impairment tests as of December 31, 2020, described below.

- Impairment tests of R&D assets

The value in use of these R&D assets has been determined using the projected cash flow method based on a 20-year financing plan prepared by the management and representing its best estimate. This financing plan takes notably into account a model of future sales of products under development and includes probabilities of success. The valuation model does not include a terminal value, as all foreseeable cash flows are included within the time horizon chosen. A discount rate of 17.7% has been applied to the cash flows, integrating the market risk and the specific risks related to Onxeo. As the value in use obtained for AsiDNA™ was higher than the basis tested, no impairment was recognized.

- Impairment test of the goodwill

The Group has performed an impairment test of the goodwill. As the Group, as a whole, benefits from the synergies associated with the goodwill, the latter is tested for impairment at Group level. In accordance with IAS 36.6, the recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use.

In a first step, the Group has determined its fair value.

Since the market for Onxeo shares can be considered an active market within the meaning of IFRS 13.38.a, given the volumes of shares traded, which characterize significant liquidity, the fair value of the Group has been assessed by reference to its market capitalization at December 31, 2020. Costs of disposal were considered non-significant. At the end of the year, the market capitalization was higher than the basis tested (consolidated net book value at that date). Consequently, no impairment has been recognized.

In order to support this result, the Group has, in a second step, determined its value in use on the basis of a 20-year financing plan prepared by the management and representing its best estimate. This financing plan takes notably into account a model of future sales of products under development and includes probabilities of

success. The valuation model does not include a terminal value, as all foreseeable cash flows are included within the time horizon chosen. These cash flows include all revenues and expenses related to the indications currently in the portfolio, including potential developments on products developed by the Group. A discount rate of 17.7% has been applied to the cash flows, integrating the market risk and the specific risks related to Onxeo.

The value in use thus determined is also higher than the basis tested (consolidated net book assets at December 31, 2020).

- Sensitivity test

No reasonably possible variation in the key parameters of the single CGU value test would lead to impairment as the recoverable amount of the CGU is significantly greater than the tested accounting basis.

### 6.2. OTHER INFORMATION

Research and development costs incurred in fiscal year 2020 were expensed in the amount of 3,946 thousand euros, including 2,107 thousand euros for external expenses, 1,733 thousand euros for personnel expenses and 106 thousand euros for other expenses (regulatory taxes and depreciation).

## NOTE 7 - TANGIBLE FIXED ASSETS AND RIGHTS OF USE

### 7.1. TANGIBLE FIXED ASSETS

| In thousands of € | 12/31/2018 | Increase | Decrease | 12/31/2019 | Increase | Decrease | 12/31/2020 |
|---|---|---|---|---|---|---|---|
| Gross value | 3,121 | 7 | -1 | 3,127 | 16 | | 3,143 |
| Depreciation | -2,800 | -60 | 1 | -2,859 | -43 | | -2,902 |
| Provision for impairment | -158 | | | -158 | | | -158 |
| Leasing original value | 304 | | -304 | 0 | | | 0 |
| Lease depreciation | -171 | 171 | | 0 | | | 0 |
| **Net value of tangible fixed assets** | **296** | **117** | **-304** | **109** | **-27** | **0** | **83** |

Tangible fixed assets consist mainly of various laboratory equipment and fixtures and fittings at our headquarters.

### 7.2. RIGHTS OF USE

| In thousands of € | 12/31/2018 | Increase | Decrease | 12/31/2019 | Increase | Decrease | 12/31/2020 |
|---|---|---|---|---|---|---|---|
| Rights of use | | 3,499 | -66 | 3,433 | 290 | -121 | 3,601 |
| Amortization of rights of use | | -781 | 66 | -715 | -407 | | -1,122 |
| **Net values of rights of use** | | **2,718** | **0** | **2,718** | **-117** | **-121** | **2,479** |

The rights of use correspond essentially to the lease of the headquarters and to the rental of laboratory equipment and vehicles. These rights of use are depreciated over the remaining term of the contracts.

## NOTE 8 - OTHER FINANCIAL FIXED ASSETS

| In thousands of € | 12/31/2018 | Increase | Decrease | 12/31/2019 | Increase | Decrease | 12/31/2020 |
|---|---|---|---|---|---|---|---|
| Deposits and guarantees | 127 | | | 127 | | 4 | 123 |
| Liquidity contract - Cash | 177 | | -163 | 14 | 96 | | 110 |
| **Net value of other financial fixed assets** | **304** | **0** | **-163** | **141** | **96** | **4** | **233** |

# NOTE 9 - CURRENT ASSETS

## 9.1. TRADE RECEIVABLES

| In thousands of € | 12/31/2020 | < 1 year | > 1 year | 12/31/2019 |
|---|---|---|---|---|
| Trade receivables and related accounts | 6,654 | 2,640 | 4,014 | 3,353 |

Trade receivables consist mainly of receivables from the partner Acrotech Biopharma, which correspond to royalties to be received on sales of Beleodaq® in the United States until full repayment of the bond issue with SWK. This amount has been evaluated by management and amounts to 5,908 thousand euros as of December 31, 2020, of which 1,894 thousand euros is due in less than one year (this amount includes royalties of 496 thousand euros for the fourth quarter of 2020).

