

This report was prepared in order to comply with the Belgian Royal Decree of November 14, 2007. You can also find this information on the website of Oxurion (www.oxurion.com) in the Investor Information section.

Oxurion published its Interim Financial Report in Dutch. In the case of differences of interpretation between the English and the Dutch versions of the Report, the original Dutch version prevails.

Interim Financial Report
Half-year results as at June 30, 2020

Consolidated key figures as at June 30, 2020

Unaudited consolidated statement of financial position

In '000 euro (as at)	30-Jun-20	31-Dec-19
Non-current assets	8,032	8,015
Current assets	40,506	57,015
Total assets	48,538	65,030
Total equity	40,284	53,306
Non-current liabilities	926	1,335
Current liabilities	7,328	10,389
Total equity and liabilities	48,538	65,030

Unaudited consolidated statement of profit and loss

In '000 euro (for the period ended on June 30)	2020	2019
Income	1,259	1,807
Operating result	-13,230	-33,365
Finance income	50	236
Finance expense	-139	-175
Result before income tax	-13,319	-33,304
Income tax expense	0	-7
Loss for the period	-13,319	-33,311
Result per share		
Basic earnings/(loss) per share (euro)	-0.35	-0.87
Diluted earnings/(loss) per share (euro)	-0.35	-0.87

A full analysis of the interim financial statements, prepared in accordance with IAS 34, as declared applicable by the European Union, is included under the section "Condensed consolidated interim financial statements".

These statements were submitted to a review by the statutory auditor.

Highlights

- Focused on developing a diabetic macular edema (DME) franchise based on novel therapeutics with the potential to improve vision for all DME patients
- DME franchise based on two innovative drug candidates, THR-149 and THR-687 with different and complementary, non-VEGF modes of action
- Patient dosed in Phase 2 ('KALAHARI') study evaluating multiple injections of THR-149, a potent plasma kallikrein inhibitor, for the treatment of DME
- Positive data from Phase 1 study evaluating THR-687, a pan-RGD integrin antagonist, for the treatment of DME was received in January 2020
- Preparations for Phase 2 study with THR-687 in DME are progressing as planned. Study expected to start by mid-2021
- In August, Oxurion has appointed Grace Chang, M.D., Ph.D. as Chief Medical Officer to lead the company's clinical programs for THR-149 and THR-687
- At the end of June 2020, Oxurion had cash, cash equivalents & investments of €37.9 million. This compares to €52.9 million at the end of December 2019

Condensed consolidated interim financial statements

Unaudited consolidated statement of profit and loss

In '000 euro (for the period ended on June 30)	2020	2019
Income	1,259	1,807
Sales	1,249	1,804
Income from royalties	10	3
Cost of sales	-315	-1,224
Gross profit	944	583
Research and development expenses	-9,905	-12,040
General and administrative expenses	-2,745	-3,329
Selling expenses	-1,774	-3,408
Other operating income	250	1,720
Impairment losses	0	-16,891
Operating result	-13,230	-33,365
Finance income	50	236
Finance expense	-139	-175
Result before income tax	-13,319	-33,304
Taxes	0	-7
Loss for the period	-13,319	-33,311
Attributable to:		
Equity holders of the company	-13,139	-33,317
Non-controlling interest	-180	6
Result per share		
Basic earnings/(loss) per share (euro)	-0.35	-0.87
Diluted earnings/(loss) per share (euro)	-0.35	-0.87

Unaudited consolidated statements of other comprehensive income

In '000 euro (for the period ended on June 30)	2020	2019
Loss for the period	-13,319	-33,311
Exchange differences on translation of foreign operations	48	29
Other comprehensive income, net of income tax	48	29
Other comprehensive income that will not be reclassified to profit or loss	48	29
Total comprehensive income for the period	-13,271	-33,282
Attributable to:		
Equity holders of the company	-13,091	-33,288
Non-controlling interest	-180	6

