Onxeo Reports Half-Year 2019 Financial Results and Provides Business Update

- **Finalization of DRIIV-1 Phase 1 study confirming AsiDNA™ activity and safety profile**
- **Initiation of DRIIV-1b study of AsiDNA™ with chemotherapy, on track with preliminary results expected end H2 2019 and final results in H1 2020**
- **New optimized lead OX401 undergoing proof-of-concept preclinical studies**
- **Cash position of €6.3 million at June 30, 2019 complemented by the Nice & Green equity line, providing financial visibility until Q3 2020**

Paris (France), July 25, 2019 – 7.00 pm CEST - Onxeo S.A. (Euronext Paris, NASDAQ Copenhagen: ONXEO - FR0010095596), ("**Onxeo**" or "the **Company**"), a clinical-stage biotechnology company specializing in the development of innovative drugs targeting tumor DNA Damage response (DDR) in oncology, in particular against rare or resistant cancers, today reported its consolidated half-year financials, as of June 30, 2019, and provided a business update.

Judith Greciet, Chief Executive Officer of Onxeo, said: *"During the first half of 2019, we have achieved major progress in our developments that continue to enhance the value of our first-in-class lead drug candidate AsiDNA™ and our other R&D assets.*

With regards to AsiDNA™, the well-executed DRIIV-1 phase I study of AsiDNA™ in solid tumors provided positive results by meeting each of its core objectives and notably confirming both the activity and the tolerance of AsiDNA™. Based on these sound data, we have launched the first phase 1b study of AsiDNA™ in combination with a reference chemotherapy (carboplatin and paclitaxel) in patients suffering from eligible solid tumors. In parallel, we plan to initiate a second combination clinical study with a PARP inhibitor by year-end to assess the ability of AsiDNA™ to abrogate the acquired resistance to PARP inhibitors, a major limitation for their clinical use.

We also recently expanded our pipeline with our new optimized lead OX401 that entered a proof-of-concept preclinical phase. OX401 is based on the same decoy agonist mechanism as AsiDNA™ and was designed to be a next-generation PARP inhibitor that does not induce resistance but triggers a strong immune response through the activation of the STING pathway. This new candidate is at the crossroads of DNA Damage Response and immuno oncology, the two most attractive domains in cancer treatment.

By renewing our equity financing line with Nice & Green last June, we have secured the needed financial resources over at least the next 12 months to confidently move forward the developments of these two high potential candidates."

HALF-YEAR 2019 HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

AsiDNA™

- In early January 2019, reporting of the identification of biomarkers predicting the response to AsiDNA™, which could optimize its clinical development by selecting the most responsive patients to AsiDNA™, as well as making it eligible to personalized medicine approaches.
- In April 2019, presentation of 5 posters at 2019 American Association for Cancer Research (AACR) Annual Meeting with supportive data on AsiDNA™ as a therapy with strong potential for cancer treatment.
- In May 2019, announcement of final positive data from DRIIV-1 phase 1 study of AsiDNA™ in advanced solid tumors and initiation of DRIIV-1b, a phase 1b clinical study of AsiDNA™ in combination with chemotherapy in patients with solid tumors
- DRIIV-1b study is progressing on track to deliver preliminary results in H2 2019 and final results in H1 2020, before pursuing with a phase 2 study.
- The Company plans to start a combination study of AsiDNA ™ with a PARP inhibitor, no later than in the first half of 2020 to validate the abrogation of the acquired resistance to these treatments by AsiDNA ™.

platON™

- At the end of June 2019, announcement of the pipeline expansion with an innovative & optimized lead compound, OX401, entering proof-of-concept preclinical phase. OX401 is the second candidate utilizing Onxeo's proprietary platform of decoy agonists, platON™, with differentiated and complementary properties to those of AsiDNA™.
- In vivo results alone and in combination with cancer immunotherapies expected by early Q4 2019

Beleodaq®

- On March 1, 2019, Spectrum Pharmaceuticals (SPPI) announced the completion of the sale of its portfolio of seven FDA-approved hematology/oncology products, including Beleodaq®, to Acrotech Biopharma L.L.C. On the basis of the information provided to date, the Company does not anticipate any significant impact of this transaction on activities and results from Beleodaq® for Onxeo.