The item also includes receivables from Vectans, the company that acquired two of Onxeo's historical products in July 2017, Loramyc and Sitavig, which correspond to milestone payments (royalties) received by Vectans from its partners and whose repayment to Onxeo was contractually scheduled. During the year, Onxeo received 2,361 thousand euros. A residual receivable of 693 thousand euros was recognized at December 31, 2020 and corresponds to the contractual royalty (milestone) due by Vectans as a result of the registration of Loramyc in China in December 2020 by its partner Sciclone.

The breakdown of trade receivables by due date is as follows (in thousands of euros):

| Total | Amount due | 1 - 30 days | 31 - 60 days | 61 - 90 days | 91 - 120 days | > 120 days | Unmatured amount |
|---|---|---|---|---|---|---|---|
| 6,654 | 53 | | | 53 | | | 6,601 |

No provision for impairment of trade receivables has been made in the absence of any identified credit risk.

## 9.2. OTHER RECEIVABLES

| In thousands of € | 12/31/2020 | < 1 year | > 1 year | 12/31/2019 |
|---|---|---|---|---|
| Staff and related accounts | 11 | 11 | | 12 |
| Research tax credit | 1,124 | 1,124 | | 1,424 |
| Other tax receivables | 461 | 461 | | 502 |
| Other receivables | | | | 23 |
| Prepaid expenses | 404 | 404 | | 197 |
| **Net value of Other receivables** | **2,000** | **2,000** | | **2,159** |

The change in the "research tax credit (RTC)" item relates to the receipt of the receivable recognized at December 31, 2019 and the recognition of the RTC for the year 2020 for 1,124 thousand euros. This receivable is recoverable in advance and has therefore been classified in full within one year.

In accordance with IAS 20, research tax credits for fiscal year 2020 have been presented as a deduction from income and expense items according to their nature, as follows:

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Decrease in personnel expenses | 445 | 408 |
| Decrease in external expenses | 643 | 946 |
| Decrease in depreciation and amortization | 36 | 27 |
| **Total Research Tax Credit** | **1,124** | **1,382** |

Other tax receivables correspond mainly to various VAT credits.

### 9.3. CASH AND CASH EQUIVALENTS

| In thousands of € | Net values as of 12/31/2020 | Net values as of 12/31/2019 | Change in cash and cash equivalents |
|---|---|---|---|
| Cash | 6,523 | 4,708 | 1,815 |
| Cash equivalents | 8,000 | 1,000 | 7,000 |
| **Total Net Cash and Cash Equivalents** | **14,523** | **5,708** | **8,815** |

Cash equivalents include term accounts amounting to 8 million euros, in accordance with the provisions of IAS 7.6 and IAS 7.7, i.e. short-term, liquid and rapidly available investments.

The change in net cash is mainly related to the company's operating expenses, notably in research and development, for an amount of 11.5 million euros, offset by the receipt of license revenues and direct sales under the controlled access program for Beleodaq® for 3.3 million euros. The Group also received a net amount of $5.1 million as consideration for the licensing of new rights to Beleodaq® to the partner Acrotech, after deduction of a 15% share allocated to SpePharm as part of the settlement agreement signed with this company.

In terms of financing, the Group used the equity line of credit with Nice & Green, which resulted in a capital increase of 3.2 million euros during the period, and also received a net amount of 7.3 million euros in a private placement implemented in June. Finally, the group benefited from the reimbursement of its 2019 research tax credit for an amount of 1.4 million euros.

## NOTE 10 - SHAREHOLDERS' EQUITY

### 10.1. SHARE CAPITAL AND PREMIUMS

As of December 31, 2020, the capital amounted to 19 579 thousand euros, divided into 78,317,810 ordinary shares with a par value of €0.25 each, all of the same class and fully paid up.

During the year, the share capital changed as follows:

| | | Nominal | Nb of shares | € |
|---|---|---|---|---|
| Fully paid-up shares as of 12/31/2019 | | 0.25 | 61,317,851 | 15,329,462.75 |
| Capital increase – equityfinancing line | (1) | 0.25 | 6,800,075 | 1,700,018.75 |
| Capital increase - definitively acquired free shares | (2) | 0.25 | 63,433 | 15,858.25 |
| Capital increase - private placement | (3) | 0.25 | 10,136,451 | 2,534,112.75 |
| **Fully paid-up shares as of 12/31/2020** | | **0.25** | **78,317,810** | **19,579,452.50** |

(1) Capital increase resulting from the exercise of warrants within the framework of the equity financing line set up with Nice & Green. 6,800,075 new shares with a par value of 0.25 euro each were issued during the first half of the year at a price ranging from 0.3136 to 0.5259 euros, corresponding to an increase in share capital of 1,700,000 euros with a share premium of 1,458 thousand euros.

(2) Issuance of 63,433 free shares granted in 2018, which were definitively acquired during the half-year, with a par value of 0.25 euro each, representing an amount of 16 thousand euros.

(3) Capital increase resulting from the issue of 10,136,451 new shares with a par value of 0.25 euro each at a price of 0.7182 euros per share to Invus Private Equities and Financière de la Montagne, corresponding to a capital increase of 2,534 thousand euros with an issue premium of 4,746 thousand euros.

