Public limited company with a capital of 22,998,733.75 euros
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2021 HALF-YEARLY FINANCIAL REPORT

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This report is prepared in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Articles 222-4 to 222-6 of the General Regulations of the Autorité des marchés financiers (AMF) and the provisions of Articles L.232-7 par. 3 and R 232-13 of the Commercial Code.

1. PREAMBLE

Onxeo 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 is focused on the development of novel first-in-class or disruptive compounds from translational research to human clinical proof-of-concept, a value-creating and attractive inflection point for potential partners.

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

2. BUSINESS TRENDS AND SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The Company's portfolio is based on platON™, Onxeo's decoy oligonucleotide platform.

PlatON™ is intended to expand the Company's product portfolio by generating new compounds based on an unparalleled decoy agonist mechanism of the DNA damage response, and by capitalizing on the expertise the Company has developed on this type of oligonucleotide.

- AsiDNA™, the first candidate from platON™, is a first-in-class inhibitor of tumor DNA break repair which is based on an agonist decoy mechanism that is unparalleled in the DDR field, and which could be used, among other things, to combat 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 in combination.
- New first-in-class compounds (OX400 family), in preclinical and optimization phase, are positioned as potent PARP agonists, and are designed to not induce resistance and activate the immune response.

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.

To implement its growth strategy, the Company relies on innovative assets, a differentiated positioning and solid skills, which form the basis of its future growth:

- The Company has unique expertise in its decoy agonist oligonucleotide technology in oncology, strengthened by its position as the first entrant in this mechanism of action;
- The agonist decoy principle on which the platON™ platform-derived compounds are based is unparalleled to date in oncology. It is associated with highly differentiated properties, including tolerance and lack of resistance;
- AsiDNA™ has demonstrated a favorable safety profile in the clinic, which constitutes a considerable asset for its development in combination.
- Onxeo is led by an experienced management team and Board of Directors and advised by internationally renowned scientific and medical experts in new approaches to cancer. The Company relies on a team of about thirty people who are experienced in their field.

In the first half of 2021, the Company's development programs were continued. To date, the health crisis has had a limited impact on the planned schedule[1], with the main impact being a slower than expected recruitment in the REVOCAN study under the aegis of Gustave Roussy. Its first results are now expected in the second half of 2021.

[1] *Please refer to paragraph 4 "Principal risks and uncertainties" of this report for the known or expected effects of the health crisis related to the coronavirus pandemic.*

The Company was also able to continue most of the preclinical activities conducted in its own laboratory, including the preclinical studies on the effect of AsiDNA™ on drug-tolerant cells, which are the source of resistance to certain targeted therapies, which were presented at AACR 2021. It also continued studies to optimize platON™ platform compounds such as OX401, a highly innovative compound at the intersection of DNA damage response and immunotherapy.

In terms of clinical and scientific collaborations, the Company entered into a clinical research agreement with the Institut Curie in early 2021 to evaluate the effect of AsiDNA™ in combination with radiotherapy in recurrent high-grade glioma (HGG), a pediatric indication with a poor prognosis.

In the first half of 2021, Onxeo also formed an independent Scientific Expert Committee composed of leading personalities. This new committee of international experts will advise the Company on the scientific and clinical aspects of the development of Onxeo's current and future programs and strengthen its governance with the appointment of Dr. Shefali Agarwal, a specialist in clinical development in oncology, to the Board of Directors.

Finally, Onxeo was able to finalize two financial transactions in the first half of 2021 that allowed for an extension of its financial horizon to the end of 2022, thus extending beyond major clinical milestones expected for its flagship product AsiDNA™. In January 2021, the Company obtained non-dilutive funding of 5 million euros in the form of State Backed Loans, and in April 2021 completed a capital increase with the upholding of shareholders' preferential subscription rights for gross proceeds, issue premium included, of 9.7 million euros.

The Group's main operational advances and organizational changes in the first half of 2021 are detailed below.

2.1. PROGRAMS UNDER DEVELOPMENT

The Company's development programs focus on drug candidates derived from its patented platform platON™ (oligonucleotide platform).

PlatON™ is a chemistry platform enabling the construction of new molecules using three components: an oligonucleotide (double-stranded DNA fragment) of variable length and sequence according to its biological target, a link between the two strands to ensure the stability of the fragment, and, where appropriate, a vector to promote cell penetration.

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

2.1.1. AsiDNA™

AsiDNA™ is the first candidate from platON™. This clinical-stage compound positions the Company 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, signal and repair DNA damage. Proteins monitor DNA integrity and can activate cell cycle control points 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 through cytotoxic treatments. Tumor cells are much more dependent on their DNA repair mechanisms than healthy cells, due to their uncontrolled proliferation.

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

The product is composed of a double-stranded DNA fragment that behaves like a damaged tumor DNA fragment. It diverts and sequesters key proteins for tumor DNA repair (decoy mechanism) and then hyperactivates them (agonist mechanism). AsiDNA™ thus induces an inhibition of DNA repair and a depletion of the tumor cell's repair pathways, which nevertheless 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, which was confirmed by a very favorable safety profile in humans in three Phase 1/1b clinical studies.

Of particular interest is that, unlike so-called "targeted" therapies that inhibit a specific protein or pathway, such as PARP inhibitors (PARPi), AsiDNA™ does not inhibit one or more repair proteins but instead hyperactivates them, thereby disorganizing the entire repair cascade. Thus, it does not provoke resistance mechanisms, which are faced by all targeted therapies used today in oncology. This resistance leads to a loss of efficacy and therefore to therapeutic failures after several cycles of treatment.

This is a very strong 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 PARPi or other targeted therapies, to significantly increase their efficacy, notably by abrogating resistance to these treatments, without increasing toxicity.

In the first half of 2021, the Company actively pursued the preclinical and clinical development of its lead candidate by systemic route in combination with other treatments in various types of solid tumors:

- On February 4, 2021, Onxeo announced that it has entered into a clinical research agreement with the Institut Curie to conduct a Phase 1b/2 study to evaluate the effect of AsiDNA™ in combination with radiotherapy in children with recurrent high-grade glioma (HGG), an orphan brain cancer with a poor prognosis.

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

- The second half of 2021 also allowed for the completion of the DRIIV-1b trial of AsiDNA™ in combination with reference chemotherapies, carboplatin and then carboplatin and paclitaxel in patients with advanced solid tumors, which were progressing at inclusion. The very favorable safety profile of AsiDNA™ was confirmed and significantly longer control times were observed than with previous treatment lines, including those involving platinum salt chemotherapies. These results were published in March 2021[2].

- At the American Association for Cancer Research (AACR) Annual (Virtual) Meeting on April 10, 2021, the Company presented results from preclinical studies that demonstrate the ability of AsiDNA™ to prevent drug-tolerant cell (DTC)-induced resistance to KRAS inhibitors (KRASi) [3]. The previous year, Onxeo had already demonstrated for the first time at the AACR that these DTCs were involved in tumor resistance to PARP inhibitors.

  KRASG12C-mutated tumors account for approximately 15% of lung adenocarcinomas, but therapeutic resistance to KRASG12C inhibition remains a clinical obstacle. This new data shows that resistance to KRASG12C inhibitors could also emerge, at least in part, from persistent drug-tolerant cells, a specific cell population that goes "dormant" during treatment and accumulates mutations that allow for the development of resistance to KRASG12C inhibitors. AsiDNA™ can specifically target this source of resistance and thereby prevent the emergence of acquired resistance to KRASG12C inhibitors, thereby highlighting the therapeutic opportunity of combining AsiDNA™ and KRASG12C to prevent tumor progression or relapse.

