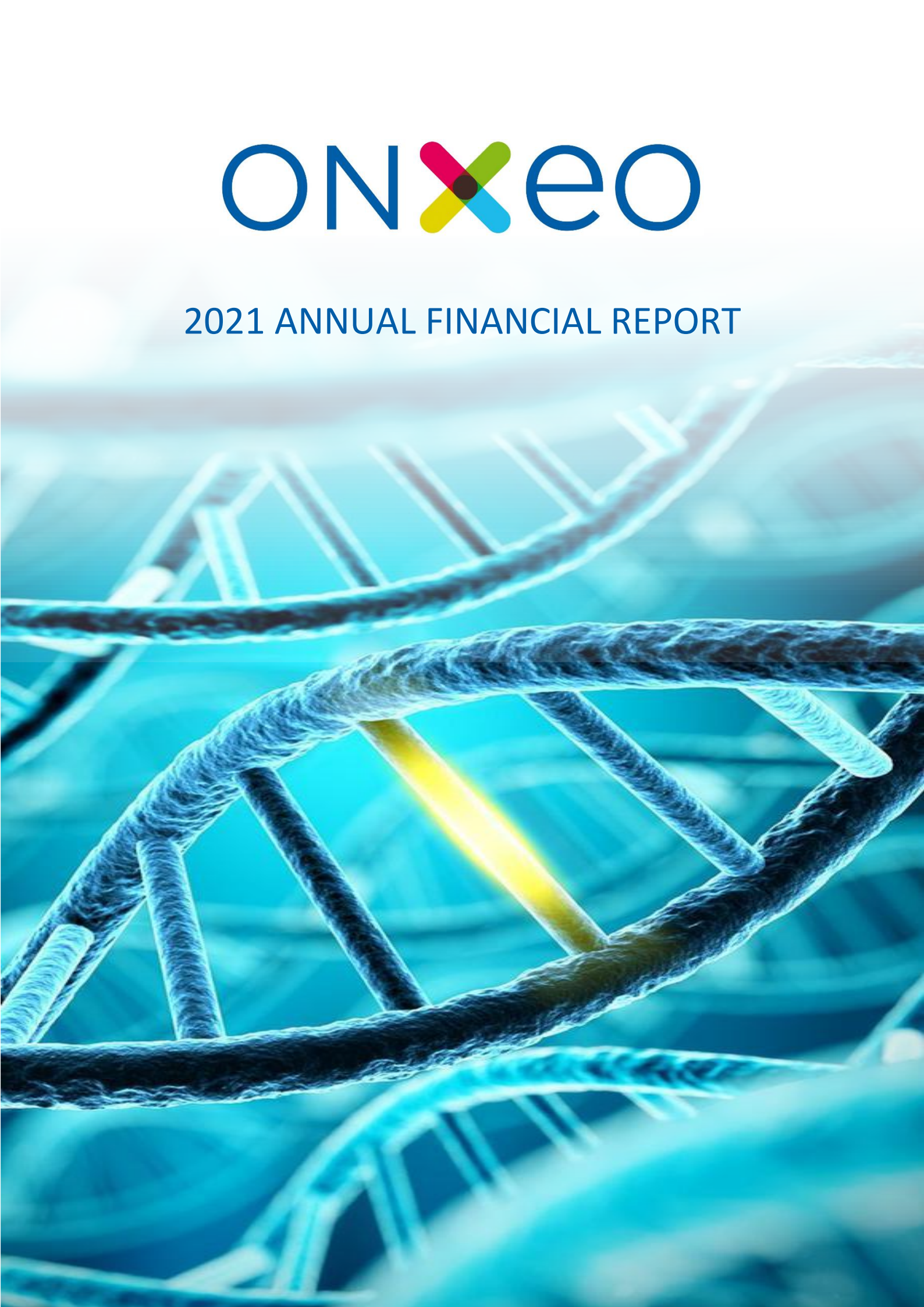
2021 ANNUAL FINANCIAL REPORT



Public limited company with a capital of 27,876,782.50 euros
Headquarters: 49, boulevard du général Martial Valin – 75015 Paris
RCS Paris 410 910 095

2021 ANNUAL FINANCIAL REPORT

DECLARATION OF THE PERSON IN CHARGE

"I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the companies included in the consolidation, and that the management report on page 5 gives a true and fair view of the business performance, the results and the financial position of the company and all the companies included in the consolidation, and describes the main risks and uncertainties that they face.

Done in Paris, France, on April 28, 2022

Shefali AGARWAL, President and Chief Executive Officer "

MANAGEMENT REPORT

INCLUDING THE CORPORATE GOVERNANCE REPORT

YEAR ENDING DECEMBER 31, 2021

SUMMARY

I - MANAGEMENT REPORT

II - CORPORATE GOVERNANCE REPORT

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

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

I - MANAGEMENT REPORT

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

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

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

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

The Company's portfolio includes:

- AsiDNA™, a first-in-class product interfering with tumor DNA break repair based on a decoy agonist mechanism, unlike any other in the DDR field, which could contribute to the fight against tumor resistance. AsiDNA™ was previously successfully evaluated in a Phase 1 trial in metastatic melanoma by local administration, and then demonstrated safety and systemic (IV) activity in solid tumors in the Phase 1 DRIIV trial both as a single agent and in combination with chemotherapy. It is currently in clinical development in two trials, one in combination with PARP inhibitor-based targeted therapies and the other in combination with radiotherapy.
- platON™, Onxeo's platform of decoy-agonists oligonucleotides. PlatON™ is intended to expand the Company's product portfolio by generating new compounds based on this same decoy mechanism and capitalizing on the expertise the Company has developed on this type of oligonucleotide.
- A new family of compounds in preclinical phase, OX400, which is positioned as a next-generation PARP agonist that is designed to not induce resistance and activate the immune response. OX401, the first molecule identified, is currently being optimized.

The Company is convinced that its decoy oligonucleotide technology has significant therapeutic potential and represents a disruptive innovation that could pave the way for a new paradigm in cancer treatment.

1.1. SCOPE OF THE GROUP

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

- Onxeo US
- Topotarget UK
- Topotarget Switzerland

1.2. BUSINESS TRENDS AND SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

1.2.1 ASIDNA®

AsiDNA® positions the Company in a new field at the forefront of scientific and clinical research in oncology, namely 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 DDR field. It interferes with tumor DNA repair through a highly original decoy agonist mechanism, which originated from research work at the Institut Curie.

The product is composed of a double-stranded DNA fragment that behaves like a fragment of damaged tumor DNA and causes hyperactivation of repair pathways (agonist mechanism) and the hijacking and sequestration of repair proteins (decoy mechanism). AsiDNA® induces an hyper stimulation 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, suggesting a favorable safety profile including in combination with other treatments, which was confirmed in humans after systemic administration in the multi-center DRIIV-1 and DRIIV-1b studies.

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

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

The Group continued the preclinical and clinical development of this lead candidate by systemic route in 2021.

In terms of preclinical development

It has been established through several studies that a small population of tumor cells can escape cell death by entering a state of reversible latency when treated with a targeted therapy. These so-called persistent or

drug-tolerant persister cells (DTP) are a major source of resistance to targeted therapies, thereby leading to cancer recurrence.

At the AACR 2020 virtual conference, the Company presented preclinical data showing that the combination of AsiDNA® with targeted PARP inhibitor (PARPi) therapies prevented the reactivation of these persistent cells, thereby completely and irreversibly preventing the emergence of tumor resistance.

At the American Association for Cancer Research (AACR) Annual Meeting in April 2021, the Company presented results from preclinical studies that showed the ability of AsiDNA™ to also prevent KRAS inhibitor resistance (KRASi) induced by persistent cells. In addition, new data presented at the EACR-AstraZeneca virtual conference organized by the European Association for Cancer Research and AstraZeneca on "Persistent Drug-Tolerant Cells" in December 2021) confirmed that AsiDNA™, in combination with targeted therapies such as KRAS and EGFR inhibitors, prevents the reactivation of these DTP cells and prevents resistance in tumor models of interest.

These properties of AsiDNA™ could enable it to become a gold standard combination therapy to counter resistance to multiple targeted therapies when induced by persistent cells and thus pave the way for several combination strategies in terms of anti-cancer treatment.

In terms of clinical development

On February 4, 2021, Onxeo announced a research agreement with the Institut Curie to conduct a Phase 1b/2 trial to assess AsiDNA® in combination with radiotherapy in the treatment of recurrent high-grade glioma in children. This study is supported by a grant from the European Fight Kids Cancer program. The objective of this clinical research agreement with the Institut Curie, France's leading cancer center, is to conduct a Phase 1b/2 study to evaluate the effect of AsiDNA® in combination with radiotherapy in pediatric patients with recurrent high-grade glioma (HGG) who are eligible for re-irradiation. This collaboration represents a new clinical step for Onxeo and reflects the Company's commitment to evaluate its drug candidate in indications of very high medical need, which is the case for this indication with a particularly poor prognosis.

In parallel, the Company continued the REVOCAN Phase 1b/2 clinical trial to evaluate the combination of AsiDNA™ with PARP inhibitors in the 2nd line maintenance treatment of relapsed ovarian cancer. Gustave Roussy is the sponsor of this study. The pace of recruitment has been slower than expected, partly due to the health crisis, and the initial results are now expected in the second half of 2022.

In terms of intellectual property

The Company pursues an active policy of industrial protection for AsiDNA®, particularly for its most promising potential combinations. In September 2021, the Company was notified that the European Patent Office (EPO) has issued a patent that will strengthen the protection of AsiDNA® combined with PARP inhibitors (PARPi) in Europe.

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

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

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

1.2.2 PLATON® PLATFORM AND OX400 FAMILY

PlatON® is a chemistry platform that allows for the construction of new molecules using three components: the oligonucleotide (a double-stranded fragment of DNA), a linker between the two strands to ensure the stability of the fragment, and a vector to promote cellular penetration (a cholesterol molecule in the case of AsiDNA®). With platON®, Onxeo has the means to enrich its portfolio of highly innovative drug candidates while capitalizing on its expertise and knowledge accumulated in the field of oligonucleotides and DNA repair mechanisms over the past several years.

After AsiDNA®, the first compound derived from platON®, the company has designed a family of new compounds called OX400 derived from its oligonucleotide platform. Based on Onxeo's proprietary agonist decoy technology, the OX400 family is positioned both in the field of DNA damage response (DDR) by acting on PARP, a key protein in tumor DNA repair, and in the field of immuno-oncology.

The preclinical program which has already been completed has confirmed the main properties of the first compound, OX401. The latter exhibits potent antitumor activity, as demonstrated in an animal model of breast cancer, through PARP hyperactivation and the hijacking of its DNA repair function in tumor cells specifically. PARP is a major component of the DNA repair mechanism, and the clinical value of acting on this protein has already been amply demonstrated by PARP inhibitors. Moreover, this activity on PARP induces a strong engagement of the cGAS-STING pathway[1], 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 a novel decoy agonist mechanism of action like all platON®-derived compounds, OX401 does not induce tumor resistance to treatment, which represents a clear differentiation from targeted therapies like PARP inhibitors. Finally, like AsiDNA®, OX401 has no activity on healthy cells, which should give it a favorable safety profile in the clinic.

At the American Association for Cancer Research (AACR) 2021 International Meeting, the Company presented pre-clinical results[2] that highlight the properties of the compounds from the OX400 family, as immunomodulatory agents and "metabolic enhancers", i.e. a molecule that "boosts" the antitumor immune response while depleting the metabolic resources of the tumor cells.

During 2021, the Company continued to optimize OX401 in order to improve its action on the PARP protein, which is involved in the tumor DNA repair cascade, and its activation of the antitumor immune response via the cGAS-STING pathway. The Group plans to select the compound with the optimal pharmacokinetic and pharmacodynamic profile (lead compound) and its preclinical development in 2022, including the study of its combination with immune checkpoint inhibitors (immunotherapies).

1.2.3 PRODUCTS LICENSED TO THIRD PARTIES - BELEODAQ® (BELINOSTAT)

Belinostat is a histone deacetylase inhibitor (HDACi) that is marketed under the brand name Beleodaq® in the United States for the second-line treatment of patients with peripheral T-cell lymphoma. In April 2020, Onxeo entered into agreements with Acrotech Biopharma LLC that extend Acrotech's commercialization rights for belinostat to all territories that they did not already have under license (i.e. the United States, Canada, Mexico and India) and transfer patent ownership for the oral form of belinostat to them in all territories.

As of the date of the agreements, Onxeo no longer has any responsibility for the development of the product and it is therefore no longer presented in the Company's R&D portfolio.

During 2021, Onxeo continued to receive license royalties from its partner which were fully allocated to the repayment of the bonded debt it contracted with SWK Holdings in June 2018. After the full repayment of this debt, the license will be royalty-free and Acrotech will retain all revenues generated by Beleodaq®.

1.2.4 EVOLUTION OF THE R&D PORTFOLIO

As of the date of this document, the Company's R&D portfolio is as follows:

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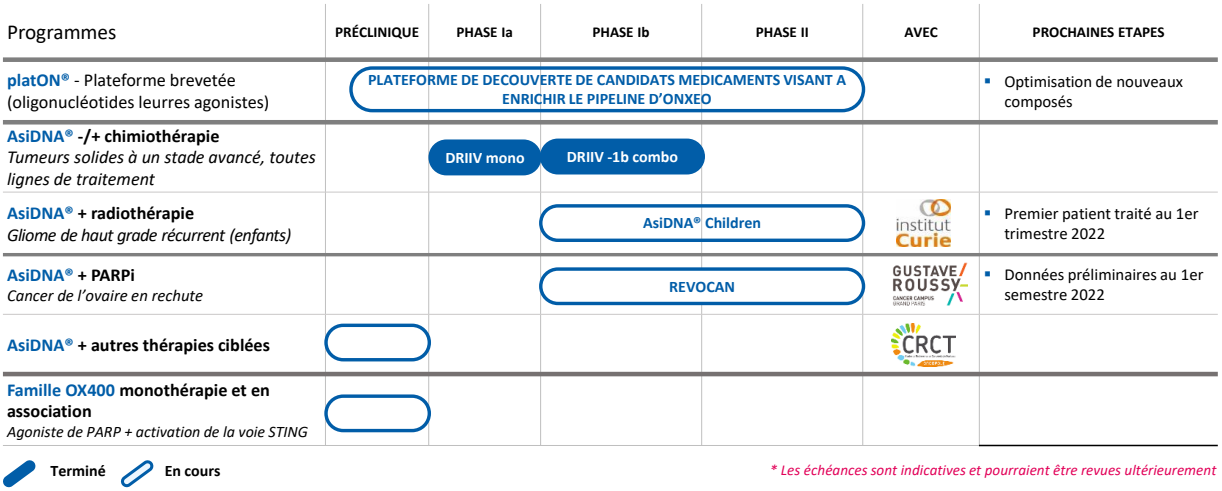
[1] The **cGAS-STING pathway** is a component of the innate immune system, which detects cytosolic DNA (involved in particular in carcinogenesis) and induces an immune response as a result.

[2] Abstract 527: A new generation of PARP interfering drug candidates for cancer treatment - Wael Jdey, Christelle Zandanel, Véronique Trochon-Joseph, Chloé Doizelet, Vincent Hayes, Marie-Christine Lienafa, Richard Tripelon and Françoise Bono - Proceedings: AACR Annual Meeting 2021; April 10-15, 2021 and May 17-21, 2021; Philadelphia, PA



The changes compared to the portfolio presented when the 2021 half-year results were announced (August 2021 version online on the website) are as follows:

- Finalization of the Driiv-1b study with AsiDNA® in combination with chemotherapy,

- Start of the phase 1b/2 study evaluating AsiDNA® in combination with radiotherapy in the treatment of recurrent high-grade glioma in children, as part of a clinical research agreement with the Institut Curie, with a first patient treated expected by mid-2022,

- Launch in the second half of 2021 of a strategic reflection on the next stages of the AsiDNA® development plan which will be announced in the second quarter of 2022,

- Postponement to the second half of 2022, instead of the end of 2021, of the preliminary results of the Revocan study, due to slow recruitment, in particular due to the context of the pandemic.

1.3. FUNDING

1.3.1 5 MILLION EUROS OF NON-DILUTIVE FINANCING IN THE FORM OF GOVERNMENT-BACKED LOANS

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

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

1.3.2 CAPITAL INCREASE WITH UPHOLDING OF PREFERENTIAL SUBSCRIPTION RIGHTS

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

The proceeds of this issue of New Shares are intended to primarily finance the expansion and acceleration of development clinical use of AsiDNA ™, especially in combination with other anti-cancer agents. The Group 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:

- Subscription parity: 1 new share for 6 existing shares

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

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

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

1.4. GOVERNANCE

During 2021, the Company partially renewed its Board of Directors, with the following changes:

- On June 10, 2021, the General Meeting of Shareholders renewed the term of office of Mr. Thomas Hofstaetter as Director for three years and ratified the appointment of two new Directors: Invus, represented by Mr. Julien Miara, and Dr. Shefali Agarwal, an independent director. At the end of June 2021, Jean-Pierre Bizzari, an independent member of the Board of Directors, resigned from his position for personal reasons.
- On July 29, 2021, the Company announced the appointment of Dr. Shefali Agarwal as Chairman of the Board of Directors, in replacement of Ms. Danièle Guyot-Caparros, who remains an independent member of the Board and Chairman of the Audit Committee. Ms. Agarwal is the Chief Medical and Development Officer at Epizyme, Inc., a company that develops novel epigenetic therapies for cancer and other serious diseases, and is responsible for the global clinical development and regulatory strategy. In addition, she is a member of the board of directors of three U.S. biotechnology companies, ITB Med (unlisted), Gritstone Bio (Nasdaq: GTRS) and Fate Therapeutics (Nasdaq: FATE).
- On October 14, 2021, the Company announced the appointment of two new independent members, Dr. Robert L. Coleman, Scientific Director of the US Oncology Network, one of the largest U.S. networks dedicated to cutting-edge oncology care and research, and Dr. Jacques Mallet, former Senior Vice President in charge of Analytics/Corporate Strategy and a member of Sanofi's Executive Leadership Team, who is currently a member of the board of directors of several publicly and privately held companies in the healthcare technology sector. Mr. Coleman and Mr. Mallet were appointed to replace Ms. Christine Garnier and Mr. Jean-Pierre Bizarri, respectively. It is specified that Ms. Garnier has resigned from her mandate at the end of July 2021.
- On November 23, 2021, the Company announced the appointment of Mr. Bryan Giraudo as an independent member of the Board of Directors, in replacement of Thomas Hofstaetter who left the Board on the same day, after three terms. Bryan Giraudo is both Chief Operating Officer and Chief Financial Officer of Gossamer Bio, a U.S. listed biopharmaceutical company (Nasdaq: GOSS) which specializes in the development and commercialization of innovative therapies in the fields of immunology, inflammation and oncology.

As of the date of this document, the Board of Directors is composed of 8 members with 5 men and 3 women, including 5 independent members.

Detailed information on corporate governance can be found in the Corporate Governance Report which follows this Management Report.

1.5. CHRONOLOGICAL SUMMARY OF THE COMPANY'S PRESS RELEASES IN FISCAL YEAR 2021

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

1/07/2021	Publication of the 2020 financial calendar
1/08/2021	Publication of the 2020 annual report on the liquidity contract
1/11/2021	Onxeo announces its participation in major investor and scientific conferences
1/28/2021	Onxeo obtains non-dilutive financing of 5 million euros in the form of Government-backed Loans
2/02/2021	Onxeo publishes a Letter to Shareholders and provides an update on its developments
2/04/2021	Onxeo enters into a research agreement with the Institut Curie to conduct a Phase 1b/2 trial to evaluate AsiDNA® in combination with radiotherapy in the treatment of recurrent high-grade glioma in children.
3/10/2021	Onxeo launches a capital increase with preferential subscription rights for shareholders to accelerate its R&D programs
3/24/2021	Onxeo updates its financial calendar
4/08/2021	Onxeo to present new preclinical data at AACR 2021
4/12/2021	Onxeo announces the success of its capital increase with preferential subscription rights for shareholders with €9.7 million raised
4/21/2021	Onxeo publishes its 2020 financial results and provides an update on its activities and outlook
4/23/2021	Provision of the 2020 annual financial report
5/31/2021	Onxeo announces the formation of an independent Scientific Expert Committee composed of leading figures
6/09/2021	Onxeo receives a notice of allowance in the United States for a new patent that extends the protection of AsiDNA® in combination with a PARP inhibitor
6/10/2021	Minutes of the Combined General Meeting of June 10, 2021
7/29/2021	Onxeo published its financial results for the first half of 2021 and provided an update on its activities
7/29/2021	Onxeo announces the appointment of Dr. Shefali Agarwal as Chairman of its Board of Directors
10/14/2021	Onxeo expands its Board of Directors with two well-known figures from the healthcare sector
11/23/2021	Onxeo continues to strengthen its Board of Directors
12/08/2021	New preclinical data confirms AsiDNA® 's ability to target "persistent" cells and prevent tumor resistance to different treatments in combination

1.6. SIGNIFICANT EVENTS AFTER DECEMBER 31, 2021

1.6.1 APPOINTMENT OF JULIEN MIARA AS NEW INTERIM CEO

On January 3, 2022, Onxeo announced the appointment of Mr. Julien Miara as interim CEO, following the decision of the Board of Directors. Julien Miara will work closely with Dr. Shefali Agarwal, Chairman of the Board of Directors, who has extensive experience in drug development, to ensure that the Company progresses according to the established strategic plan and to prepare a successful transition to the next CEO.

Born on June 15, 1983, Julien Miara is a Director at Invus, which he joined in 2010 as an analyst for the investment activity in listed companies (Invus Public Equities LP), particularly covering biotechnologies. In 2018, he was promoted to lead the team in Europe. Previously, he worked in investment banking at BNP Paribas in Paris, Société Générale in New York, and in consulting. Julien Miara obtained his Master's degree in Management from EDHEC Business School in Lille (France) in 2009.

This appointment follows the departure, on the same day, of Ms. Judith Greciet as Chief Executive Officer, a position she had held since June 2011. As a result, Ms. Greciet was reinstated as an employee. She has since seized the labor courts. The procedure is underway and Onxeo intends to contest the grievances raised.

1.6.2 RUSSIAN-UKRAINIAN CONFLICT

The Group believes that this conflict, which began in February 2022, will have no impact on its business.

1.7. SIGNIFICANT EVENTS AFTER THE APPROVAL OF THE FINANCIAL STATEMENTS ON APRIL 6, 2022

1.7.1 NEW FINANCING OF 12 MILLION EUROS

On April 6, 2022, Onxeo announced additional funding of €12 million subscribed by its longstanding shareholders Invus and Financière de la Montagne. This financing comprises an €8 million capital increase and a €4 million convertible bond issue. It extends the Company's financial visibility until the second quarter of 2023.

The net proceeds of the issue will be used (i) to develop AsiDNA, the Company's leading product, both clinically and industrially within the framework of ongoing and future clinical trials, (ii) to finalize the optimization of and develop the preclinical program for OX401, both alone and with immune-oncology drugs, and (iii) more generally to finance the Company's running costs.

Terms and conditions of the capital increase

The capital increase has been carried out through the issuance of common shares with waiver of shareholders' preferential subscription rights reserved for a category of persons in accordance with the thirteenth resolution approved by the Mixed General Meeting of June 10, 2021, based on the provisions of Articles L. 225-129 and following of the Commercial Code.