Unaudited consolidated statement of financial position

In '000 euro (as at)	30-Jun-20	31-Dec-19
ASSETS		
Property, plant and equipment		
Property, plant and equipment	299	340
Right-of-use assets	1,783	2,212
Intangible assets	2,252	1,982
Other non-current assets	96	96
Non-current tax credit	3,602	3,385
Non-current assets	8,032	8,015
Inventories	20	20
Trade and other receivables	2,354	3,592
Current tax receivables	274	467
Investments	10,349	10,444
Cash and cash equivalents	27,509	42,492
Current assets	40,506	57,015
Total assets	48,538	65,030
EQUITY AND LIABILITIES		
Share capital	100,644	100,644
Share premium	0	0
Cumulative translation differences	-567	-615
Other reserves	-11,873	-12,122
Retained earnings	-47,886	-34,747
Equity attributable to equity holders of the company	40,318	53,160
Non-controlling interest	-34	146
Total equity	40,284	53,306
Lease liabilities	926	1,335
Non-current liabilities	926	1,335
Trade payables	2,581	4,725
Lease liabilities	883	898
Other short-term liabilities	3,864	4,766
Current liabilities	7,328	10,389
Total equity and liabilities	48,538	65,030

Unaudited consolidated statement of cash flows

In '000 euro (for the period ended on June 30)	2020	2019
Cash flows from operating activities		
Loss for the period	-13,319	-33,311
Finance expense	139	175
Finance income	-50	-236
Depreciation of property, plant and equipment	585	600
Amortization and impairment of intangible assets	0	18,468
Equity settled share-based payment transactions	249	257
Decrease in trade and other receivables including tax receivables and inventories	1,214	1,036
Decrease in short-term liabilities	-3,061	-4,140
Net cash flows used (-)/ generated in operating activities	-14,243	-17,151
Cash flows from investing activities		
Disposal of property, plant and equipment (following a sale)	22	14
Decrease / increase (-) in investments	95	0
Interest received and similar income	0	44
Purchase of property, plant and equipment	-92	-73
Net cash flows used (-) / generated in investing activities	-245	-15
Cash flows from financing activities		
Principal paid on lease liabilities	-454	-407
Interest paid on lease liabilities	-9	-13
Paid interests	-5	-4
Net cash flows used (-) / generated in financing activities	-468	-424
Net change in cash and cash equivalents	-14,956	-17,590
Net cash and cash equivalents at the beginning of the period	42,492	64,652
Effect of exchange rate fluctuations	-27	63
Net cash and cash equivalents at the end of the period	27,509	47,125

Unaudited consolidated statement of changes in equity

	Share capital	Share premium	Cumulative translation differences	Other reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
As at January 1, 2019	137,564	13	-273	-12,563	-19,853	104,888	422	105,310
Loss for the period 2019	0	0	0	0	-33,317	-33,317	6	-33,311
Change to foreign currency translation difference and revaluation reserve	0	0	29	0	0	29	0	29
Share-based payment transactions	0	0	0	256	0	256	0	256
As at June 30, 2019	137,564	13	-244	-12,307	-53,170	71,856	428	72,284
As at January 1, 2020	100,644	0	-615	-12,122	-34,747	53,160	146	53,306
Loss for the period 2020		0	0	0	-13,139	-13,139	-180	-13,319
Change to foreign currency translation difference and revaluation reserve		0	48	0	0	48	0	48
Share-based payment transactions		0	0	249	0	249	0	249
As at June 30, 2020	100,644	0	-567	-11,873	-47,886	40,318	-34	40,284

Statutory auditor's report to the Board of Directors of Oxurion NV on the review of consolidated interim financial information for the six-month period ended June 30, 2020

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Oxurion NV as of 30 June 2020 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, 17 September 2020

BDO Bedrijfsrevisoren / BDO Réviseurs d'Entreprises SCRL
Statutory auditor
Represented by Gert Claes

Notes to the unaudited condensed consolidated interim financial statements for the first six months of 2020

1. Summary of significant accounting policies and main accounting estimates and assessments

1.1. Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with IAS 34, (Interim Financial Reporting) as adopted by the European Union.