  The role of persistent cells in resistance to other targeted therapies such as tyrosine kinase inhibitors has long been established. The effect of AsiDNA™ on these cells may allow it to become a gold standard combination therapy to counter resistance to multiple targeted therapies when induced by persistent cells and preclinical evaluation of novel combinations of AsiDNA™ in this setting is ongoing.

- The Company continued during the period its collaboration with Gustave Roussy in the Phase 1b/2 Revocan study that evaluated the addition of AsiDNA™ to fight resistance to PARP inhibitors in the 2nd line

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[2] *Long stabilization and disease control with AsiDNA™, a first-in-class DNA Repair Inhibitor in combination with carboplatin with or without paclitaxel in patients with advanced solid tumors: A case report - Oncology & Cancer Case Reports 2021, Vol.07, Issue 2, 001-007 – Dr Nuria Kotecki – March 2021*

[3] *Acquired resistance to KRAS^{G12C} inhibitors evolves from drug-tolerant persister cells vulnerable to AsiDNA™.*

maintenance treatment of recurrent ovarian cancer, which began in late 2020. Gustave Roussy is the sponsor of this study. The pace of recruitment was slower than expected, particularly due to the health crisis, and the first results are now expected in the second half of 2021.

- Finally, the Company continued its active policy of industrial protection for its compounds and their applications and announced in June 2021 the authorization of a new patent in the United States that extends the protection of AsiDNA™ combined with PARP inhibitors. This new patent protects both AsiDNA™ in combination with any PARP inhibitor, and a method of treating cancers with a so-called "HR proficient" genetic profile with this combination.

  This patent is based on preclinical data showing that AsiDNA™ is able to interfere with DNA repair pathways, including the homologous recombination (HR) pathway, through its novel mechanism of action. AsiDNA™, regardless of the tumor's initial genetic background, produces a "HR-deficient" background, which is necessary for PARPi to be fully effective.

2.1.2. OX400

Based on Onxeo's proprietary agonist decoy technology, OX400 compounds are positioned both in the field of DNA damage response inhibition (DDR) by acting on PARP, a key protein in tumor DNA repair, and in immuno-oncology. OX400 compounds were designed to specifically target PARP without causing resistance, with high selectivity for cancer cells.

In addition, this activity on PARP induces a strong involvement 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 very promising new approach in immuno-oncology.

Benefiting from the novel decoy agonist mechanism of action of all platON™ candidates, OX400 molecules are not expected to induce tumor resistance to treatment, which would represent a major interest compared to targeted therapies such as PARP inhibitors, for which the tumor resistance phenomenon is a major issue. Finally, like AsiDNA™, they do not appear to have an effect on healthy cells, which should give them a favorable safety profile in the clinic.

In April 2021, Onxeo presented the mechanism of action of the OX400 family of molecules at the AACR (American Association for Cancer Research) Annual (Virtual) Meeting. The data presented shows that these molecules act on the immune response and the metabolism of tumor cells by interfering with PARP signaling. These results support the use of OX400 molecules as immunomodulatory agents and "metabolic depleters", especially in patients with metabolically deficient tumors[5].

Ongoing in-vitro and in-vivo studies of OX400 compounds are designed to validate their action, both alone and in combination with immunotherapies, and optimize their efficacy profile.

For these developments, Onxeo benefits from all the expertise that has been accumulated during the development of AsiDNA™. These translational studies will make it possible to best prepare for entry into the clinic, which could take place within 12 to 18 months.

The Company 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. These compounds could pave the way for new cancer treatment paradigms.

2.1.3. Formation of a Scientific Advisory Committee

On May 27, 2021, Onxeo announced the formation of a new Scientific Advisory Committee of leading scientific and clinical experts in the fields of DDR, resistance to treatment and more globally, drug development in oncology. The Committee will advise and guide the Company as it advances its proprietary platform of compounds in the DDR field and develops innovative therapeutics that address unmet medical needs and improve the management of cancer patients.

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

[5] *AACR 2021 Abstract: A new generation of PARP interfering drug candidates for cancer treatment*

The Scientific Advisory Committee is composed of the following members:

Gilbert Chu, MD, PhD, is Professor of Medicine (Oncology) and Biochemistry at the Stanford Medical School. He received a B.A. in Physics from Princeton University in 1967, a Ph.D. in Physics from M.I.T. in 1973, and an M.D. from Harvard Medical School in 1980. Gilbert Chu joined the Stanford faculty in 1987. His notable contributions include discovering and characterizing proteins involved in DNA repair and developing instrumentation for assessing toxicity associated with cancer chemotherapy. His research has also investigated how cells react to DNA damage from radiation and chemotherapy.

Gilles Favre, PharmD, Medical Biologist, PhD, Director of the CRCT (Toulouse Research Center in Cancerology), is currently Professor of Biochemistry and Medical Biology at the University of Toulouse and director of the Clinical and Genetic Oncology Laboratory Medicine at the Institut Universitaire du Cancer de Toulouse-Oncopole for which he serves as the scientific director. His research focuses on cancer cell signaling leading to therapeutic targets identification and translational medicine-based approaches to discover novel biomarkers. Recently, his work was focused on reversing resistance to targeted therapy in lung cancers and melanomas.

Lorenzo Galluzzi, PhD, is Assistant Professor of Cell Biology in Radiation Oncology with the Department of Radiation Oncology of the Weill Cornell Medical College (New York, NY, USA), Honorary Assistant Professor Adjunct at the Yale School of Medicine (New Haven, CT, USA), Honorary Associate Professor with the Faculty of Medicine of the University of Paris (Paris, France), and Faculty Member with several universities in Italy (Ferrara, Padova, Rome). Lorenzo Galluzzi is best known for major experimental and conceptual contributions to the fields of tumor metabolism and tumor immunology, the links between adaptive stress responses in cancer cells and the activation of a clinically relevant tumor-targeting immune response.

Ruth Plummer, FMedSci, MD, PhD, is Professor of Experimental Cancer Medicine at the Northern Institute for Cancer Research, Newcastle University and an Honorary Consultant in Medical Oncology in Newcastle Hospitals NHS Foundation Trust. She leads the Newcastle Experimental Cancer Medicine Centre and also the CRUK Newcastle Cancer Centre. She runs a phase I all-comers practice, taking responsibility for one of the most active phase I unit's in the UK. Her research interests are in the field of DNA repair and early phase clinical trials of novel agents, taking the first in class PARP inhibitor into the clinic in 2003, ATR inhibitor in 2012 and MCT1 inhibitor in 2014. Her work contributed to the development and validation of pharmacokinetic and pharmacodynamic assays in early clinical drug development, assays that are now embedded in early phase trial design.

Caroline Robert, M.D., Ph.D., is the Head of the Dermatology Unit at Gustave Roussy and co-director of the Melanoma Research Unit at Paris-Sud University. She trained at the Paris V University, France, and completed a research fellowship at Harvard, Brigham & Women's hospital in Cancer Immunology and Immunotherapy. Her main focuses of interest are clinical and translational research on immunotherapy and targeted therapy. Caroline Robert is national and international coordinator of many clinical trials of targeted therapy and immunotherapy from phase I to III. Her recent work has focused on identification of new biomarkers for immunotherapy and targeted therapies of patients with melanoma.