A total number of 19,512,195 new common shares with a nominal value of €0.25 each were thus issued to the benefit of Invus Public Equities LP and Financière de la Montagne. These new shares represent approximately 21% of the Company's share capital before the implementation of the private placement. The subscription price has been set at €0.410 per new share, corresponding to the weighted average share price over the 3 previous trading sessions (i.e. from April 1 to 5, 2021 inclusive) without a discount, giving net proceeds of €8 million.

The issue is not subject to a prospectus requiring a visa from the AMF French financial market authority.

The admission of the new shares to trading on the Euronext Growth market in Paris occured April 12, 2022. They are listed on the same line as the Company's existing shares (ISIN: FR0010095596), carry current dividend rights and are immediately fungible with the Company's existing shares.

Following completion of the capital increase, the shareholdings of Invus Public Equities LP and Financière de la Montagne is 23.5% and 19.8% of the Company's share capital respectively, based on a total number of 111,507,130 shares, and a shareholder with a 1% stake in the Company has seen its stake reduced to 0.83%. To the Company's knowledge, no other shareholders hold more than 5% of its share capital.

Convertible bond issue

This issuance of bonds convertible into common shares was decided by the Board of Directors in accordance with the thirteenth resolution approved by the Mixed General Meeting of June 10, 2021 (waiver of shareholders' preferential subscription rights via a private placement reserved for a category of persons), based on the provisions of Articles L. 225-129 and following of the Commercial Code.

The convertible bond issue for a nominal amount of €4,000,000 is represented by 4,000,000 convertible bonds with a nominal value of one euro each, giving gross proceeds from the bond issue of €4 million. The convertible bonds have been subscribed by Invus Public Equities LP and Financière de la Montagne to the tune of €2.5 million and €1.5 million respectively.

The bonds are not the subject of a request for admission to trading on the Euronext Growth market. However, any common shares resulting from the conversion of these convertible bonds will be, as soon as they are issued, on the same line as existing common shares (ISIN: FR0010095596).

The issue was not subject to a prospectus requiring a visa from the AMF.

The Company will regularly publish, on its website, the number of new shares issued upon conversion of convertible bonds.

The main characteristics of the convertible bonds are the following:

- Maturity: 5 years;
- Conversion of bonds at maturity: any convertible bond that has not been converted seven trading days before the maturity date will automatically be converted into common shares on the maturity date according to the conversion ratio below;
- Interest: the convertible bonds will not bear interest (except default interest applicable to any non-payment of a cash reimbursement with respect to an event default or change in control);
- Conversion: the convertible bonds may be converted into common shares exclusively on the Company's initiative between the issuance date and the maturity date; the convertible bonds will give their holders the right, should they be converted, to N new common shares equal to the nominal value of a convertible bond divided by X, X being the lower of (a) 0.410 euros and (b) the volume-weighted average share price over the three trading days preceding the conversion request with no discount;
- Event default: standard in such matters (notably breach of the terms and conditions, delisting, divestment of a significant asset or cessation of activity) providing for (on the initiative of the representative of the group upon request from a convertible bond holder) to obtain early cash reimbursement of the convertible bonds at 110% of their value;
- Change in control: should there be a change in control, ability (on the initiative of a convertible bond holder on all or a portion of the convertible bonds they hold) to obtain early cash reimbursement of the convertible bonds at 110% of their nominal value;
- Guaranties: the cash reimbursement of the convertible bonds (in the case of an event default or change in control) is secured by pledges provided by the Company on certain intellectual property rights it holds, it being specified that these pledges are accepted subject to licenses and usage rights granted or to be granted by the Company on the rights pledged and that the pledges will be *pari passu* with the existing pledges given to SWK;
- The convertible bonds are non-transferable, except to affiliates of the convertible bond holders or with the Company's prior written consent;
- Lock-up commitment from the Company (during which it may not issue additional convertible bonds): 90 days (subject to standard exceptions).

1.7.2 APPOINTMENT OF SHEFALI AGARWAL AS CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER

On April 7, 2022, Onxeo announced the appointment of Dr. Shefali Agarwal as Chief Executive Officer. Shefali Agarwal succeeds Julien Miara, who was appointed Interim Chief Executive Officer in January 2022. Drawing on her extensive experience in oncology, she will lead the Company's strategy and development with an expanded team, particularly in the United States where the Group's clinical and regulatory expertise will be located, with clear objectives: to advance AsiDNA®, a first-in-class tumor DNA damage response inhibitor, in the clinic and to conduct preclinical proof-of-concept studies with OX401 , a next-generation PARP agonist, and its optimized versions.

1.7.3 PPOINTMENT OF JULIEN MIARA AS A DIRECTOR

During the combined general meeting held on April 19, 2022, Julien Miara was appointed director of the Company. He retains his role as permanent representative of Invus, director since June 2020.

2. RISK FACTORS

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

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

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

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

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

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

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

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

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

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

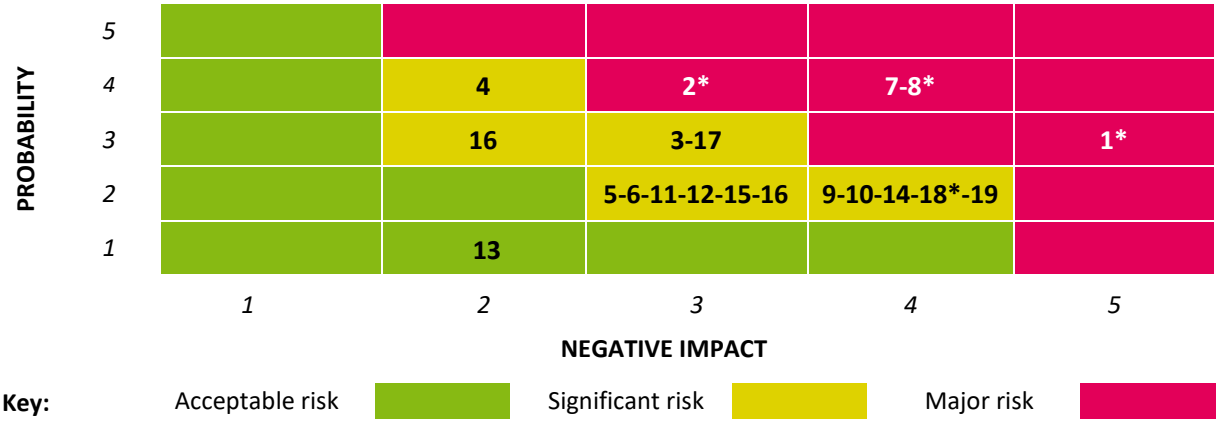
Within each of the four categories mentioned above, risks were ranked in order of **criticality**, with the risks with the highest probability of occurrence and the highest potential impact placed first, on a "net risk" basis, i.e., after accounting for preventive or mitigating measures. The occurrence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

Important note

As of the date of this Report, the Company considers that it has limited exposure to risks on its operations due to the Covid-19 epidemic (or any other risk of a pandemic nature) and the Russian-Ukrainian conflict.

However, it does not rule out the possibility that a reactivation of the lockdown measures taken by states and governments or that a continuation or an increase of the measures taken against Russia could affect the smooth running of its subcontracted activities, in particular the conduct of clinical trials and production operations. In addition, the effect of these events on the world's financial markets could have a short-term impact on its ability to finance itself on the capital markets and, consequently, on the conduct of its business. The Company has identified three risks that are likely to be aggravated by this context: they are indicated by an asterisk (*) in the matrix and table below, and the circumstances of aggravation are detailed in the corresponding section.

RISK MATRIX



Key: Acceptable risk | Significant risk | Major risk

Category/ Number	Risk factor	Section
I	Financial risks	2.1
1	Liquidity risk (*)	2.1.1
2	Risk related to the evolution of the Company's shares (*)	2.1.2
3	Risks related to the Research Tax Credit	2.1.3
4	Risk of dilution	2.1.4
5	Risk of not carrying forward tax losses	2.1.5
6	Foreign exchange risk	2.1.6
II	Risks related to the business	2.2
7	Risk related to the highly innovative nature of the Company's products and the early stage of their development	2.2.1
8	Risk of major delays in development (*)	2.2.2
9	Risk of clinical trial failure	2.2.3
10	Risk of clinical developments in combination	2.2.4
11	Risks related to a binding and evolving legal and regulatory framework	2.2.5
12	Risks related to competition	2.2.6
13	Risk related to industrial and commercial partnerships	2.2.7
III	Legal Risks	2.3
14	Risks related to industrial protection	2.3.1
15	Risk of legal disputes	2.3.2
16	Risk related to the control regime for foreign investments in France	2.3.3
IV	Risks related to the Company, its organization and its environment	2.4
17	Risk of dependence on third parties and failure of a subcontractor (*)	2.4.1
18	Risk of loss of key employees	2.4.2
19	Risk associated with the use of hazardous chemicals and biological materials	2.4.3

2.1. FINANCIAL RISKS

2.1.1 LIQUIDITY RISK

In 2021 and up to the date of this Report, the Company has financed its growth primarily through:

- Government-backed loans of up to 5 million euros obtained in January 2021,
- A capital increase with preferential subscription rights finalized in April 2021 for a net amount of 9.4 million euros,

- Payments from licensing agreements with partners in the amount of 0.7 million euro,
- The repayment of the 2020 research tax credit in the amount of 1.1 million euros.

The Company's cash and cash equivalents were 17.9 million euros at December 31, 2021. The Company relies on leading financial institutions for its cash investments and believes that it does not bear significant credit risk on its treasury.

Taking into account the 12 million euros financing received from its two main shareholders, Invus and Financière de la Montagne, early April 2022, the Company will be able to finance its activities at least into Q2 2023 on the basis of its financing plan.

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

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

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

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

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

- delay, reduce or eliminate the number or scope of its development programs; and
- enter into new collaborative arrangements on terms that are less favorable to it than those it could have obtained in a different context

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

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

The Company's shares are listed on the SME growth market Euronext Growth in Paris and are also listed on Nasdaq First North in Copenhagen.

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

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

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

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

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

Price evolution and trading volumes

The tables below show the evolution of the share price and the volume of transactions on the Euronext Growth Paris market over the period from January 2 to December 31, 2021

Market capitalization in millions of euros as of December 31, 2021	36.6
Share price (in euros)	
• Highest (close of April 9, 2021)	0.78
• Lowest (close of December 8, 2021)	0.39
• At the end of the period (December 31, 2021)	0.42

2.1.3 RISK RELATED TO THE RESEARCH TAX CREDIT

In France, the Company benefits from the Research Tax Credit ("RTC"), which consists of a tax credit offered by the French government to companies investing significantly in research and development. Research expenses that are eligible for the RTC include, in particular, salaries and wages, depreciation of research equipment, services subcontracted to approved research organizations (public or private) and intellectual property costs. The RTC recorded for the year 2021 amounted to 1.7 million euros, which represents significant funding compared to the 17.9 million euros in cash and cash equivalents at December 31, 2021.

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

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

2.1.4 RISK OF DILUTION

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

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

At December 31, 2021, the full exercise of all the instruments that give access to the capital allocated and in circulation would allow for the subscription of 4,534,569 new shares, thus generating a dilution equal to 4.9% on the basis of the capital existing at the date of this Report.

2.1.5 RISK OF NOT CARRYING FORWARD TAX LOSSES

The Company has accumulated tax loss carryforwards of 304 million euros as at December 31, 2021.

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

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

2.1.6 FOREIGN EXCHANGE RISK

The Company incurs a portion of its expenses in currencies other than the euro. In the future, the Company may need to expand its research and development activities internationally, including its clinical trials with AsiDNA® , which could increase its exposure to foreign exchange risk.

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

The Company's revenues for the year ended December 31, 2021 consist primarily of royalties on sales under the license agreement signed with Acrotech. These revenues were used entirely to repay the bond loan granted by SWK Holdings, also denominated in dollars, which represents a natural currency hedge. The Company also works with U.S. subcontractors in its R&D operations. As it has not set up a currency hedging system, it is essentially exposed to the risk of an increase in the value of the U.S. dollar against the euro, which would increase the euro equivalent of its purchases in dollars.

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

2.2. RISKS RELATED TO THE BUSINESS

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

The risks associated with the failure to develop a drug candidate are closely linked to the maturity stage of the drug candidate. Given the relatively early stage of the Company's most important drug candidates, respectively in Phase 1 for AsiDNA® and in the preclinical phase for OX401 as of the date of this Report, there is a significant risk that some or all of the Company's drug candidates may not be developed, formulated or produced under acceptable economic conditions, may have their development interrupted, may not be the subject of partnership or licensing agreements, may not obtain regulatory approval or may never be commercialized.

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

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

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

2.2.2 RISK OF MAJOR DELAYS IN DEVELOPMENT

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

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

- delays or failures in reaching consensus with regulatory authorities on the clinical trial protocol;
- delays in concluding an agreement on acceptable terms with a potential CRO and potential research sites, the terms of which may be subject to extensive negotiations and may vary significantly between different CROs and research sites;
- the imposition of a temporary or permanent clinical suspension by the regulatory authorities, including following a new safety finding that presents an unreasonable risk to clinical trial participants, a negative finding resulting from an inspection of clinical trial operations or investigator sites, developments in trials conducted by competitors for related technologies that raise concerns for the regulatory authorities about the risks to patients of that technology in a broad sense or if a regulatory authority considers that the protocol or research plan clearly fails to meet the objectives set ;
- delays in enrolling appropriate patients to participate in the Company's clinical trials, particularly in the case of orphan diseases, such as relapsed ovarian cancer, for which the Group is currently developing

AsiDNA® in combination with niraparib in the REVOCAN study, which means that the potential patient population is limited;

- difficulties in collaborating with patient groups and researchers;
- delays in obtaining full participation of patients in a clinical trial or their return for post-treatment follow-up;
- patients withdrawing from a clinical trial;
- changes in regulations and regulatory directives requiring the amendment or submission of new clinical trial protocols;
- feedback from regulatory authorities requiring changes to the protocols of ongoing clinical trials to take into account safety considerations;
- disagreements with the relevant regulator on how the Company interprets clinical trial data or because the relevant regulator does not accept these therapeutic effects as valid parameters in clinical trials that are sufficient to grant marketing authorization, for example in orphan indications;
- changes in the standard of care on which a clinical development plan is based, which may require new or additional clinical trials;
- the fact that the cost of clinical trials of drug candidates is higher than anticipated.

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

Onxeo plans to initiate new clinical trials with AsiDNA® in combination with other cancer treatments in indications of high unmet medical need, such as rare, advanced or relapsed cancers.

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

The "Covid-19" epidemic that began in the spring of 2020 slowed down most clinical trials that were not related to the diagnosis or treatment of this virus. The trials conducted and planned by the Company in 2022 are relatively small phase trials and concern patients with rare, advanced or relapsed cancers for which there is a significant medical need. However, if the health situation were to worsen in 2022, this could lead to a freeze or a significant slowdown in the conduct of trials, and this risk, already considered significant, would become major.

2.2.3 RISK OF CLINICAL TRIAL FAILURE

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

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

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

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

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

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

2.2.4 RISK OF CLINICAL DEVELOPMENTS IN COMBINATION

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

The Company is currently conducting a Phase 1b/2 trial with AsiDNA® in combination with PARP inhibitors, the REVOCAN trial, in patients with relapsed ovarian cancer. AsiDNA® has also demonstrated in preclinical studies its ability to prevent resistance to KRAS and tyrosine kinase inhibitors, which could lead to further combination developments. AsiDNA® has also demonstrated its ability to sensitize tumors to radiotherapy in challenging indications and initiated a pediatric program in this combination with Institut Curie in early 2021. Finally, OX401, a next-generation PARP inhibitor that activates the immune system, could potentially be developed in combination with immune checkpoint inhibitors.

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

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

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

2.2.5 RISKS RELATED TO A BINDING AND EVOLVING LEGAL AND REGULATORY FRAMEWORK

One of the major challenges for a growth company like Onxeo is to succeed in developing, with the help of partners, products integrating its technologies in the context of an increasingly restrictive regulatory environment. The pharmaceutical industry is faced with a permanent evolution of its legal and regulatory environment and increased surveillance by the competent authorities, in particular the National Agency for the Safety of Medicines and Health Products (“ANSM”) in France. , the European Medicines Agency (“EMA”) in Europe, or the Food and Drug Administration (“FDA”) in the United States or other regulatory authorities in the rest of the world. Correlatively, the public demands more guarantees as to the safety and efficacy of drugs.

In particular, health authorities supervise research and development work, preclinical studies, clinical studies, the regulation of pharmaceutical establishments, as well as the manufacture and marketing of drugs. This strengthening of the legislative and regulatory framework is common throughout the world, although the requirements vary from one country to another. In particular, the health authorities and in particular the ANSM, the EMA or the FDA have imposed increasingly heavy requirements in terms of the volume of data requested in order to demonstrate the efficacy and safety of a product. These increased requirements have thus reduced the number of products authorized in relation to the number of files submitted. The products marketed are also subject to regular reassessment of the benefit/risk ratio after their authorisation. Late discovery of problems not detected at the research stage can lead to marketing restrictions, suspension or withdrawal of the product and an increased risk of litigation.

The authorization process is therefore long and costly, possibly taking several years, with an outcome that remains unpredictable.

To the extent that new legal or regulatory provisions increase the costs of obtaining and maintaining product marketing authorizations or limit the economic value of a new product for its inventor, the growth prospects of the pharmaceutical industry and the Company could be reduced.

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

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

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

2.2.6 RISKS RELATED TO COMPETITION

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

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

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

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

The analysis of the competitive environment in DDR highlights two companies that are very involved in this field: AstraZeneca and Merck KGaA, with products that are either approved or in advanced development in most of the major inhibitor families in this therapeutic area. Many smaller biotechnology companies, such as Artios Pharma, Repare Therapeutics and Impact Therapeutics, have a strong specialization in this field.

Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostics industries may result in an even greater concentration of resources on a smaller number of competitors. Small or start-up companies can also be important competitors, particularly through collaborative arrangements with large, well-established companies.

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

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

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

2.2.7 RISK RELATED TO INDUSTRIAL AND COMMERCIAL PARTNERSHIPS

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

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

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

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

2.3. LEGAL RISKS

2.3.1 RISKS RELATED TO INDUSTRIAL PROTECTION

The Company's ability to successfully commercialize its products will depend on its ability to obtain, maintain and protect its intellectual property rights. As of the date of this Management Report, the Company has rights to two hundred and forty-nine patents or published patent applications, of which one hundred and seventy-nine, or 72%, have been granted in several major jurisdictions or countries, including the United States, Europe, China and Japan.

In the pharmaceutical field, patent law (articles of law, implementing regulations, case law, etc.) continues to evolve and presents uncertainties. In particular, no uniform global policy has so far emerged on the content of patents granted in the fields of biotechnology or on the scope of permitted claims. Thus, for example, patents may be granted with claims of variable/different scope from one territory to another.

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

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

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

2.3.2 RISK OF LEGAL DISPUTES

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

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

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

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

2.3.3 RISK RELATED TO THE CONTROL REGIME FOR FOREIGN INVESTMENTS IN FRANCE

The completion of any investment (i) by (a) an individual of foreign nationality, (b) any individual of French nationality not domiciled in France within the meaning of article 4B of the French General Tax Code, (c) any entity governed by foreign law, and (d) any entity governed by French law controlled by one or more of the entities referred to in (a) to (c), (ii) which would result in (a) the acquisition of control - within the meaning of article L. 233-3 of the French Commercial Code - of a French company, (b) acquiring all or part of a branch of activity of a French company, or (c) for individuals who are not nationals of a Member State of the European Union or of a State party to the Agreement on the European Economic Area that has entered into an administrative assistance agreement with France and/or are not domiciled in one of these States, or for legal entities of which at least one of the members of the control chain is not subject to the law of one of these States or is not a national and/or is not domiciled there, to cross the threshold of 10% of the voting rights of a French company and (iii) whose activities relate, even occasionally, to the research and development of so-called critical technologies, such as biotechnologies, and considered essential to the protection of public health, is subject to prior authorization by the Minister of the Economy.

If an investment in the Company that requires the prior authorization of the Minister of the Economy is made without such authorization having been granted, the Minister of the Economy may cancel the transaction or order (possibly under penalty) the investor concerned (i) to submit an application for authorization, (ii) to have the previous situation restored at its own expense or (iii) to modify the investment. In addition, the Minister may impose undertakings and conditions on the investor (including regular reporting commitments). The investor concerned could also be declared criminally liable and be sanctioned, in particular, by exclusion from all public contracts or by a fine that may not exceed the highest of the following three amounts: (i) twice the amount of the relevant investment, (ii) 10% of the Company's annual pre-tax revenues and (iii) 5 million euros (for a company) or 1 million euros (for an individual).

The application of these regulations is likely to constitute a potential barrier to investments made by investors located outside the European Economic Area and could therefore limit access to financing sources for the Company. It is also difficult to predict whether this regulation will have an impact on the volatility of the Company's share price.

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

2.4.1 RISK OF DEPENDENCE ON THIRD PARTIES AND IN PARTICULAR THE RISK OF FAILURE OF A SUBCONTRACTOR IMPORTANT

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

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

  Some of our clinical trials are conducted through research collaborations with renowned centers, such as the REVOCAN trial and the AsiDNA® Children's trial sponsored by Gustave Roussy and the Curie Institute respectively, and other collaborations of this type may be initiated in the future. These collaborations allow us to benefit from undeniable expertise and an external validation of the clinical value of these studies, but imply a very limited control of the Company over their conduct, in particular in terms of the pace of recruitment and the allocation of resources, including in terms of the time devoted to our drug candidates and our clinical trials, in particular during a health crisis related to Covid. The Company is therefore dependent on the sponsors to obtain the results of these trials, the communication of which to the market may be significantly delayed compared to the initial estimates.

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

This risk is particularly sensitive to health and geopolitical risks, especially with respect to clinical trials (see paragraph 2.2.4 of the management report) and production operations. A worsening of the health crisis situation in 2022 as well as a continuation or extension of economic sanctions in the context of the Russian-Ukrainian conflict could significantly increase this risk.

2.4.2 RISK OF LOSS OF KEY EMPLOYEES

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

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

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

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

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

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

The Company also processes genetically recombinant material, genetically modified species and pathological biological samples. Consequently, in France and in the countries where the Company operates, it is subject

to environmental and safety laws and regulations governing the use, storage, handling, release and disposal of hazardous materials, including chemical and biological products and radioactive materials.

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

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

2.5. MAIN DISPUTES IN PROGRESS

To date, the Company is not aware of any pending litigation.

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

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

3.1. REVIEW OF ACCOUNTS AND RESULTS

During the year ended December 31, 2021, the Company generated revenues of 46 thousand euros, compared with 489 thousand euros for the year ended December 31, 2020. This change is mainly due to the direct sales of Beleodaq® under the European controlled access program (NPP), which were recognized until this business was transferred to Acrotech under the licensing agreement signed in early April 2020.

Other operating income totaled 5,496 thousand euros, compared with 9,396 thousand euros recorded in 2019. This item mainly includes royalties on the sales of Beleodaq under the license agreement with Acrotech for an amount of 1,860 thousand euros. It also includes a reversal of the provision for impairment of the subsidiary Topotarget Switzerland's current account in the amount of 3,602 thousand euros, as a result of the receipt of license revenues (Biogen) by this subsidiary, which have improved its net position.