These condensed interim consolidated financial statements of Oxurion for the six months ended June 30, 2020 (the 'interim period') include Oxurion NV and its subsidiaries ThromboGenics, Inc. and Oncurious NV, which together constitute the Oxurion Group (referred to as the "Group").

The condensed consolidated interim financial information does not include all the necessary information for preparing financial statements for a full accounting year and therefore should be read in conjunction with the annual financial statements of the group for the year ended December 31, 2019.

The condensed consolidated interim financial information of the Group was subject to a review by our statutory auditor but have not been audited.

The principal risks are reviewed on a yearly base and for this interim period the risks have not materially changed from those mentioned in the financial report as of December 31, 2019 except for impact of the Covid-19 crisis. A full section is devoted to that situation in this Half Year report.

All statements and information relate to the interim period unless otherwise stated.

The consolidated financial statements are presented in euro and all values are rounded to the nearest thousand except where otherwise indicated.

1.2. Changes in accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended December 31, 2019, except for the potential impact of the adoption of the Standards and Interpretations described below.

New Standards, Interpretations and Amendments adopted by the Group

During the current financial period, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted by the European Union and effective for the accounting year starting on January 1, 2020. The Group has not applied any new IFRS requirements that are not yet effective as of June 30, 2020.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC as adopted by the European Union are effective for the financial period and adopted by the Group:

- IFRS 3 Business Combinations – Amendments to clarify the definition of a business (October 2018)
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform (September 2019)
- IAS 1 Presentation of Financial Statements – Amendments regarding the definition of material (October 2018)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (October 2018)
- Amendments to References to the Conceptual Framework in IFRS Standards (March 2018)

The adoption of these new standards and amendments has not led to major changes in the Group's accounting policies.

Standards and Interpretations issued but not yet effective in the current period

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued by the IASB and the IFRIC but are not yet effective as of June 30, 2020 and/or not yet adopted by the European Union as of June 30, 2020 and for which the impact might be relevant.

- Annual improvements to IFRSs 2018-2020 Cycle (May 2020) *
- IFRS 3 Business Combinations – Amendments updating a reference to the Conceptual Framework (May 2020) *
- IFRS 4 Insurance Contracts – Amendments regarding the expiry date of the deferral approach (June 2020) *
- IFRS 16 Leases - Amendment to provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification (May 2020) *
- IFRS 17 Insurance Contracts (Original issue May 2017) *
- IFRS 17 Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023) (June 2020) *
- IAS 1 Presentation of Financial Statements – Amendments regarding the classification of liabilities (January 2020) *
- IAS 16 Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (May 2020) *
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (May 2020) *

* Not yet endorsed by the EU as of June 30, 2020

None of the other new standards, interpretations and amendments, which are effective for periods beginning after January 1, 2020 which have been issued by the IASB and the IFRIC but are not yet effective as per June 30, 2020 and/or not yet adopted by the European Union as of June 30, 2020, are expected to have a material effect on the Group's future financial statements.

1.3. Main accounting estimates and assessments

Preparing condensed consolidated interim financial statements in accordance with IFRS obliges the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the notes on the latent assets and liabilities on the date of the condensed consolidated interim financial statements, and the reported amounts of income and costs during the reporting period. If in the future such estimates and assumptions, which are based on management's best estimates and judgment at the time of drawing up the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified, and the effects of the revisions will be reflected in the period in which the circumstances change.

For information regarding our main accounting estimates and assessments, please see Note 5.5.4. to our 2019 consolidated financial statements included in our Annual Report.

2. Comments to the financial statement of profit and loss

Revenues

During the first six months of 2020, Oxurion booked €1.3 million JETREA® revenues. This compared to €1.8 million for the same period in 2019. The decrease is mainly due to discontinuation of commercial support for JETREA® in the US and the impact of Covid-19.

Results

For the first half of 2020, the group reported a gross profit of €0.9 million, compared to a gross profit of €0.6 million for the same period in 2019.