2.2. GOVERNANCE

On June 10, 2021, the combined general meeting of shareholders renewed the term of office of Walter Thomas Hofstaetter as director for three years and ratified the appointment of Mr. Julien Miara as director of the Company representing Invus Public Equities LP, in replacement of Mr. Jean-Pierre Kinet, who had resigned, for the remainder of the latter's term of office, i.e., until the end of the ordinary annual general meeting which must approve the financial statements for the fiscal year ending December 31, 2021.In addition, the meeting approved the appointment of a new director in the person of Ms. Shefali Agarwal, for a term of three years which will expire at the end of the ordinary general meeting to be held in 2024 to approve the financial statements for the year ending December 31, 2023. Jean-Pierre Bizzari, independent member of the Board of Directors, resigned from his position at the end of June 2021 for personal reasons.

2.3. FUNDING

2.3.1. 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.

2.3.2. 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 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 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 operation 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 (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 from the operation: 9,267,607 euros, likely to be increased to 10,657,748 euros in the event of full exercise of the Extension Clause or to be reduced 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 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, amounted to 9,710,758.75 euros and this additional cash contribution extends the Company's cash runway until the end of 2022.

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 operation	% of capital and voting rights[1] before the operation	Number of shares after the operation	% of capital and voting rights[1] after the operation
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%
Free float	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.

3. IMPACT ON FINANCIAL SITUATION AND RESULTS

3.1. REVIEW OF ACCOUNTS AND RESULTS

Consolidated revenues for the period ended June 30, 2021, amounted to 0.6 million euros and consisted exclusively of contractual licensing fees for a non-strategic product, whereas revenues for the first half of 2020, amounting to 1.1 million euros, corresponded to revenues from the commercialization of Beleodaq, which have been recognized in the Group's accounts until the date of signature of the licensing agreement with Acrotech Biopharma in April 2020.

Personnel expenses were stable at 2.1 million euros, compared to 2 million euros in the first half of 2020.

External expenses amounted to 2.3 million euros at June 30, 2021, compared to 2.2 million euros at June 30, 2020. R&D expenses increased during the first half of the year from 0.9 million euros in 2020 to 1.4 million euros in 2021, in line with the progress of the AsiDNA™ and OX401 programs, and this increase was offset by a decrease in general and administrative expenses.

The strong variation in other non-current operating income and expenses, which went from a net amount of 10 million euros in the first half of 2020 to a net amount of 0.2 million, is due to the recognition in 2020 of the effects of the license agreement with Acrotech Biopharma, and notably

- an income of 5,7 million euros in net proceeds from the transaction,
- an expense of 2,8 million euros corresponding to the net book value of the R&D assets related to Beleodaq,
- an income of 7,1 million euros corresponding to the amount of royalties, evaluated by management, that the group expected to receive after the date of signature of the agreement and through which it will repay the balance of the SWK loan.

The financial result at June 30, 2021, is a loss of 0.2 million Euro, mainly due to the cost of the bond loan with SWK Holdings.

As a result of the changes in business activity reflected by the income and expense items described above, the net result for the six months ended June 30, 2021, is a loss of 4.8 million euros, compared with a profit of 5 million euros for the first half of 2020.

3.2. FREE CASH FLOW

The Group's cash position on June 30, 2021, was 24.5 million euros, compared with 14.5 million euros at December 31, 2020. The change in cash and cash equivalents is mainly due to the financing implemented during the first half of the year, State-backed loans and a capital increase, which provided Onxeo with net proceeds of 14.4 million euros and enabled it to meet operating expenses of 5.4 million euros.

The cash available on June 30, 2021, provides Onxeo with visibility until the end of 2022.

4. MAIN RISKS AND UNCERTAINTIES FOR THE NEXT SIX MONTHS

Important note regarding Covid-19

As of the date of this report, the Company considers that it has suffered only a limited impact from the health crisis and has limited exposure to risks to its operations due to the Covid-19 epidemic. The main impact was a slowdown in the pace of recruitment for the REVOCAN study, leading to a delay of about 6 months in obtaining the first results.

However, it does not rule out the possibility that the resumption of confinement measures by states and governments could affect the proper conduct of its outsourced activities, in particular the conduct of clinical trials, and thus lead to delays in the development of its products and greater cash consumption.

In addition, the effect of this epidemic on the global economy and financial markets could impact its ability to obtain financing in the capital markets and, as a result, the conduct of its business.

With the exception of the specific risks mentioned above relating to a major epidemic situation, no specific risk factors are anticipated in the second half of 2021, other than the risk factors inherent in the Company's business, structure, strategy and environment, as described in particular in the 2020 Annual Financial Report published on April 23, 2021: these risks are inherent to the development of innovative drugs and depend on the success of preclinical and clinical trials as well as on regulatory obligations regarding safety, tolerance and efficacy.

The most recent update on the risks and uncertainties that the Company and the Corporation may face is provided in Section 2. "Risk Factors" in the 2020 Annual Financial Report published on April 23, 2021, and are summarized below:

4.1. FINANCIAL RISKS

Financial risks are essentially risks related to the Company's cash position if it does not generate significant revenues in relation to its expenses, particularly in research and development. As of June 30, 2021, the Company had a cash balance of 24.5 million euros, which provides it with financial visibility until the end of 2022. Between now and that date, the Company may have recourse to non-dilutive funding or to fund-raising in the form of more or less short-term financing to secure its operations in the event that it is unable to generate additional resources, in particular through new licensing agreements.

Factors such as the inability to establish licensing agreements for the products in its portfolio within the expected timeframe, a delay or insufficient success in its clinical trials, opportunities in terms of development or external growth, higher costs of ongoing developments, in particular due to additional requirements from regulatory authorities or to defend itself with respect to intellectual property, may influence the needs, conditions and timing of such financing.

4.2. RISKS RELATED TO THE COMPANY'S ACTIVITY

The Company's operating risks relate mainly to the development of its products until the first significant clinical results are obtained (proof of mechanism or concept in humans), which will allow it to initiate partnership discussions.

The Company's development portfolio consists primarily of products at an early stage of development and there is a significant risk that some or all of its drug candidates may not be developed, formulated or produced under acceptable economic conditions, may not be developed further, may not be the subject of partnership or licensing agreements, may not receive regulatory approval or may never be commercialized.

The risk of a failure or substantial delay in the development of a drug exists at all stages and particularly at the level of clinical trials, even if the company applies its know-how in translational research through which it strives to identify factors that predict the activity of the drug in humans.

In addition, the time required by regulatory authorities to respond to clinical trial applications submitted to them also varies, particularly if additional requests are made by these authorities. In addition, there is significant competitive risk for all products developed by the Company.

With respect to the Company's structure and strategy, the most significant risks relate to the resources and size of the Company, which must attract and retain key personnel and outsource and subcontract its production.

4.3. LEGAL AND REGULATORY RISKS

Legal risks are mainly related to intellectual property, as well as to the licensing agreements in place and to counterfeits once the products are on the market.

4.4. INSURANCE AND RISK COVERAGE

The Company believes that it has insurance coverage that is adapted to its activities, including the coverage required by law for clinical trials, in France and in the rest of the world. The Company does not foresee any particular difficulties in maintaining adequate levels of insurance in the future.

Readers are invited to consult the Company's annual Universal Registration Document for a detailed description of the risks and uncertainties facing the Company.

4.5. DISPUTES

On February 11, 2020, Onxeo entered into an agreement for the amicable settlement of the remaining proceedings in its dispute with SpePharm and SpeBio B.V. that commenced in 2009, including the immediate, complete and final waiver of all pending actions, as well as any future claims or causes of action between the parties in connection with their past disagreements. 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. no later than January 31, 2024.