Operating expenses are difficult to compare due to the full amortization of the Beleodaq® R&D assets for an amount of 2,441 thousand euros in fiscal year 2020, as a result of the agreement with Acrotech. Excluding this specific item, operating expenses are broadly stable, rising from 11,125 thousand euros in 2020 to 11,088 thousand euros in 2021. Research and development expenses incurred in 2021 amounted to 4,899 thousand euros, compared to 3,923 thousand euros the previous year, this increase being mainly related to the clinical development of AsiDNA as well as the optimization and preclinical development of OX400 family compounds.

The operating result showed a loss of (5,547) thousand euros, compared with a loss of (3,682) thousand euros in fiscal 2020.

The financial result showed a loss of (508) thousand euros, compared with a loss of (586) thousand euros in fiscal 2020. This loss is mainly due to the interest expense of 847 thousand euros related to the bond issue with SWK Holdings.

Income from ordinary activities before taxes showed a loss of (6,054) thousand euros compared with a loss of (4,269) thousand euros for fiscal year 2020.

The extraordinary result is a loss of (23) thousand euros.

The Company recognized a research tax credit of 1,745,000 euros for the year ended December 31, 2021, of which 1,717,000 euros was in France and 27,000 euros in Denmark.

As a result of these various income and expense items, net income for the year showed a loss of (4,332) thousand euros, compared with a loss of (3,566) thousand euros for fiscal 2020.

3.2. ALLOCATION OF RESULTS

We propose that the loss for the year of 4,332,479 euros be allocated in full to the "Retained Earnings" account, which would thus be increased from a debit of 12,913,165 euros to a debit of 17,245,545 euros.

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

3.3. NON-TAX-DEDUCTIBLE EXPENSES

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

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

3.4. TABLE OF FINANCIAL RESULTS

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

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

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

3.6. AMOUNT OF LOANS UNDER THREE YEARS GRANTED BY THE COMPANY

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

None.

3.7. TERMS OF PAYMENT STATEMENT

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

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

	Article D.441 I-1°: invoices received but not paid at the closing date of the financial year for which the term is due						Article D.441 I-2°: invoices issued but not paid at the closing date of the financial year for which the term is due					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment brackets												
Number of invoices concerned	67					62	1					0
Total amount of the invoices concerned including VAT.	181,537	71,668	418	10,726	13,896	96,708	756	0	0	0	0	0
Percentage of total purchases including VAT for the year	1.9%	0.8%	0%	0.1%	0.1%	1.0%						
Percentage of sales including VAT for the year							0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Number of excluded invoices	0						0					
Total amount of excluded invoices	0						0					
(C) Reference payment deadline used (contractual or legal deadline—Article L. 441--6 or Article L. 443--1 of the French Commercial Code)												
Payment terms used to calculate late payments	■ Contractual deadlines: Each invoice is followed with its own contractual deadline. This deadline usually varies from 20 to 30 days end of the month.						■ Contractual deadlines: Each invoice issued is followed with its own contractual deadline. This deadline is 30 days end of month for sales of goods and 45 to 60 days for other services depending on the contract.					

4. PRESENTATION OF THE GROUP'S CONSOLIDATED ACCOUNTS

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

The consolidated financial statements show revenues of 4,062 thousand euros compared with 1,776 thousand euros in 2020. This change is mainly due to the recognition of flat-rate royalties owed by Biogen under a licensing agreement for a non-strategic product, in the amount of 3,829 thousand euros, which are classified as non-recurring revenues. In parallel, recurring revenues are decreasing due to the license agreement concluded in April 2020 for the product Beleodaq (belinostat). This agreement, which extended the partner Acrotech Biopharma's marketing rights 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 year 2020. This accounting treatment explains the absence of recurring revenue from Beleodaq in 2021, given that the amount of 1,077 thousand euros in 2020 corresponded to revenue from this product in the period prior to the signature of the agreement with Acrotech.

The operating expenses are stable overall, rising from 9,803 thousand euros in 2020 to 9,722 thousand euros in 2021. However, the Group's R&D expenses have increased from 3,946 thousand euros in 2020 to 4,904 thousand euros in 2021, in particular due to the industrial development of AsiDNA and the preclinical development of OX400 family compounds.

The significant change in other non-recurring operating income and expenses is due to the recognition of the license agreement with Acrotech in 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.

The financial result is a loss of 693 thousand euros, which is mainly due to the interest expense related to the bond issue with SWK Holdings.

After taking into account these various items of income and expense as well as net tax expense of 100 thousand euros, the net result is a loss of 5,937 thousand euros compared to a profit of 1,089 thousand euros recorded in the previous fiscal year.

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

- Onxeo did not record any revenues. As it bears the bulk of the Group's research and development and structural costs, it generated a loss of 9,646 thousand euros.
    - The contribution of the Swiss subsidiary Topotarget Switzerland, which received license fees from its partner Biogen, is a profit of 3,439 thousand euros
    - The other subsidiaries of the Group have a limited activity and their contribution to the consolidated result amounts to a loss of 270 thousand euros.

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

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

The Group had cash and cash equivalents of 17.9 million euros at the end of the fiscal year. Given the 12 million euros financing received in April 2022 from its two main shareholders, Invus and Financière de la Montagne, the Company can finance its activities at least into Q2 2023 based on its financing plan.

The Group has contracted a financial debt in the form of bonds issued to SWK Holdings, the balance of which amounted to 2.8 million euros at the end of 2021 (corporate accounts). The repayment of this debt will be made through royalties on sales of Beleodaq® paid by the American partner Acrotech Biopharma.

Onxeo also has public reimbursable grants of 164,000 euros, relating to the AsiDNA® and OX401 projects, which will be fully repaid by 2025.

6. FORESEEABLE DEVELOPMENTS AND PROJECTS

In 2022, the Company will pursue its value creation strategy based on the development of its therapeutic innovations up to proof of concept in humans, with the following main steps:

AsiDNA®

- Continued clinical development in high value-added indications and combinations, notably in the United States on the basis of an IND application;
- Preliminary results of the REVOCAN study of AsiDNA® added to PARP inhibitors as second-line maintenance therapy in patients with relapsed ovarian cancer, as expected from study sponsor Gustave Roussy;
- Recruitment of the first patient and continuation, under the aegis of its sponsor, the Institut Curie, of the AsiDNA® Children study (Phase 1b/2), which is evaluating the effect of AsiDNA® combined with radiotherapy in the treatment of recurrent high-grade glioma in children;
- 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®.

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 clinical entry in early 2024.

platON®

- Continued evaluation and optimization of new compounds.

Onxeo also intends to rely on the recommendations of the members of its Scientific Advisory Board, which is made up of opinion leaders from international teams that specialize in areas of interest to the Company, to enrich its development programs.

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 December 31, 2021 to the date of publication of this report.

7. OTHER INFORMATION CONCERNING THE CAPITAL

7.1. CROSS-SHAREHOLDINGS AND TREASURY SHARES

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

7.2. ACQUISITION BY THE COMPANY OF ITS OWN SHARES DURING THE YEAR ENDED DECEMBER 31, 2021

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

We remind you that, in accordance with the provisions of Articles L. 225--209 et seq. of the French Commercial Code, the Company has been authorized by its shareholders to trade in its own shares, up to a maximum of 10% of the share capital. This authorization was granted for a period of eighteen months by the Company's Ordinary Shareholders' Meeting of May 29, 2020 under the terms of its fifteenth resolution, and then renewed for a period of eighteen months by the Company's Ordinary and Extraordinary Shareholders' Meeting of June 10, 2021 under the terms of its eighth resolution.

During the year ended December 31, 2021, the Board of Directors successively implemented the program authorized by the Shareholders' Meeting of May 29, 2020 and, as of June 11, 2021, the program authorized by the Shareholders' Meeting of June 10, 2021, which is identical to the previous one.

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

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

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

7.2.2 IMPLEMENTATION OF THE SHARE BUYBACK PROGRAM

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

During fiscal year 2021, the share buyback program was used exclusively within the framework of a liquidity contract with the objective of stimulating the secondary market or the liquidity of the Company's shares, by an investment services provider.

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

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

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

Under the liquidity contract entrusted by ONXEO to Kepler Cheuvreux, as of December 31, 2021, the following resources were included in the liquidity account:

- 429,850 securities
- € 36,891.92 in cash

The 429,850 bearer shares held in treasury at December 31, 2021, with a par value of 36,891.92 euros, represented 0.47% of the capital and were valued at 180,537 euros at the share purchase price.

During the 2nd half of 2021, a total of:

BUY	357,510 securities	€179,383.26	256 transactions
SALE	221,580 securities	€115,071.34	155 transactions

As a reminder, at the time of the last half-yearly balance sheet as of June 30, 2021, the following resources were included in the liquidity account:

- 293,920 securities
- € 101,406.22 in cash

BUY	225,004 securities	€ 157,757.98	122 transactions
SALE	203,522 securities	€148,483.15	118 transactions

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

As of December 31, 2021, the Company did not hold any treasury shares.

Sales of treasury shares under the liquidity contract generated a net capital loss of 74,463 euros in the year ended December 31, 2021.

8. EMPLOYEE SHAREHOLDING

In accordance with Article L. 225--102 of the French Commercial Code, we inform you that as of December 31, 2021, the Company's employees and officers did not hold any interests in the Company's share capital under collective management.

To the best of the Company's knowledge, as of December 31, 2021, 569,723 shares representing 0.62% of the share capital were held directly by employees or corporate officers in accordance with Article L. 225-197-1 of the French Commercial Code.

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

In accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code, we hereby inform you of the transactions in the Company's shares (acquisitions, sales, subscriptions or exchanges of shares) carried out by the Company's officers or members of the Board of Directors, or persons with whom they have close personal ties, to the best of the Company's knowledge, during fiscal year 2021.

Persons concerned	Nature of the transaction	Date of the transaction	Number of shares	Amount of the transaction (€)
Financière de la Montagne SARL, Director	Subscription to the capital increase by issuing new shares	4/16/2021	4,225,352	2,999,999.9
Invus Public Equities, Director	Subscription to the capital increase by issuing new shares	4/16/2021	5,633, 803	4,000, 000

10. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY ONXEO

10.1. COMPONENTS OF THE RISK MANAGEMENT PROCESS

10.1.1 ORGANIZATIONAL FRAMEWORK

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

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

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

10.1.2 RISK MANAGEMENT PROCESS: IDENTIFICATION AND ANALYSIS OF KEY RISKS

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

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

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

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

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

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

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

10.1.3 INSURANCE AND RISK COVERAGE

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

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

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

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

10.1.4 ARTICULATION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

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

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

10.2. GENERAL PRINCIPLES OF INTERNAL CONTROL

10.2.1 DEFINITION AND OBJECTIVES

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

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

The purpose of internal control is to ensure:

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

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

10.2.2 REFERENCE FRAMEWORK USED BY ONXEO

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

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

It concerns all fully consolidated subsidiaries of the Group.

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

10.2.3 COMPONENTS OF INTERNAL CONTROL

10.2.3.1 Organization

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

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

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

10.2.3.2 Frame of reference

Onxeo, which is established in the health and biotechnology sector, is subject to very specific regulations that govern its activities, and compliance with which is also the subject of internal control. Legislative and regulatory provisions, defined by the European Commission and the equivalent regulatory authorities in other countries, in particular the French National Agency for the Safety of Medicines (ANSM), the European

Medicines Agency (EMA), and the Food and Drug Administration (FDA), provide a framework for research and development studies, preclinical studies, clinical studies, the regulation of establishments, as well as the manufacture and marketing of medicines. The main regulatory texts that apply to the Company's activity are the following: Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Manufacturing Practices (GMP), French and European regulatory texts that apply to the development and use of drugs, regulatory texts on GMOs, waste disposal, transport of hazardous products, handling of micro-organisms, hygiene and safety.

10.2.3.3 Control activities

The control activities implemented by the Company are supported by a number of internal players and various tools, including a document system that describes the key processes and controls.

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

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

Internal stakeholders involved in the internal control system include:

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

These provisions are supplemented by the involvement of external stakeholders, including the statutory auditors. The latter rely in particular on a review of the internal control procedures relating to the preparation of accounting and financial information in the context of their statutory mission to certify or audit the consolidated and individual financial statements of Group companies.

- **The documentation system**

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

The internal control system covers the following areas in particular:

- quality assurance, health and safety, risk management;
- administrative, legal, social and financial matters, including financial communication and rules related to the listing of the Company on the Euronext Growth and Nasdaq First North Growth markets;
- regulatory activities;
- pharmaceutical, preclinical and clinical research and development, including, in particular, for the very specific activity of animal experimentation, an Animal Experimentation Ethics Committee whose

objectives are the validation of all experimental protocols and the monitoring of compliance with regulations;

- pharmacovigilance;
- information systems: computerized management of rules for the access, protection and storage of information;
- human resources and labor regulations;

10.3. MAIN DEVELOPMENTS

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

II - REPORT ON CORPORATE GOVERNANCE

1. COMPOSITION AND MISSIONS OF THE BOARD OF DIRECTORS

1.1. COMPOSITION OF THE BOARD OF DIRECTORS

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

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

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

As of the date of this report, the Board of Directors is composed of nine members, out of which six are independant:

First Name, Last Name, Title	Independent Director	Year of 1st appointment	Term Expiry Date	Audit Committee	Compensation & Appointments Committee	Scientific Committee
Ms. Shefali Agarwal	Yes	2021	2024			Member
Ms. Danièle Guyot-Caparros	Yes	2013	2022	Chair		
Ms. Judith Greciet	Yes	2011	2023			
Invus Public Equities LP, represented by Mr. Julien Miara,	No	2020	2022		Member	
Financière de la Montagne, represented by Mr. Nicolas Trebouta	No	2011	2023		Member	
Mr. Robert Coleman	Yes	2021	2023			Chair
Mr. Bryan Giraudo	Yes	2021	2024	Member	Member	
GammaX Corporate Advisory, represented by Mr. Jacques Mallet	Yes	2021	2022		Chair	Member
Mr. Julien Miara	No	2022	2025			

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

1.2. MISSIONS OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

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

1.3. CORPORATE GOVERNANCE CODE

In the interest of transparency and public information and in order to comply with the requirements of Article L. 225-37-4 of the French Commercial Code, the Company has designated the Corporate Governance Code as it has was published, in its revised version, in September 2021 by MiddleNext (the “MiddleNext Code”) as a reference code, this code being available in particular on the MiddleNext website: www.middlenext.com.

The table below presents the Company's position with respect to all the recommendations set forth in the Corporate Governance Code.

MiddleNext Code Recommendations	Compliance
R1 - Board member Ethics	Yes
R2 - Conflicts of Interest	Yes
R3 - Composition of the Board - Presence of independent members	Yes
R4 - Board member information	Yes
R5 - Board member training	No
R6 - Organization of Board and Committee meetings	Yes
R7 - Establishment of committees	Yes
R8 - Establishment of a specialized committee on social/societal responsibility and environmental issues (CSR)	No
R9 - Establishment of the Board's rules of procedure	Yes
R10 - Choice of each Board member	Yes
R11 - Board member term of office	Yes
R12 - Board Member remuneration	Yes
R13 - Implementation of an assessment of the Board's work	Yes
R14 - Relationship with shareholders	Yes
R15 - Diversity and equity policy within the company	Yes
R16 - Definition and transparency of the remuneration of executive directors	Yes
R17 - Officer succession planning	Yes

MiddleNext Code Recommendations	Compliance
R18 - Combination of employment contract and corporate office	Yes
R19 - Severance benefits	Yes
R20 - Supplementary pension plans	Yes
R21 - Stock options and free share grants	Yes
R22 - Review of Vigilance Points	Yes

The following clarifications have been made with regard to the implementation of the various recommendations:

R1 - Board member Ethics
The rules of ethics that the directors undertake to respect (in particular confidentiality, independence and diligence) are clearly set out in the internal rules of the Board of Directors.

R2 - Conflicts of Interest
To date, the Board of Directors is not aware of any potential conflicts of interest.

R3 - Composition of the Board - Presence of independent members
The Board of Directors is composed of 6 independent directors out of a total of 8 members at the date of the prospectus. They are considered as independent with regard to the 5 criteria defined by the Middlenext code.

R.4 - Board member information
The procedures for issuing information to directors are described in Article 2 of the internal regulations.

R.5 - Board member training
The Company has integrated into its board of directors experts in the biotechnology sector, able to actively advise the Company on its strategy and the execution of its operational plan. As a result, it has not put in place a specific training plan, but it nevertheless organizes for each new member of the Board an integration course aimed at bringing him/her to meet all the executive directors and to transmit to him/her the specificities of Onxeo. The Board also appointed among its members a senior independent director in the person of Ms. Danièle Guyot-Caparros. This director ensures that the Company complies at all times with the good governance practices that apply to it, particularly with regard to French regulations. Her role is to assist the Board in ensuring the proper functioning of the Company's governance bodies and to advise it on the transactions on which the Board is called upon to deliberate.

R.6 - Organization of Board and committee meetings
Article 3 of the rules of procedure sets out the procedures for the organization of Board meetings, which must take place at least once every quarter and be recorded in minutes, as specified in Article 4 of the said rules.

R.7 - Establishment of committees
The Board of Directors has set up 3 specialized committees: an Audit Committee, a Remuneration and Nomination Committee and a Scientific and Business Development Committee.

R.8 - Establishment of a specialized committee on social/societal responsibility and environmental issues (CSR)
Given the small size of the Company, it did not consider it necessary to set up an ad hoc committee. CSR issues are handled directly by the Board of Directors. As lead director (“senior independent director”), Ms. Danièle Guyot-Caparros also oversees the monitoring of CSR topics.

R.9 - Establishment of the Board's rules of procedure
The rules of procedure can be consulted on the Company's website www.onxeo.com and are available to shareholders at the registered office. These rules of procedure include the eight headings defined by the Middlenext code.

R.10 - Choice of each director
A detailed information sheet on each candidacy is posted on the Company's website before the General Meeting of Shareholders that decides on the nomination of a director.

R.11 -Board member term of office

The term of office is 3 years. The dates of nomination and therefore the expiry dates of the directors' terms of office are not all the same, which effectively staggers the renewal of directors.

R.12 - Director remuneration
The allocation of directors' fees is determined by the Board and takes into account the directors' attendance record as well as their possible presence on committees.

R.13 - Implementation of an assessment of the Board's work
Once a year, the Board formally reviews its operations and defines the relevant areas for improvement.

R.14 - Relationship with "shareholders"
Throughout the year, the Company's management meets with shareholders at specialized events or ad hoc meetings.

R.15 - Diversity and equity policy within the company
The Remuneration Committee, under the supervision of the Board of Directors, ensures compliance with these rules.

R.16 - Definition and transparency of the remuneration of executive directors
The Remuneration Committee, under the supervision of the Board of Directors, ensures compliance with these rules.

R.17 - "Officer" succession planning
Succession is one of the topics discussed at Board meetings, based on the preparatory work of the Nominations and Governance Committee.

R.18 - Combination of employment contract and corporate office
No corporate officer combines his or her office with an employment contract within the Company.

R.19 - Severance benefits
There is no contractual provision for remuneration in the event of a corporate officer's departure.

R.20 - Supplementary pension plans
There is no supplementary plan in place for the benefit of a corporate officer.

R.21 - Stock options and free share grants
The Company annually grants stock options and/or free shares to all Group employees and subjects the grants made to the Chief Executive Officer and the members of the Executive Committee to performance conditions.

R.22 - Review of vigilance points
The directors are aware of the points of vigilance of the Middlenext code and review them regularly.

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

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

2. CORPORATE MANDATES

2.1. EVOLUTION OF THE BOARD OF DIRECTORS.

On June 10, 2021, the combined general meeting of shareholders 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. Dr. Shefali Agarwal, MD, is 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 the clinical development and registration of the PARP inhibitor ZEJULA(r) (niraparib) in ovarian cancer for Tesaro in Europe and the United States. 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 brings to Onxeo her understanding of international clinical operations, in-depth knowledge of the US biotech world and considerable expertise in development.

The meeting of June 10, 2021 also renewed the term of office of Mr. Thomas Hofstaetter as director for three years and ratified the appointment of Invus Public Equities LP as director of the Company in replacement of Mr. Jean-Pierre Kinet, who resigned, for the remaining term of the latter's office, i.e., until the end of the ordinary annual general meeting called to approve the financial statements for the fiscal year ending December 31, 2021.

Mr. Jean-Pierre Bizzari, an independent member of the Board of Directors, resigned from his position at the end of June 2021 for personal reasons.

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

In July 2021, Ms. Christine Garnier resigned as an independent director.

On October 14, 2021, the Company announced the appointment of Dr. Robert L. Coleman and Dr. Jacques Mallet as independent directors:

- Dr. Robert L. Coleman, MD, is the Scientific Director of the US Oncology Network, one of the largest U.S. networks dedicated to cutting-edge oncology care and research, with more than 400 ongoing clinical trials and over 1,400 physicians. Prior to joining US Oncology Network in 2020, Dr. Coleman was executive director of the MD Anderson Group Cancer Network Research Program. He was also a professor and the Ann Rife Cox Chair in Gynecology at the University of Texas. Dr. Coleman's work has been published in over 500 publications that focus on the role of novel therapies in ovarian cancer, such as the integration of PARP inhibitors into the treatment strategy.
- Dr. Jacques Mallet was Senior Vice President - Head of Analytics/Corporate Strategy and member of the Executive Leadership Team at Sanofi and is currently a member of the board of directors of several listed and private companies in the health technology sector. He brings to Onxeo more than 30 years of experience in the pharmaceutical industry in R&D, portfolio development and corporate strategy, as well as a unique vision of life sciences, both in Europe and in the US, as a venture capitalist. Previously, Mr. Mallet was head of investments at Auriga Partners, a leading private equity firm that specializes in life sciences in France, and has held senior positions at international consulting firms such as Monitor Deloitte and Accenture.

On November 23, 2021, Mr. Bryan Giraudo joined the company's board of directors as an independent member, in replacement of Thomas Hofstaetter. Bryan Giraudo is both Chief Operating Officer and Chief Financial Officer of Gossamer Bio, a U.S. listed biopharmaceutical company (Nasdaq: GOSS) which specializes in the development and commercialization of innovative therapies in the fields of immunology, inflammation and oncology. Previously, he was a Senior Managing Director at LEERINK Partners, where he was responsible for the life sciences investment banking business for the West Coast of North America and Asia. Prior to joining LEERINK Partners in 2009, Mr. Giraudo was a Managing Director in the Global Healthcare Investment Banking division at Merrill Lynch.

On January 3, 2022, Onxeo announced the appointment of Julien Miara as the new interim CEO in replacement of Ms. Judith Greciet. The latter remains a director at Onxeo as of the date of this Report.

On April 7, 2022, Onxeo announced the appointment of Shefali Agarwal as Chief Executive Officer, replacing Julien Miara.

During the combined general meeting held on April 19, 2022, Julien Miara was appointed director of the Company. He retains his role as permanent representative of Invus, director since June 2020.