Oxurion's R&D expenses were €10.0 million during the first half year of 2020. In the same period of 2019, the R&D expenses were €12.0 million. Investment in trials for THR-149 and THR-687 increased by €1.7 million compared to same period in 2019 but are over-compensated by 3.6 million reduction in costs related to halted THR-317 activities and reduced activities related to JETREA®.

Selling and marketing expenses amounted to €1.8 million compared to €3.4 million in the corresponding period of 2019. The decrease is linked to the discontinuation of commercial support for JETREA® in the US.

General and administrative expenses were €2.7 million. This compares to €3.3 million in the first half of 2019.

For the first half of 2020, Oxurion reported a net loss of €13.3 million (or €-0.35 per share). For the same period in 2019, a net loss of €33.3 million was reported, composed of €16.9 million remaining JETREA® intangible asset write-off and €16.4 million loss.

3. Cash, cash equivalents and investments position

As of June 30, 2020, Oxurion's cash position amounted to €37.9 million, compared to €52.9 million at the end of 2019. For both periods, an investment of €10.0 million in term accounts and €0.4 million in other bonds is included in that position.

4. Financial instruments

Fair Values

There is no significant difference between the fair value and carrying amount of the Group's cash and cash equivalents, investments, trade and other receivables, other current assets, trade payables and other current liabilities. The carrying amount of cash and cash equivalents and investments is equal to their fair value, given the short-term maturity of these financial instruments. Similarly, the carrying amounts of receivables and payables, which are all subject to normal trade credit terms, are equivalent to their fair values. Investments in bonds are measured at fair value based on quoted market prices. The fair value movements are recorded in OCI.

The investments are reported at fair value as per June 30, 2020 and December 31, 2019. The carrying value of the financial liabilities and other financial assets measured at amortized cost as per June 30, 2020 and December 31, 2019 approximate their fair value.

5. Covid-19 impact

a) Mitigation measures

Personnel

The Group has placed priority on the health of its employees and their capacity to continue working.

As the Group's premises are not of such size that could guarantee social distancing, during confinement 100% of personnel were working from home, except staff working on ongoing trials in labs where this could be done following the safety protocols. Lab personnel who were about to start trials were put on temporary employment during April and May to allow for social distancing in the labs.

As from the end of confinement and to respect distancing at the workplace, each employee may come to the office for a limited number of days each week leaving enough distancing space for other employees on the other days. Measures imposing circulation routes and restrictions on the number of employees present in meeting rooms were put in place in order to ensure social distancing for staff present in the office.

Operations

At start of Covid-19 crisis, Oxurion was preparing the launch of two Phase 2 clinical trials. In agreement with our third-party Clinical Research Organisation, preparation work was shifted from the sequential activation of clinical trial centers to bringing more clinical trials in administrative readiness status faster, allowing faster activation of clinical trial centers when Covid-19 situation would allow. By this approach Oxurion was able to avoid a major delay in starting THR-149 Phase 2.

The start of THR-687 Phase 2 study will incur a few months delay due to Covid-19. The study results expected in 2023 are estimated not to be materially delayed.

b) Special transactions (relief & support measures)

In line with the impact of Covid-19 outlined above, Oxurion utilized the relief and support measures proposed by the Belgian Authorities in the following manner:

- laboratory personnel was put on temporary unemployment receiving unemployment benefits offered by the state
- The working days of other employees were reduced from 100% to 80% with Covid unemployment compensation offered by the Belgian measures.
- Contractors have voluntarily followed the same 20% reduction of working hours.
- Directors have agreed to a reduction of 20% of their compensation.

The above measure lasted from mid April to end of June.

c) Ability to continue as a going concern

Oxurion is a development stage Biotech company and as such is utilizing cash. The Covid-19 situation, the minor delays in starting two phase 2 studies and savings in personnel costs have contributed to reducing the cash utilization and with a cash position of €37.9 million at HY 2020, Oxurion should be able to continue its activities until half 2021.

Although Covid-19's impact on investors' willingness to invest in risk-related assets remain uncertain, Oxurion continues its discussions with potential investors and banks to ensure funding of its future operations.

d) Impact on carrying amount of assets

Oxurion's assets are mainly related to compounds in the process or waiting for clinical trials to start.