As of the date of this report there are no governmental, legal or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or which the Group is threatened with, that are likely to have, or have had in the past 12 months, a significant effect on the Group's financial position or profitability.

5. FORESEEABLE EVOLUTION OF THE GROUP'S SITUATION AND FUTURE PROSPECTS

In 2021, the Company will pursue its value creation strategy based on the development of its therapeutic innovations up to proof of concept in humans, and then generate revenues through agreements with other pharmaceutical companies that are able to pursue their development.

The Company foresees the following main events:

AsiDNA™

- Based on the work undertaken with experts, notably those of the newly formed Scientific Advisory Committee, implementation of an ambitious clinical plan for AsiDNA™, in high-value indications and combinations, to start in the fall of 2021.
- Submissions and publications in international scientific journals of the results of preclinical or clinical studies as part of the development plan to establish the potential of AsiDNA™;
- Initial results (part 1b) of the REVOCAN study of AsiDNA™ added to PARP inhibitors in patients with relapsed ovarian cancer, from sponsor Gustave Roussy;
- Initiation by sponsor Institut Curie of the AsiDNA™ Children study (Phase 1b/2), evaluating the effect of AsiDNA™ combined with radiotherapy in the treatment of recurrent high-grade glioma in children;
- Filing of an IND application in the United States to extend the clinical development program in that territory.

OX400

- optimization of the most promising OX400 compound;
- preclinical proof of concept in vitro and in vivo in combination with immunotherapies;
- development of the translational and regulatory plan for entry into the clinic within 12 to 18 months.

platON™

- continued evaluation and optimization of new compounds.

Onxeo also intends to examine the recommendations resulting from the appointment to its Scientific Advisory Board of opinion leaders from international teams that specialize in areas of interest to the Company, in order to expand its various developments.

Onxeo believes that, given its current activities, it has no further comments to make on trends that could affect its recurring revenues and general operating conditions from the date of the last fiscal year ended Thursday, December 31, 2020 to the date of publication of this report.

5.1. MAJOR INVESTMENTS FOR THE FUTURE, FUTURE FINANCING POLICY

The Company's main investments will be in research and development.

With a cash position of 24.5 million euros as of June 30, 2021, thanks in particular to the obtaining of State-backed loans of 5 million euros in January 2021 and the completion of a capital increase in April 2021 for net proceeds, including issue premium, of 9.4 million euros, the Company has sufficient visibility to carry out its projects, in particular the expansion of the clinical development of AsiDNA™ and the continuation of the preclinical development of the OX400 compounds, until the end of 2022.

In addition, the Company reserves the right to consolidate its financial resources through new non-dilutive funding or by raising funds, in parallel with an ongoing search for new licensing agreements.

5.2. SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

There were no events after June 30, 2021, that could have an impact on the financial statements.

On July 29, 2021, the Company announced the appointment of Dr. Shefali Agarwal as Chairwoman of the Board of Directors, replacing Ms. Danièle Guyot-Caparros, who remains an independent member of the Board and Chairwoman of the Audit committee.

Dr. Shefali Agarwal, MD, is the Chief Medical Officer at Epizyme, Inc, which develops novel epigenetic therapies for cancer and other serious diseases, where she leads global clinical development and regulatory strategy. Prior to joining Epizyme in 2018,

Dr. Agarwal held leadership positions including clinical development and operations, and medical and regulatory affairs. In particular, she led for Tesaro, the clinical development and registration in Europe and the United States of the PARP inhibitor ZEJULA(r) (niraparib) in ovarian cancer.

In addition, Dr. Agarwal is a member of the Board of Directors of two U.S. biotechnology companies, ITB Med (private) and Fate Therapeutics (Nasdaq: FATE). She was appointed as an independent director of Onxeo in June 2021.

She brings to Onxeo her understanding of international clinical operations, in-depth knowledge of the US biotech world and considerable development expertise.

To date, the Board of Directors is thus composed of 7 members, 3 men and 4 women, including 4 independent members:

First name, Last name, Title	Independent Director	Year of 1st appointment	Term of office expires	Audit Committee	Compensation & Nominations Committee
Shefali Agarwal, Chairwoman	Yes	2021	2024		Member
Judith Greciet, Chief Executive Officer	No	2011	2023		
Financière de la Montagne, represented by Nicolas Trebouta	No	2011	2023		Member
Invus, represented by Julien Miara	No	2020	2022	Member	Member
Danièle Guyot-Caparros	Yes	2013	2022	Chairman	
Thomas Hofstaetter	Yes	2012	2024		Chairman
Christine Garnier	Yes	2017	2023	Member	

5.3. MAIN COMMUNICATIONS FROM THE COMPANY DURING THE FIRST HALF AND POST-CLOSING

January 11	Onxeo to Attend Key Investor and Scientific Conferences
January 28	Onxeo Obtains Non-Dilutive Financing of 5 Million Euros in the Form of State Guaranteed Loans
February 2	Onxeo publishes Letter to Shareholders and provides update on its developments
February 4	Onxeo Enters Clinical Research Agreement with Institut Curie to Conduct a phase 1b/2 Clinical Trial of AsiDNA™ in Combination with Radiotherapy for Treatment of High-Grade Glioma Relapse in Children
March 10	Onxeo Launches a Rights Issue to Accelerate its R&D Programs
March 24	Onxeo will publish its annual results on April 21, 2021
April 8	Onxeo to Present New Preclinical Data at AACR 2021
April 12	Onxeo Announces the Success of its Rights Issue with €9.7 Million raised
April 21	Onxeo Reports Full-Year 2020 Financial Results and Provides Business Update
April 23	Publication of the 2020 Annual Financial Report
May 21	Onxeo's Combined General Meeting on June 10, 2021 in Camera: Availability of Preparatory Documents and Live Webcast Login Information
May 31	Onxeo Announces Formation of Scientific Advisory Committee of Leading Independent Experts
June 9	Onxeo Receives Notice of Allowance for a New Patent Broadening the Protection of AsiDNA™ in combination with a PARP Inhibitor in the United States
June 10	Onxeo: Report on the Combined General Meeting of June 10, 2021
July 29	Onxeo Announces the Appointment of Dr. Shefali Agarwal as the Company's Chairwoman of the Board
July 29	Onxeo Reports its 2021 Half-Yearly Financial Results and Provides an Update on its Activities

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

6. MAIN RELATED PARTY TRANSACTIONS

Transactions with other companies related to the Group within the meaning of paragraph 9 of IAS 24 relate exclusively to companies included in the scope of consolidation and are not material to the financial statements as of June 30, 2021.

7. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021

CONSOLIDATED BALANCE SHEET

ASSETS (in thousands €)	6/30/2021	12/31/2020	Note
Non-current assets			
Intangible assets	20,532	20,534	4
Tangible assets	58	83	
Rights of use	2,334	2,479	5
Other financial fixed assets	224	233	
Total non-current assets	**23,148**	**23,329**	
Current assets			
Trade receivables and related accounts	5,959	6,654	6.1
Other receivables	2,501	2,000	6.2
Cash and cash equivalents	24,462	14,523	7
Total current assets	**32,922**	**23,177**	
TOTAL ASSETS	**56,070**	**46,506**	

LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of €)	6/30/2021	12/31/2020	
Shareholders' equity			
Capital	22,999	19,579	8.1
Less: treasury shares	-188	-182	8.2
Share premium	24,588	18,577	8.3
Reserves	-8,792	-10,027	
Earnings	-4,770	1,089	
Total shareholders' equity	**33,837**	**29,036**	
Non-current liabilities			
Provisions	1,719	1,640	9.1
Deferred tax liability	393	415	
Non-current financial debts	6,727	4,278	9.2
Other non-current liabilities	4,831	5,089	9.3
Total non-current liabilities	**13,670**	**11,423**	
Current liabilities			
Short-term borrowings and financial debts	3,812	1,979	10.1
Trade payables and related accounts	3,220	2,762	10.2
Other current liabilities	1,531	1,306	10.3
Total current liabilities	**8,563**	**6,047**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**56,070**	**46,506**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of €	6/30/2021	6/30/2020	Note
Recurring revenues from licensing agreements		1,076	
Non-recurring revenues from licensing agreements	589	6	
Total revenues	**589**	**1,082**	11.1
Purchases	-194	-188	
Personnel expenses	-2,128	-2,026	11.2
External expenses	-2,298	-2,228	11.3
Taxes and duties	-75	-95	
Net depreciation, amortization and provisions	-421	-327	
Other current operating expenses	-251	-202	
Operating expenses	**-5,367**	**-5,067**	
Other current operating income	33	34	
Current operating income	**-4,745**	**-3,951**	
Other non-current operating income	332	12,857	11.4
Other non-current operating expenses	-134	-2,817	11.4
Share of income from equity affiliates			
Operating result after share of income from equity affiliates	**-4,547**	**6,089**	
Net cost of financial debt	-381	-515	
Other financial income	291	316	
Other financial expenses	-148	-25	
Financial income/loss	**-238**	**-224**	12
Income before tax	**-4,785**	**1,560**	
Income tax expense	15	-823	
- of which deferred tax		*-565*	
Consolidated net income/loss	**-4,770**	**5,042**	
Earnings per share	-0.06	0.08	13
Diluted earnings per share	-0.06	0.08	

In thousands of €	6/30/2021	6/30/2020	Note
Result for the period	**-4,770**	**5,042**	
Currency translation adjustments	23	-8	
Other items recyclable as a result	**23**	**-8**	
Actuarial gains and losses	50	17	
Other items not recyclable as a result	**50**	**17**	
Other comprehensive income for the period, net of tax	**73**	**9**	
Total comprehensive income for the period	**-4,697**	**5,051**	
Total comprehensive income attributable to:			
- owners of the parent company	-4,697	5,051	
- minority interests			

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

				Change in reserves and earnings				
In thousands of €	Capital	Treasury shares	Share premium	Translation reserves	Gains and losses recognized in equity	Consolidated reserves and earnings	Total Differences	TOTAL
Shareholders' equity as of 1/1/2019	**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				-8	17	5,042	5,051	5,051
Capital increase	4,250		6,186					10,436
Treasury shares		39						39
Other movements			-32,577			32,772	32,772	195
Share-based payments						18	18	18
Shareholders' equity as of 6/30/2020	**19,579**	**-150**	**18,533**	**-42**	**-134**	**-4,850**	**-5,026**	**32,936**
Total comprehensive income for the period				-63	-39	-3953	-4055	-4055
Capital increase			44			188	188	232
Treasury shares		-32				89	89	56
Other movements				14		-210	-195	-195
Share-based payments						61	61	61
Shareholders' equity at 12/31/2020	**19,579**	**-182**	**18,577**	**-91**	**-173**	**-8,674**	**-8,938**	**29,036**
Total comprehensive income for the period				23	50	-4,770	-4,697	-4,697
Capital increase	3,419		6,011					9,430
Treasury shares		-6				-2	-2	-8
Other movements								
Share-based payments						75	75	75
Shareholders' equity as of 6/30/2021	**22,999**	**-188**	**24,588**	**-68**	**-123**	**-13,371**	**-13,562**	**33,837**

CONSOLIDATED STATEMENT OF NET CASH FLOWS

In thousands of €	Note	6/30/2021	12/31/2020	6/30/2020
Consolidated net result		**-4,770**	**1,089**	**5,042**
+/- Net depreciation, amortization and provisions (excluding those related to current assets)	4, 5, 9.1	438	-8,215	-9,149
-/+ Unrealized gains and losses related to changes in fair value		-148	-290	9
+/- Calculated income and expenses related to stock options and similar instruments	8.4	75	79	18
-/+ Other calculated income and expenses				
-/+ Capital gains and losses on disposals			57	57
-/+ Dilution gains and losses				
+/- Share of profit/(loss) of equity affiliates				
+/- Other items with no impact on cash		114		
Cash flow from operations after cost of net financial debt and taxes		**4,291**	**-7,280**	**-4,023**
+ Cost of gross financial debt	12	385	959	515
+/- Tax expense (including deferred taxes)		-15	757	823
Cash flow from operations before cost of net financial debt and tax		**-3,921**	**-5,564**	**-2,685**
- Taxes paid				
+/- Change in operating working capital requirements (including employee benefit liabilities)		634	886	1,459
NET CASH FLOW FROM OPERATING ACTIVITIES		**-3,289**	**-4,678**	**-1,226**
- Disbursements related to acquisitions of property, plant and equipment and intangible assets		-8	-119	-109
+ Proceeds from disposals of property, plant and equipment and intangible assets			6,116	6,116
- Disbursements related to acquisitions of financial assets (non-consolidated investments)				
+ Proceeds from disposals of financial assets (non-consolidated investments)		9	4	4
+/- Impact of changes in perimeter			14	14
+ Dividends received (equity affiliates, non-consolidated investments)				
+/- Change in loans and advances granted				
+ Investment grants received				
+/- Other cash flows from investment activities				
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**1**	**6,015**	**6,025**
+ Amounts received from shareholders in connection with capital increases				
. Paid by the shareholders of the parent company	8.1	9,428	10,568	10,436
. Paid by minority shareholders of consolidated companies				
+ Amounts received upon exercise of stock options				
-/+ Net purchases and resales of treasury shares	8.2	-6	8	97
+ Proceeds from new borrowings		5,000		
- Repayment of loans (including finance leases)	9.3, 10.1	-1,199	-3,094	-1,422
Of which repayment of rights of use (IFRS16)		-244	-475	-226
+/- Other cash flows from financing activities		3	-1	2
NET CASH FLOW FROM FINANCING ACTIVITIES		**13,226**	**7,481**	**9,113**
+/- Impact of changes in foreign exchange rates		1	-3	-1
CHANGE IN NET CASH AND CASH EQUIVALENTS		**9,939**	**8,815**	**13,911**
INITIAL CASH POSITION		**14,523**	**5,708**	**5,708**
FINAL CASH POSITION		**24,462**	**14,523**	**19,619**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Onxeo is a clinical stage biotechnology company developing novel cancer drugs by targeting tumor DNA function through unique mechanisms of action in the highly sought-after area of DNA damage response (DDR).

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Onxeo's interim consolidated financial statements for the six months ended June 30, 2021 were approved by the Board of Directors on July 29, 2021. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as applicable within the European Union for interim financial information (IAS 34) authorizing the presentation of selected notes. The consolidated financial statements are therefore presented in condensed form and should be read in conjunction with the Group's annual financial statements as of December 31, 2020, as included in the Annual Financial Report published on April 23, 2021.

The accounting principles and methods applied for the consolidated financial statements as of June 30, 2021 are identical to those used in the consolidated financial statements as of December 31, 2020, and to the IFRS standards, amendments and interpretations as adopted by the European Union and the IASB, whose application is mandatory for financial years beginning on or after January 1, 2020 (and which had not been applied early by the Group), namely:

Standard	Heading
Amendments to IFRS 4	Insurance contracts - Extension of the temporary exemption from IFRS 9
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Reference interest rate reform – phase 2

The impact of these standards, amendments and interpretations on the consolidated financial statements as of June 30, 2021 is not significant.