### 10.2. TREASURY SHARES

In accordance with IAS 32 §33, treasury shares acquired under the liquidity contract signed with Kepler-Cheuvreux have been deducted from equity in the amount of 182 thousand euros. The bonus on share buybacks, amounting to 89 thousand euros as of December 31, 2020, has been canceled from the income statement in accordance with the standard.

## 10.3. SHARE PREMIUMS AND RESERVES

In accordance with the shareholders' decision at the Shareholders' Meeting of May 29, 2020, the loss for fiscal year 2019 of the parent company Onxeo S.A., which amounted to 28,968 thousand euros, was charged to additional paid-in capital. In addition, reserves were reduced by 3,609 thousand euro by offsetting against additional paid-in capital.

As a result of the capital increases described in 10.1 above, the share premium account has also increased by a total of 6,204 thousand euros.

## 10.4. SHARE-BASED PAYMENTS

The options and warrants were valued using the Black & Scholes method, supported by the binomial/trinomial method in order to account for the various possible exercise dates. This valuation was carried out with the help of an external service provider. The main assumptions used are the underlying share price, volatility and the average maturity of the instruments concerned.

During the year, the Board of Directors granted stock options to employees ("SO SAL 2020" plan) and to the Chief Executive Officer ("SO DIR 2020" plan), and stock warrants to directors who are not officers or employees of the company ("BSA 2020" plan). These grants have the following characteristics:

| | SO SAL 2020 | SO DIR 2020 | BSA 2020 |
|---|---|---|---|
| Date of granting | 9/17/2020 | | |
| Number of instruments granted | 1,030,000 | 170,000 | 500,000 |
| Number of warrants subscribed | | | 350,000 |
| Warrant subscription price (€) | | | 0.161 |
| Vesting | 4 years | 4 years | 18 months |
| Exercise price (€) | 0.684 | | |

The 2020 expense relating to share-based payments amounts to 90 thousand euros, including 26 thousand euros in respect of instruments allotted in 2020.

The Board of Directors also noted that 524 SO 2011 options, 524 SO 2012 options, 521 SO 2013 options, 261 SO 2014 options, 500 SO 2015 options, 1,300 SO 2016 options, 7,125 SO 2017 options, 71,683 SO 2018 options and 110,000 SO 2020 options would be canceled by operation of law due to the departure of employees during 2020. The impact of the cancellations is a decrease in the total expense of 11 thousand euros.

### *10.4.1. SUMMARY OF WARRANTS (BSA) AS OF DECEMBER 31, 2020*

| Type | Authorization date | BSAs authorized | Date of granting | BSAs granted | BSAs subscribed | Beneficiaries | Outstanding warrants at 12/31/2020 adjusted (1) | Warrants exercisable at 12/31/2020 adjusted (1) | Adjusted subscription price per share in euros (1) | Expiry date |
|---|---|---|---|---|---|---|---|---|---|---|
| **BSA 2013** | 06/26/2013 Resolution 17 | 100,000 | 9/19/2013 | 85,000 | 85,000 | Non-salaried and non-executive members of the Board | 88,490 | 88,490 | 3.85 | 9/19/2023 |
| **BSA 2014** | 06/30/2014 Resolution 19 | 314,800 | 9/22/2014 | 107,500 | 82,500 | | 85,886 | 85,886 | 6.17 | 9/22/2024 |
| **BSA 2014-2** | | | 3/4/2015 | 35,500 | 19,000 | | 19,000 | 19,000 | 6.26 | 3/4/2025 |
| **BSA 2015** | 5/20/2015 Resolution 18 | 405,000 | 10/27/2015 | 80,000 | 65,000 | | 65,000 | 65,000 | 3.61 | 10/27/2025 |
| **BSA 2015-2** | | | 1/23/2016 | 90,000 | 90,000 | | 90,000 | 90,000 | 3.33 | 1/23/2026 |
| **BSA 2016** | 4/6/2016 Resolution 23 | 405,520 | 7/28/2016 | 260,000 | 190,000 | | 160,000 | 160,000 | 3.16 | 7/28/2026 |
| **BSA 2016-2** | | | 10/25/2016 | 30,000 | 30,000 | Key consultants of the company | 30,000 | 30,000 | 2.61 | 10/25/2026 |
| **BSA 2016-3** | | | 12/21/2016 | 70,000 | 70,000 | Non-salaried and non-executive members of the Board | 52,500 | 52,500 | 2.43 | 12/21/2026 |
| **BSA 2017** | 5/24/2017 Resolution 29 | 470,440 | 7/28/2017 | 340,000 | 300,000 | | 300,000 | 300,000 | 4.00 | 7/28/2027 |
| **BSA 2018** | 6/19/2018 Resolution 28 | 360,000 | 7/27/2018 | 359,500 | 274,500 | | 274,500 | 274,500 | 1.187 | 7/27/2028 |
| **BSA 2018-2** | | | 10/25/2018 | 85,000 | 85,000 | | 85,000 | 85,000 | 1.017 | 10/25/2028 |
| **BSA 2020** | 6/19/2020 Resolution 31 | 500,000 | 9/17/2020 | 500,000 | 350,000 | | 350,000 | 0 | 0.684 | 9/17/2030 |
| **TOTAL** | | | | | | | **1,600,376** | **1,250,376** | | |

(1) *Adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L.228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015)*