The delays outlined above were factored into our value in use models and there are no signs for a need of impairment at HY 2020.

e) Impact on strategic orientation

Oxurion's strategy is unchanged as a result of Covid-19. Its structure has been adapted to in the coming years develop treatments for Diabetic Macular Edema (DME).

f) Tax assets

In the Group's view, Covid-19 will not influence the company's recovery of loss carryforwards and the tax credit for R&D, which are the most important tax assets of the company. It is the success in development of its compounds that will generate value eventually enabling the Group to benefit from deduction of carry forward losses and the tax credit refund.

g) Contingent assets and liabilities

No specific contingent assets and liabilities are to be linked to the Covid-19 situation.

6. Transactions with Related Parties

In the first 6 months of 2020, an amount of €218.5 thousand was paid to the executive director. A variable bonus amount of €38.3 thousand was accrued for.

No other transactions with related parties were made during the first 6 months of 2020 which have a material impact on the financial position and results of the Group. There were also no changes to related party transactions disclosed in the Annual Report 2019 that potentially had a material impact to the financial figures of the first 6 months of 2020.

7. Events occurring after the reporting period

Oxurion entered the first patient in a Phase 2 study with THR-149 in August 2020. The Bicycle collaboration agreement provides for a milestone payment of €2.0 million for achieving this milestone.

At the Extraordinary Shareholders Meeting of 24th August 2020, a capital decrease by the incorporation of 50.198.374,38 EUR in accumulated losses at 31st December 2019 was approved, making the share capital 60.858.557,62 EUR without a reduction in the number of shares. At the same Extraordinary Shareholders Meeting, a second capital decrease of 5.532.596,62 EUR was approved in the form of a reserve specifically dedicated to the absorption of losses subsequent to 31st December 2019, bringing the share capital to 55.325.961,00 EUR without a reduction in the number of shares.

8. Segment reporting

The segment information is represented in a consistent manner regarding the internal reporting to the chief operating decision maker of the entity, i.e. the institution which takes the most important decisions, enabling it to make the decision to allocate resources to the segment and evaluate financial performance of the segment. At this moment, reporting is being done at global level within Oxurion.

The Global Selling, R&D, and General and Admin functions are located in Leuven, Belgium representing approximately 95% of the operating result. In that context, the activities of the company do not lead to the need for geographic information.

100% of intangible assets and almost all non-current assets, (85%), are located in Belgium.

Oxurion is an integrated biotechnology company with focus on diseases related to the retina. Our molecules, Ocriplasmin on the market with brand name JETREA®, THR-149 (the Plasma-Kallikrein inhibitor) in clinical Phase 2, THR-687 (the Integrin antagonist (expected start of Phase 2 first half 2021)) as well as our pre-clinical compounds all target diseases of the retina. These molecules represent more than 95% of the income and expenses of the company. As a consequence, the consolidated statement of profit and loss and of financial position are a valid representation of its unique business unit.

9. General information

Oxurion NV, a limited liability company (in Dutch: naamloze vennootschap), was incorporated on May 30, 2006 as ThromboGenics NV which, effective as of September 10, 2018, became Oxurion NV following shareholders' approval at the extraordinary shareholders' meeting held on September 3, 2018.

The registered office is established at:

Gaston Geenslaan 1

3001 Leuven

Belgium

Tel: +32 (0)16 751 310

Fax: +32 (0)16 751 311

The company is registered in the Crossroads Databank for Enterprises under enterprise number 0881.620.924.

Declaration of responsible persons

Patrik De Haes, Chief Executive Officer and Dominique Vanfleteren, Chief Financial Officer of Oxurion declare that, to the best of their knowledge and belief:

- The condensed consolidated interim financial statements, made up according to the applicable standards for financial statements, give a true and fair view of the equity, financial position and the results of the Company and its consolidated companies.
- This interim report represents a true and fair view of the development and the results of the company for the first 6 months of the year, and of the principal risks and uncertainties for the second half year and of the transactions with related parties.