In addition, the Group has elected not to early adopt new standards, amendments and interpretations whose mandatory application is subsequent to June 30, 2021, whether or not they have been adopted by the European Union. The impact of these standards and amendments is currently being analyzed.

Use of estimates

As at December 31, 2020, the Group used estimates in the preparation of the financial statements for the calculation of:

- the market value of R&D programs acquired through business combinations (mergers and acquisitions) - see Note 4,
- royalties to be received from the partner Acrotech on sales of Beleodaq® in the United States until full repayment of the bond issue with SWK, including royalties for the second quarter of 2021 calculated on the basis of actual quantities sold valued on the basis of historical unit prices - see note 6.1,
- share-based payments - see Note 8.4,
- pension commitments and provisions - see Note 9.1.1,
- the costs of future developments of belinostat under the licensing agreement with Acrotech - see note 9.1.2,
- trade accounts payable provisioned at closing in connection with ongoing clinical trials.

Business Continuity

The financial statements have been prepared on a going concern basis. This principle has been retained by the Board of Directors in view of the following elements: the Company has a consolidated net cash position of 24.5 million euros as of June 30, 2021 allowing for the financing of its activities until the end of 2022 on the basis of its financing plan.

NOTE 2: SCOPE OF CONSOLIDATION

The Group includes Onxeo SA, which conducts most of its business in Paris and at its Danish facility in Copenhagen, and its subsidiaries listed below:

- Onxeo US
- Topotarget UK
- Topotarget Switzerland

All subsidiaries are wholly owned and fully consolidated.

There were no changes in the scope of consolidation during the first half of 2021.

NOTE 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 revenue by geographical area and by product portfolio is provided in note 11.1. In accordance with this standard, the Group's non-current assets are mainly located in France.

NOTE 4: INTANGIBLE FIXED ASSETS

In thousands of €	12/31/2019	Increase	Decrease	12/31/2020	Increase	Decrease	6/30/2021
Beleodaq® R&D assets	68,700		-68,700	0			0
AsiDNA™ R&D assets	2,472			2,472			2,472
Goodwill	20,059			20,059			20,059
Other intangible assets	420	83		503		-1	502
Total gross value	**91,651**	**83**	**-68,700**	**23,034**		**-1**	**23,033**
Amortization of Beleodaq® R&D assets	-6,313	-57	6,370	0			0
Other amortization	-419	-81		-500		-1	-501
Total amortization	**-6,732**	**-138**	**6,370**	**-500**		**-1**	**-501**
Impairment of Beleodaq® R&D assets	-59,561		59,561	0			0
Goodwill impairment	-2,000			-2,000			-2,000
Total impairment losses	**-61,561**		**59,561**	**-2,000**			**-2,000**
TOTAL	**23,358**	**-55**	**-2,769**	**20,534**		**-2**	**20,532**

4.1 Search for indications of impairment and impairment testing

The R&D assets acquired as part of the DNA Therapeutics acquisition, namely AsiDNA™, as well as goodwill are tested for impairment at least annually in accordance with IAS 36.

No indication of impairment has been identified with respect to the R&D assets related to AsiDNA, consequently no impairment test has been conducted and no impairment loss has been recognized as of June 30, 2021.

No indication of impairment has been identified with respect to the goodwill and as the Company's market capitalization as of June 30, 2021, which is representative of the fair value of the goodwill, is greater than the consolidated net book value at that date, no impairment test has been performed and no impairment loss has been recognized.

4.2 Other information

Research and development costs incurred in the first half of 2021 have been expensed in the amount of 2.4 million euros, including 1 million euros for personnel costs and 1.4 million euros for external expenses and regulatory fees and taxes.

NOTE 5: RIGHTS OF USE

In thousands of €	12/31/2019	Increase	Decrease	12/31/2020	Increase	Decrease	6/30/2021
Rights of use	3,433	290	-121	3,601	129		3,730
Amortization of rights of use	-715	-407		-1,122	-274		-1,396
Net value of rights of use	**2,718**	**-117**	**-121**	**2,479**	**-145**		**2,334**

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 will be amortized over the remaining term of the contracts.

NOTE 6: CURRENT ASSETS

6.1 Trade receivables and related accounts

In thousands of €	6/30/2021	< 1 year	> 1 year	12/31/2020
Net trade receivables and related accounts	5,959	5,959		6,654

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 5,365 thousand euros as of June 30, 2021, all of which is classified as due within one year. The item also includes a receivable from Biogen, in return for a contractual license fee.

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	Amount not yet due
5,959		8					5,951

6.2 Other receivables

In thousands of €	6/30/2021	< 1 year	> 1 year	12/31/2020
Staff and related accounts	8	8		11
Research tax credit	1,590	1,590		1,124
Other tax receivables	516	516		461
Prepaid expenses	387	387		404
Net value of Other receivables	**2,501**	**2,501**		**2,000**

The "Research tax credit" item includes the 2020 tax credit of 1,124 thousand euros, which had not yet been reimbursed as of June 30, 2021, as well as the tax credit for the first half of 2021, in the amount of 467 thousand euros. In accordance with IAS 20, it has been presented as a deduction from expense items according to their nature, as follows:

In thousands of €	6/30/2021	12/31/2020	6/30/2020
Decrease in personnel expenses	219	445	233
Decrease in external expenses	231	643	368
Decrease in depreciation and amortization	17	36	12
Total	**467**	**1,124**	**613**

Other tax receivables mainly relate to deductible VAT and a VAT credit that the Company has requested to be reimbursed.

Prepaid expenses consist mainly of head office rent for the third quarter of 2021 as well as various pre-clinical subcontracting expenses.

NOTE 7: CASH AND CASH EQUIVALENTS

In thousands of €	Net values as of 06/30/2021	Net values as of 12/31/2020	Changes in cash and cash equivalents
Cash position	11,762	6,523	5,239
Cash equivalents	12,700	8,000	4,700
Total Net Cash and Cash Equivalents	**24,462**	**14,523**	**9,939**

Cash equivalents include term accounts amounting to 12.7 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, particularly in research and development, for a total amount of 5.4 million euros, offset by the receipt of 0.8 million euros in license revenues.

In terms of financing, the Group received in April 2021 a net amount of 9.4 million euros in the context of a capital increase with preferential subscription rights, as well as state-backed loans of 5 million euros.

NOTE 8: SHAREHOLDERS' EQUITY

8.1 Share capital

As of June 30, 2021, the share capital amounted to 22 999 thousand euros, divided into 91,994,935 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 12/31/2020		0.25	78,317,810	19,579,452.50
Capital increase	(1)	0.25	13,677,125	3,419,281.25
Fully paid-up shares as of 6/30/2021		0.25	**91,994,935**	**22,998,733.75**

(1) Capital increase with preferential subscription rights for shareholders on April 12, 2021, for a gross amount of 9,711 thousand euros, through the issue of 13,677,125 new shares at a price of 0.71 euros each. The par value of each share is 0.25 euros, representing an increase in share capital of 3,419 thousand euros and a share premium of 6,291 thousand euros.

8.2 Treasury shares

In accordance with IAS 32 §33, treasury shares acquired under the liquidity contract signed with Kepler Cheuvreux have been deducted from shareholders' equity in the amount of 188 thousand euros. Losses on share buybacks as of June 30, 2021, amounting to 2 thousand euros, have been added to reserves in accordance with the standard.