### *10.4.2. SUMMARY OF STOCK OPTIONS (SO) AS OF DECEMBER 31, 2020*

| Plan Designation | Authorization date | Number of authorized options | Date of granting | Number of options granted | Beneficiaries | Options outstanding at 12/31/2020 adjusted (1) | Options exercisable at 12/31/2020 adjusted (1) | Adjusted subscription price per share in euros (1) | Expiry date |
|---|---|---|---|---|---|---|---|---|---|
| SO Employees 2011 (1) | 06/29/2011 Resolutions 16 and 17 | 300,000 | 9/21/2011 | 218,500 | employees | 36,634 | 36,634 | 3.63 | 9/21/2021 |
| SO Officers 2011 | | 210,000 | | 210,000 | officers | 219,782 | 219,782 | 3.63 | 9/21/2021 |
| **TOTAL SO 2011** | | **510,000** | | **428,500** | | **256,416** | **256,416** | | |
| SO Employees 2012 | 5/31/2012 Resolutions 13 and 14 | 333,000 | 9/13/2012 | 268,000 | employees | 88,950 | 88,950 | 3.75 | 9/13/2022 |
| SO Officers 2012 | | 110,000 | | 110,000 | officers | 103,597 | 103,597 | 3.75 | 9/13/2022 |
| **TOTAL SO 2012** | | **443,000** | | **378,000** | | **192,547** | **192,547** | | |
| SO Employees 2013 | 06/26/2013 Resolution 15 | 283,000 | 9/19/2013 | 195,500 | employees | 67,672 | 67,672 | 3.85 | 9/19/2023 |
| **TOTAL SO 2013** | | **283,000** | | **195,500** | | **67,672** | **67,672** | | |
| SO Employees 2014 | 6/30/2014 Resolution 17 | 314,800 | 9/22/2014 | 138,700 | employees | 21,937 | 21,937 | 6.17 | 9/22/2024 |
| SO Officers 2014 | | | | 40,000 | officers | 34,487 | 34,487 | 6.17 | 9/22/2024 |
| **TOTAL SO 2014** | | **314,800** | | **178,700** | | **56,424** | **56,424** | | |
| SO Employees 2015 | 5/20/2015 Resolution 16 | 405,000 | 10/27/2015 | 290,000 | employees | 67,500 | 67,500 | 3.61 | 10/27/2025 |
| SO Officers 2015 | | | | 60,000 | officers | 60,000 | 60,000 | 3.61 | 10/27/2025 |
| **TOTAL SO 2015** | | **405,000** | | **350,000** | | **127,500** | **127,500** | | |
| SO Employees 2016 | 6/4/2016 Resolution 22 | 405,520 | 7/28/2016 | 333,500 | employees | 110,900 | 110,900 | 3.16 | 7/28/2026 |
| SO Officers 2016 | | | | 70,000 | officers | 56,000 | 56,000 | 3.16 | 7/28/2026 |
| **TOTAL SO 2016** | | **405,520** | | **403,500** | | **166,900** | **166,900** | | |
| SO Employees 2017 | 5/24/2017 Resolution 26 | 470,440 | 7/28/2017 | 347,800 | employees | 153,975 | 119,700 | 4.00 | 7/28/2027 |
| SO Officers 2017 | | | | 70,000 | officers | 63,000 | 47,250 | 4.00 | 7/28/2027 |
| SO Officers 2017 | | | 3/29/2018 | 25,000 | employees | 25,000 | 25,000 | 1.48 | 3/29/2028 |
| **TOTAL SO 2017** | | **470,440** | | **417,800** | | **241,975** | **191,950** | | |

*( 1) Adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L.228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015)*

| Plan Designation | Authorization date | Number of authorized options | Date of granting | Number of options granted | Beneficiaries | Options outstanding at 12/31/2020 adjusted (1) | Options exercisable at 12/31/2020 adjusted (1) | Adjusted subscription price per share in euros (1) | Expiry date |
|---|---|---|---|---|---|---|---|---|---|
| SO Employees 2018 | 6/19/2018 Resolution 27 | 970,000 | 7/27/2018 | 758,604 | employees | 427,207 | 300,740 | 1.187 | 7/27/2028 |
| SO Officers 2018 | | | 12/16/2010 | 150,723 | officers | 108,723 | 87,723 | 1.187 | 7/27/2028 |
| **TOTAL SO 2018** | | **970,000** | | **909,327** | | **535,930** | **388,463** | | |
| SO Employees 2020 | 6/19/2020 Resolution 30 | 1,200,000 | 9/17/2020 | 1,030,000 | employees | 920,000 | 0 | 0.684 | 7/27/2028 |
| SO Officers 2020 | | | 12/16/2010 | 170,000 | officers | 170,000 | 0 | 0.684 | 7/27/2028 |
| **TOTAL SO 2020** | | **1,200,000** | | **1,200,000** | | **1,090,000** | **0** | | |
| **TOTAL SO** | | | | | | **2,735,364** | **1,447,872** | | |

*( 1) Adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L.228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015)*

# NOTE 11 - NON-CURRENT LIABILITIES

## 11.1. PROVISIONS

| In thousands of € | 12/31/2019 | Allocations | Reversals | | 12/31/2020 |
|---|---|---|---|---|---|
| | | | used | unused | |
| Pension obligations | 423 | 189 | | | 612 |
| Provisions | 6,398 | 630 | -6,000 | | 1,028 |
| **Total non-current provisions** | **6,821** | **819** | **-6,000** | | **1,640** |

### *11.1.1. POST-EMPLOYMENT BENEFITS (IAS 19 REVISED)*

The provision for retirement obligations amounted to 613 thousand euros compared with 423 thousand euros in 2019. This increase results in an income statement impact of 167 thousand euros (expense) and in the recognition of an actuarial difference of 22 thousand euros in other comprehensive income, in accordance with the standard.