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

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

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

Independent Director	**Offices and functions**
Shefali AGARWAL Dr. Shefali Agarwal has been an independent director since June 10, 2021 and was appointed as chairperson of the Company on July 29, 2021. Her term of office will expire at the 2024 General Assembly. On April 7, 2022, Shefali Agarwal was appointed Chief Executive Officer of Onxeo Born on September 27, 1973, Dr. Shefali Agarwal, who is a physician by training, is the Medical and Development Director at Epizyme, Inc., a developer of 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 the clinical development and registration of the PARP inhibitor ZEJULA® (niraparib) in ovarian cancer for Tesaro.	*In the Company* • Chairwoman of the Board of Directors and chief executive officer *Outside the Company* • Member of the Board of Directors of ITB Med (not listed) • Member of the Board of Directors of Gritstone Bio (Nasdaq : GTRS) • Member of the Board of Directors of Fate Therapeutics (Nasdaq : FATE) • President of Onxeo US • Director of Topotarget UK *Other offices and positions held over the past five years and completed* None
Danièle GUYOT-CAPARROS Danièle Guyot-Caparros has been an independent director of Onxeo since June 26, 2013 and chaired the Company's Board of Directors between May 2019 and July 2021. Her term of office will expire at the 2022 Shareholders' Meeting. Danièle Guyot-Caparros was born on October 16, 1958. After working in an audit firm on international assignments, she joined Rhône-Poulenc, which became Aventis and then Sanofi, in various positions of increasing scope, with responsibilities in finance at the European level and then in Business Planning and Performance Monitoring at the global level. Senior Life Sciences advisor for Deloitte since 2008, she holds a Master's degree in Finance/Accounting as well as a DECF (chartered accountant diploma).	*In the Company* • Director *Outside the Company* None *Other offices and positions held over the past five years and completed* • Senior Advisor Life Sciences & Health Care Deloitte France • Member of the Supervisory Board of Diaxonhit • Director of Supersonic Imagine SA (France)

Director	Offices and functions
Judith GRECIET Judith Greciet joined Onxeo on March 1, 2011 as Deputy CEO in charge of R&D and Operations and served as CEO from June 29, 2011 to January 3, 2022. She has been a director of Onxeo since June 29, 2011. Her term of office will expire at the 2023 Shareholders' Meeting. Born on October 27, 1968, Judith Greciet has spent her career in various international laboratories (notably Eisai, Zeneca, Wyeth) holding positions of increasing managerial and strategic importance in the fields of oncology and immunology, with innovative products. She is a doctor of pharmacy and has a post-graduate degree in pharmaceutical management and marketing.	*In the Company* • Director *Outside the Company* None *Other offices and positions held over the past five years and completed* • Chief executive officer of Onxeo SA • Chairwoman of Onxeo US Inc. • Director of Topotarget UK
FINANCIERE DE LA MONTAGNE, represented by Nicolas TREBOUTA Financière de la Montagne has been a director since June 29, 2011. Its term of office will expire at the 2023 Shareholders' Meeting. Born on May 29, 1963, Nicolas Trebouta has been investing directly or through funds in biotech companies since 2004 through his Company Financière de la Montagne. Co-founder of Chevrillon et Associés in 2000, he participated in a number of LBOs with this structure, including Picard surgelés, the printing company CPI, and the insurance company Albingia. He is a physician and has been a shareholder of Onxeo since 2008.	*In the Company* • Director *Outside the Company* • Manager of SARL Financière de la Montagne • Manager of SCI Fleurus Immobilier • Manager of SCI 5 rue de la Liberté • Chairman of SAS Dragon 8 • Managing partner of SC Financière des Associés • Director of GIE IO • Chairman of the Supervisory Board of SCA Chevrillon & Associés • Manager of EARL Ferme de Bissy • Managing partner of SC Valois • Manager of SCI du Trillon • Co-manager of SC Aster • Managing partner of SCI du Chardonnet *Other offices and positions held over the past five years and completed* None
INVUS PUBLIC EQUITIES LP, represented by Julien Miara At its meeting on September 17, 2020, the Board of Directors of Onxeo decided to co-opt Invus Public Equities LP as a Director of the Company. This co-option has been approved at the Company's ordinary general meeting on June 11, 2021. Its term of office will expire at the Shareholders' Meeting in 2022.	*In the Company* • Director *Outside the Company* None *Other offices and positions held over the past five years and completed* None

Director	Offices and functions
Julien MIARA Julien MIARA has been a director since April 19, 2022. His term of office will expire at the 2025 General Meeting. Born on June 15, 1983, Julien Miara is a Director at Invus, which he joined in 2010 as an analyst for the investment activity in listed companies (Invus Public Equities LP), particularly covering biotechnologies. In 2018, he was promoted to lead the team in Europe. Previously, he worked in investment banking at BNP Paribas in Paris, Société Générale in New York, and in consulting. Julien Miara obtained his Master's degree in Management from EDHEC Business School in Lille (France) in 2009.	*In the Company* • Director *Outside the Company* • Principal at Invus • Director of Sensorion *Other offices and positions held over the past five years and completed* • Chief executive officer of Onxeo SA • Chairman of Onxeo US • Director of Topotarget UK
Bryan GIRAUDO Bryan Giraudo has served as an independent director since November 23, 2021. His term of office will expire at the 2024 Shareholders' Meeting. Bryan Giraudo was born on May 3, 1975. Bryan Giraudo is both Chief Operating Officer and Chief Financial Officer of Gossamer Bio, a U.S. listed biopharmaceutical company (Nasdaq: GOSS) which specializes in the development and commercialization of innovative therapies in the fields of immunology, inflammation and oncology. Previously, he was a Senior Managing Director at LEERINK Partners, where he was responsible for the life sciences investment banking business for the West Coast of North America and Asia. Prior to joining LEERINK Partners in 2009, Mr. Giraudo was a Managing Director in the Global Healthcare Investment Banking division at Merrill Lynch.	*In the Company* • Director *Outside the Company* • Chief Operating Officer and Chief Financial Officer of Gossamer Bio Inc (USA - Nasdaq : GOSS) • Director of Protagonist Therapeutics (USA) *Other offices and positions held over the past five years and completed* • Senior Managing Director at Leerink Partners
Robert L. COLEMAN At its meeting on October 6, 2021, the Board of Directors of Onxeo decided to co-opt Robert L. Coleman as an independent director of the Company. This cooptation will be submitted to the shareholders for approval at the Company's next ordinary general meeting. Dr. Coleman, born November 3, 1961, is the Scientific Director of the US Oncology Network, one of the largest U.S. networks dedicated to cutting-edge oncology care and research, with more than 400 ongoing clinical trials and over 1,400 physicians. Prior to joining US Oncology Network in 2020, Dr. Coleman was executive director of the MD Anderson Group Cancer Network Research Program. He was also a professor and the Ann Rife Cox Chair in Gynecology at the University of Texas. Dr. Coleman's work has been published in over 500 publications that focus on the role of novel therapies in ovarian cancer, such as the integration of PARP inhibitors into the treatment strategy.	*In the Company* • Director *Outside the Company* • SVP and Chief Scientific Officer, US Oncology Research • Co-Director, GOG-Partners of the GOG Foundation, Inc *Other offices and positions held over the past five years and completed* • Executive Director of the MD Anderson Group Cancer Network Research Program

Director	Offices and functions
GAMMAX CORPORATE ADVISORY, represented by Mr. Jacques Mallet At its meeting on October 6, 2021, the Board of Directors of Onxeo decided to co-opt GammaX Corporate Advisory, which is represented by Jacques Mallet, as an independent director of the Company. This cooptation will be submitted to the shareholders for approval at the Company's next ordinary general meeting. Dr. Jacques Mallet, born April 27, 1960, was Senior Vice President - Head of Analytics/Corporate Strategy and a member of the Executive Leadership Team at Sanofi and is currently a member of the Board of Directors of several public and private companies in the health technology sector. Previously, Mr. Mallet was head of investments at Auriga Partners, a leading private equity firm that specializes in life sciences in France, and has held senior positions at international consulting firms such as Monitor Deloitte and Accenture.	*In the Company* • Director *Outside the Company* • Chairman of Gamma-X Corporate Advisory • Director of Technoflex • Director of the Fournier Majoie Foundation *Other offices and positions held over the past five years and completed* • Senior Vice President Portfolio Analytics & Corporate Strategy at Sanofi • Director of Isocell

3. SHARE SUBSCRIPTION WARRANTS, STOCK OPTIONS AND FREE SHARES

Share subscription or purchase options granted during the year to each executive director

During fiscal year 2021, 270,916 stock options (SO) were granted to executive directors (Mrs. Judith Greciet), of which 210,916 replaced 421,831 options granted between 2011 and 2017 that were cancelled on that occasion (see summary below).

Share subscription or purchase options exercised during the year by each executive director

No stock options were exercised by executive directors during fiscal year 2021.

Performance shares granted during the year to each executive director

No performance shares were granted to executive directors in fiscal year 2021.

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

No performance shares (AGAs) became available in fiscal year 2021.

History of warrants and stock options grants

As part of its policy to remunerate and motivate its managers and employees, Onxeo regularly sets up stock option plans and free share allocation plans.

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

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

The terms and conditions of exercise of stock options and warrants that were granted to officers and directors and were outstanding at December 31, 2021 are described in the table below.

Stock options	**SO Dir.2018**	**SO Dir.2020**	**SO Dir.2021**	**SO Dir.2021-2**
Date of meeting	6/19/2018	6/19/2020	6/10/2021	6/10/2021
Date of the Board of Directors	7/27/2018	9/17/2020	7/29/2021	7/29/2021
Terms of exercise	1 SO/1 share - Acquisition over 4 years			Immediate acquisition
Options granted to corporate directors (Judith Greciet)	150,723	170,000	60,000	210,916
Starting point of exercise	6/30/2019	9/17/2021	7/29/2022	7/29/2021
Expiration date	7/27/2028	9/17/2030	7/29/2031	7/28/2027
Subscription price [(1)]	1.187	0.684	0.62	0.62
Shares subscribed as of 12/31/2021	0	0	0	0
Canceled or lapsed options	42,000	0	0	0
Options remaining at 12/31/2021	**108,723**	**170,000**	**60,000**	**210,916**

History of warrants and stock options grants (continued)

Share subscription warrants	BSA 2013	BSA 2014-1	BSA 2014-2	BSA 2015-1	BSA 2016-1	BSA 2016-3	BSA 2017	BSA 2018-1	BSA 2018-2	BSA 2020
Date of meeting	6/26/2013	6/30/2014	6/30/2014	5/20/2015	4/06/2016	4/06/2016	5/24/2017	6/19/2018	6/19/2018	6/19/2020
Date of the Board of Directors	9/19/2013	9/22/2014	3/04/2015	10/27/2015	7/28/2016	12/21/2016	7/28/2017	7/27/2018	10/25/2018	9/17/2020
Terms of exercise	1 warrant/ 1 share									1 warrant/ 1 share (3)
Shares available for subscription by corporate directors (1)	15,616	26,026	5,500	15,000	30,000	17,500	80,000	85,000	42,500	225,000
of which Shefali Agarwal										
of which Danielle Guyot-Caparros	15,616	13,013					40,000	42,500		75,000
of which Financière de la Montagne		13,013	5,500	15,000	30,000	17,500	40,000	42,500	42,500	75,000
of which Invus Public Equities LP										75,000
of which Robert Coleman										
Of which Bryan Giraudo										
Of which GammaX Corporate Advisory										
Starting point for the exercise of the warrants	3/19/2014	3/22/2015	9/04/2015	4/27/2016	1/28/2017	6/21/2017	4/28/2018	6/30/2019	6/30/2019	3/17/2021
Expiration date	9/19/2023	9/22/2024	3/04/2025	10/27/2025	7/28/2026	12/21/2026	7/28/2027	7/27/2028	10/25/2028	9/17/2030
Issue price	€ 0.40	€ 0.64	€ 0.63	€ 0.36	€0.26	€0.24	€ 0.20	€0.21 (2)	€ 0.16 (2)	€ 0.16
Subscription price (1)	€ 3.85	€ 6.17	€ 6.26	€ 3.61	€3.16	€2.43	€ 4.00	€ 1.187	€1.017	€ 0.684
Shares subscribed as of 12/31/2021	0	0	0	0	0	0	0	0	0	0
Total canceled or lapsed warrants	0	0	0	0	0	0	0	0	0	0
BSAs remaining at 12/31/2021 (1)	**15,616**	**26,026**	**5,500**	**15,000**	**30,000**	**17,500**	**80,000**	**85,000**	**42,500**	**225,000**

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

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

(3) Acquisition by third party every 6 months

Share subscription warrants	**BSA 2021**	**BSA 2021-1**	**BSA 2021-3**	**BSA 2021-4**
Date of meeting	6/19/2021	6/10/2021	6/10/2021	6/10/2021
Date of the Board of Directors	4/28/2021	6/11/2021	7/29/2021	10/06/2021
Terms of exercise	1 warrant/ 1 share	1 warrant/ 1 share	1 warrant/ 1 share	1 warrant/ 1 share
Shares that may be subscribed by corporate directors	150,000 (1)	100,000 (2)	75,000 (3)	75,000 (3)
Of which Shefali Agarwal	150,000	100,000		
Of which Danielle Guyot-Caparros				
Of which Financière de la Montagne			75,000	
Of which Invus Public Equities LP				
Of which Robert Coleman				75,000
Of which Bryan Giraudo				
Of which GammaX Corporate Advisory				
Starting point for the exercise of the warrants	10/28/2022	6/11/2022	1/29/2022	06,/04/2022
Expiration date	4/28/2031	6/11/2031	7/29/2031	10/06/2031
Issue price	0.176	0.159	0.146	0.129
Subscription date	0.723	0.662	0.62	0.56
Shares subscribed as of 12/31/2020	0	0	0	0
Total canceled or lapsed warrants	0	0	0	0
BSAs remaining at 12/31/2021	**150,000**	**100,000**	**75,000**	**75,000**

(1) Full acquisition after 18 months
(2) Full acquisition after 12 months
(3) Acquisition by third party every 6 months

Share subscription or purchase options granted during the year to the ten largest non-executive employees or exercised by them

	Total number of options granted	Weighted average price	Plan
Options granted during the fiscal year to the ten employees (other than corporate directors) with the highest number of options granted (aggregate information)	438,917	€ 0.62	SO Employee Plan 2021 and 2021-2

Other benefits granted to corporate directors and officers

Corporate Directors and Officers	Employment Contract		Supplementary pension plan		Indemnities or benefits due as a result of termination/change of duties		Compensation for a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Judith Greciet Chief Executive Officer since 06/29/2011 Start of mandate : 06/29/2011 End of mandate: Shareholders' Meeting to approve the financial statements for the year ending December 31, 2022		X	X			X		X

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

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

4. CAPITAL STRUCTURE OF THE COMPANY

4.1. DISTRIBUTION OF SHARE CAPITAL AS OF DECEMBER 31, 2021

The share capital as of December 31, 2021 was 22,998,733.75 euros, divided into 91,994,935 shares with a par value of 0.25 euros each, all of the same class and fully paid up.

At December 31, 2021, 92.42% of the Company's capital was held by bearer shareholders and 7.58% by registered shareholders.

In accordance with the provisions of Article L. 233-13 of the French Commercial Code, we hereby inform you of the identity of shareholders whose threshold exceeds 5% of the share capital, i.e. who own more than one-

twentieth, one-tenth, three-twentieths, one-fifth, one-fourth, one-third, one-half, two-thirds or nineteen-twentieths of the share capital or voting rights as of December 31, 2021.

Shareholders	Shares		Voting rights	
	Number of shares	% of share capital	Number of voting rights	% of voting rights
Financière de la Montagne (Director)	14,779, 009	16.07%	14,779,009	16.14%
Invus Public Equities LP (Director)	14,031, 037	15.25%	14,031, 037	15.32%
Treasury stock	429,850	0.47%	-	-
Other	62,755, 039	68.22%	62,755, 039	68.54%
Total at 12/31/2020	**91,994,935**	**100.00%**	**91,565, 085**	**100.00%**

No shareholders' agreements have been declared to the Company.

4.2. CHANGES DURING THE YEAR

	Number	Nominal value (euros)	Share capital after modification
Shares comprising the share capital at year-end	78,317,810	0.25	19,579,452.50
Board of Directors' meeting of April 12, 2021: increase in share capital with shareholders' preferential subscription rights, for a nominal amount of 3,419,281.25 euros, through the issue of 13,677,125 ordinary shares on the exercise of warrants with a par value of 0.25 euros each	13,677,125	0.25	3,419,281.25
Shares comprising the share capital at year-end	91,994,935	0.25	22,998,733.75

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

The fully diluted capital as of December 31, 2021 amounts to 91,994,935 shares. It includes the share capital as of December 31, 2021,2 consisting of 789,944,559 shares plus 2,050,376 shares likely to be issued as a result of the plans for the granting of securities giving access to the Company's capital detailed below, representing a potential dilution of 2.25% on the basis of the capital existing at the closing date of the financial year.

Plan Designation	Beneficiaries	Adjusted subscription price (1) per share in euros	Expiration date	Adjusted number of warrants/options (1) outstanding at 12/31/20	% dilution of share capital	% cumulated
BSA 2013	Non-employee board members or officers	3.85	9/19/2023	88,490	0.10%	2.04%
BSA 2014		6.17	9/22/2024	85,886	0.09%	
BSA 2014-2		6.26	3/04/2025	19,000	0.02%	
BSA 2015		3.61	10/27/2025	65,000	0.07%	
BSA 2015-2		3.33	1/23/2026	90,000	0.10%	
BSA 2016		3.16	7/28/2026	160,000	0.17%	
BSA 2016-3		2.43	12/21/2026	52,500	0.06%	
BSA-2017		4.00	7/28/2027	300,000	0.33%	
BSA 2018		1.19	7/27/2028	274,500	0.30%	
BSA 2018-2		1.02	10/25/2028	85,000	0.09%	
BSA 2020		0.68	9/17/2030	350,000	0.45%	
BSA 2021-2		0.662	6/11/2031	100,000	0.11%	
BSA 2021-3		0.62	7/29/2031	125,000	0.14%	
BSA 2021-4		0.56	10/06/2031	75,000	0.08%	
BSA 2016-2	Consultants	2.61	10/25/2026	30,000	0.03%	0.19%
BSA 2021 (2)		0.723	4/28/2031	150,000	0.16%	
SO 2012	Executives	3.75	9/13/2022	47,090	0.05%	0.67%
SO 2014		6.17	9/22/2024	15,616	0.02%	
SO 2018		1.19	7/27/2028	98,223	0.12%	
SO 2020		0.68	9/17/2030	42,500	0.18%	
SO 2021		0.62	7/29/2031	60,000	0.07%	
SO 2021-2		0.62	7/28/2027	210,916	0.23%	
SO 2012	Employees	3.75	9/13/2022	52,321	0.06%	2.03%
SO 2013		3.85	9/19/2023	31,232	0.03%	
SO 2014		6.17	9/22/2024	9,587	0.01%	
SO 2017		4.00	7/28/2027	17,625	0.02%	
SO 2017-2		1.48	3/29/2028	25,000	0.03%	
SO 2018		1.19	7/27/2028	416,805	0.45%	
SO 2020		0.68	9/17/2030	822,500	0.89%	
SO 2021		0.62	7/29/2031	278,000	0.30%	
SO 2021-2		0.62	7/28/2027	218,278	0.23%	
TOTAL				**4,534, 069**		**4.93%**

(1) After adjustment of the number and subscription price of warrants, options and free shares as a result of the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L. 228-99 of the French Commercial Code

(2) Grant to Ms. Shefali Agarwal under a consultancy agreement entered into prior to her appointment as a director of the Company (June 10, 2021)

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

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

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

In euros	2017	2018	2019	2020	2021
Capital at year-end					
Share capital	12,673,913	13,344,094	15,329, 462.75	19,579,452.50	22,998,733.75
Number of existing common shares	50,695, 653	53,376,375	61,317,851	78,317,810	91,994,935
Number of existing preferred shares					
Maximum number of future shares to be created :					
By conversion of bonds					
By exercising the subscription right					
Operations and results for the year					
Turnover before tax	894,784	548,504	1,150, 646	488,518	45,523
Income before tax, employee profit-sharing, depreciation and provisions	-30,432, 231	-9,632,677	-23,097, 256	-8,246, 501	-10,252,400
Income taxes	-3,686, 612	-2,436,446	-1,381,822	-794,638	-1,744,594
Employee profit-sharing due for the year					
Income after tax, employee profit-sharing, depreciation and provisions	-66,424, 572	-12,955,412	-28,967, 798	-3,566, 539	-5,351,535
Distributed income					
Earnings per share					
Income after tax, employee profit-sharing, but before depreciation and provisions	-0.53	-0.13	-0.35	-0.09	-0.08
Income after tax, employee profit-sharing, depreciation and provisions	-1.31	-0.24	-0.47	-0.05	-0.03
Dividend allocated to each share					
Staff					
Average number of employees during the year	49	39	30	25	25
Total payroll for the year	5,181, 976	3,202,473	3,029, 115	2,773, 547	2,607, 315
Amounts paid for employee benefits	2,395, 768	1,449,962	1,490, 970	1,258, 312	1,211,015

Appendix II - Summary table of current delegations of authority granted by the General Meeting to the Board of Directors to increase the share capital

Year ended December 31, 2021

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we hereby report to you on the current delegations of authority granted by the Shareholders' Meeting to the Board of Directors to increase the share capital, and on the use made of these delegations during the year ended December 31, 2021.

	Duration of validity / expiry date	**Ceiling (nominal value)**	**Use made of the delegation**
Delegations granted by the Shareholders' Meeting of June 19, 2020			
Delegation of authority granted to the Board of Directors to increase the share capital, immediately or in the future, by issuing ordinary shares or any securities giving access to the share capital, with preferential subscription rights (17th resolution)	26 months / August 19, 2022 **This delegation was replaced by the delegation granted by the General Meeting of June 10, 2021 under its 9th resolution**	€16,865,558 (67.462.232 shares)	On March 9, 2021, the Chief Executive Officer, acting on the authority of the Board of Directors, decided to carry out a capital increase for a basic amount of 9,267,607 euros by issuing 13,052,968 shares at a unit price of 0.71 euros. Following the Board's use of the option provided for in the 20th resolution, the capital increase amounted to a total nominal amount of 3,419,281.25 euros, through the issue of a total of 13,677,125 euros, i.e. a total capital increase, including the issue premium, of 9,710,758.75 euros.
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights and public offering (18th resolution)	26 months / August 19, 2022 **This delegation was replaced by the delegation granted by the General Meeting of June 10, 2021 under its 10th resolution**	€16,865,558 (67.462.232 shares)	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to issue shares or any securities giving immediate or future access to the capital, without shareholders' pre-emptive subscription rights, by means of the offer referred to in Article L 411-2 of the French Monetary and Financial Code (19th resolution)	26 months / August 19, 2022 **This delegation was replaced by the delegation granted by the General Meeting of June 10, 2021 under its 11th resolution**	€3,373,112 (13.492.450 shares)	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the amount of issues with or without preferential subscription rights that would be decided pursuant to the 17th to 19th resolutions above (20th resolution)	26 months / August 19, 2022 **This delegation was replaced by the delegation granted by the General Meeting of June 10, 2021 under its 12th resolution**	15% of the initial issue	This delegation was used in the context of the capital increase with preferential subscription rights for shareholders recorded on April 12, 2021.