8.3 Share premium

As a result of the capital increase described in 8.1 above, the share premium account has increased by a total of 6,011,000 euros, after allocation of the costs associated with the operation.

8.4 Share-based payments

Full details of the stock options and warrants granted by the Group are given below.

During the first half of the year, the Board of Directors made two grants of stock warrants, one to a key consultant of the Company under the delegation granted in the thirty-first resolution of the General Meeting of June 19, 2020 (BSA 2021) and the other to a member of the Board of Directors who is not an employee or

officer under the delegation granted in the nineteenth resolution of the General Meeting of June 10, 2021 (BSA 2021-2). These grants have the following characteristics:

	BSA 2021	BSA 2021-2
Date of grant	4/28/2021	6/11/2021
Number of instruments granted	150,000	100,000
Number of warrants subscribed	150,000	100,000
Warrant subscription price (€)	0.176	0.159
Vesting	100% after 18 months	100% after 12 months
Exercise price (€)	0.723	0.662

The Board of Directors also acknowledged in the first half of 2021 the automatic cancellation of 250 SO 2017 options, 4,380 SO 2018 options and 15,000 SO 2020 options due to the departure of employees.

The expense for the first half of 2021 relating to share-based payments amounts to 75 thousand euros, including 10 thousand euros in respect of instruments granted in 2021.

8.4.1 Summary of share subscription warrants as of June 30, 2021 (BSA)

Type	Date of authorization	Authorized warrants	Date of grant	Warrants granted	Beneficiaries	Warrants outstanding as of 06/30/2021 adjusted (1)	Warrants exercisable as of 06/30/2021 adjusted (1)	Exercise price per share in euros adjusted (1)	Expiration date
BSA 2013	06/26/2013 Resolution 17	100,000	9/19/2013	85,000	Non-employee and non-executive members of the Board of Directors	88,490	88,490	3.85	09/19/2023
BSA 2014	06/30/2014 Resolution 19	314,800	9/22/2014	107,500		85,886	85,886	6.17	9/22/2024
BSA 2014-2			3/4/2015	35,500		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	3.61	10/27/2025
BSA 2015-2			1/23/2016	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		160,000	160,000	3.16	7/28/2026
BSA 2016-2			10/25/2016	30,000	Key consultants of the company	30,000	30,000	2.61	10/25/2026
BSA 2016-3			12/21/2016	70,000	Non-employee and non-executive members of the Board of Directors	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	4.00	7/28/2027
BSA 2018	6/19/2018 Resolution 28	360,000	7/27/2018	359,500	Non-employee and non-executive members of the Board of Directors	274,500	274,500	1.187	7/27/2028
BSA 2018-2			10/25/2018	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	116,667	0.684	9/17/2030
BSA 2021			04/28/2021	150,000	Key consultants of the company	150,000	0	0.723	4/28/2031
BSA 2021-2	06/10/2021 Resolution 19	700,000	6/11/2021	100,000	Non-employee and non-executive members of the Board of Directors	100,000	0	0.662	6/11/2031
TOTAL						**1,850,376**	**1,367,043**		

(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)

8.4.2 Summary of stock options as of June 30, 2021 (SO)

Plan Designation	Date of authorization	Number of options authorized	Date of grant	Number of options granted	Beneficiaries	Outstanding options as of 06/30/2021 adjusted (1)	Options exercisable as of 06/30/2021 adjusted (1)	Exercize price per share in euros adjusted (1)	Expiration 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 Executives 2011		210,000		210,000	executives	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 Executives 2012		110,000		110,000	executives	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	06/30/2014 Resolution 17	314,800	9/22/2014	138,700	employees	21,937	21,937	6.17	9/22/2024
SO Executives 2014				40,000	executives	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 Executives 2015				60,000	executives	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 Executives 2016				70,000	executives	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	153,725	119,700	4.00	7/28/2027
SO Executives 2017				70,000	executives	63,000	47,250	4.00	7/28/2027
SO Executives 2017			03/29/2018	25,000	employees	25,000	25,000	1.48	3/29/2028
TOTAL SO 2017		**470,440**		**417,800**		**241,725**	**191,950**		

(1) Adjustment of the number and subscription price of options 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	Date of authorization	Number of options authorized	Date of grant	Number of options granted	Beneficiaries	Outstanding options as of 06/30/2021 adjusted (1)	Options exercisable as of 06/30/2021 adjusted (1)	Exercise price per share in euros adjusted (1)	Expiration date
SO Employees 2018	6/19/2018 Resolution 27	970,000	7/27/2018	758,604	employees	422,827	300,740	1.187	7/27/2028
SO Executives 2018			12/16/2010	150,723	executives	108,723	87,723	1.187	7/27/2028
TOTAL SO 2018		**970,000**		**909,327**		**531,550**	**388,463**		
SO Employees 2020	6/19/2020 Resolution 30	1,200,000	9/17/2020	1,030,000	employees	905,000	0	0.684	7/27/2028
SO Executives 2020			12/16/2010	170,000	executives	170,000	0	0.684	7/27/2028
TOTAL SO 2020		**1,200,000**		**1,200,000**		**1,075,000**	**0**		
TOTAL SO						**2,715,734**	**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 9: NON-CURRENT LIABILITIES

9.1 Provisions

In thousands of €	12/31/2020	Allocations	Write-offs		06/30/2021
			Used	Non-used	
Pension obligations	612	79			691
Provisions	1,028				1,028
Total non-current provisions	**1,640**	**79**			**1,719**

9.1.1 Pension obligations

The provision for pension obligations amounted to 691 thousand euros as of June 30, 2021, compared with 613 thousand euros as of December 31, 2020. This increase of 79 thousand euros results in an impact on income of 129 thousand euros (expense) and the recognition of a positive actuarial difference of 50 thousand euros in other comprehensive income, in accordance with the standard.

The actuarial assumptions used were as follows:

	06/30/2021	12/31/2020
Collective agreement	National Agreement 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	06/30/2021	12/31/2020
Mortality table:	INSEE 2021	INSEE 2019
Discount rate	1.06%	0.64%
Salary escalation rate	2%	2%
Turnover rate	By age structure: - 0% between the ages of 16 and 24 - 0% between the ages of 25 and 34 - 3.19 % between the ages of 35 and 44 - 1.06 % between the ages of 45 and 54 - 0% over the age of 55	By age structure: - 0% between the ages of 16 and 24 - 1.80 % between the ages of 25 and 34 - 8.11 % between the ages of 35 and 44 - 1.80 % between the ages of 45 and 54 - 0% over the age of 55
Payroll tax rates	46%	

9.1.2 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.

9.2 Non-current financial debts

In thousands of €	6/30/2021	12/31/2020	Change		
			Total	Impact on cash flow	No cash impact
State-Backed Loans	5,000			5,000	
Bond debt		2,350	-2,350		-2,350
Repayable advances	66	148	-82		-82
Lease debts	1,661	1,780	-119		-119
TOTAL	**6,727**	**4,278**			

The State-backed loans (SBL) granted in February 2021 by Bpifrance and the Group's commercial banks have an initial term of one year and may be repaid at maturity or over an additional period of one to five. years. These loans bear interest at rates between 0.25% and 1.75% over the initial term and these relatively low rates should lead to the recognition of a grant in accordance with IAS 20. However, given the objective and of the conditions of the SBLs, the value of the grant is linked to the duration of the loan and the grant should be considered as a subsidy of the cost of financing the SBLs to be recognized in profit or loss symmetrically with the interest expense. The identification of a grant would therefore in practice have no impact on the result for the period, nor on its presentation in relation to the recognition of SBLs at the contractual rate. This is why the Group has chosen to recognize them at the value of cash received net of transaction costs. Moreover, the Group intends to exercise the amortization option over five years and the amount of SBLs has therefore been classified as non-current financial debts as of June 30, 2021.

