



Public limited company with a capital of 22 998 733,75 euros
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FINANCIAL STATEMENTS AT 31/12/2021

PREPARED ACCORDING TO FRENCH STANDARDS

SUMMARY

BALANCE SHEET	5
BALANCE SHEET ASSETS	5
BALANCE SHEET LIABILITIES	6
INCOME STATEMENT	7
INCOME STATEMENT (PART 1)	7
INCOME STATEMENT (PART 2)	8
ACCOUNTING METHODS AND RULES	9
1 ACCOUNTING PRINCIPLES AND METHODS	9
1.1 Intangible fixed assets	9
1.2 Tangible assets	10
1.3 Financial fixed assets.....	10
1.4 Stocks and work in progress.....	10
1.5 Receivables and payables.....	10
1.6 Marketable securities.....	10
1.7 Liquid assets	10
1.8 Provisions for liabilities and charges	10
1.9 Licensing Agreements	11
1.10 Grants	11
2 SIGNIFICANT EVENTS THAT OCCURRED DURING THE FINANCIAL YEAR	11
2.1. R&D programs	11
2.2 Funding.....	12
2.3. Impacts of the health crisis	13
2.4 Events after December 31, 2021	13
3 NOTES TO THE BALANCE SHEET	14
3.1 Intangible fixed assets	14
3.2 Tangible assets	15
3.3 Financial fixed assets.....	15
3.4 Trade receivables.....	15
3.5 Other receivables	15
3.6 Cash position	16
3.7 Prepaid expenses	16
3.8 Shareholders' equity	16
3.9 Other equity	16
3.10. Provisions for liabilities and charges	16
3.11. Other debenture loans.....	17
3.12. Trade payables.....	17
3.13. Tax and social security liabilities.....	17
3.14. Other liabilities	17
4 NOTES ON THE RESULT	17
4.1 Revenues	17
4.2 License fees	17
4.3 Other operating income	17
4.4 External expenses.....	18
4.5 Personnel expenses.....	18
4.6 Financial income/loss	18
4.7 Extraordinary result.....	18
4.8 Income taxes	18

5 OFF-BALANCE SHEET COMMITMENTS	18
5.1 Pension obligations	18
5.2 Leasing commitments	18
6 COMPENSATION OF CORPORATE OFFICERS.....	19
7 RELATED PARTIES.....	19
8 INTRA-GROUP TRANSACTIONS.....	19
<u>APPENDIX TABLES</u>	<u>20</u>
FIXED ASSETS	20
AMORTIZATION TABLE.....	21
TABLE OF PROVISIONS.....	22
RECEIVABLES.....	23
LIABILITIES	23
ACCRUED INCOME	24
ACCRUED EXPENSES	24
TABLE OF CHANGES IN SHAREHOLDERS' EQUITY.....	25
LEASING.....	25
AVERAGE HEADCOUNT	26
RELATED COMPANIES AND SHAREHOLDINGS	26
TABLE OF SUBSIDIARIES AND AFFILIATES (IN THOUSANDS OF EUROS).....	27

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 which paid in:	Of 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

<i>In thousands of euros</i>	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 16.7% 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 16.7% 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.

<i>In million Euros</i>	
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 beginning 2021	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