	Duration of validity / expiry date	**Ceiling (nominal value)**	**Use made of the delegation**
Authorization granted to the Board of Directors, in the event of the issue of shares or any other securities giving access to the capital with cancellation of the shareholders' preferential subscription rights, to set the issue price within the limit of 10% of the share capital and within the limits provided for by the General Meeting by virtue of the delegations decided under the terms of the 18th and 19th resolutions above (21st resolution)	26 months / August 19, 2022	Up to 10% of the share capital	The Board did not make use of this authority.
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights in favor of a first category of persons (22nd resolution)	18 months / December 19, 2021	€6,746,223 (26.984.892 shares)	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights in favor of a second category of persons (24th resolution)	18 months / December 19, 2021	€6,746,223 (26.984.892 shares)	The Board did not make use of this delegation.
Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares or any other securities without shareholders' pre-emptive subscription rights for the benefit of a category of persons within the framework of an equity or bond financing agreement (26th resolution)	18 months / December 19, 2021	€3,373,112 (13.492.450 shares)	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the share capital, within the limits of 10% of the share capital, in order to remunerate contributions in kind of equity securities or securities giving access to the share capital of third-party companies outside a public exchange offer (27th resolution)	26 months / August 19, 2022	10% of the share capital	The Board did not make use of this delegation.
Authorization for the Board of Directors to grant stock options (30th resolution)	38 months / August 19, 2022 **This delegation was replaced by the delegation granted by the Shareholders' Meeting of June 10, 2021 under its 18th resolution**	1,200,000 options representing a maximum nominal amount of 300,000 euros	See special report of the Board of Directors - grant of 1,200,000 stock options on September 17, 2020
Delegation of authority to the Board of Directors to issue a maximum of 500,000 warrants to members of the Board of Directors in office on the date of	18 months / December 19, 2021 **This delegation was replaced by the**	500,000 warrants representing a maximum	See additional reports of the Board of Directors and the Statutory Auditor. The Board of Directors made use of this delegation on April

	Duration of validity / expiry date	**Ceiling (nominal value)**	**Use made of the delegation**
allocation of the warrants, who are not employees or executives of the Company or one of its subsidiaries, and persons linked by a service or consultancy contract to the Company or one of its subsidiaries (31st resolution)	**delegation granted by the Shareholders' Meeting of June 10, 2021 under its 18th resolution**	nominal amount of 125,000 euros	28, 2021 and decided to issue 150,000 warrants giving the right to subscribe for one share of the Company with a nominal value of 0.25 euro at a price of 0.723 euro (including issue premium) to Mrs. Shefali Agarwal, who was then a consultant of the Company.
Delegations granted by the Shareholders' Meeting of June 10, 2021			
Delegation of authority granted to the Board of Directors to increase the share capital immediately or in the future by issuing ordinary shares or any securities giving access to the share capital, with preferential subscription rights (9th resolution)	26 months / August 10, 2023	€22,998,733 (91.994.932 shares)	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, without preferential subscription rights for shareholders and with a public offering (10th resolution)	26 months / August 10, 2023	€22,998,733 (91.994.932 shares)	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to issue shares or any securities giving immediate or future access to the capital, without shareholders' pre-emptive subscription rights, as part of an offer referred to in paragraph 1 of Article L 411-2 of the French Monetary and Financial Code (11th resolution)	26 months / August 10, 2023	€ 4,599,746 (18.398.984 shares)	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the amount of issues with or without preferential subscription rights that may be decided pursuant to the 9th to 11th resolutions above (12th resolution)	26 months / August 10, 2023	15% of the initial issue	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities giving access to the capital, with waiver of shareholders' preferential subscription rights, for the benefit of a first category of persons (investors active in the healthcare or biotechnology sectors) (13th resolution)	18 months /December 10, 2022	€ 9,199,493 (36,797 972 shares)	On April 6, 2022, the Board decided on a capital increase for a total nominal amount of €4,878,048.75, by issuing a total number of €19,512,195 at a unit price of €0.41, i.e. an increase of capital for a total amount, issue premium included, of 8,000,000 euros. The Board also decided on the same date to issue 4,000,000 convertible bonds with a nominal value of one euro each, i.e. total gross proceeds of 4,000,000 euros.
Delegation of authority to the Board of Directors to increase capital by issuing ordinary shares or any securities giving	18 months /December 10, 2022	€ 9,199,493 (36,797 972 shares)	The Board did not make use of this delegation.

	Duration of validity / expiry date	**Ceiling (nominal value)**	**Use made of the delegation**
access to capital, without shareholders' pre-emptive subscription rights, for the benefit of a second category of persons (industrial companies active in the health or biotechnology sectors) (14th resolution)			
Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares or any other securities without shareholders' pre-emptive subscription rights for the benefit of a category of persons within the framework of an equity or bond financing agreement (15th resolution)	18 months /December 10, 2022	€ 4,599,746 (18.398.984 shares)	The Board did not make use of this delegation.
Authorization for the Board of Directors to grant stock options (18th resolution)	38 months / August 10, 2024	1.500.000 options representing a maximum nominal amount of 375,000 euros	See special report of the Board of Directors - grant of 770,194 stock options on July 29, 2021 and of 250,000 stock options on February 2, 2022.
Delegation of authority to the Board of Directors to issue a maximum number of 700,000 warrants to members of the Board of Directors in office on the date of allocation of the warrants, who are not employees or managers of the Company or of one of its subsidiaries, and persons linked by a service or consultancy contract to the Company or one of its subsidiaries (19th resolution)	18 months /December 10, 2022	700,000 warrants representing a maximum nominal amount of 175,000 euros	See additional reports of the Board of Directors and the Statutory Auditor. The Board of Directors made use of this delegation: - on July 29, 2021, the Board of Directors decided to issue 300,000 warrants giving the right to subscribe for one share of the Company with a par value of 0.25 euro at a price of 0.62 euro (including issue premium) for the benefit of non-executive directors, and - on October 6, 2021, the Board of Directors decided to issue 150,000 warrants giving the right to subscribe for one share of the Company with a par value of 0.25 euro at a price of 0.56 euro (including issue premium) to non-executive directors - on February 2, 2022, the Board of Directors decided to issue 225,000 BSA giving the right to subscribe to one Company share with a par value of 0.25 euro at a price of 0.42 euro (premium issue included) for the benefit of non-executive directors and key consultants.

FINANCIAL STATEMENTS AT 31/12/2021

PREPARED ACCORDING TO FRENCH STANDARDS

SUMMARY

BALANCE SHEET

BALANCE SHEET ASSETS

In thousands of euros	Gross	Amortization / Impairment	Net 2021	Net 2020
UNCALLED SUBSCRIBED CAPITAL				
INTANGIBLE ASSETS				
Set-up expenses				
Development costs	65 089	61 830	3 259	3 259
Concessions, patents and similar rights	181	181		
Commercial Fund	4 450		4 450	4 450
Other intangible assets	244	244		4
Advances and down payments on intangible assets				
Total intangible assets	**69 964**	**62 255**	**7 709**	**7 713**
TANGIBLE ASSETS				
Land				
Constructions				
Technical installations, industrial equipment and tools	1 346	1 291	55	49
Other tangible assets	1 935	1 809	126	34
Assets under construction				
Advances and down payments				
Total tangible assets	**3 281**	**3 100**	**180**	**83**
FINANCIAL FIXED ASSETS				
Investments accounted for using the equity method				
Other investments	48 578	42 746	5 831	5 056
Receivables related to investments				
Other long-term securities	181		181	182
Other financial fixed assets	155		155	226
Total financial fixed assets	**48 914**	**42 746**	**6 167**	**5 464**
FIXED ASSET	**122 159**	**108 102**	**14 057**	**13 260**
STOCKS				
Raw materials, supplies				
Goods in process of production				
Services in process of production				
Intermediate and finished products				
Goods				
Total Inventories				
RECEIVABLES				
Advances and deposits paid on orders				
Trade receivables and related accounts	597		597	548
Other receivables	30 121	19 819	10 303	5 400
Capital subscribed and called up, not paid				
Total receivables	**30 719**	**19 819**	**10 900**	**5 948**
LIQUID ASSETS				
Securities:				
Liquid assets	17 371		17 371	14 433
Total liquid assets	**17 371**		**17 371**	**14 433**
CURRENT ASSET	48 090	19 819	28 271	20 381
Prepaid expenses	1 440		1 440	396
Deferred loan issue expenses				
Bond redemption premiums				
Currency translation differences assets	226		226	37
GENERAL TOTAL	**171 914**	**127 921**	**43 994**	**34 074**

BALANCE SHEET LIABILITIES

In thousands of euros		Net 2021	Net 2020
NET POSITION			
Share or individual capital **Of** **which paid in:**	22 999	22 999	19 579
Share premiums, merger premiums, contribution premiums, ...		11 284	5 278
Revaluation differences			
Legal reserve			
Statutory or contractual reserves			
Regulated reserves			
Other reserves			
Carry forward		(12 913)	(9 347)
RESULT FOR THE YEAR (profit or loss)		**(4 332)**	**(3 567)**
Total net equity		**17 037**	**11 944**
Investment subsidies			
Regulated provisions			
EQUITY		**17 037**	**11 944**
Proceeds from issues of equity securities			
Conditional advances		164	327
OTHER EQUITY		164	327
Provisions for risks		226	37
Provisions for expenses		200	327
Provision for risks and expenses		**426**	**363**
FINANCIAL DEBTS			
Convertible bonds			
Other debenture loans		2 771	3 472
Borrowings and debts with credit institutions		5 006	2
Miscellaneous borrowings and financial liabilities		300	220
Total financial liabilities		**8 077**	**3 694**
OPERATING LIABILITIES			
Advances and deposits received on current orders			
Trade payables and related accounts		3 071	3 240
Tax and social security liabilities		647	1 262
Total operating liabilities		**3 719**	**4 501**
MISCELLANEOUS LIABILITIES			
Debts on fixed assets and related accounts			
Other debts		10 599	10 069
Total miscellaneous liabilities		**10 599**	**10 069**
ACCRUALS			
Deferred revenue			23
DEBTS		**22 394**	**18 287**
Currency translation differences liabilities		3 973	3 152
GENERAL TOTAL		**43 994**	**34 074**

INCOME STATEMENT

INCOME STATEMENT (PART 1)

In thousands of euros	France	Export	Net 2021	Net 2020
Sale of goods				472
Sold production of goods				
Sold production of services	7	38	46	17
NET TURNOVER	**7**	**38**	**46**	**489**
Stored production				
Capitalized production				
Operating grants			23	81
Reversals of depreciation, amortization and provisions, expense transfers			3 613	235
License fees and other products			1 860	9 080
TOTAL REVENUE			5 542	9 884
EXTERNAL EXPENSES				
Purchase of goods (including customs duties)				
Inventory change (goods)				64
Purchase of raw materials and other supplies (including customs duties)			294	222
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			6 225	5 460
Total external expenses			**6 519**	**5 746**
Tax, duties and other levies			**161**	**173**
PERSONNEL EXPENSES				
Wages and salaries			2 607	2 774
Social security charges			1 211	1 258
Total personnel expenses			**3 818**	**4 032**
Operating allocations				
Depreciation of fixed assets			43	2 589
Allocations to provisions on fixed assets				
Allocations to provisions on current assets			118	77
Allocations to provisions for risks and expenses				
Total operating allowances			**162**	**2 666**
OTHER OPERATING EXPENSES			428	949
TOTAL OPERATING EXPENSES			**11 088**	**13 566**
OPERATING INCOME			**(5 547)**	**(3 682)**

INCOME STATEMENT (PART 2)

In thousands of euros	Net 2021	Net 2020
OPERATING INCOME	**(5 547)**	**(3 682)**
JOINT OPERATIONS		
Profit allocated or loss transferred		
Loss incurred or profit transferred		
FINANCIAL PROCEEDS		
Financial income from investments	4	28
Income from other securities and receivables from fixed assets	8	1
Other interest and similar income		3
Reversals of provisions and expense transfers	812	568
Positive exchange rate differences	12	158
Net proceeds from sales of marketable securities		
TOTAL FINANCIAL INCOME	**836**	**758**
FINANCE CHARGES		
Depreciation, amortization and provisions	226	37
Interest and similar charges	1 117	1 195
Negative exchange rate differences	2	112
Net expenses on disposals of marketable securities		
TOTAL FINANCIE CHARGES	**1 344**	**1 344**
FINANCIAL RESULT	**(508)**	**(587)**
CURRENT RESULT	**(6 054)**	**(4 269)**
EXTRAORDINARY PROCEEDS		
Extraordinary income on management operations	84	55
Extraordinary income on capital transactions	22	289
Reversals of provisions and expense transfers	127	6 000
TOTAL EXTRAORDINARY INCOME	**232**	**6 343**
SPECIAL CHARGES		
Exceptional expenses on management operations	158	6 082
Exceptional expenses on capital transactions	97	154
Exceptional depreciation, amortization and provisions		200
TOTAL EXCEPTIONAL EXPENSES	**255**	**6 436**
EXTRAORDINARY RESULT	**(23)**	**(92)**
Employee profit-sharing		
Income taxes	(1 745)	(795)
TOTAL REVENUE	**6 610**	**16 985**
TOTAL EXPENSES	**10 943**	**20 552**
PROFIT or LOSS	**(5 352)**	**(3 567)**

ACCOUNTING METHODS AND RULES

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

Onxeo's accounts as of December 31,2021 were prepared under the responsibility of the Chief Executive Officer and were approved by the Board of Directors on April 1, 2022.

1 ACCOUNTING PRINCIPLES AND METHODS

The annual financial statements for the year ended December 31, 2021 have been prepared and presented in accordance with the provisions of the French Commercial Code, the French General Chart of Accounts and ANC regulation 2016--07 of November 4, 2016, in compliance with the principle of prudence and the independence of financial years.

The financial statements have been prepared on a going concern basis. This principle was adopted by the Board of Directors on the basis of a net cash position of 17.4 million euros at December 31 2021 and financing commitments from its two main shareholders, Invus and Financière de la Montagne, for a minimum of 12 million euros. The Company can thus finance its activities at least into Q2 2023 based on its financing plan.

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

1.1 INTANGIBLE FIXED ASSETS

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

Research and development costs incurred by the company are directly expensed. They may be immobilized when the following conditions are simultaneously met:
The projects involved are clearly individualized,

- Each project must have, at the date of establishment of the accounts, a serious chance of technical success and commercial profitability,

Their cost can be clearly established.

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

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

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

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

1.2 TANGIBLE ASSETS

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

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

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

1.3 FINANCIAL FIXED ASSETS

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

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

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

1.4 STOCKS AND WORK IN PROGRESS

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

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

1.5 RECEIVABLES AND PAYABLES

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

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

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

1.6 MARKETABLE SECURITIES

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

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

1.7 LIQUID ASSETS

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

1.8 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions correspond to commitments resulting from litigation and miscellaneous risks, the timing and amount of which are uncertain, that the company may face during its business. A provision is recognized when the

company has a legal or constructive obligation to a third party as a result of a past event that is probable or certain to result in an outflow of resources to the third party, without at least equivalent consideration expected from the third party, and the future cash outflow can be reliably estimated.

1.9 LICENSING AGREEMENTS

1.9.1. LICENCES GRANTED TO THIRD PARTIES

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

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

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

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

1.10 GRANTS

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

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

2 SIGNIFICANT EVENTS THAT OCCURRED DURING THE FINANCIAL YEAR

2.1. R&D PROGRAMS

AsiDNA™

The Company actively pursued preclinical and clinical development of systemic AsiDNA™ in combination with other therapies in various types of solid tumors in 2021 and achieved several major milestones:

- On the clinical front, in February it entered into a 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 was approved in late 2021 and the first patients will be enrolled in early 2022. In parallel, Onxeo completed the DRIIV-1b trial of AsiDNA™ in combination with reference chemotherapies, carboplatin and then carboplatin and paclitaxel, in patients with advanced solid tumors that 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. The Company also continued the Revocan Phase 1b/2 clinical trial to evaluate the combination of AsiDNA™ with PARP inhibitors in the 2nd line maintenance treatment of relapsed ovarian cancer. Gustave Roussy is the sponsor of this study. The pace of

recruitment has been slower than expected, partly due to the health crisis, and the initial results are now expected in the second half of 2022.

- On the preclinical front, Onxeo presented results from preclinical studies at the American Association for Cancer Research (AACR) Annual Meeting in April 2021 showing the ability of AsiDNA™, to prevent drug-tolerant persister cell (DTP)-induced resistance to KRAS inhibitors (KRASi). The previous year, Onxeo had already demonstrated for the first time at the AACR that these DTPs were involved in tumor resistance to PARP inhibitors. The role of persister 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 persister cells and preclinical evaluation of novel combinations of AsiDNA™ in this setting is ongoing. The Company also presented its DTP results at the EACR-AstraZeneca virtual conference held in December 2021.

OX400

After AsiDNA™, Onxeo is developing the OX400 family based on Onxeo's platON™ chemistry platform, which enables the design of new molecules based on oligonucleotides (a double-stranded DNA fragment).

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

During 2021, the Company continued to optimize OX401 in order to improve its action on the PARP protein, which is involved in the tumor DNA repair cascade, and its activation of the antitumor immune response via the cGAS-STING pathway. The Company plans to have the optimized compound selected and in preclinical development in 2022.

2.2 FUNDING

Obtention of State-Backed Loans

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

The loans are 90% guaranteed by the French government, have interest rates ranging from 0.25% to 1.75%, including the government guarantee, and have a 12-month maturity. After this initial period, the Company has chosen to repay these loans over a period of 5 years starting in February 2022, the first year being a grace period during which only interest will be paid.

Capital increase with preferential subscription rights for shareholders

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

The proceeds of this issue of New Shares were 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:

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

subscription commitments of the two reference shareholders, Financière de la Montagne and Invus Public Equities LP)

On April 12, 2021, the Company announced the success of this capital increase, with a subscription rate of approximately 104.8%. The gross amount of the capital increase, including share premium, amounted to 9,7 million euros. This transaction extended the Company's financial horizon to the fourth quarter of 2022.

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

2.3. IMPACTS OF THE HEALTH CRISIS

The continuing major global health crisis related to the Covid-19 epidemic creates an uncertain situation. Even if Onxeo has been little impacted in 2021, it is difficult to measure the repercussions on the Group's activity and financial situation, which will depend on the intensity and duration of this crisis. The Company has put in place appropriate measures to protect its employees and to ensure the continuity of its operations and will adapt them as circumstances require. In particular, the Company set up a teleworking organization for all its employees in 2021 and did not make use of the short-time working scheme. In terms of financing, the Company negotiated and obtained state-backed loans in early 2021 for an amount of 5 million euros, enabling it to cope with a possible shift in its activities.

2.4 EVENTS AFTER DECEMBER 31, 2021

Russian-Ukrainian conflict

The Group believes that this conflict, which began in February 2022, will have no impact on its business.

3 NOTES TO THE BALANCE SHEET

3.1 INTANGIBLE FIXED ASSETS

In thousands of euros	12/31/2020	Increase	Decrease	12/31/2021
Beleodaq® R&D assets	61,830	0	0	61,830
AsiDNA™ R&D assets	3,259	0	0	3,259
Goodwill	4,449	0	0	4,449
Other intangible assets	425	0	0	425
Gross TOTAL	**69,964**	**0**	**0**	**69,964**
Beleodaq® amortization	-8,227	0	0	-8,227
AsiDNA™ amortization	0	0	0	0
Amortization of other intangible assets	-421	-4	0	-425
TOTAL Depreciation and amortization	**-8,648**	**-4**	**0**	**-8,652**
Beleodaq® Depreciation	-53,603	0	0	-53,603
TOTAL Impairments	**-53,603**	**0**	**0**	**-53,603**
Total	***7,712***	***-4***	***0***	***7,709***

Gross intangible assets consist mainly of:

- Development costs for the product Beleodaq® (belinostat), amounting to 61,830 thousand euros, recognized at the time of the acquisition by merger of the company Topotarget in 2014. In accordance with the license agreement signed with Acrotech Biopharma on April 6, 2020, Onxeo will no longer

benefit from any future revenues related to Beleodaq®/belinostat, other than what is required to repay the bond loan contracted with SWK Holdings, and consequently these R&D assets were fully depreciated at December 31, 2020.
- Development costs for the product AsiDNA™ in the amount of 3,259 thousand euros, recognized upon the acquisition of DNA Therapeutics in 2016.
- A goodwill in the amount of 4,450 thousand euros representing the difference between the acquisition value of Topotarget and the net assets contributed.
- Patents and trademarks acquired by the company for a gross amount of 181 thousand euros and software for a gross amount of 244 thousand euros.

Impairment tests

The R&D assets, corresponding to AsiDNA™, being unamortized, as well as the goodwill, were tested for impairment at December 31, 2021, as described below.

- ***R&D assets***

The value in use of these assets has been determined using the projected cash flow method, on the basis of a 20-year financing plan prepared by management and representing its best estimate. This financing plan takes notably into account a model of future sales of products under development and includes probabilities of success. The valuation model does not include a terminal value, as all foreseeable cash flows are included within the time horizon chosen. A discount rate of 15.7% has been applied to the cash flows, integrating the market risk and the specific risks related to Onxeo. As the value in use obtained for AsiDNA™ exceeded the bases tested, no impairment was recognized.

- ***Commercial Fund***

The Company has determined the recoverable amount of goodwill as the higher of fair value less exit costs and value in use. The fair value was assessed by reference to the market capitalization of Onxeo on December 31, 2021. Costs of disposal were considered non-significant. At the closing date, the market capitalization is higher than the tested basis (net book value at that date). Therefore, no impairment has been recorded. In order to support this result, the Group has, in a second step, determined its value in use on the basis of a 20-year financing plan prepared by the management and representing its best estimate. This financing plan takes notably into account a model of future sales of products under development and includes probabilities of success. The valuation model does not include a terminal value, as all foreseeable cash flows are included within the time horizon chosen. These cash flows include all revenues and expenses related to the indications currently in the portfolio, including potential developments on products developed by the Group. A discount rate of 15.7% has been applied to the cash flows, integrating the market risk and the specific risks related to Onxeo. The value in use thus determined is also higher than the basis tested (net book assets at December 31, 2021).

- ***Sensitivity test***

The goodwill has not been subject to sensitivity testing to the extent that its recoverable amount is significantly higher than the carrying amount.

Regarding R&D assets related to AsiDNA™, the Group implemented a sensitivity testing by varying the discount rate used for the model. The table below presents the corresponding potential levels of impairment.

In million Euros	
Variation of the discount rate	
+0,5%	0
+1%	0
+1,5%	-1.1
+2%	-2.6
+2,5%	-3.3
+3%	-3.3

3.2 TANGIBLE ASSETS

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

3.3 FINANCIAL FIXED ASSETS

Financial assets correspond mainly to the investments held by Onxeo in its subsidiaries. The change in this item corresponds mainly to reversals of and charges to provisions for impairment in value of shares in subsidiaries, for a net amount of 775 thousand euros.

The amount of treasury shares held under the liquidity contract as of December 31 2021 is 181 thousand euros corresponding to 429,850 shares recorded under "Other long-term investments". Cash not invested under the contract amounted to 37 thousand euros.

3.4 TRADE RECEIVABLES

Trade receivables represent a net amount of 597 thousand euros at December 31, 2021. Non-group accounts receivable consist mainly of receivables relating to royalties on sales of Beleodaq® under the license agreement with Acrotech Biopharma.

3.5 OTHER RECEIVABLES

In thousands of €	12/31/2021	< 1 year	> 1 year	12/31/2020
Current accounts of subsidiaries	8,041		8,041	3,116
Receivables from Vectans				693
Research tax credit	1,745	1,745		1,123
Other tax receivables (VAT)	504	504		447
Other receivables	13	13		20
Net value of Other receivables	**10,303**	**2,262**	**8,041**	**5,399**

The increase in current accounts of subsidiaries for 3,905 thousand euros is mainly linked to a reversal of the provision for depreciation of the current account of the subsidiary Topotarget Switzerland, for an amount of 3,602 thousand euros, as a consequence of the revenues received by this company in 2021 and the improvement of its net situation, as well as to a translation difference of current accounts in foreign currencies for 1,206 thousand euros.