The actuarial assumptions used were as follows:

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Collective Agreement | NCA of Pharmaceutical Companies | |
| Retirement age | Between the ages of 65 and 67, in application of the law of November 10, 2010 on pension reform | |
| Calculation date | 12/31/2020 | 12/31/2019 |
| Mortality table | INSEE 2019 | INSEE 2018 |
| Discount rate | 0.64% | 0.86% |
| Rate of salary increases | 2% | 2% |
| Turnover rate | By age structure:<br>- 0% 16 to 24 years of age<br>- 1.80 % 25 to 34 years of age<br>- 8.11 % 35 to 44 years of age<br>- 1.80 % 45 to 54 years of age<br>- 0.00% over 55 years of age | By age structure:<br>- 0 % 16 to 24 years of age<br>- 2.26 % 25 to 34 years of age<br>- 7.52 % 35 to 44 years of age<br>- 2.26 % 45 to 54 years of age<br>- 0.00% over 55 years of age |
| Social security rates | 46% for Onxeo FR | |

### *11.1.2. PROVISIONS*

Provisions consist of provisions for disputes amounting to 327 thousand euros and a provision for remediation in the context of the application of IFRS 16 amounting to 271 thousand euros.

They also include future development costs for belinostat that will be borne by Onxeo under the license agreement with Acrotech for an amount of 430 thousand euros; this amount has been estimated by management on the basis of scenarios with a probability of occurrence and will be re-evaluated at each closing.

The change in provisions over the year is related to the transfer to other non-current liabilities of the additional amounts due to SpePharm in accordance with the settlement agreement signed with Onxeo on February 11, 2020, recognized as provisions at December 31, 2019 in the amount of 6,000 thousand euros.

### 11.2. NON-CURRENT FINANCIAL DEBTS

| In thousands of € | 12/31/2020 | 12/31/2019 | Change | | |
|---|---|---|---|---|---|
| | | | Total | Impact on cash flow | No cash impact |
| Bond debt | 2,350 | 5,156 | -2,806 | -1,549 | -1,257 |
| Repayable advances | 148 | 246 | -98 | -98 | |
| Lease debts | 1,780 | 2,010 | -230 | -475 | 245 |
| **TOTAL** | **4,278** | **7,412** | **-3,134** | **-2,122** | **-1,012** |

The bond debt granted by SWK Holdings will be repaid through royalties paid by the partner Acrotech Biopharma on sales of Beleodaq® in the United States. This debt had an initial amount of $7.5 million (6.4 million euros) and a fixed redemption premium of $6 million. The residual amount at December 31, 2020 was discounted using the original effective interest rate.

Repayable advances were granted by Bpifrance and the Ile de France region, notably as part of the Innov'Up Leader PIA program, to finance the Company's AsiDNA™ and PlatON™ R&D programs. These advances do not bear interest.

Lease debts are recognized in accordance with IFRS 16, as a counterpart to the recognition of the rights of use of the buildings and movable assets leased by the Group.

The table below shows a breakdown by maturity of non-current liabilities:

| In thousands of € | 12/31/2020 | From 1 to 5 years | More than 5 years |
|---|---|---|---|
| Bond debt | 2,350 | 2,350 | |
| Repayable advances | 148 | 148 | |
| Lease debts | 1,780 | 1,746 | 34 |
| **TOTAL** | **4,278** | **4,244** | **34** |

### 11.3. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities, amounting to 5,089 thousand euros, correspond to the debt to SpePharm, recognized as a provision for contingencies and losses at December 31, 2019. This debt will be repaid, at the latest on January 31, 2024, in the form of a 20% share of the amounts received within the framework of the new license agreements that will be signed by Onxeo.

## NOTE 12 - CURRENT LIABILITIES

### 12.1. SHORT-TERM BORROWINGS AND FINANCIAL LIABILITIES

| In thousands of € | 12/31/2020 | 12/31/2019 | Change | | |
|---|---|---|---|---|---|
| | | | Total | Impact on cash flow | No cash impact |
| Warrants granted in connection with the equity financing line | 0 | 301 | -301 | | -301 |
| Accrued interest and commissions | 231 | 270 | -39 | -39 | |
| Bond debt | 1,091 | 0 | 1,091 | | 1,091 |
| Repayable advances | 180 | 163 | 17 | 17 | |
| Lease debts | 477 | 436 | 41 | | 41 |
| **TOTAL** | **1,979** | **1,170** | **809** | **-22** | **831** |

### 12.2. TRADE PAYABLES AND RELATED ACCOUNTS

No discounting has been applied insofar as trade payables are not older than one year.

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Trade payables and related accounts | 2,762 | 3,672 |

The decrease in this item over the year is linked to the development of activities during the year, particularly in the area of R&D.