Corporate & Financing

- Following the Ordinary General Meeting of May 22, 2019, Ms. Danièle Guyot-Caparros was appointed as the new Chair of the Board of Directors, taking over Mr. Joseph Zakrzewski whose term of office ended at the date of the General Meeting. She has been an independent director of Onxeo and chairman of its audit committee since June 2013 and, since October 2015, was Senior Director in charge of good governance practices.
- In early June 2019, Onxeo renewed the equity line with Nice & Green for a maximum amount of €10.2m, in order to secure sufficient financial resources to support the Company's operations beyond the key milestones expected in the upcoming 12 months and to extend the cash runway until Q3 2020.
- At the end of June 2019, the equity research company KEPLER CHEUVREUX has initiated the coverage of ONXEO with a "Buy" recommendation.

HALF-YEAR 2019 FINANCIAL RESULTS

Revenues for the half-year 2019 stood at €1.7 million and consisted of:

- €1.4 million in recurring revenues, compared with €1 million over the half-year 2018, corresponding to both increasing sales of Beleodaq® within the European named patient program (NPP) and royalties on sales of Beleodaq® from Acrotech Biopharma (previously by Spectrum Pharmaceuticals) in the United States.
- €0.3 million in non-recurring revenues, mainly constituted of contractual payments from license agreement established with Vectans Pharma in 2017, from which Onxeo continued to benefit over the 2019 half-year.

Operating expenses stood at €8.6 million in H1 2019, which represented an increase of 14% compared to H1 2018. This variation mainly results from growth in R&D expenses, mainly due to the deployment of the preclinical and clinical programs conducted with AsiDNA™ as well as the work carried out on the platON™ platform, which enabled the launch of the new OX401 program.

H1 2019 **total net loss** amounted to €8.5 million, improved when compared to H1 2018.

Consolidated income statement (IFRS) *In thousands of euros*	**30/06/2019**	**30/06/2018**
Revenues, of which: ***Recurring revenues*** ***Non-recurring revenues***	**1,703** *1,425* *278*	**2,102** *1,040* *1,062*
Operating expenses, of which ***R&D expenses (net of R&D tax credit)***	**(8,637)** *(4,038)*	**(7,578)** *(3,014)*
Current operating income / (loss)	**(6,934)**	**(5,476)**
Other non-current operating income and expense	*0*	(4,627)
Operating income / (loss) after share of results of associates	(28)	0
Non-recurring operating income/(loss)	**(6,962)**	**(10,103)**
Financial income/(loss)	(1,550)	(444)
Income tax	2	1 711
Net profit/loss	**(8,510)**	**(8,836)**

The limited audit procedures on the half-yearly accounts have been performed. The limited audit report will be issued after the completion of the procedures required for the purposes of the publication of the half-yearly financial report.

CASH POSITION AT JUNE 30, 2019

At June 30, 2019, the Company had a consolidated cash position of €6.3 million, compared with €11.3 million at December 31, 2018. This variation related mainly to the operational expenditure of the company, in particular in the field of research and development, partly offset by a capital increase of €2 million from the equity line set up with Nice & Green, which has been renewed in June. Assuming an average price of €0.75 per share over the contract period, remaining gross proceeds from this equity line would amount to €8.4 million, providing Onxeo with sufficient visibility to conduct its projects, particularly the expansion of the clinical development of AsiDNA™, at least until the third quarter of 2020.

About Onxeo

Onxeo (Euronext Paris, NASDAQ Copenhagen: ONXEO) is a clinical-stage biotechnology company developing innovative oncology drugs targeting tumor DNA-binding functions through unique mechanisms of action in the sought-after field of DNA Damage Response (DDR). The Company is focused on bringing early-stage first-in-class or disruptive compounds from translational research to clinical proof-of-concept, a value-creating inflection point appealing to potential partners.

platON™ is Onxeo's proprietary chemistry platform of oligonucleotides acting as decoy agonists, which generates new innovative compounds and broaden the Company's product pipeline.