The receivable from Vectans Pharma of 693 thousand euros at December 31, 2020, corresponding to a contractual license fee, was collected in early 2021.

3.6 CASH POSITION

At December 31, 2021, cash and cash equivalents amounted to 17,371 thousand euros, including term accounts of 12,302 thousand euros.

The increase in net cash of 2.9 million euros over the year is mainly related to the company's operating expenses, notably in research and development, for an amount of 13.5 million euros, offset by the receipt of license revenues for 0.8 million euros. In terms of financing, the Company obtained state-backed loans of 5 million euros and implemented a capital increase for a net amount of 9.4 million euros. Finally, the Company benefited from the reimbursement of its 2020 research tax credit for an amount of 1.1 million euros.

3.7 PREPAID EXPENSES

Prepaid expenses at December 31 2021 amounted to 1,440 thousand euros and correspond mainly to industrial subcontracting services, as well as fees and rent for the head office in the first quarter of 2022.

3.8 SHAREHOLDERS' EQUITY

At December 31 2021, the 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 12/31/2021		**0.25**	**91,994,935**	**22,998,733.75**

(1) Issuance of 13,677,125 new shares with a par value of 0.25 euro each at a price of 0.71 euro as part of a global capital increase with preferential subscription rights, corresponding to an increase in share capital of 3,419 thousand euros with a net issue premium of 5,924 thousand euros.

The share premium account increased from 5,278 thousand euros to 11,284 thousand euros as a result of the issue premiums from the capital increase described above and the subscription of warrants for an amount of 82 thousand euros.

3.9 OTHER EQUITY

Other shareholders' equity in the amount of 164 thousand euros corresponds to:

- An advance from Bpifrance of 562 thousand euros paid in 2010 in connection with the AsiDNA™ program, which is repayable in the event of commercial success. The balance of 82 thousand euros at December 31 2021 will be repaid over the period 2021 to 2022.

- An advance from Bpifrance in the amount of 82 thousand euros paid in 2019 as part of the INNOV'UP program, which is related to the PlatON™ program. This amount will be repaid over the period 2023 to 2025.

3.10. PROVISIONS FOR LIABILITIES AND CHARGES

The item includes provisions for foreign exchange risk related to the translation difference liability on the SWK loan for 226 thousand euros and provisions for litigation for a total amount of 200 thousand euros.

3.11. OTHER DEBENTURE LOANS

The Company issued bonds to SW Holdings in June 2018 for an initial amount of $7.5 million. This debt, for a total amount of 13.5 million dollars, is being repaid through royalties on sales of Beleodaq® paid by the American partner Acrotech Biopharma. The remaining capital due as of December 31, 2021 amounts to 2,771 thousand euros and the accrued interest amounted to 300 thousand euros. The Company considers it highly probable that this bond will be fully repaid within less than one year.

3.12. TRADE PAYABLES

Trade payables increased from 3 240 thousand euros at December 31, 2020 to 3,071 thousand euros at December 31, 2021, in line with the change in R&D expenditure.

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

3.13. TAX AND SOCIAL SECURITY LIABILITIES

In thousands of €	12/31/2021	12/31/2020
Social security liabilities	593	802
Tax liabilities	55	460
Total	**648**	**1,262**

The change in social security liabilities is mainly due to the reduction in variable compensation for the year 2021.

The decrease in tax liabilities is due to the payment during the year of a tax for the year 2020 by the Danish branch of Onxeo S.A., in the amount of 329 thousand euros.

3.14. OTHER LIABILITIES

This item of 10,599 thousand euros corresponds to the current account in credit of the subsidiary Topotarget UK for an amount of 5,764 thousand euros and to the debt to SpePharm related to the settlement agreement signed by the Company on February 11, 2020 for an amount of 4,829 thousand euros. This debt will be repaid in the form of a 20% share of the amounts received under the license agreements entered into by Onxeo or its subsidiaries, and the residual amount at January 31, 2024 will be paid in full at that date.

4 NOTES ON THE RESULT

4.1 REVENUES

Revenues for the year 2021 for an amount of 46 thousand euros is mainly due to intra-group re-invoicing.

4.2 LICENSE FEES

Royalties on Beleodaq sales under the license agreement with Acrotech were recognized during the year for an amount of 1,828 thousand euros.

4.3 OTHER OPERATING INCOME

This item mainly includes a reversal of the provision for depreciation of the current account of the subsidiary Topotarget Switzerland, in the amount of 3,602 thousand euros, as a result of the income received by this company in 2021 and the improvement in net worth

4.4 EXTERNAL EXPENSES

External expenses increased from 5,746 thousand euros at December 31, 2020 to 6,519 thousand euros at December 31 2021, in particular due to the increase in R&D costs, which amounted to 3,165 thousand euros, compared with 2,190 thousand euros in the previous year. This change is essentially related to the clinical development of AsiDNA and the optimization and preclinical development of OX400 family compounds.

4.5 PERSONNEL EXPENSES

Personnel costs decreased from 4,032 thousand euro in 2020 to 3,818 thousand euro in 2021. This change is mainly due to the decrease in variable employee remuneration.

4.6 FINANCIAL INCOME/LOSS

Financial income mainly includes a reversal of impairment of the shares of the subsidiaries Topotarget Switzerland and Topotarget UK for a total of 775 thousand euros, foreign exchange gains and reversals of provisions for foreign exchange differences for a total of 49 thousand euros, as well as interest on inter-company current accounts.

Financial expenses include interest on the SWK bond in the amount of 847 thousand euros. Financial expenses also include interest on inter-company current accounts for a total of 269 thousand euros, as well as exchange losses or provisions for exchange losses for 227 thousand euros.

4.7 EXTRAORDINARY RESULT

The negative extraordinary result of 23 thousand euros corresponds mainly to:
Donations to research institutions amounting to 143 thousand euros;
A reversal of a provision for litigation in the amount of 127 thousand euros.

4.8 INCOME TAXES

This item is a result of 1 745 thousand euros which corresponds to the French and Danish research tax credits.

Onxeo had a French loss carry-forward of 304 million euros at December 31 2021.

5 OFF-BALANCE SHEET COMMITMENTS

5.1 PENSION OBLIGATIONS

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

The actuarial assumptions used are as follows:
Collective agreement: National Agreement of Pharmaceutical Companies
Retirement age: From the age of 65, in application of the law of November 10, 2010 on pension reform
Calculation date: 31/12/2021
Mortality table: INSEE 2021
Discount rate: 1.12 %
Salary escalation rate: (rate of salary increase + inflation) 2%
Turnover rate: By age structure
Payroll tax rates: 46 %

As at December 31 2021, pension commitments amounted to 607 thousand euros.

5.2 LEASING COMMITMENTS

Lease commitments amounted to 320 thousand euros as of December 31 2021.

6 COMPENSATION OF CORPORATE OFFICERS

Compensation paid to corporate officers amounted to 965 thousand euros, including pension benefits for the Chief Executive Officer in the amount of 172 thousand euros.

7 RELATED PARTIES

The parties related to Onxeo SA are:

- Financière de la Montagne which, as a shareholder of the Company with 16.1% of the capital as of December 31, 2021 and as a member of the Board of Directors, is considered to exercise significant influence over the Company.
- Invus public Equities which, as a shareholder of the Company with 15.3% of the capital as of December 31, 2021 and as a member of the Board of Directors, is considered to exercise significant influence over the Company.
- Board Chair Shefali Agarwal as one of the principal executives presenting the financial statements. On April 28, 2021, Ms. Agarwal signed a consultancy agreement with the Company for the clinical development of AsiDNA in view of her particular expertise, notably in the field of tumor DNA repair. She received an amount of 48 thousand euros during the fiscal year 2021
- Robert Coleman, a director of the Company, will sign a consulting agreement with the Company on October 6, 2021 for the clinical development of AsiDNA in view of his particular expertise in this field in the United States. He received an amount of 9 thousand euros during the fiscal year 2021

8 INTRA-GROUP TRANSACTIONS

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

The table below shows the impact of intra-group transactions as of December 31, 2021 :

in thousands of €	31/12/2021	12/31/2020
Assets	76,437	74,996
Liabilities	6,271	5,468
Revenues	43	9
Charges	899	1,229

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

APPENDIX TABLES

FIXED ASSETS

In thousands of euros	Start amount 2021	Increases	Decreases	End amount 2021
Start-up and development costs	65 089			65 089
Other intangible asset items	4 875			4 875
TOTAL INTANGIBLE ASSETS	**69 965**			**69 965**
Land				
Buildings on own land				
Buildings on third party land				
General installations, building fixtures and fittings				
Technical installations, equipment and industrial tools	1 317	29		1 346
General installations, miscellaneous fittings and fixtures	1 464	109		1 573
Transport equipment				
Office equipment and computer furniture	362			362
Recoverable and miscellaneous packaging				
Tangible assets in progress				
Advances and down payments				
TOTAL TANGIBLE ASSETS	**3 143**	**137**		**3 281**
Investments accounted for using the equity method				
Other investments	48 578			48 578
Other long-term securities	182		1	181
Loans and other financial assets	226	2	73	155
TOTAL FINANCIAL FIXED ASSETS	**48 986**	**2**	**74**	**48 914**
GENERAL TOTAL	**122 094**	**139**	**74**	**122 159**

AMORTIZATION TABLE

In thousands of euros	Amount beginning 2021	Increases	Decreases	Amount end 2021
Establishment, research and development costs	8,227			8,227
Other intangible asset items	422	4		425
TOTAL INTANGIBLE ASSETS	8,649	4		8,652
Land				
Buildings on own land				
Buildings on third party land				
General installations, building fixtures and fittings				
Technical installations, equipment and industrial tools.	1 110	22		1 132
General installations, fixtures and fittings	1 431	17		1 448
Transport equipment				
Office and computer equipment, furniture	361			361
Recoverable and miscellaneous packaging				
TOTAL TANGIBLE ASSETS	2 902	39		2 942
GENERAL TOTAL	**11,551**	**43**		**11,594**

TABLE OF PROVISIONS

In thousands of euros	Amount beginning2021	Increases Allocations for the year	Decreases:			Amount end 2021
			Used during the year	Unused during the year	Reversals during the year	
Regulated provisions						
Provisions for reconstruction of deposits (mines, oil)						
Provisions for investment						
Provisions for price increases						
Excessive depreciation						
Of which exceptional increases of 30%.						
-Provisions for installation loans						
Other regulated provisions						
TOTAL REGULATED PROVISIONS						
Provisions for liabilities and charges						
Provisions for disputes						
Provisions for guarantees given to customers						
Provisions for losses on futures markets						
Provisions for fines and penalties						
Provisions for foreign exchange losses	37	226			37	226
Provisions for pensions and similar obligations						
Provisions for taxes						
Provisions for renewal of fixed assets						
Provisions for major maintenance and overhauls						
Provisions for social and tax charges on leave payable						
Other provisions for liabilities and charges	327				127	200
TOTAL PROV. FOR LIABILITIES AND CHARGES	**363**	**226**			**163**	**426**
Provisions for depreciation						
On intangible fixed assets	53 603					53 603
On tangible fixed assets	158					158
On capitalization of equity method investments						
On capitalization of equity investments	43 522	-			775	42 746
On other financial assets						
On stock and work in progress						
On accounts receivable						
Other provisions for impairment	23 302	118			3 602	19 819
TOTAL PROVISIONS FOR DEPRECIATION	**120 585**	**118**			**4 377**	**116 327**
GENERAL TOTAL	120 949	313			4 540	116 753

Of which operating allowances and reversals	118			3 602
Of which financial allowances and reversals	226			812
Of which exceptional allowances and reversals				127

RECEIVABLES

In thousands of euros	Gross amount	Up to 1 year	Over 1 year
Receivables related to investments			
Loans (1) (2)			
Other financial fixed assets	155		155
Total fixed assets	**155**		**155**
Doubtful or contentious clients			
Other trade receivables	597	597	
Receivables representing loaned securities			
Staff and related accounts	7	7	
Social security and other social organizations	6	6	
Income taxes	1 745	1 745	
Value Added Tax	317	317	
Other taxes and similar payments			
Miscellaneous	188	188	
Group and Associates (2)	27 859	27 859	
Miscellaneous debtors			
Total current assets	**30 719**	**30 719**	
Prepaid expenses	1 440	1 440	
TOTAL RECEIVABLES	**32 314**	**32 159**	**155**

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

LIABILITIES

In thousands of euros	Gross amount	Up to 1 year	More than 1 year up to 5 years	Over 5 years
Convertible bonds (1)				
Other bonds (1) (A)	2 771	2 771		
Loans and debts from credit institutions up to one year	5 006	6	4,706	294
Loans and debts from credit institutions of more than one year				
Other loans and financial liabilities (1) (2)	464	464		
Trade payables and related accounts	3 071	3 071		
Staff and related accounts	297	297		
Social security and other social organizations	295	295		
Income taxes	205	205		
Value Added Tax	1	1		
Guaranteed Bonds				
Other taxes and similar	53	53		
Debts on fixed assets and related accounts				
Group and Associates (2)	5 764	5 764		
Other liabilities	10 599	10 599		
Debt on borrowed securities				
Deferred revenue				
TOTAL LIABILITIES	**28 323**	**23 323**	**4,706**	**294**

(1) Borrowings taken out during the year	5,000
(1) Borrowings repaid during the year	
(2) Amount of loans and debts due to partners	

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

ACCRUED INCOME

In thousands of euros	2021	2020
Financial fixed assets		
Receivables related to investments		
Other financial fixed assets		
Total financial fixed assets		
Receivables		
Trade receivables and related accounts	597	496
Other receivables	193	789
Total receivables	**790**	**1 285**
Cash and miscellaneous		
Marketable securities		
Liquid assets		
Total cash and miscellaneous	1	
TOTAL	**791**	**1 285**

ACCRUED EXPENSES

In thousands of euros	2021	2020
Financial liabilities		
Convertible bonds		
Other debenture loans	300	220
Borrowings and debts with credit institutions		
Miscellaneous borrowings and financial liabilities		
Advances and deposits received on orders in progress		
Total financial liabilities	**300**	**220**
Operating liabilities		
Trade payables and related accounts	2 793	3 001
Tax and social security liabilities	488	661
Total operating liabilities	**3 281**	**3 662**
Miscellaneous liabilities		
Debts on fixed assets and related accounts		
Other debts		
Total operating liabilities		
TOTAL	**3 581**	**3 882**

TABLE OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros	01/01/2021	Capital increase	Capital decrease	Allocation of 2020 results	Other movements	Result 2021	31/12/2021
Social or individual capital	19 579	3 419					22 999
Share premium, merger premium, contribution premium ...	5 278	5 924					11 284
Revaluation differences							
Legal reserve							
Statutory or contractual reserves.							
Regulated reserves							
Other reserves							
Carry forward	(9 347)			(3 567)			(12 913)
Result for the year	(3 567)			3 567		(4 332)	(4 332)
Investment subsidies							
Regulated provisions							
Dividends paid							
.TOTAL	**11 944**	**9 343**				**(4 332)**	**17 037**

LEASING

LEASED FIXED ASSETS (in thousands of euros)	Initial cost	Depreciation and amortization		Cumulative net value
		for the	year	
Land				
Constructions				
Technical installations, equipment, tools	506	78	221	285
Other tangible assets	45	9	9	36
Assets under construction				
TOTAL	**551**	**88**	**230**	**321**

LEASE COMMITMENTS (in thousands of euros)	Royalties paid		Outstanding royalties				Cumulative residual purchase price
	for the	year	up to 1 year	from 1 to 5 years	more than 5 years	Total	
Land							
Constructions							
Technical installations, ...	92	249	71	177		248	2
Other tangible fixed assets	9	9	11	24		36	
Assets under construction							
TOTAL	**102**	**258**	**82**	**201**		**283**	**3**

AVERAGE HEADCOUNT

Categories	Average number of employees		Average number of staff made available		Total	
	2021	2020	2021	2020	2021	2020
Executives	24	21			24	21
Supervisors						
Employees and technicians	1	4			1	4
Total	**25**	**25**			**25**	**25**

RELATED COMPANIES AND SHAREHOLDINGS

In thousands of euros	Amount for related	
	companies	with which the company has an equity interest
Financial fixed assets		
Advances and deposits on fixed assets		
Shareholdings	48 578	
Receivables related to investments		
Loans		
Total financial fixed assets	**48 578**	
Receivables		
Advances and deposits paid on orders		
Trade receivables and related accounts		
Other receivables	27 859	
Subscribed capital called but not paid		
Total receivables	**27 859**	
Convertible bonds		
Other debenture loans		
Borrowings and debts with credit institutions		
Miscellaneous borrowings and financial liabilities		
Advances and deposits received on current orders		
Trade payables and related accounts	507	
Other liabilities	5 764	
Total liabilities	**6 271**	
Financial elements		
Income from investments		
Other financial income	4	
Financial expenses	269	
Total financial elements	**(273)**	
Other	591	

TABLE OF SUBSIDIARIES AND AFFILIATES (IN THOUSANDS OF EUROS)

Companies	Capital	Share of capital held (in %)	Book value of securities held		Loans and advances granted by the company and not yet repaid	Result (profit or loss for the last fiscal year)
			Gross	Net		
Topotarget Switzerland	92	100	9,918	0	26,945	3,440
Topotarget UK	1,606	100	38,659	5,831	(5,764)	421
ONXEO US	1	100	1	0	914	(157)
Total			**48,578**	**5,831**	**22,095**	**3,704**

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

GRANT THORNTON
French member of Grant Thornton International
29, rue du Pont - CS 20070
92200 Neuilly-sur-Seine
S.A.S. with a capital of € 2, 297,184
632 013 843 R.C.S. Nanterre

Statutory Auditor
Member of the Versailles
and Centre regional company

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

Statutory Auditor
Member of the Versailles
and Centre regional company

Onxeo

Year ended 31 December 2021

This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor's report includes information required by European regulation and French law, such as information about the verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditors' report on the financial statements

To the General Meeting of Shareholders

Opinion

In compliance with the engagement entrusted to us by your general meeting of shareholders, we have audited the accompanying financial statements of Onxeo for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

- **Audit Framework**

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

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

- **Independence**

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2021 to the date of our report.

Justification of Assessments

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

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

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

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

Specific Verifications

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

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

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

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

- **Report on Corporate Governance**

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

Other information

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

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

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

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

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Neuilly-sur-Seine et Paris-La Défense, 28 April 2022

The Statutory Auditors
(French original signed by)

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

CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2021

PREPARED IN ACCORDANCE WITH IFRS

SUMMARY

CONSOLIDATED BALANCE SHEET

ASSETS in €K	12/31/2021	12/31/2020	Note
Non-current assets			
Intangible fixed assets	20,531	20,534	5
Tangible assets	180	83	6.1
Rights of use	2,057	2,479	6.2
Other financial fixed assets	162	233	7
Total non-current assets	**22,930**	**23,329**	
Current assets			
Trade receivables and related accounts	8,526	6,654	8.1
Other receivables	3,721	2,000	8.2
Cash and cash equivalents	17,887	14,523	8.3
Total current assets	**30,133**	**23,177**	
TOTAL ASSETS	**53,063**	**46,506**	

LIABILITIES AND SHAREHOLDERS' EQUITY K€	12/31/2021	12/31/2020	Note
Shareholders' equity			
Capital	22,999	19,579	9.1
Less: Treasury shares	-181	-182	9.2
Share premium	24,583	18,577	9.3
Reserves	-8,522	-10,027	9.3
Earnings	-5,937	1,089	
Total shareholders' equity	**32,942**	**29,036**	
Non-current liabilities			
Provisions	1,508	1,640	10.1
Deferred tax liability	204	415	15
Non-current financial debts	5,082	2,498	10.2
Non-current lease liabilities	1,428	1,780	10.2
Other non-current liabilities	4,835	5,089	10.3
Total non-current liabilities	**13,057**	**11,423**	
Current liabilities			
Short-term borrowings and financial liabilities	2,953	1,502	11.1
Current lease liabilities	471	477	11.1
Trade payables and related accounts	2,832	2,762	11.2
Other current liabilities	807	1,306	11.3
Total current liabilities	**7,063**	**6,047**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**53,063**	**46,506**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In K€	12/31/2021	12/31/2020	Note
Recurring revenues from licensing agreements	233	1,077	
Non-recurring revenues from licensing agreements	3,829	699	
Total revenues	**4,062**	**1,776**	13.1
Purchases	-368	-347	
Personnel expenses	-3,984	-4,265	13.2
External expenses	-4,131	-3,882	13.3
Taxes and duties	-99	-176	
Net depreciation, amortization and provisions	-468	-618	
Other current operating expenses	-672	-515	
Operating expenses	**-9,722**	**-9,803**	
Other current operating income and expenses	78	213	
Current operating income	**-5,582**	**-7,814**	
Other non-current operating income	439	13,500	13.4
Other non-current operating expenses		-3,492	13.4
Share of income from equity affiliates			
Operating result after share of income from equity affiliates	**-5,143**	**2,194**	
Net cost of financial debt	-840	-958	
Other financial income	513	1,006	
Other financial expenses	-366	-395	
Financial income	**-693**	**-347**	14
Tax expenses	-100	-757	15
- *of which deferred taxes*	*211*	*-415*	
Consolidated net income	**-5,937**	**1,089**	
Earnings per share	-0.07	0.01	16
Diluted earnings per share	-0.07	0.01	16

In K€	12/31/2021	12/31/2020	Note
Result for the period	**-5,937**	**1,089**	
Currency translation adjustments	218	-71	
Other items recyclable as a result	**218**	**-71**	
Actuarial gains and losses	49	-22	
Other items non-recyclable as a result	**49**	**-22**	
Other comprehensive income for the period, net of tax	**267**	**-93**	
Total comprehensive income for the period	**-5,670**	**996**	
Total comprehensive income attributable to the parent company owners	**-5,670**	**996**	
Minority interests			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

				Changes in reserves and results				
In K€	**Capital**	**Treasury shares**	**Share premium**	**Translation reserves**	**Gains and losses recognized in equity**	**Consolidated reserves and earnings**	**Total Differences**	**.TOTAL**
Shareholders' equity at 01/01/2020	**15,329**	**-189**	**44,924**	**-34**	**-151**	**-42,682**	**-42,868**	**17,197**
Total comprehensive income for the period				-71	-22	1,089	996	996
Capital increase	4,250		6,230			188	188	10,668
Treasury shares		7				89	89	95
Other movements			-32,577	14		32,562	32,577	
Share-based payments						79	79	79
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				218	49	-5,937	-5,670	-5,670
Capital increase	3,419		6,006				0	9,425
Treasury shares		1				-74	-74	-73
Other movements	2					-1	-1	1
Share-based payments						224	224	224
Shareholders' equity at 12/31/2021	**22,999**	**-181**	**24,583**	**127**	**-124**	**-14,462**	**-14,459**	**32,942**

CONSOLIDATED STATEMENT OF NET CASH FLOWS

K€	31/12/2021	31/12/2020	Note
Consolidated net loss	**-5,937**	**1,089**	
+/- Depreciation, amortization and provisions, net (excluding provisions against working capital)	511	-8,215	5/6/10
+/- Unrealized gain and losses associated with changes in fair value	-182	-290	
+/- Non-cash income and expenses on stock options and similar items	224	79	
+/- Other calculated income and expenses			
+/- Capital gains and losses on disposal		57	
+/- Dilution gains and losses			
+/- Share of equity affiliates			
Gross operating cash flow after cost of net debt and taxes	**-5,384**	**-7,280**	
+ Cost of net debt	848	959	14
+/- Tax expenses (including deferred taxes)	100	757	15
Gross Operating cash flow before cost of net debt and taxes	**-4,436**	**-5,564**	
- Taxes paid			
+/- Changes in operating WCR (including debt related to employee benefits)	-4,136	886	
NET CASH FLOW FROM OPERATING ACTIVITIES	**-8,572**	**-4,678**	
- Expenditures on acquisition of tangible and intangible assets	-139	-119	
+ Proceeds of disposal of tangible and intangible assets		6,116	
- Expenditures on acquisition of financial assets			
+ Proceeds of disposal of financial assets	73	4	
+/- Effect on changes in scope of consolidation		14	
+ Dividends received (equity affiliates, unconsolidated investments)			
+/- Change in loans and advances granted			
+ Capital grants received			
+/- Other changes from investment transactions			
NET CASH FLOW FROM INVESTING ACTIVITIES	**-66**	**6,015**	
+ Net amount received from shareholders on capital increase			
. Paid by shareholders of the parent company	9,351	10,568	9
. Paid by minority interest in consolidated companies			
+ Amount received on exercise of stock options			
-/+ Purchase and Sale of treasury shares	1	8	
+ Amounts received on issuances of new loans			
- Reimbursements of loans (including lease debts)	2,620	-3,094	10/11/14
o/w repayment of lease debts (IFRS16)	-487	-475	
+/- Others flows related to financing activities	4	-1	
NET CASH FLOW FROM FINANCING ACTIVITIES	**11,976**	**7,481**	
+/- Effects of fluctuations in foreign exchange rates	25	**-3**	
CHANGE IN CASH AND CASH EQUIVALENTS	**3,363**	**8,815**	
CASH AND CASH EQUIVALENTS AT START OF YEAR	**14,523**	**5,708**	
CASH AND CASH EQUIVALENTS AT YEAR END	**17,886**	**14,523**	

NOTE 1 - PRESENTATIONS OF THE GROUP

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

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

The consolidated financial statements of Onxeo as of December 31, 2021 were prepared under the responsibility of the Chief Executive Officer and were approved by the Board of Directors on April 6, 2022.