The Company conducts preclinical and clinical research and contracts with external partners who assist Onxeo in its studies. In the case of clinical trials, research expenses corresponding to services rendered and provisioned at the balance sheet date are determined based on management's estimates of costs that have not yet been invoiced per patient. These estimates are based on information provided by the contracted investigating centers (hospitals) and cost analyses performed by management.

### 12.3. OTHER CURRENT LIABILITIES

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Social debts | 811 | 1,222 |
| Tax liabilities | 472 | 120 |
| Other liabilities | 23 | 17 |
| **Total** | **1,306** | **1,358** |

The change in social debt is mainly due to the decrease in the number of employees, as well as a decrease in provisions for bonuses due to a partial payment during the year and a decrease in provisions for paid vacations.

The increase in tax liabilities is due to the recognition of a tax for the Danish establishment of Onxeo S.A., in the amount of 329 thousand euros.

## NOTE 13 - FINANCIAL INSTRUMENTS

The carrying amount of financial instruments by category under IFRS 9 is detailed as follows:

- As of 1/01/2020:

| In thousands of € | Balance sheet value | Of which non-financial assets and liabilities | Of which financial assets and liabilities | | | Total financial assets and liabilities |
|---|---|---|---|---|---|---|
| | | | Loans and receivables/ liabilities at amortized cost | Financial assets/liabilities at fair value through profit or loss | Lease debt | |
| Other financial fixed assets | 141 | | 127 | 14 | | 141 |
| Trade receivables and related accounts | 3,353 | | 3,353 | | | 3,353 |
| Other receivables | 2,159 | | 2,159 | | | 2,159 |
| Cash and cash equivalents | 5,708 | | 5,708 | | | 5,708 |
| **Total Financial Assets** | **11,361** | **0** | **11,347** | **14** | **0** | **11,361** |
| Other non-current financial liabilities | 7,412 | | 5,402 | | 2,010 | 7,412 |
| Short-term borrowings and financial liabilities | 1,170 | | 869 | 301 | | 1,170 |
| Trade payables and related accounts | 3,672 | | 3,672 | | | 3,672 |
| Other liabilities | 1,358 | | 1,358 | | | 1,358 |
| **Total Financial Liabilities** | **13,612** | **0** | **11,301** | **301** | **2,010** | **13,612** |

- As of 12/31/2020:

| In thousands of € | Balance sheet value | Of which non-financial assets and liabilities | Of which financial assets and liabilities | | | Total financial assets and liabilities |
|---|---|---|---|---|---|---|
| | | | Loans and receivables/liabilities at amortized cost | Financial assets/liabilities at fair value through profit or loss | Lease debt | |
| Other financial fixed assets | 233 | | 123 | 110 | | 233 |
| Trade receivables and related accounts | 6,654 | | 6,654 | | | 6,654 |
| Other receivables | 2,000 | | 2,000 | | | 2,000 |
| Cash and cash equivalents | 14,523 | | 14,523 | | | 14,523 |
| **Total Financial Assets** | **23,410** | | **23,300** | **110** | | **23,410** |
| Other non-current financial liabilities | 4,278 | | 2,498 | | 1,780 | 4,278 |
| Other non-current liabilities | 5,089 | | 5,089 | | | 5,089 |
| Short-term borrowings and financial liabilities | 1,979 | | 1,502 | | 477 | 1,979 |
| Trade payables and related accounts | 2,762 | | 2,762 | | | 2,762 |
| Other current liabilities | 1,306 | | 1,306 | | | 1,306 |
| **Total Financial Liabilities** | **15,414** | | **13,157** | | **2,257** | **15,414** |

*Note: financial assets at fair value through profit or loss relate to cash held under the liquidity contract*

Breakdown of financial assets and liabilities at fair value:

The following table presents the financial instruments at fair value by level:

- Level 1: financial instruments listed on an active market
- Level 2: financial instruments whose fair value is measured by comparison with observable market transactions in similar instruments or based on a valuation method whose variables include only observable market data
- Level 3: financial instruments whose fair value is determined in whole or in part using a valuation method based on an estimate which is not based on market transaction prices for similar instruments.

| | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Financial assets at fair value through profit or loss | | 110 | |
| **Total Financial Assets** | **0** | **110** | **0** |
| Derivatives at fair value through profit or loss | | | |
| **Total Financial liabilities** | **0** | **0** | **0** |

# NOTE 14 - OPERATING INCOME AND EXPENSES

## 14.1. REVENUES

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Recurring revenue from license agreements | 1,077 | 3,455 |
| Non-recurring revenues from license agreements | 699 | 833 |
| **Total revenues** | **1,776** | **4,289** |

Recurring revenue comes from direct sales of Beleodaq® under the European controlled access program (NPP), accounted for until the transfer of this activity to Acrotech under the licensing agreement signed in early April 2020. It also includes royalties on sales of Beleodaq® in the United States by the partner Acrotech Biopharma, which are recognized as revenues until the date of the agreement. This transaction explains the decrease in the line item compared to 2019.

Non-recurring revenue mainly comprises contractual lump-sum royalties under the business transfer agreement concluded in 2017 with Vectans Pharma in the amount of 693 thousand euros.