The debenture loan granted by SWK Holdings shall be reimbursed by 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 as of June 30, 2021 has been discounted using the original effective interest rate and has been reclassified in its entirety as short-term financial debt, as the Group considers it highly probable that this bond debt will be repaid in full in less than one year.

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.

Rental debts are recognized in accordance with IFRS 16, with the offsetting entry in the accounts of the rights of use of the buildings and movable assets leased by the Group.

The table below presents a breakdown by maturity of non-current liabilities, with the exception of the SBLs whose exact maturity will be determined at the end of the first one-year period:

In thousands of €	6/30/2021	From 1 to 5 years	More than 5 years
Repayable advances	66	66	
Lease debts	1,661	1,661	
TOTAL	**1,727**	**1,727**	

9.3 Other non-current liabilities

Other non-current liabilities, amounting to 4,831 thousand euros, correspond to the debt to SpePharm. This debt will be repaid in the form of a 20% share of the amounts received by Onxeo under existing or future license agreements. The remaining amount of the debt as of January 31, 2024 will be paid in full on that date.

NOTE 10: CURRENT LIABILITIES

10.1 Short-term borrowings and financial liabilities

In thousands of €	6/30/2021	12/31/2020	Change		
			Total	Impact on cash flow	No cash impact
Accrued interest and commissions	230	231	-1		-1
Bond debt	2,922	1,091	1,831	-489	2,320
Repayable advances	180	180	0	-82	82
Lease debts	480	477	3	-244	247
TOTAL	**3,812**	**1,979**	**1,833**	**-815**	**2,648**

10.2 Trade payables

In thousands of €	6/30/2021	12/31/2020
Trade payables and related accounts	3,220	2,762

The change in the trae payable item is mainly due to the seasonal nature of R&D expenses.

10.3 Other current liabilities

In thousands of €	6/30/2021	12/31/2020
Social security liabilities	928	811
Tax liabilities	454	472
Other liabilities	149	23
Total	**1,531**	**1,306**

NOTE 11: OPERATING INCOME AND EXPENSES

11.1 Revenues

In thousands of €	06/30/2021	06/30/2020
Recurring revenues from licensing agreements	0	1,076
Non-recurring revenues from licensing agreements	589	6
Total revenues	**589**	**1,082**

Non-recurring revenues represent contractual license fees under a partnership agreement with Biogen, relating to a non-strategic product for the Group.

The strong change in recurring revenues compared to 2020 is related to the license agreement concluded in April 2020 for the product Beleodaq (belinostat). This agreement, which extended the marketing rights of the partner Acrotech Biopharma to the product in return for a one-time payment of $6.6 million on signature, was considered as a disposal under IFRS insofar as it gave the partner control over the asset concerned and led to the recognition of all expenses and revenues relating to Beleodaq in fiscal 2020 (see note 11.4). This accounting treatment explains the absence of recurring revenue in 2021, bearing in mind that the amount of 1,076 thousand euros in 2020 corresponded to revenue from Beleodaq for the period prior to the signature of the agreement with Acrotech.

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 two product portfolios:

Breakdown of revenues in thousands of euros	06/30/2021	06/30/2020
Oncology Products	589	1082
Other products	0	0
Total	**589**	**1,082**
France	0	302
Rest of Europe	0	143
Rest of the world	589	637
Total	**589**	**1,082**

11.2 Personnel expenses

Personnel expenses are broken down as follows:

In thousands of €	06/30/2021	06/30/2020
Salaries	1,608	1,647
Social security charges	663	594
Employee benefits (IFRS 2)	75	18
Research tax credit deduction	-218	-233
Total	**2,128**	**2,026**

The total number of employees and corporate officers was 29 as of June 30, 2021, compared with 30 as of June 30, 2020.

11.3 External expenses

External expenses are composed of the following items:

In thousands of €	6/30/2021	6/30/2020
R&D costs	1,389	908
Research tax credit deduction	-231	-368
General and administrative expenses	1,140	1,688
Total	**2,298**	**2,228**

The increase in R&D expenses compared to 2020 is related to the progress of the AsiDNA™ and OX401 programs.

11.4 Other non-recurring operating income and expenses

The significant change in other non-recurring operating income and expenses is due to the recognition of the license agreement with Acrotech in the first half of 2020, which led to the recognition of the following amounts:

- Net proceeds of 5,686 thousand euros from the transaction,
- An expense of 2,769 thousand euros corresponding to the net book value of R&D assets related to Beleodaq,
- Proceeds of 7,060 thousand euros corresponding to the amount of royalties, evaluated by management, which the group expected to receive after the date of signature of the agreement and by means of which it will repay the balance of the SWK loan.

NOTE 12: FINANCIAL INCOME/LOSS

In thousands of €	6/30/2021	Impact on cash flow	No cash impact	06/30/2020
Income from cash and cash equivalents	3	3		0
Cost of financial debt	-384	-384		-515
Cost of net financial debt	-381	-381		-515
Other financial income	291		291	316
Other financial expenses	-148		-148	-25
Financial income/loss	**-238**	**-381**	**143**	**-224**

The cost of financial debt mainly includes the interest expense related to the bond issue with SWK Holdings Corporation.

The other financial proceeds come from the valuation at fair value of the bond loan with SWK (148 thousand euros), as well as the positive impact of the revaluation of the discounted amount of the future receivable from Acrotech, linked to Beleodaq (132 thousand euros). The other financial expenses mainly include net exchange losses of 114 thousand euros, relating to the bond issue with SWK.

NOTE 13: EARNINGS PER SHARE

In thousands of €	06/30/2021	06/30/2020
Net income attributable to common shareholders	4,770	5,042
Number of shares issued	91,994,935	78,317,810
Number of treasury shares	-293,920	341,069
Number of shares outstanding (excluding treasury shares)	**91,701, 015**	**77,976,741**
Stock options	2,715, 734	1,756,119
Share subscription warrants	1,850, 376	1,250,376
Number of issued and potential shares (excluding treasury shares)	**96,267, 125**	**80,983,236**
Weighted average number of shares outstanding (excluding treasury shares)	84,362,948	66,908,188
Net income per share in euros	**-0.06**	**0.08**
Potentially dilutive securities resulting from the exercise of options and warrants	2,814,915	1,885,282
Weighted average number of outstanding and potential shares (excluding treasury shares)	87,177,863	68,793,470
Net diluted earnings per share in euros (*)	**-0.06**	**0.08**

(*) The impact of the dilution was not presented for 2021 as it is accretive due to a negative result.

NOTE 14: RELATED PARTIES

Transactions with related parties within the meaning of paragraph 9 of IAS 24 did not have a material impact on the financial statements as of June 30, 2021.

NOTE 15: POST-CLOSING EVENTS

There were no events after June 30, 2021 that could have an impact on the financial statements.

8. CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

I certify that, to the best of my knowledge, the condensed half-yearly consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of operations of the Company and all the companies included in the consolidation, and that the half-yearly management report (presented in chapter 3 of this report) gives a true and fair view of the significant events during the first six months, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the year.

Paris, July 29, 2021

Ms. Judith Greciet

Chief Executive Officer