NOTE 2 -SIGNIFICANT EVENTS AND TRANSACTIONS

2.1. R&D PROGRAMS

2.1.1. AsiDNA™

The Group actively pursued preclinical and clinical development of systemic AsiDNA™ in combination with other therapies in various types of solid tumors in 2021 and achieved several major milestones:

- On the clinical front, in February we entered into a 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 was approved in late 2021 and the first patients will be enrolled in early 2022. In parallel, we completed the DRIIV-1b trial of AsiDNA™ in combination with reference chemotherapies, carboplatin and then carboplatin and paclitaxel, in patients with advanced solid tumors that 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. The Group also continued the Revocan Phase 1b/2 clinical trial to evaluate the combination of AsiDNA™ with PARP inhibitors in the 2nd line maintenance treatment of relapsed ovarian cancer. Gustave Roussy is the sponsor of this study. The pace of recruitment has been slower than expected, partly due to the health crisis, and the initial results are now expected in the second half of 2022.
- On the preclinical front, Onxeo presented results from preclinical studies at the American Association for Cancer Research (AACR) Annual Meeting in April 2021 showing the ability of AsiDNA™, to prevent drug-tolerant cell (DTC)-induced resistance to KRAS inhibitors (KRASi). 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. 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 Group also presented its DTC results at the EACR-AstraZeneca virtual conference held in December 2021.

2.1.2. OX400

After AsiDNA™, Onxeo is developing the OX400 family based on Onxeo's platON™ chemistry platform, which enables the design of new molecules based on oligonucleotides (a double-stranded DNA fragment).

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

During the year 2021, the Group continued to optimize OX401 to improve its action on the PARP protein, which is involved in the tumor DNA repair cascade, and its activation of the antitumor immune response via the cGAS-STING pathway. The Group plans to select the optimized compound and start preclinical development in 2022.

2.2. FUNDING

2.2.1. OBTENTION OF GOVERNMENT-BACKED LOANS

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

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

2.2.2. CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

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

The proceeds of this issue of New Shares are intended to primarily finance the expansion and acceleration of development clinical use of AsiDNA ™, especially in combination with other anti-cancer agents. The Group 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:

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

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

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

2.3. IMPACTS OF THE HEALTH CRISIS

The continuing major global health crisis related to the Covid-19 epidemic creates an uncertain situation. Even if Onxeo has been little impacted in 2021, it is difficult to measure the repercussions on the Group's activity and financial situation, which will depend on the intensity and duration of this crisis. The Group has put in place appropriate measures for the protection of its employees and to ensure the continuity of its operations and will

adapt them as circumstances require. In particular, the Group has set up a teleworking organization for all its employees in 2021 and has not made use of the short-time working scheme. In terms of financing, the Group negotiated and obtained government-backed loans in early 2021 for an amount of 5 million euros, enabling it to cope with a possible shift in its activities.

2.4. EVENTS SUBSEQUENT TO DECEMBER 31, 2021

RUSSIAN-UKRAINIAN CONFLICT

The Group believes that this conflict, which began in February 2022, will have no impact on its business.

NOTE 3 -ACCOUNTING PRINCIPLES, RULES AND METHODS

3.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements as of December 31, 2021 have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB) as of December 31, 2021, as well as with the international standards as adopted by the European Union as of December 31, 2021.

The standard adopted by the European Commission can be consulted on the following website: https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=LEGISSUM%3AI26040

The accounting principles and methods applied in the consolidated financial statements for the year ended December 31, 2021 are identical to those used in the consolidated financial statements for the year ended December 31, 2020, and take into account the IFRS standards, amendments and interpretations as adopted by the European Union and the IASB, which are mandatory for financial years beginning on or after January 1, 2021 (and which have 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
Amendments to IFRS 16	COVID-19 Rent Relief

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

In addition, the other standards, amendments or interpretations published respectively by the IASB and the IFRIC (International Financial Reporting Interpretations Committee) and adopted by the European Union as of December 31, 2021, but whose mandatory application is subsequent to the fiscal year beginning January 1, 2021, have not been applied in advance by the Group: IFRS 17 (Insurance Contracts), amendments to IAS 16 (Revenue from the Sale of Goods Manufactured Before Intended Use), amendments to IAS 37 (Onerous Contracts: Cost of Performance), annual improvements 2018-2020 cycle (amendment to illustrative examples accompanying IFRS 16 relating to lease incentives, amendment to IFRS 9 Financial Instruments / Commissions in the "10%" test for derecognition of financial liabilities, amendment to IAS 41 Agriculture / Taxation in fair value measurements, amendment to IAS 1 First-time Adoption of IFRS / Subsidiary as a first-time adopter), amendments to IFRS 3 (reference to the conceptual framework).

Judgments and estimates made by the Group Management

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

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

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

- The market value of R&D programs acquired as part of business combinations (mergers/acquisitions) - see note 5,
- Share-based payments - see note 9.4,
- Provisions - see note 10.1,
- Trade payables provided for at the end of the year, relating to ongoing clinical trials - see note 11.2,
- The recognition in revenues of amounts received in connection with the signature of license agreements - see note 13.1.
- Acrotech Biopharma's royalties for the fourth quarter of 2021 estimated based on actual quantities, valued according to historical unit revenues.

The disclosure of contingent assets and liabilities existing at the date of preparation of the consolidated financial statements is also subject to estimates (see note 17).

The financial statements have been prepared on a going concern basis. This principle was adopted by the Board of Directors on the basis of a consolidated net cash position of 17.9 million euros at December 31, 2021 and financing commitments received from its two main shareholders, Invus and Financière de la Montagne, of at least 12 million euros. The Group can thus finance its activities at least into Q2 2023 based on its financing plan.

3.2. SCOPE OF CONSOLIDATION

The group's companies close their accounts on December 31 of each year.

The scope of consolidation includes the following companies as of December 31, 2021:

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

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

3.3. SEGMENT INFORMATION

The Group constitutes a single business segment. In accordance with IFRS 8.32 and 33, information on the breakdown of revenues by geographic area and product category is provided in note 13.1, In accordance with this standard, the Group's non-current assets are mainly located in France.

The Group's main client, whose share of revenues is greater than 10%, is the company Biogen.

3.4. EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

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

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

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

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

3.4.2. ACCOUNTING FOR FOREIGN CURRENCY TRANSACTIONS

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

3.5. INTANGIBLE FIXED ASSETS

3.5.1. PATENTS

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

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

3.5.2. RESEARCH AND DEVELOPMENT COSTS

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

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

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

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

3.5.3. GOODWILL

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

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

3.5.4. IMPAIRMENT TEST

In accordance with IAS 36 "Impairment of Assets":

- CGUs, when they include goodwill, are subject to an impairment test once a year; Onxeo performs this test at the closing date;
- R&D assets relating to products under development or not yet marketed (and therefore not amortized) are subject to an annual impairment test. Onxeo performs this test at the closing date;

- R&D assets relating to marketed products (and therefore amortized) are tested for impairment when new circumstances indicate that these assets may be impaired. This would be the case for indicators that suggest a slower than expected commercialization.
- In the event of impairment of the above intangible assets, a provision for depreciation is recorded.

The Group considers that it comprises a single cash-generating unit (CGU), insofar as the projects it develops belong to the same product family, have overlapping business models and are therefore interdependent. This single CGU includes, in particular, goodwill and R&D assets acquired in connection with the acquisition of DNA Therapeutics (AsiDNA).

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

3.6. TANGIBLE ASSETS

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

The most commonly used amortization periods are as follows:

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

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

3.7. FINANCIAL ASSETS

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

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

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

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

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

3.7.1. ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

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

losses arising from changes in the fair value of these assets are recognized in the income statement as income from cash and cash equivalents.

3.7.2. LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Their classification in each of these categories depends on the business model applied to them and the characteristics of their contractual cash flows (the "solely payments of principal and interest - SPPI" or "basic loan" criteria). Accordingly, after initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment.

This item includes deposits and guarantees in the case of non-current assets, and trade receivables (trade and other current assets) in the case of current assets.

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

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

In the case of trade receivables, risk analysis is performed on a case-by-case basis, taking into account criteria such as the financial situation of the client (likelihood of bankruptcy or significant financial difficulties), the age of the receivable or the existence of a dispute.

3.8. STOCKS

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

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

3.9. SHARE-BASED PAYMENTS

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

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

3.10. NON-CURRENT LIABILITIES

3.10.1. POST-EMPLOYMENT BENEFITS (IAS 19)

Pension obligations

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

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

3.10.2. PROVISIONS FOR DISPUTES

A provision is recognized when the Group has a present legal or constructive obligation to a third party as a result of a past event, which is likely to result in an outflow of resources to the third party without at least equivalent consideration being received from the third party, and the future cash outflow can be reliably estimated.

3.10.3. REPAYABLE ADVANCES

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

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

Repayable advances are recorded under "Other non-current financial liabilities" and "Short-term borrowings" depending on their maturity. They are measured at fair value on initial recognition, which in most cases is the nominal value, and then at amortized cost.

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

3.10.4. FINANCIAL LIABILITIES

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

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

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

3.10.5. OTHER CURRENT LIABILITIES

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

3.10.6. OPERATING REVENUES

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

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

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

- Licensing Agreements

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

The group's main contracts were analyzed as including:

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

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

- Product sales

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

- Services

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

3.10.7. OPERATING GRANTS

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

3.10.8. OTHER OPERATING INCOME AND EXPENSES

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

3.10.9. DEFERRED TAXES

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

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

3.10.10. RESEARCH TAX CREDIT

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

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

NOTE 4 -RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (IFRS7)

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

4.1. LIQUIDITY RISK

Liquidity risk is essentially linked to the Group's financial profile as long as it does not generate significant revenues in relation to its expenditure, particularly on research and development. The level of cash at the end of the financial year as well as the financing commitments received from its main shareholders, Invus and Financière de la Montagne, give it financial visibility at least into Q2 2023 on the basis of its financing plan. Beyond this deadline, it is not excluded that the Group will have recourse to other non-dilutive financing or fundraising to secure its operations in the event that it does not manage to generate additional resources, in particular through new licensing agreements.

In addition, the Group has no structural borrowings. Financial liabilities are usually advances from public bodies (notably BPI France) in the context of R&D programs, which are only repayable in the event of proven technical and commercial success. However, at the beginning of 2021, the Group took out government-backed loans of up to 5 million euros as part of the aid measures put in place by the government to deal with the health crisis. The Group has chosen to repay these loans over a period of five years and to benefit from a one-year grace period on the repayment of the principal, the latter to be repaid as from March 2023.

4.2. CREDIT RISK

The Group's trade receivables at the balance sheet date mainly comprise royalties on current and future sales of Beleodaq, under the licensing agreement with Acrotech Biopharma. This company, a subsidiary of the international pharmaceutical group Aurobindo, is not considered to generate a significant credit risk. The receivables from Biogen were collected at the beginning of 2022 and therefore present no credit risk.

4.3. FINANCIAL COUNTERPARTY RISK

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

4.4. FOREIGN EXCHANGE RISK

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

4.5. RATE RISK

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

NOTE 5 -INTANGIBLE FIXED ASSETS

Intangible fixed assets in the net amount of 20,531 thousand euros as of December 31, 2021 consisted primarily of R&D assets acquired in connection with the acquisition of DNA Therapeutics (AsiDNA™) and goodwill recognized on the occasion of the merger with Topotarget, as detailed below:

In thousands of €	12/31/2019	Increase	Decrease	12/31/2020	Increase	Decrease	12/31/2021
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	4		507
Total gross value	**91,651**	**83**	**-68,700**	**23,034**	**4**		**23,038**
Amortization of Beleodaq® R&D assets	-6,313	-57	6,370	0			0
Other amortization	-419	-81		-500	-7		-507
Total amortization	**-6,732**	**-138**	**6,370**	**-500**	**-7**		**-507**
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**	**-3**		**20,531**

5.1. IMPAIRMENT TEST

The R&D assets, corresponding to AsiDNA™, being unamortized, as well as goodwill, were tested for impairment at December 31, 2021, as described below.

- **Impairment tests of R&D assets**

The value in use of these assets has been determined by using the projected cash flow method based on a 20-year financing plan prepared by management and representing its best estimate. This financing plan takes notably into account a model of future sales of products under development and includes probabilities of success. The valuation model does not include a terminal value, as all foreseeable cash flows are included within the time horizon chosen. A discount rate of 15.7% has been applied to the cash flows, integrating the market risk and the specific risks related to Onxeo. The value in use obtained for AsiDNA™ being greater than the basis tested, no impairment was recognized.

- **Impairment test of the goodwill**

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

In a first step, the Group has determined its fair value. Since the market for Onxeo shares can be considered an active market within the meaning of IFRS 13.38.a, given the volumes of shares traded, which characterize significant liquidity, the fair value of the Group has been assessed by reference to its market capitalization at December 31, 2021. Costs of disposal were considered non-significant. At the end of the year, the market capitalization was higher than the basis tested (consolidated net book value at that date). Therefore, no impairment has been recorded.

In order to confirm this result, the Group has, in a second step, determined its value in use on the basis of a 20-year financing plan constructed by management and representing its best estimate. This financing plan takes notably into account a model of future sales of products under development and includes probabilities of success. The valuation model does not include a terminal value, as all foreseeable cash flows are included within the time horizon chosen. These cash flows include all revenues and expenses related to the indications currently in the portfolio, including potential developments on products developed by the Group. A discount rate of 15.7% has been applied to the cash flows, integrating the market risk and the specific risks related to Onxeo. The value in use thus determined is also higher than the basis tested (consolidated net book assets at December 31, 2020).

- **Sensitivity test**

The group implemented a sensitivity test by varying the Onxeo share price and therefore the market capitalization used to assess the fair value of the Group. The table below presents the corresponding potential levels of goodwill impairment.

En millions d'euros	Goodwill
Variation du cours de l'action	
-5%	0
-10%	0
-15%	0
-20%	-1.02
-25%	-2.95
-30%	-4.88

Regarding values in use, the Group has implemented sensitivity tests by varying the discount rate used for the model. The table below presents the corresponding potential levels of impairment of R&D assets related to AsiDNA®, as well as goodwill.

En millions d'euros	AsiDNA®	Goodwill
Variation du taux d'actualisation		
+0,5%	0	0
+1%	0	0
+1,5%	-0.3	0
+2%	-1.8	0
+2,5%	-2.5	-0.7
+3%	-2.5	-3.6

5.2. OTHER INFORMATION

Research and development costs incurred in fiscal year 2021 were expensed in the amount of 4,904 thousand euros, including 3,054 thousand euros for external expenses, 1,738 thousand euros for personnel expenses and 112 thousand euros for other expenses (regulatory taxes and depreciation).

NOTE 6 -TANGIBLE FIXED ASSETS AND RIGHTS OF USE

6.1. TANGIBLE ASSETS

In thousands of €	12/31/2019	Increase	Decrease	12/31/2020	Increase	Decrease	12/31/2021
Gross value	3,127	16		3,143	137		3,280
Depreciations	-2,859	-43		-2,902	-40		-2,942
Provisions for depreciation	-158			-158			-158
Net value of tangible fixed assets	**109**	**-27**	**0**	**83**	**97**	**0**	**180**

Tangible fixed assets consist mainly of various laboratory equipment and fixtures and fittings at our headquarters.

6.2. RIGHTS OF USE

In thousands of €	12/31/2019	Increase	Decrease	12/31/2020	Increase	Decrease	12/31/2021
Rights of use	3,433	290	-121	3,601	129	-49	3,681
Amortization of rights of use	-715	-407		-1,122	-551	49	1,624
Net value of rights of use	**2,718**	**-117**	**-121**	**2,479**	**-422**	**0**	**2,057**

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 7 - OTHER FINANCIAL FIXED ASSETS

In thousands of €	12/31/2019	Increase	Decrease	12/31/2020	Increase	Decrease	12/31/2021
Deposits and guarantees	127		4	123	2		125
Liquidity contract - Cash	14	96		110		-73	37
Net value of other financial fixed assets	**141**	**96**	**4**	**233**	**2**	**-73**	**162**

NOTE 8 - CURRENT ASSETS

8.1. ACCOUNTS RECEIVABLE

In thousands of €	12/31/2021	< 1 year	> 1 year	12/31/2020
Trade receivables and related accounts	8,526	8,526		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 4,884 thousand euros as of December 31, 2021, all of which is classified as current (this amount includes 597 thousand euros of royalties for the fourth quarter of 2021).

The item also includes receivables from Biogen amounting to 3,640 thousand euros, corresponding to milestone payments and royalties on sales under a licensing agreement for a non-strategic product.

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
8,526							8,526

No provision for impairment of trade receivables has been made in the absence of any identified credit risk.

8.2. OTHER RECEIVABLES

In thousands of €	12/31/2021	< 1 year	> 1 year	12/31/2020
Staff and related accounts	14	14		11
Research tax credit	1,745	1,745		1,124
Other tax receivables	512	519		461
Prepaid expenses	1,450	1,450		404
Net value of Other receivables	**3,721**	**3,728**		**2,000**

The change in the item "research tax credit (RTC)" relates to the receipt of the receivable recognized at December 31, 2020 and the recognition of the RTC for 2021 for 1,745,000 euros, 1,718,000 euros for the French RTC and 27,000 euros for the Danish RTC. This receivable is recoverable in advance and has therefore been classified in full within one year.

In accordance with IAS 20, the research tax credit for fiscal year 2021 has been presented as a deduction from income and expense items according to its nature, as follows:

In thousands of €	12/31/2021	12/31/2020
Decrease in personnel expenses	429	445
Decrease in external expenses	1,273	643
Decrease in depreciation and amortization	43	36
Total Research Tax Credit	**1,745**	**1,124**

Other tax receivables correspond mainly to various VAT credits.

8.3. CASH AND CASH EQUIVALENTS

In thousands of €	Net values as of 12/31/2021	Net values as of 12/31/2020	Change in cash and cash equivalents
Cash position	5,584	6,523	-937
Cash equivalents	12,302	8,000	4,302
Total Net Cash and Cash Equivalents	**17,886**	**14,523**	**3,365**

Cash equivalents include term accounts amounting to 12.3 million euros, in accordance with the provisions of IAS 7.6 and IAS 7.7, i.e. short-term, liquid and rapidly available investments.

The change in net cash is mainly related to the company's operating expenses, notably in research and development, for an amount of 13.5 million euros, offset by the receipt of 1.4 million euros in license revenues.

In terms of financing, the Group obtained government-backed loans of 5 million euros and implemented a capital increase for a net amount of 9.4 million euros. Finally, the group benefited from the reimbursement of its 2020 research tax credit for an amount of 1.1 million euros.

NOTE 9 - SHAREHOLDERS' EQUITY

9.1. SHARE CAPITAL AND PREMIUMS

As of December 31, 2021, the 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 12/31/2021		**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 9,711,000 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 3,419,000 euros and a share premium of 6,291,000 euros.

9.2. TREASURY SHARES

In accordance with IAS 32 §33, treasury shares acquired under the liquidity contract signed with Kepler-Cheuvreux have been deducted from equity in the amount of 181 thousand euros. The loss on the share buyback of 74,000 euros at December 31, 2021 has been cancelled from the income statement in accordance with the standard.

9.3. SHARE PREMIUMS AND RESERVES

As a result of the capital increase described in 9.1 above, the share premium account increased by a total amount of 6,006,000 euros, after deducting the costs inherent in the operation.

9.4. SHARE-BASED PAYMENTS

The options and warrants were valued using the Black & Scholes method, supported by the binomial/trinomial method in order to account for the various possible exercise dates. This valuation was carried out with the help of an external service provider. The main assumptions used are the underlying share price, volatility and the average maturity of the instruments concerned.

During the year, the Board of Directors granted stock options to employees ("SO SAL 2021" plan) and to the Chief Executive Officer ("SO DIR 2020" plan), as well as a specific grant subject to the cancellation of options granted to the Group's current employees and to the Chief Executive Officer between 2011 and 2017 inclusive, the new quantities granted being equal to 50% of the quantities cancelled (SO 2021-2 plan). The Board of Directors has also granted stock warrants to a key consultant of the Company and to directors who are not officers or employees of the Company ("BSA 2021", "BSA 2021-2", "BSA 2021-3" and "BSA 2021-4" plans). These grants have the following characteristics:

	SO SAL 2021	SO DIR 2021	SO 2021-2
Date of grant	7/29/2021		
Number of options granted	278,000	60,000	429,194
Exercise price (€)	0.62		
Vesting	Over 4 years, 25% per year		Immediate

	BSA 2021	BSA 2021-2	BSA 2021-3	BSA 2021-4
Date of grant	4/28/2021	6/11/2021	7/29/2021	10/06/2021
Number of instruments granted	150,000	100,000	300,000	150,000
Number of warrants subscribed	150,000	100,000	125,000	75,000
Warrant subscription price (€)	0.176	0.159	0.146	0.129
Vesting	100% on 10/28/2022	100% on 6/11/2022	By third party every 6 months	By third party every 6 months
Exercise price (€)	0.723	0.662	0.62	0.56

The 2021 expense relating to share-based payments amounts to 217 thousand euros, including 103 thousand euros in respect of instruments allotted in 2021.