In accordance with IFRS 8.32 and 33, the table below shows the origin of revenues in terms of geographical area and in relation to the company's product categories:

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Oncology products | 1,083 | 3,524 |
| Other Products (1) | 693 | 765 |
| **Total** | **1,776** | **4,289** |
| France | 302 | 839 |
| Others Europe | 143 | 280 |
| Rest of the world | 1,331 | 3,170 |
| **Total** | **1,776** | **4,289** |

*(1) These products based on the Lauriad technology were either divested (Loramyc and Sitavig) or licensed worldwide (Validive) during 2017*

Apart from France, the main countries in which the Group records revenues are the United States, Italy and China.

## 14.2. PERSONNEL EXPENSES

Personnel expenses are broken down as follows:

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Salaries | 3,358 | 3,271 |
| Social charges | 1,273 | 1,504 |
| Employee benefits (IFRS 2) | 79 | 441 |
| Imputed Research Tax Credit | -445 | -408 |
| **Total personnel expenses** | **4,265** | **4,808** |
| Average headcount (employees and corporate officers) | 25 | 30 |

## 14.3. EXTERNAL EXPENSES

External expenses are composed of the following items:

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| R&D costs | 2,107 | 5,840 |
| Imputed Research Tax Credit | -643 | -946 |
| General and administrative expenses | 2,418 | 2,963 |
| **Total** | **3,882** | **7,857** |

The significant decrease in R&D expenses compared to 2019 is related to the progress of the AsiDNA™ program and in particular to the finalization of drug development and production operations in preparation for clinical trials.

## 14.4. OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

These items include the various impacts of the agreement signed with Acrotech Biopharma in April 2020, namely:

- Net proceeds of 5,686 thousand euros corresponding to the transaction price of 6,116 thousand euros less future product development costs estimated at 430 thousand euros (see note 11.1.2).
- An expense of 2,769 thousand euros corresponding to the net book value of the R&D assets related to Beleodaq®/belinostat (see note 6).

- Income of 7,060 thousand euros, evaluated on the basis of the financing plan drawn up by management, corresponding to the royalties that the group expects to receive after the date of signature of the agreement and through which it will repay the balance of the SWK loan. This amount includes 1,595 thousand euros in royalties recognized in respect of 2020 subsequent to the transaction.

## NOTE 15 - FINANCIAL RESULT

| In thousands of € | 12/31/2020 | Impact on cash flow | No cash impact | 12/31/2019 |
|---|---|---|---|---|
| Income from cash and cash equivalents | 1 | 1 | | 19 |
| Cost of financial debt | -959 | -959 | | -1,037 |
| **Cost of net financial debt** | **-958** | **-958** | | **-1,018** |
| Other financial income | 1,006 | | 1,006 | |
| Other financial expenses | -395 | | -395 | -659 |
| **Financial result** | **-347** | **-958** | **611** | **-1,677** |

The cost of net financial debt mainly includes the interest expense related to the bond issue with SWK Holdings Corporation.

The other financial income includes mainly an income related to the valuation at fair value of the warrants in the context of the equity financing line with Nice & Green, used during the first half of 2020, and of the bond loan with SWK, as well as the positive impact of the revaluation at the closing exchange rate of the future receivable on Acrotech related to Beleodaq

## NOTE 16 - TAX

A tax expense of 757 thousand euros was recognized during the first half of the year, as a result of the recognition of income attributable to the assets related to belinostat held by Onxeo's Danish establishment. This amount includes deferred taxes of 415 thousand euros, relating to the royalties that the Group expects to receive after December 31, 2020 and with which it will repay the balance of the SWK loan.

At December 31, 2020, the Onxeo Group had French tax loss carryforwards of 294 million euros. No deferred tax asset has been recognized as the company is not in a position to recover this tax asset in the short term.

The reconciliation between tax expense and accounting income is presented below:

| In thousands of € | 12/31/2020 |
|---|---|
| Result of integrated companies | 1,089 |
| Reintegration of income taxes, amortization and provisions for goodwill and income from companies accounted for by the equity method | 757 |
| Income before income tax, goodwill amortization and provisions, and income from companies accounted for by the equity method | 1,846 |
| **Theoretical tax at the rate of the consolidating entity** | **-517** |
| Effects of base differences | 63 |
| Effects of rate differences | 161 |
| Effects of special tax provisions | 1,117 |
| Manual entries on Tax | -1,583 |
| **Theoretical tax expense** | **-757** |
| **Actual tax expense** | **-757** |
| **Effective tax rate** | **41%** |

# NOTE 17 - EARNINGS PER SHARE

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Net income attributable to common shareholders | 1,089 | -33,728 |
| Number of shares issued | 78,317,810 | 61,317,851 |
| Number of treasury shares | 272,438 | 341,069 |
| **Number of shares outstanding (excluding treasury shares)** | **78,045,372** | **60,976,782** |
| Stock options | 2,735,364 | 1,756,119 |
| Share subscription warrants | 1,600,376 | 8,050,451 |
| **Number of issued and potential shares (excluding treasury shares)** | **82,381,112** | **70,783,352** |
| | | |
| Weighted average number of shares outstanding (excluding treasury shares) | 72,675,204 | 70,783,352 |
| **Net income per share in euros** | **0.01** | **-0.55** |
| Potentially dilutive securities resulting from the exercise of options and warrants | 2,698,248 | 9,254,679 |
| Weighted average number of outstanding and potential shares (excluding treasury shares) | 75,373,452 | 70,231,461 |
| **Net diluted earnings per share in euros** | **0.01** | **-0.55** |

*The impact of the dilution was not presented for 2019 as it is accretive due to a negative result.*

# NOTE 18 - OFF-BALANCE SHEET COMMITMENTS

## 18.1. OFF-BALANCE SHEET COMMITMENTS RELATED TO THE COMPANY'S OPERATING ACTIVITIES

None.