AsiDNA™, the first compound from platON™, is a first-in-class, highly differentiated DNA Damage Response (DDR) inhibitor based on a decoy and agonist mechanism acting upstream of multiple DDR pathways. Translational research has highlighted the distinctive properties of AsiDNA™, notably its ability to abrogate tumor resistance to PARP inhibitors regardless of the genetic mutation status. AsiDNA™ has also shown a strong synergy with other tumor DNA-damaging agents such as chemotherapy and PARP inhibitors. The DRIIV-1 (DNA Repair Inhibitor-administered IntraVenously) phase I study has evaluated AsiDNA™ by systemic administration (IV) in advanced solid tumors and confirmed the active doses as well as a favorable human safety profile. The ongoing DRIIV-1b extension study is assessing the safety and efficacy of a 600 mg dose of AsiDNA™ in combination with carboplatin, and carboplatin and paclitaxel, in patients with solid tumors who are eligible for such treatments.

OX401 is a new drug candidate from platON™, optimized to be a next-generation PARP inhibitor acting on both the DNA Damage Response and the activation of immune response, without inducing resistance. In vivo preclinical proof-of-concept data are expected early Q4 2019.

Onxeo's portfolio also includes **belinostat**, an HDAC inhibitor (epigenetics). Belinostat is already conditionally FDA-approved in the US as a 2nd line treatment for patients with peripheral T cell lymphoma and marketed in the US under the name Beleodaq® (belinostat IV form).

For further information, please visit www.onxeo.com

Forward looking statements

This communication expressly or implicitly contains certain forward-looking statements concerning Onxeo and its business. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Onxeo to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Onxeo is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise. For a discussion of risks and uncertainties which could cause actual results, financial condition, performance or achievements of Onxeo to differ from those contained in the forward-looking statements, please refer to the section 5.7.1.4 "Risk Factors" ("*Facteurs de Risque*") of the 2018 registration document filed with the *Autorité des marchés financiers* on April 5, 2019 under number D.19-0282, which is available on the *Autorité des marchés financiers* website (www.amf-france.org) or on the Company's website (www.onxeo.com).

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APPENDIX

HALF-YEARLY CONSOLIDATED ACCOUNTS AS AT JUNE 30, 2019

The complete 2019 half-yearly financial report will be made available on the Company's website at the end of July 2019.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in thousand €)	6/30/2019	12/31/18
Non-current assets		
Goodwill	20,059	20,059
Acquired IP R&D	18,356	18,514
Tangible assets	3,215	296
Securities accounted for by the equity method	3,654	3,701
Other financial assets	242	304
Total non-current assets	**45,526**	**42,874**
Current assets		
Inventories	58	47
Accounts receivable	2,965	3,260
Other receivables	4,130	5,815
Cash and cash equivalents	6,296	11,253
Total current assets	**13,448**	**20,376**
TOTAL ASSETS	**58,974**	**63,250**

LIABILITIES AND EQUITY (In thousand €)	6/30/2019	12/31/2018
Equity		
Share capital	13,954	13,344
Less: treasury shares	-159	-97
Additional paid-in capital	43,263	41,824
Reserves	-9,513	-270
Net income/(loss) for the year	-8,510	-9,399
Total equity	**39,034**	**45,402**
Non-current liabilities		
Deferred tax liabilities	2,330	2,330
Provisions	859	531
Non-current financial debts	8,872	6,593
Total non-current liabilities	**12,062**	**9,455**
Current liabilities		
Current financial debt	1,367	450
Trade payables	5,387	4,145
Other liabilities	1,125	3,798
Total current liabilities	**7,878**	**8,394**
TOTAL LIABILITIES AND EQUITY	**58,974**	**63,250**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousand €	6/30/2019	6/30/2018
Recurring revenues from licensing agreements	1,425	1,040
Non recurring revenues from licensing agreements	278	1,062
Total revenues	**1,703**	**2,102**
Purchases	-149	-211
Personnel expenses	-2,545	-2,682
External charges	-5,837	-4,228
Taxes other than on income	-122	-196
Depreciation and amortization, net	-225	-311
Allowances to provisions, net	172	163
Other operating income	82	0
Other operating expenses	-14	-114
Total operating expenses	**-8,637**	**-7,578**
Current operating income / (loss)	**-6,934**	**-5,476**
Other non-current operating income and expense	0	-4,627
Operating income / (loss)	-6,934	-10,103
Share of results of associates	-28	0
Operating income / (loss) after share of results of associates	**-6,962**	**-10,103**
Income from cash and cash equivalents	18	0
Other financial income	147	87
Financial expenses	-1,716	-532
Financial income	**-1,550**	**-444**
Income/(loss) before taxation	**-8,512**	**-10,547**
Income tax	2	1,711
of which, deferred taxes	0	*1,728*
Net income/(loss)	**-8,510**	**-8,836**
Result per share	-0.15	-0.17
Diluted earnings per share	-0.15	-0.17