The Board of Directors also noted the automatic cancellation of 6,022 SO 2018 options and 82,500 SO 2020 options due to the departure of employees in 2021. The impact of the cancellations is a decrease in the total expense of 31 thousand euros.

9.4.1. SUMMARY OF WARRANTS (BSA) AS OF DECEMBER 31, 2021

Type	Date of authorization	Authorized warrants	Date of grant	Warrants granted	BSA subscribed	Beneficiaries	Warrants outstanding as of 12/31/2021 adjusted (1)	Warrants exercisable as of 12/31/2021 adjusted (1)	Subscription price per share in euros adjusted (1)	Expiration date
BSA 2013	06/26/2013 Resolution 17	100,000	9/19/2013	85,000	85,000	Non-employee and non-executive members of the Board of Directors	88,490	88,490	3.85	9/19/2023
BSA 2014	06/30/2014 Resolution 19	314,800	9/22/2014	107,500	82,500		85,886	85,886	6.17	9/22/2024
BSA 2014-2			3/04/2015	35,500	19,000		19,000	19,000	6.26	3/04/2025
BSA 2015	05/20/2015 Resolution 18	405,000	10/27/2015	80,000	65,000		65,000	65,000	3.61	10/27/2025
BSA 2015-2			1/23/2016	90,000	90,000		90,000	90,000	3.33	1/23/2026
BSA 2016	04/06/2016 Resolution 23	405,520	7/28/2016	260,000	190,000		160,000	160,000	3.16	7/28/2026
BSA 2016-2			10/25/2016	30,000	30,000	Key consultants of the company	30,000	30,000	2.61	10/25/2026
BSA 2016-3			12/21/2016	70,000	70,000	Non-employee and non-executive members of the Board of Directors	52,500	52,500	2.43	12/21/2026
BSA 2017	05/24/2017 Resolution 29	470,440	7/28/2017	340,000	300,000		300,000	300,000	4.00	7/28/2027
BSA 2018	06/19/2018 Resolution 28	360,000	7/27/2018	359,500	274,500		274,500	274,500	1.187	7/27/2028
BSA 2018-2			10/25/2018	85,000	85,000		85,000	85,000	1.017	10/25/2028
BSA 2020	06/19/2020 Resolution 31	500,000	9/17/2020	500,000	350,000		350,000	233,000	0.684	9/17/2030
BSA 2021			4/28/2021	150,000	150,000	Key consultants of the company(2)	150,000	0	0.723	4/28/2031

(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)

(2) Warrants granted to Ms. Shefali Agarwal under a consultancy agreement, prior to her appointment as a director (June 10, 2021)

Type	Date of authorization	Authorized warrants	Date of grant	Warrants granted	BSA subscribed	Beneficiaries	Warrants outstanding as of 12/31/2021 adjusted (1)	Warrants exercisable as of 12/31/2021 adjusted (1)	Subscription price per share in euros adjusted (1)	Expiration date
BSA 2021-2	6/10/2021 Resolution 19	700,000	6/11/2021	100,000	100,000	Non-employee and non-executive members of the Board of Directors	100,000	0	0.662	6/11/2031
BSA 2021-3			7/29/2021	300,000	125,000		125,000	0	0.620	7/29/2031
BSA 2021-4			10/06/2021	150,000	75,000		75,000	0	0.560	10/06/2031
TOTAL							**2,050, 376**	**1,483, 709**		

(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)

9.4.2. SUMMARY OF STOCK OPTIONS (SO) AT DECEMBER 31, 2021

Plan Designation	Date of authorization	Number of options authorized	Date of grant	Number of options granted	Beneficiaries	Outstanding options as of 12/31/2021 adjusted (1)	Options exercisable as of 12/31/2021 adjusted (1)	Subscription price per share in euros adjusted (1)	Expiration date
SO Employees 2012	05/31/2012 Resolutions 13 and 14	333,000	9/13/2012	268,000	Employees	52,321	52,321	3.75	9/13/2022
SO Executives 2012		110,000		110,000	Executives	47,090	47,090	3.75	9/13/2022
TOTAL SO 2012		**443,000**		**378,000**		**99,411**	**99,411**		
SO Employees 2013	06/26/2013 Resolution 15	283,000	9/19/2013	195,500	Employees	31,232	31,232	3.85	9/19/2023
TOTAL SO 2013		**283,000**		**195,500**		**31,232**	**31,232**		
SO Employees 2014	06/30/2014 Resolution 17	314,800	9/22/2014	138,700	Employees	9,587	9,587	6.17	9/22/2024
SO Executives 2014				40,000	Executives	15,616	15,616	6.17	9/22/2024
TOTAL SO 2014		**314,800**		**178,700**		**25,203**	**25,203**		
SO Employees 2017	05/24/2017 Resolution 26	470,440	7/28/2017	347,800	Employees	17,625	17,625	4.00	7/28/2027
SO Employees 2017-2			3/29/2018	25,000	Employees	25,000	25,000	1.48	3/29/2028
TOTAL SO 2017		**470,440**		**417,800**		**42,625**	**42,625**		
SO Employees 2018	06/19/2018 Resolution 27	970,000	7/27/2018	758,604	Employees	416,805	361,791	1.187	7/27/2028
SO Executives 2018				150,723	Executives	108,723	98,223	1.187	7/27/2028
TOTAL SO 2018		**314,800**		**178,700**		**525,528**	**460,014**		
SO Employees 2020	06/19/2020 Resolution 30	1,200, 000	9/17/2020	1,030,000	Employees	822,500	226,250	0.684	9/17/2030
SO Executives 2020				170,000	Executives	170,000	42,500	0.684	9/17/2030
TOTAL SO 2020		**314,800**		**1,200,000**		**992,500**	**268,750**		
SO Employees 2021	06/10/2021 Resolution 30	1,500, 000	9/17/2020	281,000	Employees	278,000	0	0.62	7/29/2021
SO Executives 2021			12/16/2010	60,000	Executives	60,000	0	0.62	7/29/2021
SO 2021-2				429,194	Employees & executives	429,194	429,194	0.62	7/28/2017
TOTAL SO 2021		**1,500,000**		**770,194**		**767,194**	**429,194**		
						2,483,693	**1,356,429**		

(1) Adjustment of the number and subscription price of warrants following the July 2011, July 2013 and December 2014 capital increases, 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 10 - NON-CURRENT LIABILITIES

10.1. PROVISIONS

In thousands of €	12/31/2020	Allocations	Write-offs		12/31/2021
			used	non-used	
Pension obligations	612			-5	607
Provisions	1,028		-127		901
Total non-current provisions	**1,640**		**-127**	**-5**	**1,508**

10.1.1. POST-EMPLOYMENT BENEFITS (IAS 19 REVISED)

The provision for retirement obligations amounted to 607 thousand euros compared with 612 thousand euros in 2020. This decrease results in a 43,000 euro charge to income and a 49,000 euro actuarial gain or loss recorded in other comprehensive income, in accordance with the standard.

The actuarial assumptions used were as follows:

	12/31/2021	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	12/31/2021	12/31/2020
Mortality table:	INSEE 2021	INSEE 2019
Discount rate	1.12%	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 - 4.65 % between the ages of 35 and 44 - 1.16 % between the ages of 45 and 54 - 1.16 % 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 - 0.00 % over the age of 55
Payroll tax rates	46% for Onxeo FR	

10.1.2. PROVISIONS

Provisions consist of provisions for disputes amounting to 200 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 430,000 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.

10.2. NON-CURRENT FINANCIAL DEBTS

In thousands of €	12/31/2021	12/31/2020	Change		
			Total	Impact on cash flow	No cash impact
State-Backed Loans	5,000		5,000	5,000	
Bond debt	0	2,350	-2,350		-2,350
Repayable advances	83	148	-65		-65
Subtotal	**5,083**	**2,498**	**2,585**	**5,000**	**-2,415**
Lease debts	1,428	1,780	-352		-352
TOTAL	**6,511**	**4,278**	**2,233**	**5,000**	**-2,767**

The government-backed loans (PGE) granted in February 2021 by Bpifrance and the Group's commercial banks have an initial term of one year. 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 purpose and terms of the PGEs, the value of the grant is linked to the term of the loan and the grant should be considered as a subsidy of the cost of financing the PGEs to be recognized in profit or loss on a symmetrical basis with the interest expense. The identification of a subsidy would therefore in practice have no impact on the result for the period, nor on its presentation in relation to the recognition of the PGEs at the contractual rate. For this reason, the Group has chosen to record them at the value of the cash received net of transaction costs. In addition, the Group has chosen to repay these loans over a period of 5 years starting in February 2022, the first year being a grace period during which only interest will be paid. As a result, the entire amount of the PGEs has been classified as non-current financial liabilities at December 31, 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 December 31, 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 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 shows a breakdown by maturity of non-current liabilities:

In thousands of €	12/31/2021	From 1 to 5 years	More than 5 years
State-Backed Loans	5,000	4,706	294
Repayable advances	83	83	
Lease debts	1,428	1,428	
TOTAL	**6,511**	**6,217**	**294**

10.3. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities, amounting to 4,835 thousand euros, include the debt to SpePharm related to the settlement agreement signed by the Group on February 11, 2020 for an amount of 4,829 thousand euros. This debt will be repaid in the form of a 20% share of the amounts received under the license agreements entered into by Onxeo or its subsidiaries, and the residual amount at January 31, 2024 will be paid in full at that date.

NOTE 11 - CURRENT LIABILITIES

11.1. SHORT-TERM BORROWINGS AND FINANCIAL LIABILITIES

In thousands of €	12/31/2021	12/31/2020	Change		
			Total	Impact on cash flow	No cash impact
Accrued interest and commissions	313	231	82	-9	91
Bond debt	2,558	1,091	1,467	-960	2,427
Repayable advances	82	180	-98	-163	65
Subtotal	**2,953**	**1,502**	**1,451**	**1,132**	**2,583**
Lease debts	471	477	-6	-487	481
TOTAL	**3,424**	**1,979**	**1,445**	**-1,619**	**3,064**

11.2. TRADE PAYABLES AND RELATED ACCOUNTS

No discounting has been applied insofar as trade payables are not older than one year.

In thousands of €	12/31/2021	12/31/2020
Trade payables and related accounts	2,832	2,762

The change in this item over the year is linked to the development of activities during the year, particularly in the area of R&D.

The Company conducts preclinical and clinical research and contracts with external partners who assist Onxeo in its studies. In the case of clinical trials, research expenses corresponding to services rendered and provisioned at the balance sheet date are determined based on management's estimates of costs that have not yet been invoiced per patient. These estimates are based on information provided by the contracted investigating centers (hospitals) and cost analyses performed by management.

11.3. OTHER CURRENT LIABILITIES

In thousands of €	12/31/2021	12/31/2020
Social security liabilities	593	811
Tax liabilities	214	472
Other liabilities	0	23
Total	**807**	**1,306**

The change in social security liabilities is mainly due to the reduction in variable compensation for the year 2021.

The decrease in tax liabilities is due to the payment during the year of a tax for the year 2020 by the Danish establishment of Onxeo S.A., in the amount of 329 thousand euros.

NOTE 12 - FINANCIAL INSTRUMENTS

The carrying amount of financial instruments by category under IFRS 9 is detailed as follows:

- **As of 1/1/2021:**

In thousands of €	Balance sheet value	Of which non-financial assets and liabilities	Of which financial assets and liabilities			Total financial assets and liabilities
			Loans and receivables/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Lease debt	
Other financial fixed assets	233		123	110		233
Trade receivables and related accounts	6,654		6,654			6,654
Other receivables	2,000		2,000			2,000
Cash and cash equivalents	14,523		14,523			14,523
Total Financial Assets	**23,410**		**23,300**	**110**		**23,410**
Other non-current financial liabilities	4,278		2,498		1,780	4,278
Other non-current liabilities	5,089		5,089			5,089
Short-term borrowings and financial liabilities	1,979		1,502		477	1,979
Trade payables and related accounts	2,762		2,762			2,762
Other liabilities	1,306		1,306			1,306
Total Financial Liabilities	**15,414**		**13,157**		**2,257**	**15,414**

- **As of 12/31/2021:**

In thousands of €	Balance sheet value	Of which non-financial assets and liabilities	Of which financial assets and liabilities			Total financial assets and liabilities
			Loans and receivables/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Lease debt	
Other financial fixed assets	162		125	37		162
Trade receivables and related accounts	8,526		8,526			8,526
Other receivables	3,721		3,721			3,721
Cash and cash equivalents	17,887		17,887			17,887
Total Financial Assets	**30,295**		**30,258**	**37**		**30,295**
Other non-current financial liabilities	6,510		5,083		1,428	6,510
Other non-current liabilities	4,835		4,835			4,835
Short-term borrowings and financial liabilities	3,424		2,953		471	3,424
Trade payables and related accounts	2,832		2,832			2,832
Other current liabilities	807		807			807
Total Financial Liabilities	**18,409**		**16,510**		**1,899**	**18,409**

Note: financial assets at fair value through profit or loss relate to cash held under the liquidity contract

Breakdown of financial assets and liabilities at fair value:

The table below presents the financial instruments at fair value broken down by level:

- Level 1: financial instruments listed on an active market

- Level 2: financial instruments whose fair value is measured by comparisons with observable market transactions in similar instruments or based on a valuation method whose variables include only observable market data.
- Level 3: financial instruments whose fair value is determined in whole or in part using a valuation method based on an estimate that is not based on prices from market transactions in similar instruments.

	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss		37	
Total Financial Assets		**37**	
Derivatives at fair value through profit or loss			
Total Financial liabilities			

NOTE 13 - OPERATING INCOME AND EXPENSES

13.1. REVENUES

In thousands of €	12/31/2021	12/31/2020
Recurring revenues from licensing agreements	233	1,077
Non-recurring revenues from licensing agreements	3,829	699
Total revenues	**4,062**	**1,776**

Non-recurring revenues mainly comprise flat-rate royalties due from Biogen under a licensing agreement for a non-strategic product.

Recurring revenues correspond to royalties on sales received by the Group under the agreement with Biogen. The change from 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 from Beleodaq in 2021, given that the amount of 1,077, 000 euros in 2020 corresponded to revenue from this product in 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 product categories:

In thousands of €	12/31/2021	12/31/2020
Oncology products	4,062	1,083
Other Products [(1)]	0	693
Total	**4,062**	**1,776**
France	0	302
Others Europe	0	143
Rest of the world	4,062	1,331
Total	**4,062**	**1,776**

(1) These products based on the Lauriad technology were either divested (Loramyc and Sitavig) or licensed worldwide (Validive) during 2017

The 2021 revenue comes exclusively from the United States.

13.2. PERSONNEL EXPENSES

Personnel expenses are broken down as follows:

In thousands of €	12/31/2021	12/31/2020
Salaries	3,017	3,358
Charges	1,172	1,273
Employee benefits (IFRS 2)	224	79
Imputed Research Tax Credit	-429	-445
Total personnel expenses	**3,984**	**4,265**
Average headcount (employees and corporate officers)	24	25

13.3. EXTERNAL EXPENSES

External expenses are composed of the following items:

In thousands of €	12/31/2021	12/31/2020
R&D costs	3,054	2,107
Imputed Research Tax Credit	-1,273	-643
General and administrative expenses	2,338	2,418
Total	**4,119**	**3,882**

The change in external expenses is mainly due to R&D activities, focused in 2021 on the clinical development of AsiDNA and on the optimization and preclinical development of OX400 family compounds.

13.4. 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 2020, which led to the recognition of the following amounts:

- Net proceeds of 5,686,000 euros from the transaction,
- An expense of 2,769,000 euros corresponding to the net book value of R&D assets related to Beleodaq,
- Proceeds of 7,060,000 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 14 - FINANCIAL INCOME/LOSS

In thousands of €	12/31/2021	Impact on cash flow	No cash impact	12/31/2020
Income from cash and cash equivalents	8	7	1	1
Cost of financial debt	-848	-767	-81	-959
Cost of net financial debt	**-840**	**-760**	**-80**	**-958**
Other financial income	513		513	1,006
Other financial expenses	-366		-366	-395
Financial income/loss	**-693**	**-760**	**67**	**-347**

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

The other financial income comes from the valuation at fair value of the bond loan with SWK (182 thousand euros), as well as the positive impact of the revaluation of the discounted amount of the future receivable from Acrotech, linked to Beleodaq (265 thousand euros). The other financial expenses correspond mainly to net exchange losses on the bond loan with SWK.

NOTE 15 - TAX

The tax income of 58 thousand euros recognized at December 31, 2021 corresponds to the following items:

- A reversal of the Danish deferred tax of 211 thousand euros, as a consequence of the revaluation of the future profits of the Onxeo DK establishment linked to the royalties on the sales of the product Beleodaq that the Group expects to receive after December 31, 2021, and with which it will repay the balance of the SWK loan.
- A tax charge of 311 thousand euros recorded by the subsidiary Topotarget Switzerland, holder of the assets licensed to Biogen, as a consequence of the licensing revenues recognized during the year.

At December 31, 2021, the Onxeo Group had French tax loss carryforwards of 304 million euros. No deferred tax asset has been recognized as the company is not in a position to recover this tax asset in the short term.

The reconciliation between tax expense and accounting income is presented below:

In thousands of €	12/31/2021
Results of integrated companies	-5,937
Reintegration of income taxes, amortization and provisions for goodwill and income from companies accounted for by the equity method	100
Income before income tax, goodwill amortization and provisions, and income from companies accounted for by the equity method	-5,837
Theoretical tax at the rate of the consolidating entity	**1,547**
Effects of base differences	-1,739
Effects of rate differences	883
Effects of special tax provisions	1,745
Manual entries on Tax	-2,536
Theoretical tax expense	**-100**
Actual tax expense	**-100**
Effective tax rate	**N/A**

NOTE 16 - EARNINGS PER SHARE

In thousands of €	12/31/2021	12/31/2020
Net income attributable to common shareholders	-5,937	1,089
Number of shares issued	91,994,935	78,317,810
Number of treasury shares	429,850	272,438
Number of shares outstanding (excluding treasury shares)	**91,565,085**	**78,045, 372**
Stock options	2,483,693	2,735, 364
Share subscription warrants	2,050,376	1,600, 376
Number of issued and potential shares (excluding treasury shares)	**96,099,154**	**82,381, 112**
Weighted average number of shares outstanding (excluding treasury shares)	88,210,306	72,675, 204
Net income per share in euros	**-0.07**	**0.01**
Potentially dilutive securities resulting from the exercise of options and warrants	3,444,722	2,698, 248
Weighted average number of outstanding and potential shares (excluding treasury shares)	91,655,028	75,373, 452
Net diluted earnings per share in euros	**-0.07**	**0.01**

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

NOTE 17 - OFF-BALANCE SHEET COMMITMENTS

17.1. OFF-BALANCE SHEET COMMITMENTS RELATED TO THE COMPANY'S OPERATING ACTIVITIES

None.

17.2. OFF-BALANCE SHEET COMMITMENTS RELATED TO THE COMPANY'S FINANCING

None.

17.3. OTHER COMMITMENTS RELATED TO COMPANIES IN THE SCOPE OF CONSOLIDATION

The subsidiary Topotarget Switzerland holds patents licensed to and developed by third parties. These contracts provide for the payment of royalties linked to stages of product development.

NOTE 18 - COMPENSATION OF CORPORATE OFFICERS

The table below summarizes the compensation recorded as of December 31, 2021 for the Chief Executive Officer (non-employee corporate officer) and for the members of the Board of Directors (non-employee).

In thousands of €	12/31/2021	12/31/2020
Short-term benefits (fixed/variable/exceptional)	497	511
Post-employment benefits	172	187
Long-term benefits	0	0
Share-based payments	44	27
Benefits in kind	0	0
Compensation for breach of employment contract	0	0
Remuneration allocated to directors (excluding CEO)	196	133
Fees (regulated agreement)	56	0
Total	**965**	**858**

NOTE 19 - RELATED PARTIES

With reference to paragraph 9 of IAS 24, the parties related to Onxeo SA are

- Financière de la Montagne which, as a shareholder of the Company with 16.1% of the capital as of December 31, 2021 and as a member of the Board of Directors, is considered to exercise significant influence over the Company.
- Invus public Equities which, as a shareholder of the Company with 15.3% of the capital as of December 31, 2021 and as a member of the Board of Directors, is considered to exercise significant influence over the Company.
- Board Chair Shefali Agarwal as one of the principal executives presenting the financial statements. On April 28, 2021, Ms. Agarwal signed a consultancy agreement with the Company for the clinical development of AsiDNA in view of her particular expertise, notably in the field of tumor DNA repair. She received an amount of 48 thousand euros during the fiscal year 2021
- Robert Coleman, a director of the Company, will sign a consulting agreement with the Company on October 6, 2021 for the clinical development of AsiDNA in view of his particular expertise in this field in the United States. He received an amount of 9 thousand euros during the fiscal year 2021

NOTE 20 - INTRA-GROUP TRANSACTIONS

Transactions between the parent company and other Group companies are summarized in gross value in the following table:

In thousands of €	12/31/2021	12/31/2020
Assets	76,437	74,996
Liabilities	6,271	5,468
Revenues	43	9
Charges	899	1,229

NOTE 21 - AUDITORS' FEES

The fees paid by the Company to Onxeo's auditors were as follows:

	Grant Thornton				Ernst & Young			
In thousands of €	Amount		%		Amount		%	
	2021	2020	2021	2020	2021	2020	2021	2020
Audit, statutory audit, certification, review of accounts under French and IFRS standards								
Issuer	90	110	82%	92%	86	119	81%	94%
Fully consolidated subsidiary								
Services other than certification of accounts	20	9	18%	8%	20	8	19%	6%
Subtotal	110	119	100%	100%	106	127	100%	100%
Other services provided by the networks to fully consolidated subsidiaries								
Subtotal								
Total	**110**	**119**	**100%**	**100%**	**106**	**127**	**100%**	**100%**

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

GRANT THORNTON
French member of Grant Thornton International
29, rue du Pont - CS 20070
92200 Neuilly-sur-Seine
S.A.S. with a capital of € 2, 297,184
632 013 843 R.C.S. Nanterre

Statutory Auditor
Member of the Versailles
and Centre regional company

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

Statutory Auditor
Member of the Versailles
and Centre regional company

Onxeo

Year ended 31 December 2021

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

Statutory Auditors' report on the consolidated financial statements

To the General Meeting of Shareholders of Onxeo,

Opinion

In compliance with the engagement entrusted to us by your general meeting of shareholders, we have audited the accompanying consolidated financial statements of Onxeo for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

■ Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2021 to the date of our report.

Justification of Assessments

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

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

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

With regard to the intangible assets relating to R&D and goodwill, as stated in Note 3.5 "Intangible assets" to the consolidated financial statements, the valuation used as a reference for the impairment tests corresponds to the recoverable value, which is the higher of the fair value net of disposal costs or the value in use. We examined the conditions for implementation of the impairment tests and the data used by the Group's Management. We verified that Note 5 "Intangible assets" provides appropriate information on this matter.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by the laws and regulations of the information relating to the Group given in the Board of Director's Group management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The consolidated financial statements were approved by the Board of Directors.

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

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

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

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

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

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

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

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

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

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur-Seine et Paris-La Défense, 28 April 2022

The Statutory Auditors

(French original signed by)

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