## 18.2. OFF-BALANCE SHEET COMMITMENTS RELATED TO THE COMPANY'S FINANCING

None.

## 18.3. OTHER COMMITMENTS RELATED TO COMPANIES IN THE SCOPE OF CONSOLIDATION

The subsidiary Topotarget Switzerland holds patents licensed to and developed by third parties. These contracts provide for the payment of royalties linked to stages of product development.

# NOTE 19 - COMPENSATION OF CORPORATE OFFICERS

The table below summarizes the compensation recorded as of December 31, 2020 for Judith Greciet (Chief Executive Officer), a non-employee corporate officer, and for the non-employee members of the Board of Directors.

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Short-term benefits (fixed/variable/exceptional) | 511 | 455 |
| Post-employment benefits | 187 | 114 |
| Long-term benefits | 0 | 0 |
| Share-based payments | 27 | 0 |
| Benefits in kind | 0 | 0 |
| Compensation for breach of employment contract | 0 | 0 |
| Directors' fees | 133 | 166 |
| Fees (regulated agreement) | 0 | 0 |
| **Total** | **858** | **735** |

Onxeo has set up a method of remuneration for its directors by means of directors' fees.

The amount of retirement benefits paid to the executive director is 187 thousand euros.

## NOTE 20 - RELATED PARTIES

With reference to paragraph 9 of IAS 24, the parties related to Onxeo SA are

- Financière de la Montagne which, as a shareholder of the company with 13.4% of the capital as of December 31, 2020 and as a member of the Board of Directors, is considered to exercise significant influence over the company.
- Invus public Equities which, as a shareholder of the company with 10.7% of the capital as of December 31, 2020 and as a member of the Board of Directors, is considered to exercise significant influence over the company.
- The Chairman of the Board of Directors, Danièle Guyot-Caparros, as one of the principal officers presenting the financial statements.

There were no transactions with these related parties in 2020.

## NOTE 21 - INTRA-GROUP TRANSACTIONS

Transactions between the parent company and other Group companies are summarized in gross value in the following table:

| In thousands of € | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Assets | 74,996 | 76,020 |
| Liabilities | 5,468 | 5,765 |
| Revenues | 9 | 27 |
| Charges | 1,229 | 791 |

## NOTE 22 - AUDITORS' FEES

The fees of Onxeo's Statutory Auditors paid by the company in 2020 and 2019 are as follows:

| | Grant Thornton | | | | Ernst & Young | | | |
|---|---|---|---|---|---|---|---|---|
| In thousands of € | Amount | | % | | Amount | | % | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Audit, statutory audit, certification, review of accounts under French and IFRS standards | | | | | | | | |
| Issuer | 110 | 116 | 92% | 92% | 119 | 119 | 94% | 92% |
| Fully consolidated subsidiary | | | | | | | | |
| Services other than certification of accounts | 9 | 10 | 8% | 8% | 8 | 10 | 6% | 8% |
| Subtotal | 119 | 126 | 100% | 100% | 127 | 129 | 100% | 100% |
| Other services provided by the networks to fully consolidated subsidiaries | | | | | | | | |
| Subtotal | | | | | | | | |
| **Total** | **119** | **126** | **100%** | **100%** | **127** | **129** | **100%** | **100%** |

# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
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# Onxeo

**Year ended** 31 **December** 2020

## Statutory Auditors' report on the consolidated financial statements

To the General Meeting of Shareholders of Onxeo,

## Opinion

In compliance with the engagement entrusted to us by your general meeting of shareholders, we have audited the accompanying consolidated financial statements of Onxeo for the year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## Basis for Opinion

### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2020 to the date of our report.

## Justification of Assessments

Due to the global crisis related to the COVID-19 pandemic, the consolidated financial statements for this accounting period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

With regard to the new agreement with Acrotech Biopharma entered into on 6 April 2020, as stated in Note 5 "Accounting treatment of the new agreement with Acrotech Biopharma" to the consolidated financial statements, the Group evaluated the economic consequences of this agreement in order to determine the appropriate accounting treatment under IFRS. We verified that Note 5 "Accounting treatment of the new agreement with Acrotech Biopharma" provides appropriate information on this matter.

With regard to the intangible assets relating to R&D and goodwill, as stated in Note 3.5 "Intangible assets" to the consolidated financial statements, the valuation used as a reference for the impairment tests corresponds to the recoverable value, which is the higher of the fair value net of disposal costs or the value in use. We examined the conditions for implementation of the impairment tests and the data used by the Group's Management. We verified that Note 6 "Intangible assets" provides appropriate information on this matter.

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by the laws and regulations of the information relating to the Group given in the Board of Director's Group management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur-Seine et Paris-La Défense, 23 April 2021

The Statutory Auditors

*(French original signed by)*

| GRANT THORNTON<br>*French member of Grant Thornton International* | ERNST & YOUNG Audit |
|---|---|
| Samuel Clochard | Franck Sebag |