OTHER ELEMENTS OF THE STATEMENT OF COMPREHENSIVE INCOME

In thousand €	6/30/2019	6/30/2018
Loss for the year	**-8,510**	**-8,836**
Other comprehensive income	0	0
Currency translation adjustments	5	17
Gains and losses on derecognition of assets available for sale	0	0
Cash flow hedges	0	0
Tax relating to comprehensive income items	0	0
Other items that may be reclassified to profit or loss	**5**	**17**
Actuarial gains and losses	-52	0
Other items that may not be classified to profit or loss	**-52**	**0**
Other comprehensive income for the year, net of tax	**-47**	**17**
Total comprehensive income for the year	**-8,557**	**-8,819**
Total comprehensive income attributable to: - Owners of the parent company - Minority interests	-8,557	-8,819

CONSOLIDATED NET CASH FLOW STATEMENT

In thousand €	06/30/2019	12/31/2018	06/30/2018
Consolidated net loss	**-8,510**	**-9.399**	**-8,836**
+/- Depreciation, impairment and provisions, net (excluding provisions against working capital)	457	9,175	8,888
-/+ Unrealized gains and losses associated with changes in fair value			432
+/- Non-cash income and expenses on stock options and similar items	273	927	311
-/+ Other calculated income and expenses	-24	-173	-67
-/+ Capital gains and losses on disposal			
-/+ Dilution gains and losses			
+/- Share of earning associates	28	-5,176	
- Dividends (non-consolidated equity)			
Gross operating cash flow after net cost of debt and tax	**-7,776**	**-4,646**	**728**
+ Cost of financial debt, net	1,550	691	12
+/- Tax liabilities (including deferred tax)	0	-1,764	-1,728
Gross operating cash flow before net cost of debt and tax	**-6,226**	**-5,719**	**-988**
- Taxes paid			
+/- Changes in operating WCR (including debt related to employee benefits)	539	-5,546	-8,631
NET CASH FLOW FROM OPERATING ACTIVITES	**-5,686**	**-11,266**	**-9,620**
- Expenditures on acquisition of tangible and intangible assets	0	-45	-17
+ Proceeds of disposals of tangible and intangible assets			
- Expenditures on acquisition of financial assets (non-consolidated equity)	0	0	12
+ Proceeds of disposals of financial assets			
+/- Effect on changes in scope of consolidation			
+ Dividends received (equity accounted investment)			
+/- Changes in loans and advances granted			
+ Capital grants received			
+/- Other cash flows from investment activities	0	45	
NET CASH FLOW FROM INVESTING ACTIVITIES	**0**	**1**	**-5**
Cash flow resulting from merger			
+ Net amount received from shareholders on capital increase			
. Paid by shareholders of the parent company	2,043	2,747	48
. Paid by minority interest in consolidated companies			
+ Amount received on exercise of stock options			
-/+ Purchase and Sale of treasury shares		-150	-1
- Dividends paid in the year			
- Dividends paid to minority shareholders in consolidated companies			
- Dividends paid to minority shareholders			
+ Amounts received on issuances of new loans		5,926	6,375
- Reimbursements of loans (including finance leases)	-750	-193	-77
- Net interest received	-34		
+/- Others cash flows from financing activities	-503	-81	-12
NET CASH FLOW FROM FINANCING ACTIVITIES	**756**	**8,250**	**6,333**
+/- Impact of fluctuations in foreign exchange rates	-27	-8	29
CHANGES IN CASH AND CASH EQUIVALENTS	**-4,958**	**-3,024**	**-3,263**
CASH AND CASH EQUIVALENTS at start of period	**11,253**	**14,277**	**14,277**
CASH AND CASH EQUIVALENTS at end of period	**6,296**	**11,253**	**11,014**